

CAYMAN ISLANDS
LEGISLATIVE ASSEMBLY

OFFICIAL HANSARD REPORT
ELECTRONIC VERSION

2003/2004 SESSION

(7 March 2003—16 June 2004)

Hon. Juliana Y. O'Connor-Connolly, JP,
Speaker
(7 March – 10 October 2003)

Hon. Linford A. Pierson, OBE, JP
Speaker
(10 October 2003 – 16 June 2004)

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OFFICIAL MEMBERS AND MINISTERS OF THE LEGISLATIVE ASSEMBLY

7 MARCH 2003 — 10 October 2003

***Hon. Juliana Y. O'Connor-Connolly, JP, Speaker**

Hon. James M. Ryan, MBE, JP
First Official Member responsible for Internal and External Affairs

Hon. Samuel W. Bulgin
Second Official Member responsible for Legal Administration

Hon. George A. McCarthy, OBE, JP
Third Official Member responsible for Finance and Economics

Hon. W. McKeeva Bush, OBE, JP
Leader of Government Business
Ministry of Tourism, Environment, Development and Commerce

***Hon. Linford A. Pierson, OBE, JP**
Deputy Leader of Government Business
Ministry of Planning, Communications, Works and Information Technology

Hon. Roy Bodden, JP
Ministry of Education, Human Resources and Culture

Dr. the Hon. Frank S. McField
Minister of Community Services, Gender Affairs, Youth and Sports

Hon. Gilbert A. McLean
Ministry of Health Services, Agriculture, Aviation and District Administration

ELECTED MEMBERS OF THE LEGISLATIVE ASSEMBLY

7 March 2003 — 10 October 2003

Hon. D. Kurt Tibbetts, JP
Leader of the Opposition
First Elected Member for the Electoral District of George Town

Mr. Alden M. McLaughlin, Jr.
Second Elected Member for the Electoral District of George Town

Mr. Rolston M. Anglin
Second Elected Member for the Electoral District of West Bay

Capt. A. Eugene Ebanks
Third Elected Member for the Electoral District of West Bay

Mr. Cline A. Glidden, Jr.
Deputy Speaker
Fourth Elected Member for the Electoral District of West Bay

Mr. Anthony S. Eden, OBE, JP
Third Elected Member for the Electoral District of Bodden Town

Mr. Lyndon L. Martin
Second Elected Member for the Electoral District of Cayman Brac and Little Cayman

Mr. V. Arden McLean
Elected Member for the Electoral District of East End

Ms. Edna M. Moyle, JP
Elected Member for the Electoral District of North Side

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Elected Member for the Electoral District of North Side

*RESIGNATION OF SPEAKER AND ELECTION OF NEW MINISTER

On Friday, 10 October 2003, the Honourable Speaker, Juliana O'Connor-Connolly, JP, gave verbal and written notice of her resignation as Speaker of the House.

Following her resignation, the Hon. Linford Pierson, OBE, JP, Minister of Planning, Communications, Works and Information Technology, read into the records of the House his resignation as a Minister of Cabinet, effective immediately.

Mr. Pierson was then elected Speaker of the House, whilst Mrs. O'Connor-Connolly was elected to be a Minister in his place. His Excellency the Governor subsequently allocated to her responsibility for Planning, Communications, District Administration and Information Technology.

(Information taken from 2003 Annual Report of the Cayman Islands)

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***Abbreviations:**, **1r, 2r, 3r**, first, second, third reading; **(A)** Amendment; **BT,** Bodden Town; **(C),** Committee; **CAA**, Civil Aviation Authority; **CAL**, Cayman Airways, Ltd.; **CDB,** Caribbean Development Bank; **CPA**, Central Planning Authority; **C&W**, Cable & Wireless (CI) Ltd.; **CUC**, Caribbean Utilities Co. Ltd.; **DOE**, Department of Environment; **DOT**, Department of Tourism; **EE**, East End; **FCO,** Foreign & Commonwealth Office; **GHHS**, George Hicks High School; **GM**, Government Motion; **GT**, George Town; **ICCI**, International College of the Cayman Islands; **JGHS**, John Gray High School; **PMM,** Private Member's Motion; **PWD**, Public Works Department; **(R),** Report; **SO**, Standing Order.*

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OFFICIAL HANSARD REPORT
STATE OPENING
FRIDAY
7 MARCH 2003
9.35 AM

First Sitting

The Speaker: Good morning. I shall now invite Pastor Lavonne Ryan to grace us with prayers.

PRAYERS

Pastor Lavonne Ryan: Let us pray.

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

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

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

Let us say the Lord's Prayer together:

Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.

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

Proceedings resumed at 9.38 am

The Speaker: Please be seated. Proclamation.

PROCLAMATION NO. 2 SUMMONING THE NEW SESSION OF THE LEGISLATIVE ASSEMBLY

The Clerk: Proclamation No. 2 of 2003 by His Excellency, Bruce H. Dinwiddy, Governor of the Cayman Islands.

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

"NOW THEREFORE, I, Bruce H. Dinwiddy, Governor of the Cayman Islands, by virtue of the powers conferred upon me by the said section 46 (1) of the Constitution of the Cayman Islands, HEREBY PROCLAIM that a session of the Legislative Assembly of the Cayman Islands shall be held at the Aston Rutty Civic Centre on the Island of Cayman Brac beginning at 10.00 am on Friday, the 7th day of March, 2003.

"Given under my hand and the public seal of the Cayman Islands at George Town in the Island of Grand Cayman, on this 12th day of February in the year of our Lord, Two Thousand and Three, in the fifty second year of the reign of Her Majesty Queen Elizabeth II".

ADMINISTRATION OF OATHS OR AFFIRMATIONS

Oath of Allegiance

By Mr. Samuel Bulgin, Solicitor General
to be the Honourable Temporary Second Official Member
responsible for the Portfolio of Legal Administration

The Speaker: I now call on Mr. Bulgin to come to the Clerk's desk. Please stand.

Mr. Samuel W. Bulgin: I, Samuel Bulgin, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, her heirs and successors, according to law, so help me God.

The Speaker: On behalf of this Honourable House, The Honourable Temporary Second Official Member, this House invites you to take your seat and welcome you to this Session. Please be seated.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies for the Third Elected Member for Bodden Town who is unavoidably off the Island with his spouse for medical reasons. I have also received apologies from the Fourth Elected Member from the district of West Bay who was unavoidably delayed due to technical problems overseas and sends his regrets this morning as well. I have received apologies also from the Honourable Second Official Member, the Attorney General, who is today on vacation.

MOTION TO SUSPEND PROCEEDINGS

The Speaker: I now recognise the Honourable Leader of Government to bring the Motion for the suspension of the House.

Hon. W. McKeeva Bush: Madam Speaker, I move that this Honourable House do rise to await the arrival of His Excellency the Governor and reassemble on his arrival to receive a gracious message from the Throne.

The Speaker: The Question is that this House do rise to await the arrival of His Excellency The Governor and reassemble, on his arrival, to receive the gracious message from the Throne. All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: That the House do rise to await His Excellency the Governor and reassemble on his arrival to receive a gracious Message from the Throne.

Proceedings suspended at 9.50 am

ARRIVAL OF HIS EXCELLENCY THE GOVERNOR

The Governor's Aide-de-Camp gave three knocks on the door at 10.36 am. Procession enters

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

Procession:
The Serjeant-at-Arms
The Honourable Speaker
His Excellency the Governor
Mrs. Dinwiddy
The Aide-de-Camp
The Clerk of the Legislative Assembly
The Acting Deputy Clerk

INVITATION BY THE SPEAKER

The Speaker: I now invite His Excellency, The Governor to graciously address this audience with Her Majesty's Throne Speech.

His Excellency, The Governor.

THE THRONE SPEECH DELIVERED BY HIS EXCELLENCY THE GOVERNOR MR. BRUCE H. DINWIDDY

INTRODUCTION

His Excellency the Governor: Honourable Speaker, Honourable Members of the Legislative Assembly, I am greatly honoured to present to you my first Throne Speech, which is also the first such speech ever to be delivered in the Sister Islands.

How fitting it is, in this our Quincentennial year, that we should meet this morning in Cayman Brac. When my wife and I stood on the Bluff for the first time just four weeks ago, and marvelled at the frigate birds soaring above us, I reflected that except for the lighthouse the view around would have been virtually unchanged since that May day in 1503, when (perhaps we can imagine) a young sailor high up in the crow's nest of one of Christopher Columbus's ships spotted a shape on the distant horizon and cried out "Land, ahoy".

I am glad we are taking the opportunity this year to explore and remember Cayman's cultural and spiritual roots, to look back on our history and the heroic achievements of all those, right up to the present time, who have made these Islands what they are today. This examination of our past, and of traditional Cayman values, can strengthen and inspire us as we address the challenges now before us, and plan for the future.

For there are many new pages in our history book waiting to be written. I hope that this year will see further progress towards the introduction of a new Constitution, which will modernize our system of government and include a far-reaching statement of Fundamental Rights and Freedoms. These changes are both necessary and desirable, and they need to be worked out against a new mutual understanding of Cayman's relationship with the United Kingdom, which I firmly believe, while it continues to evolve, can continue to be to the benefit of us all.

Meanwhile, as we enjoy the succession of Quincentennial celebrations during this exciting year, a series of big economic, social, environmental, security and management issues await our collective attention. In a difficult international climate, how are we to maintain a satisfactory rate of economic growth, which provides enough jobs and otherwise meets the reasonable expectations of the people, in a manner, which preserves as far as we can our precious natural environment? What further measures should we take to protect ourselves against the spread of international

crime (including the impact of drug trafficking) and terrorism? How will the new discipline imposed by the Public Management and Finance Law help to maintain the recent improvement in our budgetary situation? My speech today cannot provide all-encompassing answers to such questions. But I take this opportunity to renew my commitment to doing all I can to work with the government and other members of this house, with the public service, and with the private sector on which all our prosperity fundamentally depends, to help find the best route through the complicated and ever-changing maze, which confronts us.

In the spirit of Vision 2008, we need to keep one eye on the distant goals. But with the other eye we must constantly consider and reconsider how best to deploy our scarce resources in the near term. I therefore now turn to report on the activities and plans of the various Ministries, Portfolios and Departments.

JUDICIARY

Facilities

In order to fulfil its main objective of doing justice in a timely and efficient manner to all who come before the Courts, the Judiciary is actively pursuing the relocation of the operations of all divisions of the Summary Court. A Project Definition Document has been prepared, a suitable site has been identified and negotiations with the owners started. It is expected that work will start within the next 9 months.

Judicial Website

A study is being undertaken to consider the costs and revenue earning implications of *a* web site to house the law reports for online access, to allow online searches of the Registers, to allow the electronic filing of pleadings, and ultimately the electronic payment of fees, fines and other monetary payments into the court.

PORTFOLIO OF INTERNAL AND EXTERNAL AFFAIRS

During 2003 the Portfolio of Internal and External Affairs will focus attention on finalization and enactment of the much-needed Immigration reforms, and on personnel management reforms, including appropriate legislation.

PERSONNEL

- The Personnel Department will assist the office of the Honourable Chief Secretary with preparation of new legislative and administrative arrangements to replace the existing General Orders and Public Service Commission legislation and regulations.

- The two Masters degree programmes – in Public Policy and Management, London University (UK) and in Human Resource Management, Portsmouth University (UK) - will continue to build up management expertise throughout the Public Service.

ROYAL CAYMAN ISLANDS POLICE SERVICE

A review of the Royal Cayman Islands Police Service structure has been undertaken, following the inspection by Her Majesty's Inspector of Constabulary in January, 2002.

During 2003 greater emphasis will be placed on community policing and by the year-end, it is hoped that every district will have a community constable dedicated to problem solving in partnership with other agencies and the community itself. More authority will be devolved to District Commanders at George Town, West Bay, Bodden Town and Cayman Brac Police Stations and Central Police Station will be renamed George Town Police Station.

The responsive policing strategy will be implemented by district-based police vehicles. For example, the now centrally based Traffic Department will be divided and report to District Stations.

A new Specialist Support department will bring together the expertise in Drugs, Canine, CID, and Marine and be available to District Commanders as necessary.

The Commissioner of Police, David Thursfield, QPM, will retire during 2003. His successor will be Buel Braggs, RVM, CPM, currently Deputy Commissioner. Mr. Braggs will take up office in September 2003, after undertaking the Strategic Senior Command Course in the United Kingdom.

While Deputy Commissioner Braggs is away, the newly appointed Assistant Commissioner, Rudolph Dixon, CPM, will be acting Deputy and, on appointment of the new Commissioner, will be promoted to the substantive post of Deputy Commissioner.

Superintendent Anthony Ennis will be acting Assistant Commissioner for that time and, similarly, on appointment of the new Commissioner, will be promoted to the substantive post of Assistant Commissioner.

Mr. David Thursfield will continue for a period as Police Advisor.

IMMIGRATION

The central focus of the Immigration Department in 2003 will be the preparation of a new Immigration Law.

The Department will focus its enforcement efforts on detection of unwanted visitors to the Islands and illegal workers, through the use of intelligence

and enhanced information systems developed "In house".

At the airport, the Department will extend expedited immigration clearance to frequent visitors, including those who own homes in the Islands, through the Caypass system successfully launched in late 2002.

CAYMAN ISLANDS GOVERNMENT OFFICE IN THE UNITED KINGDOM

The Office will continue to cement links with the United Kingdom Government, national agencies and organisations, Westminster, the United Kingdom and international business sector, to focus attention on the Cayman Islands, improve contacts and promote business.

GOVERNMENT INFORMATION SERVICES

In 2003, GIS will disseminate more government news by audio-video following the return in 2002 of a professionally qualified Caymanian videograph and video news reporter, after training in Europe.

There will be more emphasis this year on support for civil servants as they assume greater responsibility for media relations.

PORTFOLIO OF LEGAL AFFAIRS

There will be legislation to enhance the Criminal Justice system, including amendments to the Penal Code, the Evidence Law and the Police Law.

Legislation is also planned to clarify and establish further by statute the role and functions of the former Financial Reporting Unit.

The pursuit and confiscation of the proceeds of criminal conduct, including drug trafficking and money laundering, will remain a priority, in the interest of maintaining the reputation of the Cayman Islands and the probity of the financial services industry.

LAW SCHOOL

The main objectives for 2003 are:

- To begin a redesign of the Professional Practice Course with a view to developing course manuals for use in 2004-2005.
- To recruit a local part-time law lecturer/tutor, to allow a Caymanian to obtain undergraduate law teaching experience.
- To secure renewal of the triennial affiliation agreement with the University of Liverpool.

THE PORTFOLIO OF FINANCE AND ECONOMICS

PORTFOLIO

During 2003 the Financial Management Initiative (FMI) will bring a more strategic and coherent approach to government decision-making. The FMI will be implemented in three phases:

- firstly, the move to new budgeting and reporting arrangements to the Legislative Assembly and the public against the 2003 Half Annual Plan and Estimates;
- secondly, the move to accrual accounting; and
- thirdly, the delegation of greater input decision-making authority to chief officers of government ministries and portfolios.

Other notable projects for the Portfolio are to establish the Cayman Islands Shipping Registry as a statutory authority and to establish a Securities and Exchange Commission by the end of 2003.

Legislation was passed in December 2002 that enables Government to execute its first bond issue. The impact of this will be to:

- reduce annual debt service costs;
- change from a floating interest rate regime to a fixed rate regime; and
- consolidate numerous public debt loans into a single instrument.

The Portfolio intends to establish a Government Revenue and Debt Collection Unit. This will be modelled loosely on "Revenue Canada". Its primary duties will be collecting, forecasting and reporting of all government's coercive revenue.

BUDGET AND MANAGEMENT UNIT

The main focus of the Unit will remain the implementation of the new budgeting, reporting and monitoring system under the FMI.

The Unit will develop the risk management function to focus more on risk minimization and control.

FINANCIAL MANAGEMENT INITITIVE /INTEGRATED RESOURCE INFORMATION SYSTEM

The Finance Project Office will strengthen the capability of civil servants to manage the delivery of outputs. This will include monitoring ownership performance requirements, budgeting and forecasting on the accrual basis, and preparation of performance agreements for the 2004/5 budget.

The Office also intends to introduce the Project costing module in the fourth quarter of 2003.

INTERNAL AUDIT UNIT

In 2003, for the first time, Internal Audit will conduct audits on the Output Management Systems developed by government agencies in accordance with the Public Management and Finance Law (2001).

CAYMAN ISLANDS STOCK EXCHANGE

The Exchange will continue to pursue further recognitions from overseas regulators and will enhance its efforts to attract more institutional business and to increase its listings, building on the relationships it has already forged in the market.

CAYMAN ISLANDS MONETARY AUTHORITY

The key issue for the Monetary Authority in early 2003 is taking forward its independence, following passage of the Monetary Authority (Amendment) Bill, 2002.

Another key area of activity, in cooperation with other relevant agencies and the private sector, will be the assessment of Cayman's financial services sector by the International Monetary Fund, now expected in May of 2003.

The Regulations under the Securities Investment Business Law ("SIBL") 2001 are expected to be Gazetted during this quarter. Applicants lawfully undertaking securities investment business in the Islands will have six months from the commencement date of SIBL to apply to the Authority for a licence.

ECONOMIC RESEARCH UNIT

In 2003, the Economic Research Unit will provide technical assistance to all major revenue-earning departments in revenue forecasting. It will assist departments in preparing project profiles and project reports and service the Public Sector Investment Committee (PSIC).

GENERAL REGISTRY

During the first quarter of this year the General Registry will launch a vastly improved online system, "Cayman Online Registry Information Service" (CORIS). This is a web-based system, which will make enhanced functionality readily accessible to authorized client-users. The functionality includes company searches, request tracking, payments on-line, and agent reports. The pricing structure for the service makes it viable for all sizes of corporate service providers and company managers. It is expected that clients and the Registry staff will both benefit from the efficiency of this new system.

SHIPPING REGISTRY

During 2003, it is proposed to submit six new Bills and forty-eight new regulations under the Merchant Shipping Law and the Merchant Shipping Marine Pollution Law. This new legislation will give local effect to a range of developments in international shipping conventions that apply in the Cayman Islands. One Key new development is the implementation of maritime security provisions to counter the threat of ships and ports being used for acts of terrorism.

A Bill will also be submitted to make the registry a Statutory Authority.

TREASURY

The new ORACLE accrual accounting financial package has been implemented and the migration of Ministries/Portfolios from the cash-basis financial system (SO) to the multi-organization (MO) system has begun.

Accrual Accounting Policies to be used by the Government have been drafted and reviewed and are expected to be implemented shortly.

The 2002 annual financial statements will be presented on the traditional cash basis and also on the modified accrual basis in order to introduce readers to the new accounting format of financial reporting on Outputs.

CUSTOMS

The opening of the newly constructed "Express Cargo" facility is scheduled for later this month. A scanning machine for detecting drug trafficking at our ports will also be introduced shortly.

MINISTRY OF EDUCATION, HUMAN RESOURCES & CULTURE

The Ministry recently held its second bi-annual retreat with its heads of departments. The Ministry reaffirmed its commitment to a set of shared guiding principles and its philosophy for policy development. Education and Human Resources are the building blocks to mould, develop, and nurture the people of the Cayman Islands. In the same vein, Culture is the central interface - the tool to inform and mould the life choices of our people, and the mirror for self-reflection.

The Investors in People Programme, which focuses on organizational development through people, will complement the human resource management changes in the next phase of the reforms.

EDUCATION

Education Law

In 2003, the Ministry will focus its efforts on the need for a revised Education Law. This was recommended in the Millet Report, tabled in the Legislative Assembly in 2001. The Revised Law will constitute the Schools' Inspectorate and its powers, address the issue of Home Schooling, establish an Appeals Tribunal and incorporate other recommendations from the Report.

Education Policy

The Ministry will also table a comprehensive new Education Policy. This will draw on the framework "Education for the 21st century", published in 2001, and convey a vision of Caymanian society, which is alert, responsive and proactive. It will acknowledge the importance of information technology in lifelong learning and the necessity to focus more on technical and vocational education.

It will emphasize the need for the Cayman Islands, as a learning society, to remain firmly in control of its own destiny by embracing change, multiculturalism, multi-nationalism, human rights and citizenship education without losing contact with the values which constitute the Caymanian identity.

Improving Teaching and Learning in Cayman (ITALIC)

Building on the development of the policy and the need for enhanced integration of information technology into the curriculum, the Ministry of Education has embarked on what is expected to be the biggest programme to transform education in the Cayman Islands in 20 years. This programme called "Improving Teaching and Learning in the Cayman Islands" (ITALIC) is the culmination of years of planning by educators, students, parents, the Ministry, the Education Department, the Schools Inspectorate, and private sector partners.

- Under ITALIC, the Ministry will focus on teaching and learning for a lifetime. They have begun several pilot projects aimed at using technology as a tool to assist in the teaching and learning process.

National Education Leadership Programme (NELP)

In line with the Minister's strategic goal of further teacher and educator professional development opportunities, the National Education Leadership Programme (NELP) is being launched in April 2003. This draws on the findings of Inspectors and is based on the Cayman Islands' national standards for principals.

Participants in the programme will earn credits toward a Master's Degree in Applied Leadership from the University of London.

CAYMAN ISLANDS CADET CORPS

The Cayman Islands Cadet Corps, building on the progress made during 2002, will be the subject of new legislation, and will be officially registered with the United Kingdom. It will expand its enrolment to John Gray High School, to allow the continued participation of the current cadet class and high school students.

The Cadet Corps' central curriculum will be enhanced by including 'Citizenship Training', to educate the cadets in Cayman's history, their rights and the rights of others within the country.

Most importantly the Cadet Corps will continue to inspire and remind young persons of their responsibilities to society.

HUMAN RESOURCES

Employment Legislation

In early January 2003 Executive Council approved drafting instructions for a revised Employment Law, a critical step in the development of a National Human Resource Policy. Integral to this Policy will be a revised Trade and Business License Law and Workmen's Compensation Law; both laws will be reviewed later this year.

Investors in People

The Employment Relations Department will concentrate on training and retraining the country's workforce through the Investors in People Programme (IIP), an internationally recognized human resource management standard. A Pilot IIP Programme will be launched in three government departments and seven to ten private companies and will run for twelve to eighteen months. Participants in the Pilot Programme will need to comply with specified best practices relating to recruitment, selection, training, succession planning, record keeping and employment relations. A group of independent facilitators will be available locally to assist companies with pursuit of the Standard and an independent assessor will evaluate their compliance with it.

International Obligations

In 2003 the Ministry will seek to establish the Cayman Islands as a Non Metropolitan Member Territory of the International Labour Organization, thus fulfilling the requirements placed on Overseas Territories to adhere to international conventions on human rights and employment relations.

Vocational & Technical Education

Emphasis will be placed on providing vocational technical training/education through a 'Votech' fair being planned for the last quarter of 2003 highlighting opportunities and training available.

PENSIONS

In 2003, the Office of the Superintendent of Pensions (OSP) will merge into the Department of Employment Relations. This will unite employment relations under one umbrella and enhance the one-stop shop at Paddington Place, when the office moves there at the end of the year.

CULTURE

The Ministry's overall goal for supporting cultural development is to focus efforts on bringing together the many distinct and disparate entities in Cayman, into a society that can live and work together in peace and harmony. In that sense, the policy will become a dynamic "metaphor for the way [Caymanian] people live, our values, beliefs and aspirations."

Initiatives in 2003 and beyond, with culture as the primary driver, yet appropriately linked to education and human resources, include:

- continued development of the National Cultural Policy framework by the Taskforce;
- re-introduction of the cultural scholarship;
- preparation for the introduction of an arts integrated curriculum;
- launch of the New History of the Cayman Islands;
- revision of relevant cultural legislation; and
- development of cultural facilities.

The National Archive serves two important functions: it runs a modern records management service for government departments; and it collects, preserves and gives public access to historical records of all kinds. Within the last decade, storage space in the Archive has reached a critical point. In 2003 preparations will be taken forward for building a much-needed Archive extension.

In 2003, work will begin on a 3-story extension to the George Town Public Library. In addition to tripling the usable floor space of the current facility, this will include internet-enabled computer labs. Students will finally have access to a library whose mandate is to be the "local centre of information, with all kinds of knowledge and information readily available." These additional facilities will allow the library to better complement other ministry initiatives such as ITALIC.

The National Museum is currently housed in three separate locations and its exhibit location is within 50 feet of the ocean. Alternative facilities will be investigated, with a view to providing a purpose built facility with adequate storage, exhibit and retail space.

The National Gallery currently operates out of its spacious, Harbour Place location, thanks to many generous local benefactors. Work continues to raise funds for its locally designed purpose-built facility, located off the Harquail Bypass.

Revision of Cultural legislation

The Ministry will vigorously pursue the revision of cultural legislation, particularly, the Abandoned Wreck Law, to provide better protection for Cayman's cultural and heritage assets.

Work will also begin on developing a law to legally constitute the National Archive and clearly define its functions.

MINISTRY OF COMMUNITY SERVICES, WOMEN'S AFFAIRS, YOUTH AND SPORTS

COMMUNITY SERVICES

It has been evident in the Caribbean Islands that as an economy grows social problems also increase. In Cayman, the enormous economic expansion has changed the society and the way people live. Change has been so rapid that not everyone or every district has adequately adjusted. In line with the government's Broad Outcome 2: a healthy and socially protected population, the Ministry of Community Services is targeting vulnerable children, adults, families, older persons and communities. This requires a coordinated partnership with the private sector and various agencies that are able and willing to help the Government achieve its goal.

SOCIAL SERVICES

In 2003, the restructuring of the Social Service Department will continue, with the youth residential services being moved under the new Children and Youth Services Foundation, set up in 2002, when the Government decided not to renew the contract with the Marine Institute.

Chaired by Mr Richard Arch, the Foundation will be responsible for the Bonaventure Home (formerly the Marine Institute), the Frances Bodden Children Home, the Hope Centre (formerly the Boys Home on Middle Road) and the Place of Safety.

As part of the restructuring process Social Services will be split between financial assistance and social services. The Community Development unit will be moved to the Department of Youth and Sport to ensure better teamwork. The Joyce Hilton Centre will

remain under the Community Development Unit but will become a Family and Parenting Centre.

After much delay a revised Children's Law will be presented to the Legislative Assembly during the first half of 2003. This will replace the 1997 law, which proved administratively cumbersome. The review of the current Adoption Law will also be finalised. These legislative advances will allow Social Services to concentrate more clearly on children's services, the goal always being to solve the problem in a way that allows the child to remain with the parent(s) where possible.

With the introduction of various alternatives to sentencing, the work of the Probation Unit has trebled since its inception. The Probation Supervisor and Prison Director are jointly reviewing the Parole process at the request of the Honourable Minister for Community Services, Women's Affairs, Youth & Sports and myself.

PRISON SERVICES

Following a year of increasing stability and confidence, 2003 will see the completion of the first phase of the major development plan for the Prison Service.

The construction of the new enhanced accommodation allows conversion of the former female cellblock into a Young Offender wing. This includes a discrete Secure Juvenile Unit (Chapter House) with a capacity of 14 and its own classroom, association and sports area. Additional funds have been provided for specially selected and trained staff, including teacher/counsellors, to provide the education and activity.

The Prison Service's emphasis will be on positive regime development based on individual sentence plans. Successes in reducing positive drug tests will be reinforced through extension of drug counselling and increased opportunities for prisoners to train for employment on release.

THE NATIONAL DRUG COUNCIL

The NDC, in partnership with its many stakeholders, remains a vital agency in the Government's fight against substance abuse.

CANAAN LAND

The Canaan Land Home resident "student" programme is a one-year programme for men, seventeen years and older, who have "life dominating problems".

YOUTH and SPORTS

The Ministry will continue to work with the various youth, community and sporting organizations that provide pro-social activities, role models, youth development and after-school programmes. Additionally, partial scholarships to young people engaged in sports or interested in a sports career will be provided. In a public/private partnership, the Ministry will assist in provision of parks in the districts of East End and George Town. Work will also continue on the Hutland Park, and the Frank Sound Park will be formally opened on the 15th March.

WOMEN'S AFFAIRS

In 2003, the Ministry will present the final version of the National Policy on Gender Equity and Equality to Executive Council and the Legislative Assembly and develop an implementation plan for this.

Having purchased the Long Celia Memorial House, the Ministry will enter into a contract with the Board of Directors of the Cayman Islands Crisis Centre (CICC) to run a temporary shelter programme for battered women and their children. With the Ministry providing an annual grant and leasing the property on a peppercorn-lease, the Centre will be opened tomorrow to victims of domestic abuse.

WOMEN'S RESOURCE CENTRE

Following the addition of a counsellor to its staff, the services and programming of the Women's Resource Centre (WRC) will be greatly enhanced this year. The Centre will continue to work with the Royal Cayman Islands Police (RCIP)'s Family Support Unit, Department of Social Services, other agencies and individuals to provide support and advocacy for its clients. In addition, it will provide outreach-counselling services to clients of the new Cayman Islands Crisis Centre.

THE SUNRISE CENTRE

The Sunrise Adult Training Centre's focus on training and support for Adults with Disabilities throughout the Cayman Islands will be pursued with renewed enthusiasm in 2003. The Increasing need in the community for residential options for the Adults themselves and support for families dealing with long term stresses make it imperative that new and more accessible facilities are made available in the near future.

EX-SERVICEMEN AND SEAMEN BENEFITS

The Ministry will continue to provide Ex-servicemen and Seamen Ex-Gratia benefits. The Government revised the criteria in 2002, in order for seamen or their surviving spouses with a total household income of $1,500 and below to be eligible for benefits.

WATER AUTHORITY

Piped Water Supply Infrastructure

The Authority will continue extending the water distribution system throughout the eastern districts in Grand Cayman and will review the feasibility of extending the Cayman Brac system up to the Faith Hospital.

In mid-2003, after completion of the work in East End to the Castaway's Cove Development, the extension of the water distribution system from Frank Sound to North Side will commence.

Grand Cayman Wastewater Infrastructure

With the expected completion in October 2004 of the first phase of the Grand Cayman Wastewater Treatment Works, the Authority will be well positioned to meet the island's needs for wastewater treatment over the next 15-20 years. The Authority's plans include extending public sewerage to areas such as Canal Point, Snug Harbour and the northern part of West Bay Road. These areas are highly developed and in close proximity to Seven-Mile Beach; public sewerage will alleviate the environmental impact of on-site wastewater treatment. The Authority will commence the study to provide sewerage infrastructure into George Town in early 2004.

HOUSING

Various studies have identified the lack of affordable housing as a contributory factor to social breakdown. In 2003, the Ministry will continue its Affordable Housing Initiative; phase one involving construction of two hundred homes in a number of communities. Additionally, the Government will establish a framework of housing entities that will, in partnership with Private Sector financial and construction institutions and companies, provide a continuum of housing tenure options. These will range from rental (assisted or otherwise) tenancy to outright purchase and will incorporate the Government Guaranteed Home Mortgage Scheme.

Physical infrastructure alone will not build sustainable communities and strong families without the necessary social support systems. Social intervention in the form of skills building and job training will, in conjunction with the Ministry of Education, be provided to ensure that people living in the improved residential areas have the requisite life skills to lead productive fulfilling lives.

MINISTRY OF PLANNING, COMMUNICATIONS, WORKS AND INFORMATION TECHNOLOGY

PETROLEUM STORAGE AND HANDLING

A Caymanian took up post as Chief Petroleum Inspector (CPI) in January. His main focus is to work with industry and other Government agencies to raise the level of health and safety within the industry. A quantitative risk assessment of the two Jackson Point terminals as well as the Liquefied Petroleum Gas plant is underway and the CPI will work with the consultant to complete this before June 2003.

CARIBBEAN UTILITIES COMPANY

The operational and financial review of Caribbean Utilities Company Ltd. under the auspices of the Auditor General is expected to be completed this month. Government has also established a multi-disciplinary committee to advise on matters relating to CUC's proposal for extension of their exclusive license for another 25 years while moving away from the permitted rate of return provided under the current license.

POSTAL SERVICES

The Post Office will conduct an internal review of its mail processing operations with a view to maximizing efficiency and capitalizing on new business opportunities. Training and development will continue to be a focus, with some staff pursuing local college degree programmes while others participate in local and international training workshops.

On the capital development side, the construction of a new post office in Savannah will be the next priority, in view of the high residential growth rate in that area.

A new service is expected to come on-line during the year -- the payment of CUC bills. Initially, this will be available at post offices in Bodden Town, North Side and East End, given that these districts are the furthest from George Town.

The Post Office expects to release local commemorative stamp issues celebrating the Quincentennial, the 50th Anniversary of the Coronation of Her Majesty The Queen, and the 21st Birthday of His Royal Highness Prince William. Development work on the Philatelic Website is nearing completion and a launch is expected in the near future.

The Post Office will work closely with the Ministry to host the 7th annual Caribbean Postal Union's Conference of Postmasters General and Ministers Responsible for Posts. This is a weeklong event, and many Postal Officials and Government Ministers from the region are expected to attend.

LANDS & SURVEY

The Lands & Survey Department will commission new aerial photography of all three Cayman Is-

lands to allow preparation of a new set of ortho-rectified images for inclusion in the Land Information System (LIS). This information allows both government and private sector decision-makers to be confident that they can base their decisions on information that they know is as up-to-date and current as possible.

MOSQUITO RESEARCH AND CONTROL UNIT

During 2003 the Mosquito Research and Control Unit (MRCU) will complete and confirm the eradication of the Yellow Fever mosquito from the Cayman Islands, and reduce the threat of a Dengue Fever outbreak. The Department will launch a similar programme to rid the islands of the Asian Tiger mosquito, a primary carrier of both West Nile Virus and Dengue Fever.

During 2003, at the request of the Pan American Health Organization, MRCU will host a series of training seminars on mosquito control strategies for personnel from other Overseas Territories.

PLANNING DEPARTMENT

As the construction industry experiences an economic revival, the Central Planning Authority (CPA) and Development Control Board (DCB) are assuming a more pro-active and comprehensive approach to land use management. The proposed amendments to The Development Plan 1997 should be tabled at the September meeting. Simultaneously, the 1975 Guidelines for Development Control in Cayman Brac and Little Cayman will be replaced by policies and guidelines more reflective of current conditions. As in Grand Cayman, there will be extensive opportunities for public input and participation as the DCB and ad hoc Committee for Sustainable Development in Cayman Brac work on these important documents.

The Planning Department will recruit three new building inspectors including one for the Sister Islands.

ENVIRONMENTAL HEALTH

The Department of Environmental Health (DEH) will continue to facilitate the process for the selection of the most appropriate solid waste collection, treatment and disposal facility/system for the Cayman Islands.

On Cayman Brac, the new landfill site on the Bluff will be further prepared and developed to allow for early closure of the existing landfill site now situated on the south side of the Island as soon as possible.

The department will regularly review methods to more effectively recoup the costs of providing solid waste services on all three Islands.

PUBLIC WORKS DEPARTMENT

Roads Division

In view of the continued fiscal constraints, PWD Roads Division will look for innovative and more cost effective techniques for maintaining our road assets. In keeping with FMI, a programmed approach to asset management will be developed. The first step will be to prepare a detailed inventory of all roadways.

The Public Works Roads Division and the Long Range Unit of the Planning Department have recently formed a joint Transportation Planning Unit (TPU), which will shortly embark on a National Roads Plan for Grand Cayman. This will address ground transportation needs for the next 15-20 years, including roads and public transportation.

As part of the traffic improvement programme, an additional eastbound lane will be constructed in 2003 from the new roundabout at the Grand Harbour complex to near the Red Bay Primary School. This is urgently required to relieve traffic congestion in the evening peak hour.

Another significant traffic improvement project, the construction of a short connector road between Goring Avenue and Elgin Avenue in central George Town, is underway. This will provide an alternate route for traffic entering and exiting the Central Business District, and is particularly essential should plans proceed for pedestrianisation of the roads along the waterfront.

Other traffic projects for 2003 are improvements to the intersection of Hirst Road and Shamrock Road in Savannah and the widening and upgrading of McField Lane in George Town.

In the development roads programme, phased work will continue on the Anton Bodden Road (formerly known as the Bodden Town Relief Road) to provide an alternate route particularly for heavy vehicles travelling through central Bodden Town. It is hoped that by the end of 2003 the base of the road will be complete and a temporary riding surface installed.

Work will commence from the Walkers Road end, on phase 2 of the Linford Pierson Highway, a one-mile stretch from Bobby Thompson Way to Walkers Rd.

Planning and gazetting of the extension of the Esterley Tibbetts Highway through the Hyatt area will continue, as well as discussions with the Britannia/Hyatt group. It is hoped that by the end of 2003 the alternative for the road through that area will be selected, and the corridor planned and gazetted, so that construction can commence in early 2004. This extension is urgently needed, as growth in traffic volumes since 1998 has resulted in traffic congestion on the southern end of West Bay Road returning to the unacceptable pre-1997 levels.

Drainage improvement works will continue with the installation of new drainage wells in low-lying areas prone to flooding. The public has helped identify these areas and Public Works encourage them to continue to do so.

Capital Building Works:

The major capital building projects, in the first half of 2003 are:

- The new government office complex, which is to be sited, near the existing Government Administration Building. This comprises some 170,000 square feet of office accommodation and a multi-storey car park. Pre-qualification of contractors for this project is underway, to be followed by finalization of tender documents and invitation to tender.
- The new Prospect Primary School. Working drawings are complete and it is intended to invite tenders in the first half of the year.
- The proposed new secondary school in the Frank Sound area. The architectural brief will be finalized and working drawings progressed.

TELECOMMUNICATIONS OFFICE

In keeping with its responsibility for providing technical support for the various telecommunication systems of the emergency services and most other Government agencies, the Office of Telecommunications (OFTEL) has embarked on a major project to upgrade the 13-year-old radio communication system. This will provide the emergency services with enhanced in-building radio coverage and digital communication security without the need to replace their existing radio equipment.

New transmission sites will be established in George Town, East End, Cayman Brac and Little Cayman, all integrated with the primary tower site at Northward. These additional sites will also act as back-up facilities should an outage occur at the primary site.

COMPUTER SERVICES

The spotlight continues to be on advancement of Electronic Government or E-Government, thereby demonstrating the Government's commitment to promoting national E-business. The Department will also provide professional technical and business support services for implementation of two new modules of the Government Financial System (IRIS), Project Accounting and Order Management.

The project to ensure a high level of recovery for Government's most important IT data and systems, thus ensuring business continuity from most forms of natural and manmade disasters, is scheduled for completion by the end of 2003.

Provision of more cost effective, reliable, secure and high-speed network data communication services to Government offices in most outlying districts is expected to be completed by May 2004. This will enable entities like the Agriculture Department, Primary schools and Her Majesty's Prison to achieve some of the technology-driven productivity gains being realized by departments located in central George Town on the main government network.

INFORMATION & COMMUNICATION TECHNOLOGY AUTHORITY

The liberalization of telecommunications and the development of e-Business and Information and Communications Technology (ICT) remain a top priority for the Government. It is expected that additional telecommunications licences will be issued shortly by the ICT Authority, which should be fully operational when it moves soon into its new offices in Alissta Towers. Full competition should be in place by mid 2004. The ICT Authority is now administering the .ky Internet domain, and over the next six months will develop new policy guidelines for it, including possible introduction of registration fees to help defray the costs of running it. The radio-licensing regime will be simplified and streamlined, and a review of the current fee structure completed.

Government – in conjunction with the private sector – will implement a marketing campaign to promote the Cayman Islands as an offshore e-Business Centre with the aim of encouraging existing businesses to take advantage of the opportunities presented by e-business, and attracting new e-businesses to the Islands. An initiative will be launched to identify and develop niche e-business markets, possibly in the area of intellectual property rights. This could lead to proposals to amend our trade mark and copyright legislation. Consultation will commence on the need for, and content of, a stand-alone Data Protection Law.

MINISTRY OF HEALTH SERVICES, DISTRICT ADMINISTRATION AND AGRICULTURE

The Ministry will enhance its capability to provide strategic policy advice to the Minister and strengthen its monitoring and regulatory functions.

A Health Commission will be established to advise the Ministry on health policy matters as well as to certify and inspect health care facilities. The establishment of four councils will provide for registration and regulation of members of the health care professions.

The National Strategic Plan for Health will be updated during 2003.

The Chief Officer will continue to ensure staff are trained and equipped to meet the requirements of the Public Management and Finance Law, 2001.

It is expected that the revision of the Health Insurance, Pharmacy, Mental Health and Tobacco Products and Intoxicating Liquor Advertising Laws will be completed and submitted to the Legislative Assembly.

With support from Caribbean Epidemiology Centre, in Trinidad, the Cayman Islands will develop a National Strategic Plan for HIV/AIDS. The Caribbean AIDS Telecommunications Information Network will be established in the Public Health Department to enhance information dissemination. These projects are funded by the Department for International Development of the United Kingdom.

HEALTH SERVICES AUTHORITY

The Cayman Islands Health Services Authority (HSA) in partnership with the Government is committed to providing a high quality, cost effective health care service.

Having announced and implemented most of the necessary cost-cutting measures the Authority has expanded its focus and is now developing what it calls the 'second pillar' in its formula for success, viz. 'delivering quality health-care to its customers'.

A vibrant Public Relations Programme will be implemented with emphasis on Customer Service. Training has already started and there are changes slated for the patient relations department. I am glad to report that patients are now experiencing shorter waiting times.

A new computer system expected to be operational later this year at the Cayman Islands Hospital will enhance the Authority's ability to offer quality and efficient healthcare services.

The HSA intends where it is feasible and demand exists, to expand the scope of services it currently offers to the public.

The HSA will be implementing a Nurse Training Programme. This will help the Authority achieve the goal of having a cross-trained multi-skilled staff. This should result in a more efficient, responsive organization.

Under the new six-department structure (Medical, Surgical, Accident & Emergency, General Practice, Specialist Clinic and Support Services) the HSA Board has devolved more responsibility and decision-making authority to those employees who often have direct contact with customers. This type of structure is more inclusive, promotes teamwork and is reflective of a customer driven organization.

The HSA Board through the support of its senior management team and the hard work of its entire staff has begun to realize the fruits of its hard labour. Although much work remains to be done, the early signs are very encouraging.

Some contributing factors are:

1. An aggressive cost-cutting and containment restructuring exercise;
2. A Fees Law more reflective of the costs of providing the relevant services;
3. The adoption of more efficient work practices;
4. An improved collections process;
5. A supportive Government through the Ministry of Health Services.

DISTRICT ADMINISTRATION

Cayman Brac and Little Cayman Administration will continue to work with the recently established Brac Informatics Centre to encourage further expansion of e-business and e-commerce in Cayman Brac.

Plans are in place to further develop and market the natural environment and attractions of the Sister Islands.

Disaster preparedness and response plans will be revised in light of experience gained from the 2002 storms.

The first ever Agricultural Show on Cayman Brac was held last weekend and was a great success.

AGRICULTURE

The Department of Agriculture (DOA) will continue to promote economic prosperity via efficient, modern and sustainable agricultural production. Attention will be given to activities that take account of social, economic and environmental concerns and provide increased quantities of safe local food, better incomes for producers, and the enhancement and protection of the Islands' natural environment.

Following the completion of studies, consultations and final deliberations as to the establishment of a Pesticide Regulatory Authority, a new Pesticide Bill with its regulations will be presented in the Legislative Assembly. This should greatly enhance the health protection of persons, plants and animals and conservation of the natural environment.

Plans will be developed to reorganize and restructure agricultural services in Cayman Brac and Little Cayman and to effect human resource enhancements appropriate to full and timely delivery of such services.

The department will support the efforts of the Quincentennial Committee (QC) particularly by providing technical expertise to raise the level of this year's agricultural show to a standard befitting the 500-year celebrations.

During 2003, with assistance from the Public Works Department, construction will start of an abattoir on Grand Cayman.

RADIO CAYMAN

Work will continue on empowering Radio Cayman staff through training and incentives, to en-

hance its ability to compete with other stations. To this end it is planned to convert Radio Cayman into a Statutory Authority.

CIVIL AVIATION AUTHORITY

The Civil Aviation Authority (CAA) has received the final report for the Master Plan Study undertaken last year by United Kingdom aviation consultants Jacobbs GIBB, which highlights required development to meet sustainable operational needs for the next 10-15 years. Among its recommendations, the study identified development expansion of the main passenger terminal at Owen Roberts International Airport and the relocation and upgrade of the General Aviation Terminal facilities in Grand Cayman as the first priorities.

Development will be phased over the next 10 - 15 years to address the needs of the aviation industry. The Civil Aviation Authority will in the next 12 months address this phased development plan and make provisions for the implementation of the recommendations.

In keeping with international requirements and recent developments in the United Kingdom Government regarding the regulation of aviation in the Overseas Territories, the structure for management of aviation throughout the Cayman Islands will be realized in two separate autonomous bodies/organizations. The Civil Aviation Authority will retain regulatory oversight functions to ensure compliance with international standards for the safety of aviation, and an Airport Authority will be established with responsibility for operating the airports throughout the three islands.

MINISTRY OF TOURISM, ENVIRONMENT, DEVELOPMENT AND COMMERCE

In 2003 the Ministry of Tourism, Environment, Development and Commerce will principally focus on:

- enabling the managed growth of the tourism industry;
- providing a solid framework for the preservation of the environment;
- The Quincentennial celebrations; and
- pursuing economic sustainability by encouraging inward investment via the Investment Bureau and related activity.

The Ministry is working with the Department of Tourism and industry stakeholders to investigate the feasibility and most desirable structure for establishment of a Tourism Authority. If this appears both beneficial and desirable for the people and economy of the Islands, it will proceed on a basis which correlates decision making to financial vesting. As the government pursues greater sharing of the policy and administrative functions of tourism, it will expect greater sharing in the financial obligations of promoting the Cayman Islands by privately owned properties and businesses which directly benefit from these promotional efforts.

The Ministry will also work closely with the Department of Tourism and other relevant parties to implement the recommendations of the new draft Tourism Management Policy 'Focus on the Future' which provides a five-year plan to address the major challenges facing this crucial sector of the economy. The draft policy will be tabled during this meeting. Following this, the Ministry will announce the membership of the Committee charged with overseeing implementation of the major recommendations contained in the Tourism Management Policy.

In the area of environmental protection, the Ministry will continue to pursue legislative remedies and safeguards to protect the Islands' fragile ecosystem, and in keeping with existing international treaties and commitments. The Ministry will pursue as a priority the acquisition of land identified to establish the Barkers National Park.

DEPARTMENT OF TOURISM

The tourism industry contributes significantly to the economy of the Cayman Islands, employing approximately seven thousand Caymanian and expatriate workers.

The industry continues to face some unique challenges. The focus in 2003 will be on establishing a tourism public sector framework based on the new tourism management policy. This will assist the Government to more effectively manage and market the destination for the long-term sustainability of Cayman Islands tourism.

The new tourism management policy has identified the following nine objectives for tourism development in the coming years, as the building blocks for the revitalization of the Cayman Islands tourism product:

- provide a high quality product for the visitor;
- present a distinctive Caymanian experience;
- adopt a sustainable approach to tourism development;
- protect and enhance the marine resource;
- attract a more discerning and higher spending visitor;
- develop a highly skilled Caymanian tourism workforce;
- develop eco-tourism on the Sister Islands;
- organize tourism in the Cayman Islands more effectively; and
- research and monitor tourism more effectively.

The implementation of the Tourism Policy is only one step towards the recovery of tourism in the

Cayman Islands, but it requires the coming together of all stakeholders – the people of the Cayman Islands, the tourism industry, Cayman Airways and the Department and Ministry of Tourism. As was noted at the annual Tourism Conference in November, "Tourism is Everyone's Business."

The Department will also work on other key objectives such as developing a Cruise Conversion Programme, to encourage cruise ship visitors to return to the Cayman Islands. This will be designed to take advantage of a golden opportunity – the thousands of cruise ship guests who arrive at our shores monthly – and to convince an elite portion of them to return to the Cayman Islands as stay-over visitors.

THE CAYMAN ISLANDS INVESTMENT BUREAU

The Cayman Islands Investment Bureau is the platform from which Cayman will re-acquaint the international business community with the many benefits of doing business in Cayman while providing a consolidated office to respond to emerging trends and needs of potential investors. The Cayman Islands Investment Bureau Offices in London and New York are already operational and the Grand Cayman Office will open in the second quarter of this year.

In December 2002 the London based "Friends of Cayman" group was formed, comprising experienced individuals with knowledge of Cayman. The group will support and encourage commercial development in the Islands and help project them as an attractive and profitable location for business and investment. A similar group will be established in New York and will complement the efforts of the New York Bureau.

The executive arm of the Investment Bureau, the Growth Management Board, comprises representatives of Cayman's key industries and the government Departments such as Immigration, Environment, Planning and Customs, which facilitate the establishment of businesses.

The Government is pleased to be able to offer this "one stop shop" service to all potential investors in the Cayman Islands. The primary aim of the Bureau is to encourage and facilitate the creation of business in the three islands while ensuring that potential investors are given a first-rate experience when trying to relocate or expand international business to the Cayman Islands.

The Bureau's key areas of services are:

1. To provide a direct link and contact base between the potential investor and the agencies which support the development of business interests in the Cayman Islands;

2. To act as an informed source of feedback and resource for the potential investor in securing the necessary standards of operation, which the first-class professional services centres of the islands can provide; and

3. To act as a central contact point for all information related to developmental investment in the Cayman Islands.

The Bureau offices are also the central point for the development of a centralized brand for the Cayman Islands and its commercial products. This rebranding exercise which is underway will revitalize the images of our twin pillar industries of tourism and financial services while also paving the way for newer, emerging sectors such as e-business.

VEHICLE LICENSING AND TRANSPORT UNIT

In 2003, the Vehicle Licensing and Transport Unit will be proactive in seeking to collect outstanding revenue. This will include holding meetings with persons and companies whose licence fees are outstanding. Staff will be redeployed, to facilitate this objective.

Vehicle Licensing will continue to pursue decentralization of services in Grand Cayman, as has been done by the initial establishment of a satellite office in West Bay. Now that the administrative offices of the Unit have been successfully relocated to Walkers Road resulting in less congestion at the central George Town location, the unit will pursue plans to move the inspection office out of central George Town as well.

The Unit's other plans for 2003 include development of certain aspects of the Traffic Law such as:

- Provision of set times for moving Backhoes and other heavy equipment along major roads;
- Provision of regulations for the better enforcement of Revenue Collection;
- On-line services with appropriate legislation; and
- Further development of the Public Transport System and Laws.

DEPARTMENT OF ENVIRONMENT

The Department of Environment will continue to assist the Ministry in developing and implementing policies and legislation that afford protection to the environment, with particular reference to the recently prepared legislation to update the local law giving effect to the Convention on International Trade in Endangered Species of Flora and Fauna (CITES) and the proposed new National Conservation Law.

In addition, the department will assist with implementation of the recommendations in the CH2M Hill Aggregate Study. In the coming year the Department will also complete project definition and design for a Wetlab facility and visiting scientist accommoda-

tion on Grand Cayman and construction of a building on Little Cayman to facilitate an office, workshop and storage facility for oil spill equipment.

FIRE SERVICE DEPARTMENT

During 2003, in order to maintain the level of competence and efficiency required to meet our International obligations, in particular the Airport Rescue and Firefighting section, seven officers will attend special courses for re-certification at a recognized institution in the UK. Managerial training will also be conducted locally for administrative staff and senior officers. The staff in Little Cayman and Cayman Brac will be brought to Grand Cayman for their yearly refresher training.

The Civil Aviation Authority has ordered a new airport crash tender for Cayman Brac to be delivered in late 2003 to early 2004.

The Department will also continue to conduct annual fire inspections of licensed tourist accommodations, premises with liquor licenses and new buildings as a requirement of certificates of occupancy. Nightclubs and other premises known for large concentrations of people will be monitored closely by the Department for overcrowding and other aspects of fire code compliance.

CAYMAN AIRWAYS LTD

The past year has been very difficult for the airline industry. No significant improvements are expected in 2003. Two major US carriers, United Airlines and US Air, are currently operating under bankruptcy protection.

The primary corporate objective for the National Carrier in 2003 is to improve revenue per flight. The average occupancy for Cayman Airways in 2002 was 42 percent. In 2003, the company's goal is to increase this load factor to 50 percent. This objective will be pursued through:

- Aggressive Price Discounting, particularly during off-peak travel times and on specific flights.
- Maximizing Synergies in cooperation with our local tourism industry partners and the Department of Tourism in programmes such as H2GO that will attract more visitors to the Islands. As our financial industry continues to face unprecedented challenges, more reliance will be placed on our tourism industry to support the same level of economic activity that we currently enjoy.

It is therefore imperative that a stronger and more integrated working relationship be established between Cayman Airways and the Department of Tourism. Cayman Airways must play a more significant role in building tourism for the Cayman Islands, as it did when it was first conceived.

- Schedule Improvements – the airline is decreasing flights to destinations where demand is low, while expanding frequency to lucrative markets such as Jamaica, including the addition of Montego Bay and Havana where demand has increased. In April, the National Carrier will expand service to include Fort Lauderdale, Florida. Following a thorough analysis, this route will lower our operating costs and provide our customers with better connections throughout North America.
- Improve Customer Relations – the airline has developed a Customer Service Commitment programme that will enable all employees to share the responsibility to meet these commitments and, wherever possible, exceed our customers' expectations. The company's goal is to become the number one choice when travelling to and from the Cayman Islands.

The Secondary objective is to reduce the cost of providing service. The key priority is to improve productivity throughout the organization. This will be accomplished by:

- Upgrading technology;
- Reviewing operations and identifying further savings;
- Working with suppliers to reduce costs; and
- Continuing to monitor expenditure across all departments.

THE CAYMAN ISLANDS DEVELOPMENT BANK

Following its first year of operations, the Cayman Islands Development Bank is better poised as an independent player in the financial sector to respond to the developmental needs of Caymanians by offering creative and relevant financial products.

In 2003, the Bank will continue to implement the 3-year rollover strategic plan that it formulated in 2002, by adhering to its overriding goal of becoming prudently managed and self-sustaining within the medium term.

In the 2nd quarter of this year, the Bank will launch its latest initiative entitled "Agri-Business Week" to better promote the advancement of the agricultural sector.

By the 3rd quarter, the Bank aims to become fully automated so that it will be readily able to deliver quality computerized service to its clients.

Throughout 2003, the CIDB will maintain its focus on three key areas: entrepreneurial business projects; low-to-lower middle income mortgages; and credit facilities for human resource development.

TOURISM ATTRACTIONS BOARD

In 2003, Pedro St James National Historic Site is progressing with the addition of historic elements including a "HOW CAYMAN WAS" exhibit, covering the 1930s to 1960s period, and a representative Cayman stamp collection. Both of these displays will be externally funded. In conjunction with the National Gallery, the Watler House will be renovated to create an exhibition space for art. Increasing revenue from facility and site rentals is a priority for 2003.

The Botanic Park has just presented an expanded Orchid Show, in conjunction with the Quincentennial Office. With irrigation as a major expense, there are continued efforts to bring piped water to the site.

Pirates Week will feature an enhanced Landing Pageant scenario and the possibility of a laser light show on the first weekend of the Festival.

CAYMAN TURTLE FARM LTD.

Master Redevelopment Plan

The Cayman Turtle Farm will continue to implement the Master Redevelopment Plan, commissioned by the Board of Directors after the devastating effects of Hurricane Michelle in 2001, for relocation of the farm to the landside and creation of additional attractions. The new breeding pond now housing the farm's breeding turtle population has already been completed.

The Turtle Farm intends to complete the relocation of the entire farm operation including visitor's centre, retail operation, parking facilities, display tanks, education centre, hatchery and labs. The commercial stocking tanks, hatchling tanks, processing plant, jewellery manufacturing plant and research accommodation will also be constructed during this phase.

The Government and the Board of Directors are seeking private sector participation in the other elements that will complete this unique tourism and conservation facility. Among the major components of this section of development will be the aquarium, zero entry pool complete with lazy river, and a restaurant.

The Cayman Turtle Farm will commemorate its 35th Anniversary with special events to complement the Quincentennial celebrations.

PORT AUTHORITY OF THE CAYMAN ISLANDS

In the past year there were numerous significant changes for the Port Authority. With the number of cruise ship passengers reaching record levels, it was decided in the interest of safety, to separate the cargo and cruise operations. Therefore, in September 2002, daytime cargo operations were discontinued in favour of safer night-time operations at the dock.

Port statistics indicate that cargo volumes in 2002 totalling approximately 189,000 tons were roughly on par with the cargo volumes recorded in 2001. With the continued soft economy in 2003, the Authority forecasts cargo tonnage to remain around the same level.

As the number of cruise ship passengers stabilises it is planned to enhance the facilities by renovating the North and South Terminals, and constructing a third terminal – the Fort George Cruise Terminal, to the North of the existing dock. Construction of this is expected to begin in mid-2003. The cargo finger pier damaged by heavy seas in 1998 will be repaired and upgraded during the first quarter of 2003.

Honourable Speaker, Honourable Members, As I conclude my first Throne Speech, I wish to thank the many people who played a part in preparing it.

As you now embark on the First Meeting of the Quincentennial Session of the Legislative Assembly, I pray that Almighty God will bless and guide your deliberations. May He always in His wisdom continue to watch, protect and prosper these beautiful Islands and everyone who lives in them.

[The Throne Speech was laid on the Table]

Departure of His Excellency the Governor

[His Excellency the Governor, preceded by the Serjeant-at-Arms and the Honourable Speaker, followed by Mrs. Smith, the Aide-de-Camp, the Hon Chief Justice, Mrs. Sanderson, Kamaal Connolly, and the Minister depart from the Chamber.]

The Clerk: We would ask invited guests and members of the public to please remain in their seats at this time. Please be seated.

SPEAKER'S PROCESSION

[The Honourable Speaker returns to the Chamber.]

Proceedings resumed at 11.41 am

The Speaker: Please be seated. The House is now resumed. I now recognise the Honourable Leader of Government Business to move the appropriate Motion.

GOVERNMENT BUSINESS

Motion for the deferral of debate on the Throne Speech

Hon. W. McKeeva Bush: Madam Speaker, I beg to move:

"BE IT RESOLVED that this Honourable Legislative Assembly records its grateful thanks to His Excellency The Governor, for the address delivered at this meeting.

"BE IT FURTHER RESOLVED that debate on the address delivered by His Excellency The Governor, be deferred until Wednesday, 12 March 2003".

The Speaker: The question that this Honourable Legislative Assembly records its gratitude to His Excellency The Governor for the address delivered here this morning and that the debate on the address will be deferred until Wednesday, 12 March 2003. All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: That the Honourable Legislative Assembly records its grateful thanks to His Excellency the Governor for the Address delivered at the meeting and further that the debate on the Address delivered by His Excellency the Governor be deferred until Wednesday, 12 March 2003.

The Speaker: I again recognise the Leader of Government Business.

Hon. W. McKeeva Bush: Madam Speaker, before I move the adjournment of this Honourable House, allow me to say, we consider today an auspicious and historical day for Cayman Brac and the Cayman Islands.

This year is the anniversary of these Islands. 500 years of our history, 500 years since that first sighting of these Islands.

We thank Almighty God for the great things that he has done for us down through the ages. We have been a blessed people; we have been a fortunate people. We thank our forefathers for their vision and hard work to bring us from the Islands that time forgot to a modern, thriving, international business centre, the fifth largest in the world.

Many people have worked diligently over the past thirty-seven years to build our financial industry. It is of paramount importance today for us on this watch at this time to play our role to be the gatekeepers and to keep the predators at bay. We will not fail in doing our duty.

The people of Cayman Brac and Little Cayman have most certainly been a partner in the development of these Cayman Islands. They have Cayman Brac and we as a Government must now do our part to ensure that Cayman Brac continues to prosper, for school children to graduate and find jobs here at home, for college graduates to come back and help to build here for the future here at home in Cayman Brac and for businesses here in Cayman Brac to be viable and to prosper. This is a main part of the task before us and we must all work diligently together to achieve this for our people.

Madam Speaker, we live in a world of uncertainty this is a time when we must be united as Caymanians when every man should be at his post, let us not fail the trust placed in us by our people.

Many people have worked hard to make today a success and we certainly want to thank District Administrator Mr. Kenny Ryan and all his staff for the work they have done in preparing for this day and certainly, Madam Speaker, we want to express our sincere gratitude to you and to the staff of this Honourable House for preparing for this auspicious and memorable occasion.

Before I move the adjournment I wish to invite all Honourable Members of this House to the reopening of the Cayman Brac Dock at 3 pm today and we extend the invitation to all members of the public also and at the same time we extend the same invitation to all Members and the public to the Government reception tonight at 6.30 at the Brac Reef.

Madam Speaker, I move that this Honourable House do adjourn until Wednesday, 12 March.

ADJOURNMENT

The Speaker: Thank you Honourable Leader. Before putting the question I would recognise the Leader of the Opposition, if he wishes to make brief comments in this regard. Thank you.

I would from the Chair wish to express my sincere gratitude firstly to all Honourable Ministers and Members of Government and to extend on behalf of the Legislative Assembly our sincere thanks to the listening public, the press and especially the Public Works Department who worked so diligently during the past few days to ensure that we had every comfort that they could afford here this morning. I wish also to thank Mr. Kenny Ryan the District Commissioner and his dedicated staff also for their auxiliary assistance.

We wish from the Chair to thank the Cayman Islands Royal Police for the splendid display they put on this morning again adding to the ambiance to the historical occasion here. It would be remiss of me not to thank, of course, the staff of the Legislative Assembly under the capable leadership of Madam Clerk and to also welcome our newly appointed Serjeant-at-Arms, Mr. Connolly, to the Cayman Brac jurisdiction and we hope that you had a very pleasant baptism. Thank you, Sir.

Indeed this is a historic day for Cayman Brac and on behalf of my constituents and my colleague we would wish in return to express our sincere gratitude and appreciation to all Honourable Members of this House and indeed to His Excellency the Governor and Mrs. Dinwiddy all of whom played a very pivotal part in ensuring that this day came off; one which we can long be appreciative of and one which we can long remember.

With those brief remarks I would also just like to do a bit of housekeeping and remind members of the public that there is a Speaker's reception which follows immediately thereafter and all are welcomed. I would encourage Members of Government and Opposition before going to our next engagement to share some time with the public and get to know your customer as it were, on the Brac sense and in the financial ambiance in which we now operate. I also wish to especially thank the Official Members of Government here today and I am going to do something out of protocol but I am known for that.

I am going to ask the Honourable First, Second and Third Official Members to stand because they are not allowed to get involved with politics and none of these gentlemen would not come up to you and introduce themselves but we depend on them very heavily in Cayman.

Thank you gentlemen.

[Applause]

The Speaker: You may be seated. Lastly, I wish to thank the pastor who graciously graced our presence this morning with the invocation of the presence of the Holy Spirit, and with that I now put the question that this Honourable be now adjourned until Wednesday, 12 March 2003 at 10.00 am. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 11.50 am the House stood adjourned until Wednesday 12 March 2003 at 10.00 am.

OFFICAL HANSARD REPORT
WEDNESDAY
12 MARCH 2003
10.10 AM

Second Sitting

The Speaker: I now invite the Member for North Side to grace us with prayers.

[The Hon. Speaker called upon the Elected Member for North Side to read the Prayer. The Member indicated that the Prayer was not available to her. Honourable Third Official Member responsible for the Portfolio of Finance and Economics said prayers.]

PRAYERS

Hon. George A. McCarthy: Let us pray.

Eternal God we give you thanks for health and strength. We ask your blessings upon our country. Father God we ask your blessings upon the Members of the Legislative Assembly that are gathered here today. We pray that your Holy Spirit will grant wisdom and Father God guide the proceedings of this Honorable House. Father God we pray for our Governor, we pray for the Ministers and Members of Executive Council, the Members of the Legislative Assembly, the Royal Family, all peoples of the Cayman Islands. We pray Holy Father God that you will grant us wisdom and Father God we give you thanks.

Let us repeat together the Lord's Prayer: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

Proceedings resumed at 10.13 am

The Speaker: Please be seated.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Commonwealth Day Message

The Speaker: "Among my cherished memories of my Jubilee celebrations last year were those connected with the Commonwealth — in particular the visits to Jamaica, New Zealand, Australia and Canada. There was also the undoubted success of the 2002 Commonwealth Games in Manchester — both as a great sporting and Commonwealth occasion, and as a tremendous expression of the host city's community spirit. Launching the Baton Relay from Buckingham Palace on Commonwealth Day last year was one of the many colourful events leading up to the Games.

"A few days before, I had opened the 2002 Commonwealth Heads of Government Meeting in Coolum, Australia. That summit charted a new course for the Commonwealth, confident of the important contribution the association can play as a force for good in the world.

"What we have in common makes the choice of this year's theme for Commonwealth Day, "Partners in Development", so fitting. We are reminded daily that we live in an interdependent world. And yet there exist great global inequalities, with millions living lives of deep poverty and deprivation, which present a great and constant challenge to the notion of commonwealth. Under these conditions, peace is often more difficult to sustain while precious natural resources and the environment are threatened, economic growth and activity may be impeded as well as the benefits of modern technology denied to many.

"Working in partnership is essential if the nations of the earth, whether they be developed or developing, are to build a better, more secure and more sustainable world. Only together can governments and peoples create just, open and democratic societies. And through a sense of partnership and mutual respect we should be able to recognise that we all share a common humanity, regardless of who we are or where we may be from.

"In all this, the Commonwealth has much to offer. It is a unique global grouping, spanning every region of the world and including in its membership countries of all sizes and stages of development. It is an association of peoples as well as governments and, as we particularly celebrated last year, it is a body which cherishes the richness of its diversity. The special role of the Commonwealth in development was spelt out once again in the Coolum Declaration and at the meeting of Commonwealth Finance Ministers in London last September.

"Two thousand and two was for me personally a special year — and it was also an opportunity to recall those elements of my life, notably the Commonwealth, which have been of enduring importance. Appreciating just how far the Commonwealth has developed in the last fifty years is surely a cause for great hope in the future."

This is the Commonwealth Day Message.

Apologies

The Speaker: I have received apologies from the Honourable Second Official Member as well as from the Honourable Minister responsible for Health who is off the Island on official business.

STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE GOVERNMENT

Retirement of the Attorney-General

The Speaker: I now recognise the Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Thank you very much Madam Speaker.

I wish to make the following statement on behalf of the Members of the Executive Council with respect to the retirement of the Attorney General, Mr. David Ballantyne.

Madam Speaker, following a recent meeting of the Executive Council to deal with this issue, His Excellency the Governor made a statement concerning the departure of Mr. Ballantyne which was not agreed to in its entirety by the Executive Council.

The agreement between the Cayman Islands Government and Mr. Ballantyne reads as follows:

"The Cayman Islands Government and the Hon. David Ballantyne mutually agree that the current employment contract of Mr. Ballantyne will be varied whereby he will leave office as Attorney General with effect from 15 March 2003. The Cayman Islands Government has proposed a financial settlement which is acceptable to Mr. Ballantyne.

"The Cayman Islands Government agree to pay to Mr. Ballantyne on or before 15 March 2003 a lump sum payment of CI$295,000 as an agreed entitlement upon the determination of his contract of employment. In addition, Mr. Ballantyne will receive end of contract entitlements regarding passage and freight.

"Once the other terms of this agreement have been fulfilled, it is further agreed that the Cayman Islands Government shall make no claim against Mr. Ballantyne and shall continue to indemnify him (including legal costs) from any claim arising from his official capacity; Mr. Ballantyne shall release the Cayman Islands Government from any further obligation provided for in his contract of employment."

This latter provision is in accordance with the Civil Service Regulations for public officers.

Madam Speaker, I wish to put on record, that a motion was proposed in the Executive Council meeting which authorised that Mr. Ballantyne would be paid only what we were advised was due to him under his contract of employment which was one month's salary, substantially less than what he received in the final agreement. Notwithstanding the proposal of this motion in the Executive Council, His Excellency the Governor exercised his veto power, refusing the motion and proposed the settlement which is set out in the agreement and which I made reference to earlier in this statement. I should point out, Madam Speaker, that I had spoken by telephone with Baroness Amos in regards to our proposal to be made in the Executive Council and she indicated that she would not support Mr. Ballantyne being paid any more than he was due under the remaining term of his contract of employment, which is the CI$295,000.

Madam Speaker, despite the proposal of this Motion in the Executive Council, it became apparent during our extensive discussions on this matter with His Excellency the Governor and the Baroness that if we wanted Mr. Ballantyne removed from office we would have to agree to the terms proposed by His Excellency the Governor and supported by the Foreign and Commonwealth Office, and so we did, albeit under protest.

I will conclude by saying that unlike His Excellency the Governor, I do not believe that Mr. Ballantyne has shown a high standard of professional integrity nor has he, in my opinion, acted in the best interest of justice in the Cayman Islands.

Thank you, Madam Speaker.

The Speaker: Madam Clerk.

GOVERNMENT BUSINESS

Commencement of Debate on the Address delivered by His Excellency the Governor on Friday 7 March 2003

The Speaker: I recognise the Honourable Leader.

Hon. W. McKeeva Bush: Madam Speaker, the Government has presented a very comprehensive, ambitious and achievable plan, as presented in the 2003 Throne Speech. The programmes, which were outlined, tackle the myriad of challenges facing our Caymanian community over the next year. As the Leader of the Government, it is my duty and honour to lead the debate and to give an overview of my Government's plan.

In particular, I would like to address key opportunities and challenges facing our twin sectors of tourism and financial services and to discuss a proposal for an economic plan to be formulated in consideration of the economic outlook for these Islands over a five to 10 year period. I will also address that which makes all of the programmes mentioned in the Throne Speech possible, namely the Government's new Financial Management System.

Later, when the debate on the Throne Speech concludes, I will give, on behalf of Government, closing remarks, which will include a more detailed re-

sponse on the individual areas of responsibility within my Ministry.

Before I speak to other matters in the Throne Speech, I believe it is most appropriate to take this opportunity on behalf of Government to acknowledge a considerable achievement, which, I believe, was a highlight of the Throne Speech.

I was very pleased that His Excellency the Governor made the very important announcement in the Throne Speech that Mr. Buel Braggs, RVM, CPM, would be appointed as the Commissioner of Police upon the retirement of Mr. David Thursfield later this year. Madam Speaker, this will be the first time in our history that a Caymanian is being appointed to this very important post. I am proud, as the Leader of Government Business, that this very significant appointment is being made during our watch and I wish to state publicly that we have full confidence in Mr. Braggs and I am sure that he will do us proud. Madam Speaker, I was also pleased to hear His Excellency the Governor announce that two other Caymanians, Assistant Commissioner Rudolph Dixon and Superintendent Anthony Ennis will be promoted to the posts of Deputy Commissioner of Police and Assistant Commissioner of Police respectively, upon Mr. Braggs' appointment as Commissioner of Police.

Madam Speaker, having three Caymanians appointed to the three top posts in the Royal Cayman Islands Police Service is certainly a very proud and historic occasion for our country and for this Government. It is an indication, Madam Speaker, that our country is maturing and a mature country requires mature thinking and modern instruments of Government such as a workable constitution. On behalf of my Government, I wish to confirm our support for these three senior officers and the Royal Cayman Islands Police Service and would likewise encourage the country to support them in their efforts in ensuring that the Cayman Islands remain a country of safety, security and serenity in which our main industries of tourism and financial services can flourish.

Now let me begin by focusing on some key programmes underway for the tourism industry.

Tourism Industry

The Ministry and the Department of Tourism are focused on developing sustainable tourism initiatives. As recently confirmed in the Tourism Management Policy, the tourism industry contributes significantly to the economy of the Cayman Islands: 30% of the workforce, or approximately 7,000 persons, are employed in the tourism industry. In 2001, this represented CI$ 475 million or CI$12,000 per resident.

In order to achieve more optimal management of this industry, the Ministry and Department of Tourism are working with industry stakeholders to investigate the feasibility of transitioning the Department of Tourism to a statutory authority.

To this end, Ernst & Young have completed Phase I of the 'due diligence' required. Some 500 surveys were sent to local stakeholders. Also, Ernst & Young conducted research on how similar authorities were established in Barbados, Bahamas, Singapore, Hawaii, Malta and Jersey. In the next stage, Phase II, the structure and functionality of the organization will be defined. Among the issues which will be addressed are the identification of revenue streams; measurements of success; level of public and private sector contributions for funding, policy making and administration; and legislative review, drafting and ratification.

The Tourism Management Policy has been approved by Executive Council and is due to be tabled in this Honourable House very shortly. Once approved, committees will be appointed to oversee the implementation of the policy. In addition to an overall steering committee, committees will be established on a range of issues including the environment and product and infrastructure enhancement. Committees will be tasked with priority action items, many of which are long-term objectives. In total, some 70 Action Points have been identified. Committees will have to identify adequate staffing and funding for the implementation of action items. However, I do hope, Madam Speaker that the private sector will be prepared to lend their support to the Committees. In fact, I have already talked to the Chamber of Commerce about membership.

Another important programme under development at the Department of Tourism, is the "Welcome Back" cruise conversion programme. Working closely with its industry partners, the Department of Tourism is developing an innovative loyalty program aimed at giving cruise ship passengers a reason to return to the Cayman Islands as a land-based stay over guest.

This programme is due to begin testing during the second quarter of this year, with in-cabin distribution by Carnival Cruise Lines ships that call on Grand Cayman. If only one to two per cent of the estimated 2.1 million cruise guests visiting the Cayman Islands in 2003 return as stay over guests, incremental revenue to the Islands could exceed $25 million dollars.

To stand out, the "Welcome Back" program will test two different pieces: a credit card sized CD ROM and a plastic, credit card style card. Both will have an image of the Cayman Islands on the front, including the words "Welcome Back", and instructions on how to access a special Uniform Resource Locator (URL).

The CD ROM will provide a multi-media presentation on the Cayman Islands and will allow guests to enter a free vacation sweepstake, and to access special vacation packages available exclusively for cruise guests.

The plastic card will direct cruise guests to a special URL to enter a sweepstake and access cruise

only vacation specials. These specials will be available for cruise guests to book direct.

Methods of tracking the success of the programme will be integrated into the information capture systems. Dynamic offers will be listed on the website. The program will be supported with press releases, advertising in past guest magazines and on-board the vessels themselves with video footage to cross-sell the destination.

I would like to now look at Government's Financial Management System.

Government's Financial Management System

Madame Speaker, His Excellency the Governor posed the question in the Throne Speech: **"How far will the new discipline imposed by the Public Management and Finance Law help to maintain the recent improvement in our budgetary situation?"**

Madame Speaker, the new process has contributed a great deal to the improvement in the budgetary situation. The establishment of allocations as part of the Strategic Policy Phase has imposed a fiscal discipline on the Ministries and Portfolios. The basing of these allocations on more soundly based revenue projections means that Government is only spending what it can afford.

In May, the Legislative Assembly will be receiving the first quarterly report that will detail how well this Government is achieving its fiscal and policy targets. This level of transparency will focus every Civil Servant on the need to keep revenue on target and expenditure within budget.

The recent improvement in our budgetary position has not only resulted from the new budget process, but also from the United Democratic Party's policy of fiscal restraint. To illustrate the importance of this top-down strategic approach, I would draw members' attention to the fiscal strategy contained in the Strategic Policy Statement for the 2003 half year which was tabled in the Legislative Assembly in April last year. That strategy had five elements as follows:-

- First, no new revenue measures;
- Second, generating operating surpluses by controlling recurrent expenditure whilst allowing revenue to increase in line with economic growth;
- Third, no new borrowing;
- Fourth, limiting capital expenditure to levels that could be financed by operating surpluses; and
- Fifth, building reserves by leaving existing reserves untouched, and committing to allocate any unforecasted or unexpected revenue to reserves.

Underlying this fiscal strategy was a very important change in budgeting philosophy. The level of government expenditure is now determined by the level of revenue forecasted to be collected, rather than the other way around. In other words, we are moving to a more private sector approach where the budget is revenue driven rather than expenditure driven.

Madam Speaker, the 2003 budget was also prepared using conservative revenue estimates. A recent review by the Foreign and Commonwealth Office supported this approach and I quote from their report:

"In overall terms the use of a forecast revenue figure for 2003 that resembles the 2002 out-turn illustrates a much more prudent approach to government finance. Whilst the discussions we have had with the private sector suggest that even a standstill revenue forecast may be optimistic, we would still generally endorse this projection of revenue".

I understand the Financial Secretary will be tabling the Foreign and Commonwealth Office report shortly in this House.

The conservative revenue budget meant that aggregate expenditure for 2003 had to be reduced from the level of previous years. As a result, expenditure proposals were carefully prioritised and the civil service found new ways to do more with less.

Two important fiscal improvements have already resulted from this approach.

The first is a reduction in the planned level of government expenditure as a proportion of the economy. As a percentage of Gross Domestic Product (GDP), planned expenditure reduces from 24 per cent in 2001 to 20 per cent in 2004.

The second improvement is the Government moving from being a net borrower to becoming a net re-payer of public debt.

This five point fiscal strategy was not just a theoretical plan. It was the basis on which the 2003 Budget was prepared. As Members of this Honourable House are aware, the aggregate Budget amounts for 2003 half year were very similar to the Strategic Policy Statement targets. In other words, the Budget did indeed comply with the strategic parameters and fiscal policy objectives established for the 2003 half year. The result showed the benefit of setting financial parameters up-front and the pressure of transparency in budget decision-making. It also reflected the Government's determination to produce a budget that was fiscally responsible, and that complied with the principles of responsible financial management.

Madame Speaker, the Government takes very seriously the Principles of Responsible Management as established under the Public Management and Finance Law. Although the Law gives us an eight-year grace period to achieve compliance, my Government is actively pursuing compliance at this time. Prudent financial management is the only way we can safeguard the Islands' future. Tremendous borrowing, Madam Speaker, will send us into decline and destroy finances over a period; it will darken the future for our posterity.

The budget for the 2003 half year and the Strategic Policy Statement for 2003/4 are slated to

comply with two out of the three relevant measures. These measures are running a surplus and complying with the 10 per cent borrowing guidelines. We still have some way to go on the third measure, which relates to reserves, but we are doing significantly better in that area than previous governments.

Madam Speaker, the Government is committed not just to preparing a responsible budget, but also to achieving it. That is what counts at the end of the day, and we are well on track to achieve this.

The Financial Secretary recently advised that the overall results for January are in line with budget expectations.

The operating surplus, which is the key indicator of the Government's financial performance, was $41.8 million for January. This is $7 million better than budget. Operating receipts are very close to the budget for the month, but operating expenditure for January was around $6.4 million less, or 27 per cent less, than the budget. Much of this expenditure variance is the result of timing differences that are expected to correct themselves over the financial year. Overall then, the January out-turn should be interpreted as being similar to the budget for the period.

Using the January results and projecting them through to the end of June, and taking into account the Government's decision to defer the increase in the garbage collection fee, as well as other policy decisions that affect expenditure, the forecasts show a small reduction in the forecast operating surplus and a compensating change in net balance sheet activity. This balance sheet activity includes the net proceeds of the new bond.

I will talk more about the benefits of the bond issue later in my speech.

The Government will continue to closely monitor revenue and expenditure trends. Executive Council will be receiving monthly reports on revenue and expenditure, so that if world events that affect our economy take place, for example war or increases in oil prices, then corrective action will be taken to ensure expenditure is maintained within budgetary levels or reduced in line with reducing revenues. If war breaks out and casts the problems that are expected upon us, then many things will have to be reprioritised and I would expect that Honourable Members on both sides would be sympathetic to the country in this time.

The closeness of the revenue forecasts to the budget numbers is very encouraging and supports the conservative approach to budget forecasting. Compared to January last year, a number of revenue categories have increased, including notably work permit fees, partnership fees, local company management fees, insurance licenses, and mutual fund administrator fees.

However, some others have decreased. Among these are bank and trust licenses, which reduced by 7 per cent, compared to the same period last year. Last year's increase in bank licensing fees has contributed to this reduction. However, another more important trend is evident. Throughout the world, businesses have been rationalising their activities with a view to minimising costs. As a result, a number of institutions have combined their operations and now require fewer licenses. This means that the reduction in license revenue does not necessarily indicate a reduction in financial sector activity.

The Government recognises that one of the most important things it can do to support the economy is to ensure that it operates in a fiscally responsible and well-managed manner. The Government is therefore committed to ensuring that the budget is achieved and, if for any reason actual revenue falls short of forecast, it will take action to adjust expenditure accordingly.

The Government also recognises that it needs to maintain fiscal discipline over a long period of time. The preparation of the 2003/4 Budget is currently underway and I would like to remind Members of this Honourable House of the fiscal strategy on which it will be based. I announced this in November 2002 as part of the Strategic Policy Statement. The strategy has eight components.

1. We propose to generate operating surpluses sufficient to cover all balance sheet activity that relates to current activity or that has short-term benefit;

2. We propose to allow revenue to increase in line with economic growth, but no new revenue measures;

3. We propose to continue tight control over aggregate operating expenditure by limiting its rate of growth;

4. We propose to fund new initiatives by reprioritising existing expenditure;

5. We propose to fund equity investments, capital acquisitions, loans made and borrowing repayments from operating surplus;

6. We propose to restrict capital development expenditure to essential projects with long term benefits;

7. We propose that the aggregate borrowing levels are within the 10 per cent debt servicing ratio required by the Public Management and Finance Law;

8. We propose to maintain reserves at existing levels and allocate any un-forecast or unexpected revenue/surplus to general reserves.

This strategy is once again conservative and fiscally responsible and will help provide economic growth.

Madam Speaker, now let me talk about the bond issue. All Honourable Members of the House will know that Government has been diligently pursuing the execution of a bond issue. On 6 March, last week Thursday, investors in Government's bond issue carried out their "due diligence" exercise in the presence

of myself, the Deputy Leader of Government Business, the Honourable Financial Secretary, the Deputy Financial Secretary, the Solicitor General and other senior Civil Servants, including representatives from the Monetary Authority and Cayman Airways. I am very pleased to report to the House that the transaction is expected to be concluded by the end of this month. I should say also that the Director of Tourism made a presentation to the investors.

Madam Speaker, this will be another first for the Cayman Islands, again under the watch of the United Democratic Party. The execution of the bond issue is a sign of the Islands' growing maturity and sophistication.

Madam Speaker, it is very important to point out that the UK Government is well aware of the bond issue. On 25 June 2002, Baroness Amos wrote to me, as Leader of Government, and stated that she was content for Government to go ahead with a bond issue of CI$136 million, which is equivalent to US$163.2 million.

Madam Speaker, it is also very important to point out that the vast majority of the bond issue proceeds will be used to pay-off existing Public Debt loans. The Government, Madam Speaker, cannot be accused of being extravagant or of borrowing too much: we are essentially borrowing to repay our existing obligations.

The Government, in this Meeting, shall be bringing a motion seeking the Legislative Assembly's authorisation to draw down against the US$163.2 million bond issue.

Madam Speaker, the bond issue has a number of beneficial aspects for the Islands.

First, the interest payable on the bond will be fixed for 15 years; interest rate changes in the marketplace will not affect the interest that Government will pay on the bond. This is in direct contrast with the present situation in which interest payable by Government changes each time an interest variation is announced in the marketplace.

Secondly, the annual payments in respect of interest and principal arising from the bond will be substantially less than the present payment stream arising from the Islands' existing debt portfolio. As an example, in the year ended 31 December 2002, the Government paid CI$27 million in respect of interest and principal; in the year that will end on 30 June 2004, the bond's interest and principal payments will amount to only CI$16.2 million.

Thirdly, at 31 December 2002, the Government had 17 Public Debt loans. When the proceeds from the bond issue are used to pay off most of our existing loans, the Government will be left with two Public Debt loans plus the bond itself. This will be an administrative relief to the Treasury Department. Madam Speaker, I think we should thank the Honourable Financial Secretary and his staff, Mr. Ken Jefferson and others who have worked very diligently to get the bond to the point where money is coming in.

I mentioned Mr. Jefferson because he was the one working on the bond matters.

International Initiatives

The Cayman Islands has indicated to the International Monetary Fund (IMF) that the regulatory assessment deferred from December 2002 can be programmed for late May 2003. As the assessment will be primarily based on areas within the ambit of the Monetary Authority, preparation for the same will be the responsibility of the Authority, in consultation with government. It is expected that the international regulatory standards to be referenced by the IMF will comprise the Basle Committee standards for banking, the International Organisation of Securities Commissions (OSCO) standards for securities and the International Association of Insurance Supervisors (IAIS) standards for insurance. There will also be an anti-money laundering component to the assessment.

With regard to the OECD initiative, the Cayman Islands, along with other jurisdictions, have signalled to the OECD the serious inconsistency between that project, which enjoys participation from 31 non-OECD countries, and the level playing field commitment from the OECD directorate in respect of its 30 members states, and the draft EU savings directive, inasmuch as the latter creates a carve-out position for three EU/OECD members, as well as OECD member Switzerland. This factor puts the global progress of the OECD initiative in jeopardy, as recognised by both the OECD Secretary-General and the Commonwealth Secretary-General. Therefore, there is to be a meeting of the OECD Global Forum, likely in April of this year, to attempt to resolve the level playing field distortion created by the draft EU savings directive, as a prerequisite to any further forward movement on the OECD initiative. Cayman expects to participate actively, as normal, in that Global Forum meeting.

Turning now to the EU savings directive, the Caribbean Overseas Territories were required by the UK Paymaster-General to indicate by 7 March 2003 whether they would voluntarily implement the savings directive. It is assumed that this deadline was set with reference to the 21 March Council of Ministers' meeting, at which the European Commission proposes the directive to be formally adopted. It will be recalled that the terms of the draft directive contemplate that member states such as the UK will ensure compliance of the relevant associated and dependent territories, such as the Cayman Islands.

As I have previously stated to the Honourable House, the Government's position on the directive, supported by the private sector, is informed by the requirement to proceed in a way that secures the best economic interests of the Cayman Islands. It is fair to say that there was an impasse reached in this regard with the United Kingdom, the Labour Government. The Government therefore secured top, legal counsel in the United Kingdom to advise on legal recourse.

Based on this advice, the Government is still seeking to deploy the consultation process with the European Union available to associated or dependent territories of European member states in which representations from the Cayman Islands in relation to the proposed savings directive could be made.

It is recognised that even if the deployment of this mechanism is achieved, this does not guarantee a successful outcome from Cayman's perspective. It may be that the proposed savings directive is yet adopted in its current form, on or about 21 March. However, it will not do so with Cayman Islands support. Should this happen, the United Kingdom counsel have advised that it is strongly arguable that the European Union does not enjoy competence under the European Union Treaty to direct member states such as the UK to legislate for their associated or dependent territories, such as the Cayman Islands, in the manner contemplated by the draft directive. Consequently, if such a directive is adopted by the European Union's Council of Ministers, we can challenge the legality of it. I should say that was our advice.

Accordingly, on 6 March, we advised the Paymaster-General of the United Kingdom that the Cayman Islands would not provide a commitment to the UK regarding implementation of the savings directive as they requested for 7 March. We also advised that we were prepared to challenge the legality of the draft directive before the Court of First Instance in Luxembourg should it be adopted. Copies of this advice to the Paymaster-General were sent to ECOFIN (European Community Finance Council), the European Commission and the European Parliament and other relevant bodies in the United Kingdom. In addition, on 6 March we instituted legal proceedings in the Court of First Instance to challenge the decision of the European Commission not to grant the deployment of the consultation process requested by Cayman Islands in October 2002.

As to the status of the draft directive within the European Union, there was a 7 March meeting of ECOFIN at which final sign-off of the draft directive and onward transmission to the Council of Ministers meeting of 21 March for adoption was contemplated. In fact, evidently due to domestic issues raised by Italy and reported failure to reach final agreement with Switzerland, ECOFIN will re-convene in a special meeting on 19 March to resume discussions on the draft directive.

The Cayman Islands Government will maintain the approaches I have described, in order to secure the best economic interests of the Cayman Islands. As I have said so often, we will lose jobs and revenue if we have to put in place the taxation on savings directive. We are determined not to do so.

As we contemplate a brave and prosperous future for these our beloved Cayman Islands, we are forced to reflect upon our proud Caymanian heritage and history. Madam Speaker, in this our 500th year, we have all been reflecting on the past, honouring our heroes and celebrating our achievements. This recognition of our past has been very important for us. History gives us context: it reminds us of who we are, and it shows us the long journey we have already taken.

However, today, I want to talk about our future; about what we need to do now to ensure the years ahead will be safe and secure.

Madam Speaker, in the past, we have simply been managing situations; responding to events as they occurred; putting out fires here and there. All governments have done some good things, but there has been no real economic planning - no roadmap available to tell us where we are going. This, our Government feels, cannot continue in the future. We need a plan to give us direction and to provide us with security about the future.

Cayman has been extremely fortunate over the past 37 years. It has been benefiting from changes that took place in the Bahamas, the United States and other countries. However, times have changed. Other islands are now competing fiercely in the tourism and financial services sectors. We have to be ahead of the game and maintain our competitive edge.

Madam Speaker, in order to be competitive, we must have a constitution that is fit for a modern-day Cayman. It must allow us financial freedom and the ability to manage our affairs in our own interest.

Every one of us here has a stake in the future. This is regardless of economic status, social standing or political persuasion. If we are to maintain our standard of living, we cannot continue the way we have been going. Changes must be made. We have to move away from managing situations to planning for the future.

Madam Speaker, we need to formulate an Economic Development Plan. Before addressing specific issues on the Plan, I will take a few minutes to highlight features of our past. This will provide us with a good perspective on what is needed for the future, I hope.

Learning from History

Our Islands' development goes back to the days when men went out to sea, labouring long days and nights, putting themselves in danger. The incomes they brought back to the Cayman Islands were modest, but they sustained our families and communities. They went a long way in helping to build this country.

This earlier generation understood fully the meaning of the word "sacrifice." Sometimes our fathers, our brothers, our uncles, and our husbands went away from their families for years.

The choices our ancestors had to make were difficult, but they had one aim in mind: to ensure that their families enjoyed a decent standard of living. They worked hard to guarantee a safe and secure

future for other generations, for this generation, which has been benefiting from their choices and hard work.

Madam Speaker, today I wish to salute the sterling contributions of our forefathers to the economic development of these Islands; and to honour all the women and families who held the fort while our men were away at sea. Not to say that we did not have some other industries over the years, but they were small in comparison to what I have mentioned meant to the people of our Islands.

Our women deserve special mention because of the many roles they performed. They mastered the principles of prudent financial management, making the scarce dollars stretch as far as possible. They also held families together under the most difficult circumstances, maintaining social cohesion in our society.

In the years ahead, we will have to follow their example and remember what is needed to secure our future: hard work, sacrifice and maintenance of strong family values. These are the core values that have helped to build this country. They will be needed again to carry us into the future.

An Era of Buoyant Growth

The Cayman Islands have undoubtedly come a long way in a relatively short period of time. Early pioneers who had vision and foresight laid the building blocks for the financial services industry during the 1960s. They put in place the necessary legal, regulatory and other structures for its development. These structures, coupled with a favourable external environment, allowed our financial services industry to flourish.

Tourism, which had modest beginnings mushroomed during the late 1970s and quickly became a major growth industry. Numerous hotels were constructed, the airport was expanded and tourist attraction facilities developed. We know that we have had dips in tourism numbers over the years. In recent times, since 1999 or thereabouts, tourism started to take a downward trend. In addition to all of that, our own airline, Cayman Airways, assumed a pivotal role in transporting visitors to these Islands. The boom in tourism and finance allowed other industries to expand - real estate, construction and utilities are key examples. Overall, rapid economic growth brought tangible benefits to the community. It allowed businesses to prosper and families to enjoy higher incomes.

Changing Economic Fortunes

Since 1999, Madam Speaker, economic conditions in the Cayman Islands has changed considerably. Growth of our financial services industry is being affected by the numerous policy changes taking place globally. In addition, the recent downturn in the United States economy and events of 11 September 2001, have dealt a serious blow to our tourist industry.

In the major capitals of the world, new rules are being drawn up to govern the global economy. These rules favour big, powerful countries - those with strong bargaining power to negotiate the most favourable deals for themselves, and small islands like the Cayman Islands are used as ponds, even spied upon and used for their own good. Little countries like the Cayman Islands are not seeing any tremendous benefit as yet on the OECD ”harmful tax” initiative and the European Tax Savings Directive.

A preliminary economic impact study conducted by Professor Mirrlees showed that the European Union Tax Savings Directive will cost us about $50 to $70 million in its first year of implementation. It is clear that this, and other similar initiatives, will impact negatively on our financial industry. What do we do here in the Cayman Islands? We certainly cannot continue doing as we have done before because the road has been changed. Rules have been changed. As I said, we cannot fight to an extent the huge countries that we have to deal with now do, but that does not mean we should not stand up when we know we are right, and that we should not stand up to protect these Islands. This Member, Madam Speaker, does not back down easily. When I know I am right I stand up and I think that is the position of the Government as a whole.

Need for a Plan

The process of globalisation will continue in the future and the need for global rules will intensify. We need an economic development plan that is sensible. We cannot predict what form these rules will take nor what further changes will occur. What we can do is prepare ourselves to adjust to a changing world. We need a plan that will allow us to consider our resources and capabilities; assess all options available to us; and select the best options to secure our future. However, we have to plan to do that. What I am really saying, Madam Speaker, is that if we are to ensure our long-term sustainability, we need to formulate an economic development plan.

Planning is not an easy task in today's world. The future is uncertain and constantly changing, but if we are always thinking ahead and assessing our options, this will help us to make informed choices about the future.

Recent experiences have demonstrated how vulnerable we are to external disruptions. Planning will help us to respond effectively and quickly to changing circumstances. Planning will also help us to make better use of our resources. Over time, competition in the marketplace will become more intense. We will have to produce more with less to maintain our competitive edge. Planning will help us to evaluate different proposals for achieving our objectives.

High levels of investment are essential for economic growth. A country that has a well-defined plan will attract private investors, as it will give assur-

ance about government policy. It will also allow us to access financing from regional and multilateral agencies more easily.

Finally, Madam Speaker, I must emphasise the importance of planning in helping us to make trade-offs for the future. What are these trade-offs all about? They simply mean that we have to make informed decisions which clearly spell out what is required to achieve the goals we have set as a country.

If we continue to expect economic growth, we must accept development. If we expect high quality, first world standards of living, we must accept that the small population base we presently have will not sustain the kind of economy we have grown accustomed to. Our economic model depends upon managed growth. This growth fuels our economy, supports government expenditure, and creates jobs and business ownership opportunities. Such economic growth is tied to people, investors and their capital, and accepting this basic truth is fundamental to our getting back on our way to sustainable and meaningful economic recovery.

The time has come when we have to make hard choices, so let us not "bury our heads in the sand" but face the challenges head-on. If we work together and plan well, we will be more confident about our country's future and benefit from the economic opportunities.

The Planning Exercise

In planning for the future, Madam Speaker, we have to take a medium to long-term perspective. Development projects often span long periods and their impacts can be wide-ranging and long-term. We therefore envision an Economic Development Plan with a five to 10 year horizon, (maybe even 15, as some plans already on the way show enhancement of various sectors).

The planning process is, of course, not new to any of us here in the Cayman Islands. Over the past years there have been numerous attempts at planning. This has involved many individuals and organisations in both the public and private sectors. Today, we want to place on record our gratitude of the Government to all those who have laboured on various planning initiatives such as:

- Vision 2008, an exercise that has had the most comprehensive coverage to date;
- The Draft Development Plan, which focuses on issues of land use; and
- The more in-depth, sectoral plans in areas such as education, health, agriculture, tourism and the environment.

The Economic Development Plan will consider the project ideas and proposals in existing planning documents. However, it will differ from previous planning efforts in several respects. It will:

- consider the emerging economic situation and future resource availability;
- include individual sector plans; and
- focus on selection of options.

The Plan will locate projects for each sector within a comprehensive framework of developmental goals and objectives. It will take account of resource constraints and prioritise programs and projects.

I emphasise here, Madam Speaker, that a distinction would be made between needs and wants. The Plan will ensure that the basic needs of the population are fully met. The planning exercise will embrace initiatives by both the public and private sectors.

Medium-term investment planning is already underway in the public sector. The Public Sector Investment Plan will therefore dovetail into the longer-term Economic Development Plan.

Private sector plans will form an important part of this exercise. The private sector accounts for almost 90 per cent of domestic output and is the engine of growth in the economy. Its investment plans will be central to the Government's Economic Development Plan.

There is one last point that I must make on the planning exercise. It is a very important one.

In recent times there have been numerous concerns about the lack of statistics and information for analysis. Planning is a data-intensive undertaking. The more data available to us, the better we can plan. I am therefore making a plea to all organisations and individuals to provide the best information available in a timely manner. Madam Speaker, in discussing this with the Honourable Financial Secretary we hope to have an economist here to start the process.

Key Considerations for the Plan

In formulating the Plan, the unique features of Cayman's economy and society would be taken into account. This is particularly as they relate to the Islands' small size and their vulnerability. I will mention just a few of these.

First of all, there is the issue of a small population size and limited human resource base. A country cannot grow unless it has a sufficient quantity of labour and a good skills base. I am not aware of any country that has been successful in the face of labour shortages and skill deficiencies. We need to look at how well Singapore has managed, what they have done and what they have created out of a small island.

There are two points the Plan will address:

- importing labour selectively and;
- developing our own human resource base.

Madam Speaker, a service-based economy like ours must have a highly skilled labour force. We do not have abundant natural resources like other countries. Therefore, we will have to concentrate on developing our own people. It has been said that people are the real wealth of nations. Yes, we are a "na-

tion" and we intend to focus maximum effort on human resource development. That must be a priority and that is where funds will have to be spent.

On this point, I must emphasise that human resource development should not be seen simply from an economic point of view. It is true that human resources add to our productive capacity and allow more goods and services to be produced. However, human resource development is also central to human development. This is the process of enlarging choices in all areas of human endeavour - including economic, social, political and cultural.

Our Economic Development Plan will not be concerned just with the accumulation of goods and money. It will also be about enabling people to enjoy long, healthy, creative lives in this country.

The Speaker: Honourable Leader, you have one hour remaining.

Hon. W. McKeeva Bush: Good, I am much more ahead than I thought. Thank you very much, Madam Speaker.

A second feature of the Cayman Islands economy is the central role of the private sector in stimulating economic growth. A country cannot grow without high levels of investment. This is why nations constantly seek to attract foreign investors to their shores. In these times, I submit to this Honourable House that once investments want to come here and these Islands have done our due diligence and we are satisfied with the type of investment, we should do everything to welcome them.

The Cayman Islands are fortunate to have a vibrant private sector that has maintained a competitive edge in the face of stiff competition. It is also constantly on the lookout for new opportunities. The Plan will focus attention in at least two areas:

- providing an enabling environment for the private sector and;
- exploring new opportunities for growth.

An enabling environment with sound policy and regulatory frameworks will help to keep transaction costs low for businesses. These, in turn, will allow them to maintain a competitive edge.

New growth possibilities could include:

- diversifying within existing industries e.g. e-commerce and niche markets in tourism;
- exploring completely new avenues;
- searching for new growth poles e.g. the Sister Islands; and
- encouraging development of small businesses.

I spoke earlier, Madam Speaker, about human development in the context of enhancing capabilities, but capabilities cannot be utilised unless opportunities exist to use them. One way to create economic opportunities for our people is by ensuring access to capital.

There is great potential for small business development in the Cayman Islands. The Cayman Islands Development Bank was set up to assist with providing capital for small businesses. However, there are numerous obstacles to their development. The Plan will seek to identify all constraints and take steps to remove them.

A third feature of the Cayman Islands economy is its small land mass and fragile environment. The implications of this are important, as there are physical limits to economic growth. We have all seen what uncontrolled growth has done to the environment in other countries. We must preserve the environment for use by future generations.

Madam Speaker, as you know, there is currently a fierce debate globally about how to ensure a proper balance between development and the environment. The Plan will address this issue head-on. At least two areas will be given attention:

- ensuring that physical planning laws and regulations are appropriate; and
- addressing the trade-offs between preserving the environment and pursuing further development.

A fourth feature of the Cayman Islands economy relates to the substantial leakage of incomes. Leakages out of the circular flow of income reduce opportunities for the local economy to grow. The Plan will encourage businesses and individuals to invest in the long-term development of these Islands.

On this point, it should be noted that having a sound Immigration Policy which protects Caymanians and long-standing residents and investors is critical to the economic prospects of these Islands. When long-term residents are given certain basic assurances, it facilitates their ability to invest in the country - to build homes and to spend money in local businesses. In this vein, Madam Speaker, we also have to look at whether the pensions plans are performing any better by being invested overseas or whether the time is not ripe to be bold and consider investing pension funds locally to build the Caymanian economy and attract better returns on a portion of these pension funds.

Overall, the local economy must be able to benefit fully from the fruits of development. If this is not achieved, we will continue to ask ourselves, who are we developing for?

Issues to Address in the Main Sectors

Each sector of the economy has its own contribution to make to development. The Economic Development Plan will aim to ensure there is balance across the various sectors. Sectoral plans will have to be considered collectively and against resource constraints.

Conflicts will obviously arise between sectors since each has its own goals and objectives, but there will also be opportunities to create positive linkages. The challenge will be to resolve the conflicts and build upon the positive linkages.

I will now briefly mention some projects that are under consideration for incorporation into the Plan.

Tourism

Tourism is a major economic sector. It is one of the largest employers and generates significant incomes. It also has linkages with several other sectors.

With the changes taking place globally, tourism is expected to become increasingly important in the future. The industry must remain viable and buoyant and create wealth for this country. Plans to facilitate this goal must include a marketing and public relations programme that is well targeted to ensure we are successfully reaching the desired audience.

Establishing a hospitality training institution is another priority to enable our people to develop and acquire the skills to take advantage of the many opportunities, which will arise in this sector in the future.

Planning within a medium to long-term perspective would require us to assess future tourist demand and establish optimum levels of visitors. These must take into account the carrying capacity of the Islands. Carrying capacity is important, given our small land mass and fragile environment, but it takes on added significance when we consider that the natural environment is our major tourist attraction.

On the supply side, we have to ensure that accommodation facilities are sufficient and they are of a superior quality. Our hotels would have to be five-star facilities in order to attract high-spending visitors. Further, given our image as an upscale destination, other facilities will have to be developed and maintained to a high standard.

There are numerous investors, Madam Speaker, who are ready, willing and able to develop our Islands. It is therefore important for us to formulate an Economic Development Plan, which would give them the assurance about Government's intentions and support.

Among the specific projects that are being considered is the construction of two to three luxurious tourist resorts.

One resort will be located in the western peninsular and another in the eastern end of the Island. A third is currently being considered for Cayman Brac by investors. These resorts will cater to international sporting events, such as golf tournaments, and will have spas and other facilities for wellness.

Madam Speaker, as you are aware and others may be as well, the Tourism Management Policy, which is yet to be tabled, has indicated that a moratorium should be placed on tourism accommodation development on Seven Mile Beach. However, as mentioned earlier, the contribution of each sector will have to be seen within the context of the wider economy.

The establishment of upscale hotel accommodations will not affect the occupancy rates of existing properties, as these properties attract a specific, brand-loyal clientele. Such properties would also be designed to attract and facilitate the convention business as we aim to come to an agreement with the United States on tax concessions.

Before I say that, Madam Speaker, I should say that there is a delegation that is going off to Washington next week consisting of Government and the private sector and that is to continue to build relations. One of the things we hope to discuss at those meetings will be the tax concessions with the United States. The resorts have the potential to create wealth, generate employment opportunities and raise incomes for the population.

Another project in the pipeline is the construction of new docks and cruise tourism facilities.

The plans here are for re-development of the George Town port and construction of a dock transhipment port and mega yacht facility in East End.

A cruise facility is also to be constructed in West Bay, which will help to ease congestion in George Town and create business opportunities for the people in West Bay. Overall, the cruise industry will have to be managed in a way so that Caymanians can benefit from it. Florida Caribbean Cruise Association, in our agreement with them, has increased their offer to us from $15 million to $26 million for the re-development of George Town and also for the West Bay facility and also for some work to the done on the Spott's jetty.

Other projects under consideration include:

- Expansion of tourist attractions; and
- Re-development of the turtle farm, both as a scientific farm and as a tourist attraction.

Financial Services

Given the increasing trend towards global rule making, the Cayman Islands will have to be aggressive in international negotiations on financial services. This will involve action on a number of fronts:

- monitoring closely all relevant global discussions;
- establishing common positions with the private sector;
- ensuring effective representation abroad; and
- establishing links with key decision-makers in developed countries.

Our limited human resource base constrains our ability to negotiate effectively abroad. It will therefore be important and cost-effective for us to develop strong, local expertise in conducting negotiations.

Such skills will be useful for negotiations in other areas over the years.

Given our small size, it will be critical to build strategic alliances with varying groups of countries. These alliances will have to be built on a case-by-case basis, dependent on common interests. This will increase our bargaining power in external negotiations.

In addition to the above, the Cayman Islands will explore the drawing up of Tax Information Exchange Agreements with a number of OECD countries. These agreements have the potential of creating new commercial opportunities since they will enhance market access for Cayman's financial service products.

Transport

Air Transport

The broad plans here are to expand airport facilities and ensure adequate airlift to the Cayman Islands. In terms of airport facilities, specific projects include:

- expansion of the Owen Roberts International Airport runway to accommodate aircraft operations to/from European and South American destinations; and
- construction of a parallel taxiway to facilitate safe and efficient movement of aircraft at Owen Roberts International Airport.

Ensuring adequate airlift will mean supporting Cayman Airways in order for it to remain a viable entity that could serve our needs.

We are blessed, Madam Speaker, to have many international carriers operating in Cayman. However, with world conditions being so uncertain, we cannot depend on other airlines to service our needs fully. We have seen how other islands are left stranded when foreign airlines discontinue their services. We simply cannot afford for this situation to arise - the impact on our tourist industry will be devastating. Therefore, we have to have a new mindset on Cayman Airways and I believe that the Board that I have put in place gives us that.

A Strategic Plan is being formulated for Cayman Airways, whereby the airline will be developed as an instrument of economic policy. Cayman Airways will strengthen its relationship with the Department of Tourism to achieve the maximum economic benefit for these Islands. Madam Speaker, the House will hear more about this, but this will have to be in this Economic Development Plan.

Roads

Cayman has an excellent road infrastructure, but expansions and improvements will be needed over time. Current plans are for:

- construction of the East-West Highway;
- continuing improvements in road safety; and
- reviews of storm water management practices and procedures.

Telecommunications and E-Commerce

The goal of the telecommunications sector is to promote a favorable telecoms environment, which would contribute to the economy and allow development of a new industry.

On-going negotiations between the Government and Cable and Wireless are due for completion soon. This will allow industries to enjoy relatively low prices and to compete favourably in both the local and international markets. Full competition should be in place by mid 2004.

One spin-off benefit of liberalisation would be the growth of e-business. This is expected to generate high-value activities and become the 'Third Pillar' of the economy.

Plans for the sector include licensing of new companies that will offer an expanded range of services at relatively low costs.

Cable and Wireless is currently preparing for a new competitive market. Last November, it signed a US$100 million deal with Nortel Networks to improve its wireless networks.

The Government intends to support all private companies by providing an appropriate enabling environment. This will include proper regulatory frameworks to facilitate competition and ensure equitable treatment for all providers.

Cayman Brac & Little Cayman

Over the past year, there have been innovative moves both by the private and public sectors–

The Speaker: Honourable Leader, if I could make a brief interruption.

Honourable Members, a matter has arisen in which I seek now to take a suspension for five minutes and I would ask for Members to meet in the committee room. Thank you.

Proceedings suspended at 11.40 am

Proceedings resumed at 11.55 pm

The Speaker: Honourable Leader of Government Business, continue your debate.

Hon. W. McKeeva Bush: Thank you very much, Madam Speaker.

As I said, over the past year, there have been innovative moves both by the private and public sectors to develop the Sister Islands. Public-private sector partnerships will be strengthened in the coming years to help stimulate the domestic economy.

Three areas that will be given attention include:

1. Further development of back office operations businesses on Grand Cayman that do not need to be located close to the offshore financial centre in George Town could 'set up shop' in Cayman Brac. Advantages of setting up in the Brac are lower property values and already-developed physical and communications infrastructure.

2. E-business to facilitate other businesses. The introduction of e-business is expected to spur the growth of businesses such as accounting and audit services, legal services, and courier services.

3. Frequent, safe and reliable air transport. It is expected that daily flights will operate between Grand Cayman and Cayman Brac. These will be done through the use of appropriate sized aircraft and jet service on weekends.

Cruise tourism is definitely a must for Cayman Brac. I re-open the Brac dock on Saturday. We are now looking at how we can expand the Brac dock to offer berthing facilities to cruise tourism. Efforts are paying off. Ever so often we have cruise ships visiting and we have made special efforts to get a smaller cruise ship to Cayman Brac. We do have a cruise sailing company that will come to Cayman Brac in April with about 172 passengers. Also, Madam Speaker, we have talked to the First Elected Member for Cayman Brac about that, and the Second Elected Member for Cayman Brac has been meeting with us to expand cruise tourism in a more meaningful way to Cayman Brac, and we can do that. We are looking at tours through Cayman Airways, to pick up here and take to Cayman Brac via Cayman Airways. There needs to be some facilities there and some property needs to be purchased. I think it is a good way to enhance Cayman Brac through cruise tourism until we have facilities to offer docking or anchoring in Cayman Brac.

Health

A major goal of the health care sector is to ensure that the overall wellness of the population is promoted and sustained over time. As growth in the Cayman Islands proceeds, the health care demands of the population are likely to become more diverse. Every effort will be made to ensure that these demands are fulfilled and health care is at a comprehensive and superior level.

Recently, the Government has implemented two major changes in the institutional framework to help meet the objectives of the health sector. In the years ahead, attempts will be made to consolidate these changes which include:

- formation of the Health Services Authority, which is geared to provide a viable, high-quality, efficient and customer-friendly system to health care users;
- enforcement and monitoring of the Health Insurance Law to regulate the fair management of compulsory health coverage for civil servants and private sector employees.

The cost of health care is a major concern worldwide both for governments and patients. This will therefore be given the highest priority over the short to medium-term. The major areas for improvement include:

- computerization of the patient and financial services functions;
- strengthening of the accounts receivables systems especially collections from health insurance, and revision of hospital fees;
- a further strengthening of financial management and control functions.

Education

Madam Speaker, I emphasized the importance of human resource development earlier in my presentation. I will now mention the main goals of the education sector and key projects to be pursued and which will be included in the economic development plan.

First, in order to promote and support school improvement, two new schools are to be constructed. The schools are:

- Spotts Primary School and another primary school in West Bay;
- A secondary school at Frank Sound, to be open in 2005.

Secondly, in order to strengthen the opportunities and quality of provision for teacher training, local teacher education will be strengthened. Attempts will also be made to improve the matching of training courses to needs. Specific projects here include:

- Community College of the Cayman Islands to offer teaching qualification with the introduction of four year degrees; and
- better matching of training courses and opportunities as well as personal development and national needs.

Thirdly, in order to improve information, communication and technology skills, the Improved Teaching and Learning in the Cayman Islands (ITALIC) project will be implemented. This project will use technology to improve teaching and learning. At its maturity, it will culminate with each child in the public schools having access to a laptop computer. The project has three main components:

- Training of teachers,
- Adoption of software and other web-based solutions; and
- Improvements in hardware and access to the web.

Fourthly, in order to enhance the provision for technical and vocational education, the Human Resource Development Unit will:

- Reduce skill mismatches and improve access for the disadvantaged, particularly the young employed;
- Enhance the private sector's role, through programmes like Investors in People;
- Improve system-wide management and co-ordination; and
- Disseminate information on available training resources.

Fifthly, in order to establish citizenship education, Citizen Education will become an integral part of the curriculum at all levels of schooling.

Finally, plans are currently underway to expand facilities for tertiary education, which will include:

- converting the Community College of the Cayman Islands into the University College of the Cayman Islands in September 2004. This facility will offer four-year degrees in selected areas.
- supporting the International College of the Cayman Islands (ICCI). The Education Council has granted recognition to ICCI and is currently granting scholarships for study at the college.
- developing a University in Frank Sound, which will incorporate courses at St. Matthews University.

Environment

A draft Environmental Policy has recently been prepared, which states the goals and strategies of the environmental sector. One main goal is to manage the human use of the natural environment of the Cayman Islands so that it yields the greatest continuous benefit to present generations while maintaining its potential to meet the needs and aspirations of future generations.

Overall, the Government is committed to ensuring that there is a balance between development of the Cayman Islands and conservation of our natural environment and resources. More specific aims are to protect the wetlands and our marine life.

Two areas for priority action in the medium to long-term include:

- enactment of national conservation legislation to ensure that our statutory framework conforms to international standards; and
- establishment of a National System of Protected Areas, starting with the creation of the Barkers National Park, but not limited to that, because I have just had a presentation about another heritage park in the vicinity of the Community College and that is something that the Government will look at. It is more like an environmental park in the nature of Barkers. You do not have the Barkers wetland, but that also can be a national park and we are going to look at it. Government owns some land there, but the majority of the land is owned by the private sector.

Public Order & Safety

In today's world, our personal safety and security are extremely important. We need to make plans to protect our boundaries, to equip our police service and ensure it can respond effectively to circumstances.

The recent terrorist attacks and continuing threats worldwide have put a premium on safety for our population. Safety has an added dimension for us, since one of our selling points as a tourist destination is safety.

In recent months, a number of initiatives have been taken to protect our Islands. These will be increased in the coming years. They include:

- enhancing our intelligence gathering procedures through our worldwide network of agencies such as Interpol and the FBI.
- constant review and tighter co-ordination of security arrangements. The National Security Committee set up under the auspices of the Governor's Office is currently working in this area.
- increasing security at our ports of entry to ensure they meet international safety codes of practice. Cayman is surrounded by water and every effort must be taken to protect our boundaries.

On the internal security front, there will be a move towards increased community policing. This will involve more responsibility being delegated to District Commanders, and better sharing of police vehicles among the various District Stations.

Social Protection

Finally, Madam Speaker, the last sector I wish to speak on is social protection - a very important one for these Islands. We cannot enjoy the fruits of development unless there is progress in both economic and social development.

The Cayman Islands has always been a stable and harmonious society. It is the role of government to ensure that this continues in the future. A number of initiatives have been taken over the past year, aimed at protecting vulnerable groups in the society. These groups have included youth, women, the elderly and the poor.

Cayman's first Crisis Centre for battered victims was launched recently, which seeks to eradicate the problem of domestic abuse. It will therefore provide protection for women.

A US$3.7 million low-cost housing contract was recently signed to assist lower-income families. This agreement will ensure that safe and affordable homes are provided for eligible applicants, especially deserving families.

Specific plans that are being considered to provide social protection include:

- construction of residential group homes for elderly residents in North Side and Bodden Town; and establishment of day care programmes in the same facilities and at the Kirkconnell Community Care Cen-

tre in Cayman Brac. We are also looking at expanding the West Bay Golden Age Home facilities for day care and also to enable four more rooms or sleeping quarters.

- establishment of a coalition for parenting whose primary function will be to train parents in various groups;
- strengthening of communities through special initiatives undertaken by the Community Development Unit and district committees;
- provision of Probation/Aftercare Services to the Courts and the prison; and
- the enhancement of the anti-drug programme, including but not limited to, counselling and rehabilitation.

In closing this address, Madam Speaker, I must emphasise what this Economic Development Plan is expected to achieve. It will:

1. Enhance real and lasting prosperity for all;

2. Allow businesses to make money and Caymanian entrepreneurs to start new businesses;

3. Enable workers to pay their bills, raise their children, save for a vacation and for their retirement;

4. Ensure that the elderly are well taken care of. These are the people who built this country and who must be adequately provided for;

5. Allow civil servants, particularly those at the lower end of the scale, to earn decent salaries;

6. Ensure that we pay off our national debt and build national reserves.

The Speaker: Honourable Leader of Government Business, you have 27 minutes remaining.

Hon. W. McKeeva Bush: Madam Speaker, we have to approach the future positively but realistically. Trade-offs will obviously have to be made and I say that again so that all will understand what I have said. Trade-offs will obviously have to be made. We cannot continue to have a good standard of living without making sacrifices.

We have the opportunity to make the right choices to secure our future. I therefore invite all of us to participate fully in the creation of this Economic Development Plan of the Cayman Islands.

Madam Speaker, it is important to reiterate that times have changed. What we see facing us now in the world is not a good picture. In all of my years this is the most uncertain I have seen world conditions. Cayman has to rethink, it has to plan and it has to accept that there must be changes and that there are things that we are not going to like. I encourage Members of this House that when we go out and talk to our constituents, we let them understand that. Government is not a money tree; we are not printing our own money. We have to get business in this country so that Caymanian businesses can benefit, so that we can live the kind of standard of living that we are accustomed to. If we do not do this and we take a harsh stand and say, "This is something that the Government wants and we are going to stand against it", bad will be our end. This is for the good. This is not today. We are not talking about building resorts today, yesterday. If we plan for a hotel today, it is going to take three or four years before that hotel comes online. For instance, there has been talk about a moratorium. That moratorium is not in place. When I talk about hotels, I am talking about five to seven star hotels. We are talking about Four Seasons and other brands. We are not talking about another Holiday Inn; we are not talking about another Sleep Inn. I think we have enough of those on Seven Mile Beach and in these Islands my plan is for upscale tourism.

I would like to close, Madam Speaker, with these very pertinent words of inspiration – "*Who will light the way?"*

Who will light the way for tomorrow's dreams ?
Who will be a beacon to those wandering in darkness?
Who will catch a vision and enjoy the godly call?
Who will stand firm?
Who will stay the course never wavering under pressure?
Who will reflect heaven's rays of promise to the hopeless traveler?
Who will be a shelter from the battering winds and waves?
Who will reach out to the lonely when no one else will?
Who will shine for Him?
If not us, then who?
If not now, then when?

Madam Speaker, I have many miles to go before I sleep. We are changing, Madam Speaker, and Members might take laugh at this and I thought about whether I should been saying it but I will say it. Next year is an election year. I had thought that after 20 years I would call it a day. I find that we are not being kind to each other; we are battering one another; we are not trusting of each other; we have a rough role to play. I have two children and one grandchild. Both of my children want me to wrap it up and call it a day, but there is work yet to be done.

I love this place called the Legislative Assembly. When I get cursed, I take it in stride. I have learnt to do that and I find peace and solace in doing good. Even if it is only one letter I receive to say thanks. I had planned to call it a day after 20 years. Enough would be enough of taking licks, being cursed, being challenged and, at the end of the day, far too much bickering, but we cannot let it drop.

I love politics. I love doing the work I do and, when all is said and done, all of us are Caymanians,

so I will continue and I will work with my party to make a stronger Cayman Islands.

I thank you very much.

The Speaker: At this time we will take the luncheon break.

Proceedings suspended at 12.22 pm

Proceedings resumed 2.11 pm

The Speaker: Please be seated. Proceedings are resumed with the continuation of the debate on the Throne Speech. I recognise the Leader of the Opposition.

Mr. D. Kurt Tibbetts: Thank you, Madam Speaker, Perhaps we find ourselves at a slight disadvantage this afternoon because we prepared our official response to the Government's Throne Speech based on what we heard delivered by the Governor last Friday. Unfortunately, we find ourselves with the unusual experience of having two Throne Speeches and only being able to reply immediately to one. Nevertheless, we will make our attempts to deal with it.

In listening to the Throne Speech last Friday, Madam Speaker, and then preparing the official reply to that Throne Speech, not having had the benefit of this morning's delivery of the Leader of Government Business, we would be saying that in preparing the official reply of the People's Progressive Movement to the Throne Speech as presented last Friday, I felt somewhat compelled to share with the people of the Cayman Islands a few salient points concerning the background of the presentation of this very important policy statement.

Again, I would say first, the Throne Speech, although delivered by His Excellency, is considered the main policy document of the Cayman Islands' Government. It would almost by necessity set forth and reflect 100 per cent the policies, programmes and priorities of the Government of the day. Certainly what we heard last Friday, Madam Speaker, and what was contained in the Throne Speech, is what the Government wants said and what was omitted is what the Government prefers not to have said in the Throne Speech.

Listening last Friday, we had to take the position that an inspirational Throne Speech is normally the product of a visionary and a very enlightened Government. However, by the same token, a Throne Speech that is flat, unrealistic or perhaps even irrelevant, and which offers little hope or comfort to the residents, is by extension the product and handiwork of a Government that would seem to be out of touch, perhaps even having lost its way. It is in this context that the presentation of last Friday must be viewed. That is our view.

The speech obviously was researched and packaged and produced by the UDP administration and its impact or its lack thereof is a reflection of the thought processes at work within the administration. We would have said, Madam Speaker, not having had the benefit of this morning's delivery, that as I sat in the Aston Rutty Centre in Cayman Brac and listened to His Excellency deliver the Throne Speech for the first time, I truly experienced a very wide range of emotions. On the one hand, I was moved by the auspiciousness and the significance of this occasion, which everyone knows is my ancestral home, and the significance of this occasion to Cayman Brac. I certainly felt very proud of and I was really delighted to be a part of this historic occasion.

However, on the other hand, as the Speech proceeded, I grew increasing concerned and even a bit distressed as it was apparent to me at that time that the Government, whose policies the Speech was suppose to reflect, must have prepared the Speech in an economic vacuum, with no regard to the harsh realities which now confront the Cayman Islands and the entire world. At that time, Madam Speaker, there was no mention of the very serious challenges which the Cayman Islands face and how the Government proposes to cope with them. Instead, a bit bewilderingly, the Throne Speech proceeded on the principle of business as usual: that is, in a global climate when nothing is as usual, in a world where there is great anxiety and uncertainty, and at a time when nothing can be taken for granted.

Even as we speak now, Madam Speaker, the prospect of war looms large on the near horizon and it might almost seem inevitable, although we all hope not that the United States, and perhaps other nations of the world, may well declare war on Iraq. Of course, if this happens, we all know it is bound to adversely affect business and particularly the tourism industry in the Cayman Islands, as was the case and the experience when there was the Gulf War in 1991. So, we ask the question, what provision is the Government making for that eventuality?

I hold the view, Madam Speaker, that much could have and should have been said about these matters in order to reassure the people of this country and those who do business here that the Government understood the risks that we face in the months to come and has made contingency plans to deal with the possibility of a further serious economic downturn. However, when the Throne Speech was delivered on Friday nothing was said about that, not a solitary word.

This morning, the Leader of Government Business did say in his delivery that, in the event of war, the Government would have to reprioritise its projects and restrict expenditure to correspond with revenue. However, even then, as he carefully explained what the Government would be doing in such an eventuality, he gave no indication of what would be done to bolster the economy and to protect the many businesses that would be even more vulnerable than they are in the present climate.

As the Throne Speech is the Government's policy document, it must be taken as reflecting what the Government's position is in relation to the various matters for which it has responsibility. The fact that the Throne Speech has not addressed the likelihood or possibility of a looming war and its potential impact on the economy of these Islands and the lives of its citizens and residents, in my view, speaks volumes about the Government's policy or the position that they take on this issue.

Maybe the Government has considered the matter and they have determined as they lay the odds that there will not be a war; or perhaps the Government has concluded that if there is a war it would have no effect on the Cayman Islands; or, Madam Speaker, it begs the question, is it that the Government might be clueless as to what to do in the case of a war and is simply hoping against hope that the threat goes away? Madam Speaker, we all hope that that threat goes away, but as of now we have no clear indication that it will.

Let me just say that, as the Opposition, the Government will appreciate that while there are consistencies at certain levels among the thought process and they are charged with their responsibilities, we also are charged with the responsibilities of raising questions and perhaps encouraging thought processes which would bring about solutions to such matters. Therefore, even when we raise the issues and it seems like we come with a bunch of questions but we have no solutions, the fact of the matter is that they have their role and we have ours. We will live up to our responsibilities and, at the same time, with the expectation that the Government will live up to theirs.

We know from bitter experience, Madam Speaker, of the devastating effects of global conflicts on the tourist trade and the stark and tragic circumstances of September 11, 2001, when there was this terrorist attack on the United States, still haunts us. I also know that the course of global events is not in our hands and to a large extent the consequences of these events are also outside our control. I do not seek to pretend otherwise, but equally by anticipating and preparing for what seems likely, we can, at least, mitigate the economic fall out and the adverse impact of these events on our local economy and our people. This is a responsibility of the Government and, to that extent, whatever the Government fails to do then we have to call into question the dereliction of duty.

In raising that issue, it is to ensure that in thinking of all of the various initiatives, in thinking of all of the aspects of how the Government operates, that it bears in mind the possibility and it is with a view to anticipate and not to wait until after the fact. This is not like September 11 when there was absolutely no warning. In fact those Members across, who were in Executive Council at the time, remember that that was a morning of Executive Council meeting. Most of us only knew about it after we arrived at the Glass House; no warning. This is not like that, Madam Speaker. Thus, our job is to raise the flag. As the Leader of Government Business asked this morning, in the eventuality of such a situation, would we be sympathetic and act accordingly. Certainly we will, because there are many matters which have common threads to all of us and we must be able to divide the lines between what is sensible politically and thriving to the system of politics that we have. We certainly would intend to play our role should such an event occur. Naturally, we would have to be in the know, if we were to be able to do what we should do.

Given all that has transpired during and since the aborted Euro Bank trial, I would have expected the Government to state, as a matter of policy, what is its position in relation to the manner of appointment of the Attorney General and the role and functions of the holder of that office. I would also have expected that a clear statement would have been made by the Government as to the way in which it thinks the Financial Reporting Unit should be restructured, staffed and to whom it should be made accountable. Yet, Madam Speaker, despite the ranting and the raving and the charges that were laid, little or nothing of a concrete nature has been said by the Government to ensure the nation and the international business community that a similar debacle will not and could not occur again.

We know that it is not something that the Government can just sit and decide. We fully appreciate that. Further, I should add that the two lines devoted to this matter in the Throne Speech which merely confirms the earlier statement of the Governor that, and I quote with your permission: **"Legislation is also planned to clarify and establish further by statute the role and functions of the former Financial Reporting Unit".**

Those two lines do not amount to the kind of concrete proposals for reform of this Unit that are of critical importance to rehabilitating the credibility and the entire reputation of our beleaguered financial industry.

It is our view that the country and those who do business here are entitled to expect from the Government a clear and unequivocal position on this fundamentally important matter.

As far as the financial industry of these Islands is concerned, there are very few issues that demand more urgent attention than this one. Yet the Government says nothing about this in its principle policy document, which was delivered last Friday for those of us who was there with the accompaniment of much pomp and circumstance. Equally, Madam Speaker, I would have expected to hear the Government articulate a position, or at least comment on, the continuing constitutional review process, now that we have received the draft Constitution and the draft interim order for the establishment of a boundaries commission. However, only a passing reference has been made to the issue of constitutional reform.

We know from previous utterings and actions of the Government that it holds dogmatic views about certain aspects of constitutional reform. We also know that the United Democratic Party have consistently maintained that a Chief Minister should be appointed prior to the next General Election. Now that the draft Constitution has been returned without the provision for this appointment, what is the Government's position? Will it support the draft Constitution in its current form? Or is there going to be another pitched battle over this issue?

As I listened to the Throne Speech being read by His Excellency, I was struck by its vagueness and its lack of coherence. I have to go further, because I have to express how I felt. I was struck by its irrationality and, as I go on further, I am going to explain why I was struck by its illogical setting of priorities.

It appeared as though the document had been prepared by five desperate governments; each intent on achieving its own particular objectives with no reference to or regard for any common plan, purpose or policy. Madam Speaker, of course the Government is not going to accept this statement; if I were them I would not accept it either. It is for the Government to not only simply refute it, but to stay with the issue and prove that what I felt is not correct. They have ample time to do so and, personally, I would wish for them to believe me saying that I would be greatly relieved if such is the case, but we are going to do our job.

I said earlier that the speech appeared to have been a draft in an economic vacuum. In my view, this is certainly the case, but in many instances it also appears to have been drafted without reference to earlier policy statements made by the Government. This is particularly true in relation to last year's Throne Speech. In other instances, confusingly it repeats what was said a year ago, with no explanation as to why a year has come and gone with no progress having been made or nothing having been achieved in respect to a particular project or the implementation of a particular policy.

Madam Speaker, I am in alright shape today and I hear about the reference to 2001. I cannot deal with that because I did not get an opportunity to deal with the one for 2002. When therefore we take the flowery language away and examine the presentation of last Friday purely on content, we see that there was fundamentally very little added to the already raging debate on how the Cayman Islands should and must emerge from its economic downturn. Madam Speaker, I will be fair, even regarding what we heard this morning about an economic development plan, I listen very carefully and, if what was said is followed, then I see where there can be many benefits. I have to be fair about that, but it was not apparent from the Throne Speech that the Government, as they have professed on countless occasions, possess the necessary vision, the will or the ability to address the myriad of social issues which the Cayman Islands face.

We were fed a large dose of generalities with the Throne Speech, the sum total of which has done little to allay the fears of residents of the Cayman Islands regarding their diminishing social and economic fortunes.

Now, Madam Speaker, we need to get it straight. We can prepare the nicest sounding and most logical of ideas in any area we choose, but, as has been said on many occasions by the Leader of Government Business and others, "the proof of the pudding is in the eating". If we are in the middle of the preparations for the wonderful utopia to come then we shall see but, Madam Speaker, not all of them but several of them who sit on the other side of the fence now, have sat on this side of the fence since my time and listened to those wonderful things being pontificated. Here we are in the year 2003 and we are starting over again, so it is not with a great track record that we can anticipate that everything is going to be fine as is projected. It is from that line that I come.

I speak purely from historical data, Madam Speaker. Whether or not it is not liked that it is said by me or whether anyone makes comparisons about "look who is talking", it cannot be refuted because history is proven that what I just said is absolutely correct and the *Hansard* will prove that.

Little was contained in the Throne Speech, Madam Speaker, but what I would term as superfluous policy submissions which would have been largely irrelevant to ordinary Cayman Islands residents and citizens alike. However, I have to presume that the speech said all that the administration of the United Democratic Party wanted to say. We heard some more stuff this morning and, if the plan was to have His Excellency deliver bland, flat and everything else and then the spokespersons get up and correct the situation, then that is a plan, However, I respond to the Throne Speech, so they will have every opportunity to deal with individual and collective items of policy as we proceed.

Against that backdrop, I have to say that we perhaps get a clear insight into the thinking of the administration. It begs the question, is there some type of disconnect from the people of the country? If we simply isolate the thought process to the Throne Speech and, regardless of whether it is deliberate or not deliberate, the fact of the matter is that what is known to be a Throne Speech is supposed to deliver the Government's policies 100 per cent. After the Throne Speech, I spoke to literally scores of persons in the lead up to this reply and, in every case, barring none, the reaction was similar.

Collectively speaking with regards to those reactions, the description of that would be that the Government is somewhere out in left field, removed from the day-to-day challenges and problems of the average person in this community and, perhaps, out of touch with reality.

Madam Speaker, this is how it should be. This Throne Speech, its proposals and its policies or lack

thereof, cannot be considered in isolation. It must be viewed in the context of Government's fiscal position and condition. The latest statement which told the country about its fiscal health was delivered by the Honourable Third Official Member at a luncheon of the Chamber of Commerce held on 26 February 2003. That presentation, Madam Speaker, was that of - what I would term - a technocratic Member of the Executive Council. We know, because of what he does, that the Honourable Third Official Member is by nature attracted to dealing with figures - and perhaps by having had to deal with them for so long, I might even jokingly say that he might almost be addicted to dealing with figures. That Member has studied mathematics and accounting and, naturally, he speaks mathematics and accounting. I certainly have no difficulty with him or what he said.

What was proffered by him could and should have reasonably been expected of him. However, that independence of thought, focus and control is absolutely necessary to create the required balance that is so essential to the ultimate and overall attainment of our goals. His presentation begs the question, where is the voice of the social engineers in Executive Council and in the Government? We know clearly the agenda of the Honourable Third Official Member, but the goal and the intent of the Government is another matter and is a bit more difficult to discern. What about the issues now facing the masses of people in this country? What about the platform of issues that individual members of the United Democratic Party campaigned upon? What about the issues that the private sector, professional organizations and other interest groups in this country are concerned about? What about the seeming stagnation and, in some cases, deterioration in the quality of life of residents? What are the plans of the Government to halt the slide and to restore public confidence in the economy and the management thereof?

The Government must not hide behind the comfort of this fiscal jargon. It must begin seriously to address the social, moral, ethical and economic issues of concern to the people of the Cayman Islands. Now, they will say that they are doing so and they have ample opportunity to explain that. The policies that were articulated in the Throne Speech did nothing to do that.

Certainly, Madam Speaker, a demonstration that the Honourable Third Official Member is very good at arithmetic will not suffice. People wish to know whether the Government is aware of their plight and their concerns and, if it is, what it is doing to address their concerns.

I am going to hear more rumblings again, but I am going to use examples as they float across my life. Take, for example, the recent flooding in parts of George Town. The Government boasts of realising and even surpassing its budget target. The Honourable Third Official Member predicted an $8 million surplus at the end of this year, which he claimed had been verified by the Foreign and Commonwealth Office. I get to understand that the two economists who were here might have looked through the projections and verified that. However, what use is all of that if the people of these various communities cannot get meaningful relief on a timely basis. Madam Speaker, we are not the Government; we raise the questions. The Government has access to the purse strings and the resources and everything else. It is their job to respond.

What is the point of our boasting of realising mathematical targets if the number of stay over visitors to our Islands continues to decline, thus jeopardising the welfare and wellbeing of so many of our workers? Lest it be convoluted and misconstrued, one is not advocating fiscal irresponsibility, certainly not. However, there must be a balance and once would have expected that the Government might have been a more sensitive and sympathetic to the plight of the ordinary worker in the Cayman Islands. It is clear to us that the strategy of the Government is to pursue policies perhaps similar to other parties in the region, other parties that we might want to term right of centre, where the population is starved of vital services and opportunities for the vast majority of a term, but come the last few months prior to an election the Government appears like Santa Claus to dispense goodies in order to secure its return to office.

One can expect that with the elections due in under two years perhaps the Government might shortly be dispensing a lot of things to a lot of people. The question is, why wait so long? Why allow such strain on individuals in our society? If we cannot do any better then at least show intent and say why we cannot. We shall see, with the timing, whether we are working towards sensible medium and long-term goals or whether we are with political manoeuvring.

We, the People's Progressive Movement, have with us as our overriding principle the need to involve the people that we would serve at all levels of decision making, at all times and, as a Government, we will take the people of the Cayman Islands in confidence and we will level with them along the way. We certainly will not subscribe to the theory of letting the people suffer for extended periods and then showering them with gold, frankincense and myrrh. We believe that that is wrong. Time will prove if that is or is not the case.

With that overview, I wish to turn now to deal with some specifics of the Throne Speech or, to be more accurate, perhaps the lack thereof. The introduction of the Throne Speech contains just a cursory reference to the ongoing constitutional review process. It acknowledges the importance and desirability of the modernisation of our system of Government and the introduction of a Bill of Rights. It does not, however, go on to discuss the draft Constitution which, as I alluded to earlier, has been sent to the Cayman Islands by the Foreign and Commonwealth Office for discussion by the people. Madam Speaker, I

say with considerable pride this afternoon that we believe that the draft Constitution now reflects to a large degree the wishes and aspirations of the majority of the people of these Islands, while there still remain some important points of concern and perhaps even contention, not necessarily between us and the Government, but perhaps between the country and the United Kingdom Government.

The document in circulation appears to have a level of support which neither the draft prepared by the Constitutional Commissioners nor the proposals of the United Democratic Party Government, enjoyed.

This achievement has been no mean feat and, while there is still some work to be done, the current draft represents a hard fought victory for the People's Progressive Movement, for the People for Referendum and for the many solid citizens who stood with us as we opposed the attempts of the former Governor and the Government to rush to the adoption and the implementation of the new Constitution for the Cayman Islands.

I sincerely pay tribute to the sacrifices and efforts of the many selfless individuals who rallied behind the petition and who gave of their time, talents and their efforts to ensure that the voices of the people of this country were heard in moulding the new Constitution for these Islands. They can, and should, derive tremendous satisfaction from the knowledge that their efforts and their struggles were not in vain. While those efforts have thus far not resulted in a referendum being held, they have undoubtedly and irrefutably altered the course of events. I also pay tribute to the members of the People's Progressive Movement and to my fellow Members of the parliamentary Opposition who stood firm in the conviction that we could not and should not take part in the debate on the Constitutional Commissioner's report against the will of the people. That, Madam Speaker, in my view, required character and courage under fire, particularly after the Second Elected Member for George Town and myself had been suspended from service in this Honourable House because of public statements which we made following the rejection of the referendum motion brought by the Elected Member from North Side and myself. In the end, I believe that our actions and our position in relation to the issue of constitutional modernisation have been entirely vindicated. I have no doubt that the constitutional talks in London and the local summit between ourselves and the United Democratic Party Government would not have occurred if we had not launched such serious opposition to the manner and the speed with which the modernisation process was proceeding.

What is of great importance is that it appears at this point that almost all of the positions which we advanced on behalf of the people of these Islands have now been accepted, not only by the Government but also by the United Kingdom. Many of the positions were conceded by the Government at the summit and the remaining points of contention were, in the main, resolved at the meeting with the Foreign and Commonwealth Office at Lancaster House in London in December last year.

Madam Speaker, I am going to crave your indulgence to take a few minutes to remind this Honourable House and the people of this country, of what the principal points of contention were and what is now proposed in the draft Constitution. Also, briefly to identify what areas still remain of concern to the People's Progressive Movement. It will be remembered that we prepared a comprehensive position paper which set out our position on the areas of major difference from either the Constitutional Commissioner's proposals or those of the Government. This document was forwarded to the Foreign and Commonwealth Office well in advance of the talks in December last year. The main points of disagreement related to:

1. **Single member constituencies.** The Commissioners recommended the division of the Cayman Islands into 17 single member constituencies and we agree. The Government disagreed, claiming that the Cayman Islands was too politically immature for this proposal and that it should be phased in over a period of years. At the summit, the Government conceded this point and the draft Constitution contains the recommendations of the Commissioners; and

2. **The Speaker should not be an elected Member.** The Commissioners had recommended that both the Speaker and the Deputy Speaker should be chosen from outside the Legislative Assembly. The Government disagreed and proposed that both should be capable of being chosen from among the elected Members of the Legislative Assembly. The People's Progressive Movement proposed that the Speaker should be chosen from outside the membership of the Legislative Assembly, but that for practical reasons the Deputy Speaker should continue to be an elected Member. At the summit, the Government also conceded this point and the draft Constitution contains that proposal.

3. **The definition of Caymanian.** The definition proposed by the Commissioners was considered by many to be circular in nature and too restrictive. We proposed a simple straightforward definition that Caymanian should mean a person who possesses Caymanian status and British Overseas Territories citizenship by virtue of a connection with the Cayman Islands. This definition was accepted in principle by the Foreign and Commonwealth representatives and, by agreement with the Government and ourselves, the Foreign and Commonwealth Office added British citizenship by virtue of a connection with the Cayman Islands to that proposed definition in order to take into account the fact that all persons of Caymanian status now possess British citizenship.

4. **Term limits on the holder of office of chief minister.** We propose, Madam Speaker, that the holder of office of chief minister should be limited to two consecutive terms. At the summit, the Govern-

ment also conceded this point and the draft Constitution contains this position.

5. **Qualifications for electors and elected Members**. The qualification for those who are entitled to vote and to stand for election to the Legislative Assembly proposed by the Commissioners were considered by many to be unduly restrictive and would exclude many persons born of Caymanian parents. The People's Progressive Movement proposed a more inclusive provision and this proposal was agreed by the Government at the talks in London. It has been accepted by the Foreign and Commonwealth Office as it is reflected in the draft Constitution.

6. **Referendum.** The draft Constitution unfortunately does not contain provisions which would permit a people- initiated referendum. This is a source of great disappointment to the People's Progressive Movement and the People for Referendum. Madam Speaker, we intend to pursue the issue with the FCO following the completion of the consultation process with our constituents. We were delighted, however, to note that the draft Constitution does contain a provision which makes it clear that a motion brought by the Opposition which seeks to have the Government bring a referendum law cannot be rejected by the Speaker on the ground that it will have the effect of incurring a charge on government revenue.

7. **Attorney General.** Long before the revelations in the Euro Bank trial, we had expressed concern about the manner of appointment of the Attorney General and the extensive and myriad functions of that office. In our position paper, we submitted that the role of the Attorney General should be limited to that of legal advisor to the government and that the prosecutorial functions of the office should be vested in the Solicitor General. We believe then, as we believe now, that the current arrangement whereby the Attorney General is a member of the Executive, the chief prosecutor, head of the Financial Reporting Unit, legal advisor to the Government and legal advisor to the Governor must be fraught with potential for conflicts of interest. We were pleased that the Government conceded this point at the summit and we are delighted that the FCO has recognised its validity as well, and that the draft Constitution reflects this by vesting sole responsibility for prosecutions in the office of the Solicitor General. I have to express a bit of disappointment, however, that our submission that the Government of the Cayman Islands should have the ability to choose its own legal advisor, has met with only limited success. The draft Constitution provides for the Attorney General to be appointed by His Excellency the Governor in consultation with the chief minister. While this is obviously an improvement over the current position, it does not go far enough, in our view, particularly in the light of recent events. The Euro Bank affair has demonstrated overwhelmingly the critical importance of this issue. We pressed this position with considerable force during the constitutional talks in London and, I dare say, perhaps if some Members of the Government had joined in this effort rather than sitting quietly throughout this segment of the talks, except for the statement of support and expression of confidence in the current Attorney General, we might have had more success on this point. Notwithstanding that however, given all that has transpired in and since the Euro Bank trial and the tremendous damage that has been caused to the reputation of the Cayman Islands as a result, we intend to renew our efforts, to persuade the United Kingdom Government of the necessity and appropriateness of this proposal. We firmly believe that one of the key elements necessary in the re-building of confidence in the Cayman Islands is the ability to appoint an attorney general who commands the trust of the community and the Government. To enable this to be done, particularly in light of the recent experience, the appointment of the Attorney General must be made with full confidence in his loyalty to the Cayman Islands and its Government. We will therefore continue to press this position and we hope that what I would have to term "belligerent diplomacy" employed by the Government in dealing with the United Kingdom following the Euro Bank matter, has not adversely affected our ability to obtain this necessary and critically important concession.

Madam Speaker, this leads me conveniently into the discussion of another very important issue arising from the Euro Bank affair, and to which I referred in my opening: that is the necessity to rationalise, restructure and formalise the agency that is currently known as the Financial Reporting Unit (FRU). The Members of the parliamentary Opposition had continuously expressed concern about the functions, structure and organisation of the FRU for more than a year before the news about impropriety on the part of Mr. Brian Gibbs, former director, became international headlines. There had been numerous attempts by the Honourable Second Official Member to justify the unconventional organisational structure of the agency, and there were obvious territorial battles between the office of the Attorney General and the Commissioner of Police regarding who should be in control of this agency. This ultimately resulted in the development of a protocol by His Excellency, the former Governor, by which an attempt was made to identify the lines of authority. The director of the FRU was made accountable to the Attorney General under this arrangement, but this did little to allay our concerns and our fears about the operations of this office. Indeed, it served to heighten them. As things have transpired, these concerns clearly were warranted. Plainly the status quo cannot continue and, indeed, the Government has stated that the agency would be placed on a statutory basis in the near future.

We support the concept of the FRU becoming a statutory authority with clearly stated objectives, authority and functions. We also believe that it would require a name change, given the stigma that has now become attached to it as a result of the Euro Bank trial

and the importance of this particular issue should not be understated.

The functions performed by a properly operated FRU are of critical importance to the reputation of the Cayman Islands as a well-regulated jurisdiction that provides world class financial services to major international players.

The Speaker: Leader of the Opposition, you have one hour remaining.

Mr. D. Kurt Tibbetts: Thank you, Madam Speaker. What must happen and happen quickly is a transformation of the FRU in order that it can shed its present disreputable image. Not only must it be renamed, but it must be restructured in a way that makes it accountable to the Government of the Cayman Islands and not an agency of the United Kingdom Government subject to the UK's control and influence. I am not speaking of a novel arrangement, but of an arrangement similar to that of the Monetary Authority in which the FRU would have operational independence but would ultimately be accountable to the Executive Council. Anything less and the FRU, by whatever name, is going to continue to be viewed as an extension of MI6 or the Secret Intelligence Service (SIS), whatever the name, and it will appear that it plays with its own set of rules and has no regard for the laws and judicial authorities in these Islands. If we permit the current perception of this important agency to continue, we firmly believe that we seriously undermine the continued viability of our financial industry.

By its very nature the FRU requires a multidisciplinary work force. It requires investigative, compliance, legal and forensic accounting skills. This requirement has created tensions and confusion in the past, particularly in relation to police officers who were seconded to the Unit and who were required to report to both the Commissioner of Police and the Director of the FRU. The proposed legislation which will properly establish the FRU must address this issue and make plain that officers of the FRU are accountable to the head of that agency to the exclusion of other government departments from which they have been seconded. If there are not clear lines established then it is not going to be fair to expect that the unit is accountable to Executive Council. Therefore, we have to have it going in a straight line rather than the left, the right and divided loyalties and one side tearing against the other, as is the case now.

As I said earlier, Madam Speaker, we must resolve this matter with expedition, and I urge the Government to develop and demonstrate a sense of urgency in relation to this issue. Notwithstanding the fact that we know that the Government simply cannot go and create the legislation and make it happen. However, I believe that together we can press the issue forward and put it to the fore and get the matter resolved in a timely manner.

I come now to the latest in the long line of international initiatives which have been a constant companion over the course of the past four or five years: the EU Savings Directive. The parliamentary Opposition shares the concern of the financial community, and indeed the Government, about the potential impact of this Directive on the financial industry, and the economic fortunes of this country. We understand that the impact of the Directive will be very broad and that it will potentially affect any individual or entity which is or ultimately becomes a "paying agent" within the meaning of the Directive. This will include not only banks, but lawyers, company managers, accountants, trustees, insurance companies and trust companies and perhaps other individuals and entities. We also know that the United Kingdom committed us to this initiative by signing the Feira Accord in 2000 without our knowledge or input and then informed us about the matter almost a year later. The Feira Accord is a political compromise among EU member states by which they agreed to the automatic exchange of information. The Savings Directive requires that the Cayman Islands and a select group of other jurisdictions and overseas territories, impose on entities and individuals who may potentially deal with European residents, the obligation to identify, collect and remit identity and tax residence information in relation to interests earn by those European residents and paid to them through these entities and individuals. The requirement will not be applied evenly throughout Europe and its territories. Through a series of political compromises a number of nations, notably Switzerland, Austria, Luxemburg and Belgium have been permitted to opt out of this requirement and instead have agreed to impose a withholding tax on interest earned on accounts within their borders by nationals or entities of further European countries.

The UK reportedly opted for the exchange of information rather than withholding tax because of the adverse impact the withholding tax option would have had on the London bond market. Many jurisdictions, including the Bahamas, Barbados, Hong Kong and Singapore, as well as Bermuda, which is also a UK overseas territory, are not being required to adopt the Directive and these countries are all competitors of the Cayman Islands in the provision of financial services. Since those who avail themselves of international financial services naturally seek the least compliance burdens and prefer privacy, which is only natural, the imposition on the Cayman Islands of this requirement to report transactions to the home jurisdiction of European residents and entities while our competition is not so required, will obviously place us at a serious competitive disadvantage.

Additionally, there are bound to be significant costs associated with setting up and running the bureaucratic machinery which would be needed to comply with this reporting requirement. Therefore, we recognise and accept that this matter poses a great challenge to the entire country. We, on this side, have

learned, and I think it is public knowledge, that the British Virgin Islands have agreed to the Directive, and despite not having been required to adopt it, Bermuda is considering adopting it. This obviously further complicates things, when we look at the competition. We also understand that the Cayman Islands Government is challenging the requirement in Europe and we are grateful to the Leader of Government Business for, this morning, apprising us of the current state of play. I should say that we are obviously very concerned about this matter and wish to do whatever we can to support the efforts of the Government and the private sector, to mitigate or avoid the impact of this Directive. I would appeal to the Government at this time not to exclude us from the information loop in relation to this important issue. This is another one of those matters that requires a coordinated approach from all entities in Cayman, and we wish to be able to do our part in this regard.

I wish to say, Madam Speaker, that when Baroness Amos visited recently and I had an opportunity to speak with her, I brought this matter to her attention and expressed concerns, as I am sure the Government would have done the same. While I understood what the Leader of Government Business said this morning regarding the time lines and everything else, I would hope that through constant dialogue we might be able to find ourselves in a position that is liveable, even though it is one of those issues that we wish would simply just go away.

I come now to the Judiciary. I must at the outset record my surprise that a scant 10 lines have been devoted to this important subject in the Throne Speech. Notable among the omissions is any reference to the establishment of the drug courts which was announced in last year's Throne Speech. In last year's address the Government stated that the legislation was being prepared to create drug courts to deal with those who committed offences because of their addiction and who are serious about overcoming their addiction. Government also promised that this would offer an alternative to imprisonment and, hopefully, deter the commission of further offences. This is most laudable, but as no legislation to establish drug courts was brought to the Legislative Assembly during the course of the past year and, as nothing is said in this year's Throne Speech, I am driven to ask what has become of this bold and innovative measure. Perhaps we will hear some more about it. Are we going to have drug courts or is this another initiative that is stillborn?

There was also another announcement in last year's Throne Speech: that the progression of plans for a new court building to house the Summary Court in all its divisions: criminal, civil, family, youth, coroners, and drug court, remains an urgent need. Yet a full year later the Government still has not even acquired the necessary property and can only say that negotiations for the purchase of suitable land are underway and it is expected that work will start within the next nine months. Madam Speaker, that tells me that there is no real urgency on the part of the Government to satisfy what is, and has become, a crying need for many years. I am also surprised that nothing was said regarding the serious personnel issues within the judiciary which was raised by the Honourable Chief Justice during the opening of the Grand Court in January this year. I do understand, Madam Speaker, how the judges are appointed, but I still would have thought that in His Excellency's delivery it would have been considered important enough to address this issue.

The Honourable Chief Justice announced the resignation of puisne Judge, the Honourable Dale Sanderson who was leaving the Cayman Islands Judiciary because issues relating to his health insurance had not been satisfactorily dealt with by the Government. At the same time, the Honourable Chief Justice announced that Mrs. Justice Levers had been recruited to the Cayman Islands Bench, but that there were also some issues regarding the terms and conditions of her appointment which were causing difficulties with that appointment. Perhaps we might be able to hear some more about this. Have they been investigated and have the matters been resolved? What, if anything, has been done to ensure that the valuable members of our judiciary are encouraged to remain in the service and suitable replacements are attracted to the service when existing judges leave?

I wish to take this opportunity, Madam Speaker, to offer the congratulations of the People's Progressive Movement, and, in particular, the parliamentary Opposition, to Deputy Commissioner Braggs on his eminent ascension to the highest police post in the land, that of Commissioner of Police. He is the first Caymanian to hold that position and we, too, are justly proud of this achievement. We know that he has devoted virtually his entire working life to police work and we believe the promotion is richly deserved. We also wish to offer congratulations to Assistant Commissioner Rudolf Dixon and Chief Superintendent Anthony Ennis who will become Deputy Commissioner and Assistant Commissioner respectively on Deputy Commissioner Bragg's assumption to the office of Commissioner.

Madam Speaker, I now move on to discuss the troubling issue of health services, because it is a troubling issue. As we are all aware, just over a year ago this Legislative Assembly unanimously supported the creation of the Health Services Authority and the transfer of the responsibility for health care in these Islands from the Department of Health Services to this new Authority. We understood that there were serious questions regarding the cost of administering health care in these Islands and that steps needed to be taken to rein in expenditure.

The Speaker: Leader of the Opposition, is this a convenient time for the afternoon break?

Mr. D. Kurt Tibbetts: Yes, Madam Speaker.

The Speaker: We will break for 10 minutes.

Proceedings suspended at 3.28 pm

Proceedings resumed at 3.44 pm

The Speaker: Please be seated. Proceedings are resumed. The Leader of Opposition with 43 minutes remaining and now continuing with his debate on the Throne Speech.

Mr. D. Kurt Tibbetts: Thank you, Madam Speaker. We understand that there were very serious questions regarding the cost of administering health care in these Islands and that steps needed to be taken to rein in expenditure and collect outstanding accounts. We also understood that it would be a major challenge to achieve these objectives without compromising the provision of health care. Last year a number of health service staff at the George Town Hospital was laid off as part of the retrenchment exercise. I understand that this, coupled with other cost saving measures, has had the effect of significantly containing expenditure. While we welcome the apparent reduction in expenditure by the Health Services Authority, and we certainly wish to commend the Minister for this achievement, I must say that we are growing increasingly concerned at the number of complaints we are now receiving, almost on a daily basis, about the provision of health care of the George Town Hospital. It is felt by many users of the facility that the reduction of health service personnel has adversely impacted the provision of health care. We are told that it has increased waiting time and, in some instances, from the stories that we hear, that the safety of patients may be compromised. We are told also that staff morale is low and that there are serious concerns among medical personnel about business decisions taken by the Board and/or the non-medical senior management at the Authority. We urge the Minister to address these concerns because in the context of the provision of health care business decisions taken without proper regard to safety considerations can mean, quite literally, the difference between life and death.

We also have been alarmed at the apparent indifference of the Authority to encouraging young Caymanian medical personnel to return to the Cayman Islands and work and pursue careers at the Hospital. We are told that in some instances Caymanian doctors are paid less than they were earning in Jamaica, and that Caymanian doctors with specialist training and qualifications are being paid as practitioners. As a result, it is only natural that morale among this young Caymanian medical personnel, many of whom have spent a decade or more away training and gaining experience, is very low. Indeed, a number of them have left or are in the process of leaving. We would implore the Minister to investigate this matter and to halt the drain of some of the finest and brightest Caymanian doctors before we lose any more of them to the United States, England, Jamaica and Canada. I, personally, know some of them have gone or are seriously considering going.

The Throne Speech, Madam Speaker, has stated under the Ministry of Education, Human Resources and Culture that education and human resources are the building blocks to mould, develop and nurture the people of the Cayman Islands. How true. It goes on to say that the Ministry will also table a comprehensive new education policy which will acknowledge the importance of information technology in lifelong learning and the necessity to focus more on technical and vocational education. Madam Speaker, we do not need a new comprehensive education policy to tell us what we already know. We need to hear what is being done to demonstrate focus in that area. As far as I am concerned, the words in the Throne Speech are but sweet sounding nothings. The review of the Cayman Islands Education Department which was conducted by Anthea Millet and completed in April 2000 was comprehensive, direct and factual to the point of being piercing. The consultant outlined her findings and delivered a clear set of recommendations. That report has been tabled in this Honourable House for some time now and we hear of all kinds of new ideas. The Minister has even done his own report card. However, can the Minister truly say that, having accepted the Millet report, a comprehensive plan of action has been put in place and that implementation of the recommendations contained in the report is taking place in a timely manner. Besides a few attempts at dealing with the obvious and the glaring, how many of the long lists of recommendations have really been addressed? That is my question. I have the list, as many of us do, and I would like to hear the Minister's response on the timely interventions to address these concerns. There are a myriad of problems with the physical facilities in our public education system. The Minister himself has attested to that fact. We who were here prior to 2000 will remember that the previous Minister brought to this Honourable House as far back as 1999, I believe, a list of needed capital projects for the education system, which totalled almost $60 million, at the time, if my memory serves me right. That did not include the major remedial work needed at our two existing high schools, especially the John Gray High School. I know that we have fiscal constraints, but we cannot keep on saying that education is our number one priority; we have to make it so. I have no doubt that the Minister has a full grasp of the situation. The difficulty which I suspect he has is in convincing his colleagues in Executive Council of the sacrifices that have to be made. We have to impress upon them that we must provide suitable accommodation for our students, otherwise all the other beautiful and modern buildings that the Government constructs will simply serve as monuments to a dying nation.

Education must be at the top of the list in our capital works programme. I think we all know that even if the Government were to act immediately, it

would be a wonder if the new primary school to be located in Spotts is ready for September 2004. I hope that that is the case and perhaps as it continues to be brought to the fore, it might happen.

If our economy does not see an upswing in the near future, we are going to see more and more students being moved from private schools to public schools and we all know that we have been bursting at the seams for years now. What surprises me is that when the Minister and I were on the Back Bench between 1992 and 2000, we were on a crusade to get the then Minister of Education to address these same issues. I suppose the Government will blame me for the shortcomings, as they have blamed me for just about everything that they have not done since I was removed from Executive Council 16 months ago. However, I will not be distracted by that. As I remember hearing the same Minister of Education once say, "Not location, location, location; that is for business. For us it must be education, education, education".

I will conclude my contribution on education, Madam Speaker, by asking the Minister to outline to us what his plans are, if any, to convert the George Hicks High School and the John Gray High School to six-year high schools to correspond with the new high school to be built in the eastern districts.

The indictment is not on any one person. If I just wanted to be talking about the Opposition and the Government in this matter, I am not apologising. Perhaps I had best say, to end off, that in asking for the plans regarding the two high schools, we hope we will see that new high school shortly.

Madam Speaker, under human resources His Excellency the Governor referred to the Investors in People Programme. With your permission, I would like to quote the single paragraph that was in the Throne Speech. It reads: **"The Employment Relations Department will concentrate on training and retaining the country's workforce through the Investors in People Programme (IIP), an internationally recognised human resource management standard. A pilot IIP Programme will be launched in three government departments and seven to ten private companies and will run for twelve to eighteen months. Participants in the Pilot Programme will need to comply with specified best practices relating to recruitment, selection, training, succession planning, record keeping and employment relations. A group of independent facilitators will be available locally to assist companies with the pursuit of the standard and an independent assessor will evaluate their compliance with it."**

By now I am certain the Minister will have seen the paradigm shift in employment in several sectors. Companies are now making moves to avoid direct hiring and the supposed hassle that goes along with that and they are moving to contracting out certain sections of their human resource requirements. For example, American Airlines will make their staff redundant and contract out the tasks of front line staff and ticketing agents to a Caymanian company with work permit holders which the Caymanian staff that are being made redundant, are required to train. What is that going to do for the unemployment rate? Who will pay the mortgages and car loans for these people? I am absolutely certain that there is going to be more of this and in other areas. I really shudder to think what will happen when this trend hits the already stressed hospitality industry. I make that point to acknowledge the difficulties that we face. It is not an easy task and it is going to be very difficult to balance the act, but these are matters that have to be grappled with and sensible resolutions have to be found.

Under capital building works, I see that the new government office complex is to be started soon. It is my understanding that the Government's preferred method of financing its construction is a private finance initiative. I have no idea which variation of that initiative is going to be employed, as there are several, but it appears it has to cost the country more using this method than the traditional financing method. Obviously, it has the attraction to the Government of keeping this particular liability off the balance sheet and, perhaps, creating the impression that the country will not have that as a debt. However, if it is going to be "lease to own" and the Government is going to occupy the premises, then it cannot be hidden as a liability. Perhaps there are advantages, but clearly the proposal to adopt this "lease to own" method of financing needs to be explained to demonstrate the advantages of taking that route. I see that the Civil Aviation Authority has received the final report for the master plan study undertaken last year by the UK Aviation consultants which highlights required development to meet sustainable operational needs for the next 10 to 15 years. The development and the expansion of the main passenger terminal at the Owen Roberts International Airport appears to be one of the priorities and I think the Minister alluded to that this morning. I also understand that the consultants have recommended that the functions currently carried out by the Civil Aviation Authority should be divided in two and that another authority be created. I understand that it is proposed that the Civil Aviation Authority will deal directly and strictly with the regulatory side of things and that there will be a new airports authority which will deal with the management and administration of the airports within the Cayman Islands. Further, I understand that this is not a cumbersome exercise and that almost all of the required trained personnel is already in place at the Civil Aviation Department. I understand it is simply a matter of restructuring and establishing role clarity and the passing of the necessary legislation which can all be achieved in short order. However, I gather that, notwithstanding the recommendations of the consultants, there may be a move afoot to have the management of the airports privatised. This is not unheard of, but I dare say that like the Fire Service, the Civil Aviation Authority has enjoyed a very successful tenure and the staff is well

trained. There are several Caymanians there who have chosen and pursued this line of work as a career and Civil Aviation Authority audits show very impressive results, proving their competence. I am certain any expertise to be hired by any private company to manage the airports would have to be foreign, so I flag this, sincerely hoping that we will not be hearing anything about staff at the Civil Aviation Authority being made redundant because functions which they once performed, have been farmed out to private company.

I wish to deal with the subject of tourism, Madam Speaker. There is no question that the regional tourism industry has still not fully recovered from the effects of the 9/11 terrorist attacks on the United States in 2001. The impact of those events on the tourist trade for the Cayman Islands and the region were devastating. The residual security concerns which have followed the incident have not entirely receded and the prospect and possibility of war with Iraq have caused them to be heightened again. What is known as "long-haul travel" has been particularly impacted and occupancy rates throughout the region have been adversely affected. In these Islands stop over tourist arrivals were on the decline prior to the event of 9/11. That has continued, unfortunately, to be the trend post 9/11. Recent statistics produced by the Caribbean Tourism Organisation demonstrate that in 2002 the number of stop over tourists in the Cayman Islands declined by 9.4 per cent, while the number of cruise ship passengers increased by a whopping 29.6 per cent. The actual number of stop over passengers was only approximately 303,000, while the number of cruise ship visitors for the same period was more than 1.5 million. Anecdotal reports from the local industry appear to confirm the continued downward trend in stop over tourists. While the two large luxury hotels on Seven Mile Beach and the resort at the east end of the Island appear to be enjoying good occupancy rates, most of the other properties on the Island are not faring as well. Indeed, one of the major hotels on Seven Mile Beach has just released about 23 or 24 housekeeping staff. Another hotel on the Seven Mile strip has closed one of its wings and is struggling not to close its doors altogether.

The harsh reality is that while cruise ship visitors do bolster the tourist arrival numbers and do make a significant contribution to the local economy, they do not stay in hotel rooms. I believe we need to look closely at our policy in relation to numbers of cruise ship arrivals. There is no doubt that cruise ship arrivals are important to the Cayman Islands, but increasingly it appears that the sheer numbers of them are both producing diminishing returns and making the Cayman Islands a less attractive destination for the stop over tourists. We have to look into that, Madam Speaker. There are a number of important factors impacting the consistent decline in stop over visitors. I believe that principal among them is the deterioration of the product we are able to offer stop over visitors. Cayman is simply becoming less and less attractive as a destination to visit and relax in. Stop over passengers pay good money for a relaxing week in the sun. They do not like to spend it among the hoards of cruise ship passengers here only for a day. Part of the problem is the increasing degradation of the natural environment as a result of poor planning, failure to carry out effective remedial action and, in many instances, over use. The erosion of the beach along parts of the Seven Mile Beach has significantly reduced the quality of the product. The volume of cruise ship passengers which is dumped at the sand bar in the North Sound five days a week continues to adversely affect what was once one of the most unique in-water tourist experiences in the world.

In his debate earlier, the Minister referred to a draft tourism policy. It made some interesting observations and recommendations regarding the rehabilitation of the Cayman Islands tourism product. These, as the Minister stated, include a moratorium on the building of hotel rooms on Seven Mile Beach, as well as a significant reduction in the number of cruise ship visitors. The Minister has indicated his lack of satisfaction in relation to both of these important matters. He has thus far not laid the draft policy on the Table of this Honourable House and so, at present, we are still left to wonder.

The Minister may not like the draft policy which was commissioned by the Government. However, one thing is certain: if a coherent, realistic and sustainable policy in relation to tourism is not developed, adopted and implemented shortly, the Cayman Islands is going to see an acceleration of the downward trend of stop over arrivals, with the attendant loss of income and the inevitable loss of jobs. After all, who will visit and spend money in a place that they consider no longer attractive?

Madam Speaker, permit a moment to turn to what I consider the most damning aspect of the administration's stewardship to date. It is what I refer to as a lack of a social conscience. Often we hear the Leader of Government Business and the Third Official Member speaking in glowing terms about the performance of the country's economy and the fact that the Cayman Islands remain the fifth largest financial centre in the world. These are all flattering statistics when taken on face value and in isolation. Anyone who might read this on the Internet or in the various publications produced by the Government would quite naturally assume that life in Cayman is synonymous with the proverbial "life in paradise". Anyone then going through the trouble of visiting these Islands and driving along West Bay Road by day or by night would get a true glimpse of paradise. We live in a country that is home to several of the large names in the global hotel and resorts industry and, in a matter of months, we will open one of the Rolls Royce of visitor accommodations, the Ritz Carlton. That is all well and good, but then there is the other side of the Cayman Islands. I speak of the plight of the scores of Cayma-

nian families who are living below the poverty line, who at some points all of us have spoken about, depending on where we sit. I speak of the dozens of heads of households who cannot guarantee their families the very basic of life's requirements: adequate food, clothing and shelter.

Before I continue, when we talk about education and training and retraining and we try to attach importance to it, we know that not all of the answers are overnight answers. However, every time we think we are getting somewhere, something seems to stop us. Then there is another distraction, perhaps there is a boom in the economy, and we forget about what we were doing because we do not think it is so necessary any more because everyone has a job. We run through the cycle and whenever the bottom falls out again everyone is in trouble. It is easy to get that way, whichever side of the fence you are on. It is not something that I think anyone intends to happen. The Minister spoke earlier of an economic development plan and he referred to—I made a note here —"economic growth creating opportunities for businesses". He spoke of the need to apply importance to the human resources side. I do not think, because I do not think this is the one to get into a fight over, that any of us does not want the right thing to happen, but we have to stay focused and make sure that it remains a priority. We have to create the financial resources to do what has to be done with it.

The Speaker: You have 14 minutes remaining.

Mr. D. Kurt Tibbetts: Yes, Madam Speaker. Thank you. If I hesitate and sound frustrated it is only because I know of our desire to make this happen. There is benefit to all of us to have an educated population; to have our people well placed in jobs; not to have the dissent that we have now with some of our people about foreigners coming to take away their jobs. Businesses in such a competitive world need trained personnel because of the way life has evolved. We have these problems. The Minister spoke earlier about encouraging investments and that we must appreciate that we are going to have to import skilled labour, which is fine. However, in doing that, we must ensure that we have a skilled labour force of our own and that they are deployed, so that any other needs are only after our people find their niche. They cannot do that now, because there are so many of them who are not tooled. Whether we wish to lay the blame on them personally or otherwise, that is the fact and we have to do something about it. We have to see the tangible results of it.

Visitors to the Cayman Islands are introduced by this administration to West Bay Road and the communities along the Island main road, but what about the districts just outside and beyond of the chosen route? What about the communities in all of the districts that need uplifting? What about those communities in East End and North Side which still have no access to piped water? There is also a large section of the population in Cayman Brac that does not have access. I know there are fiscal constraints and that you have to try use the resources attached. I keep hearing the Minister, whenever it is his responsibility, trying to make it sound as if I am not supposed to say the things I am saying because I do not understand the job. The Minister understands his job well and I understand mine well, so the Minister can easily come back and say, "This is what we are going to do about this and this is how we are going to do it". That is all I ask. That is what this whole exercise is about; this is not about the Minister or me.

Madam Speaker, this administration came to office on the premise of wanting to create a better way of life for the residents of these Islands. Eighteen months later we have not seen any great difference.

Mr. D. Kurt Tibbetts: We, the People's Progressive Movement, are of the view that lawmakers past and present are to blame for dealing our less fortunate in our midst, what I would call a rotten hand. Perhaps not intentionally, but that is the result. The truth is we have not been our brother's keeper. We did not use the glory days of the '80s and the '90s to better the living standards of those at the very bottom. For this we are all guilty. We are saying that, notwithstanding what has been the case, we must now begin to show our efforts in doing something about it. We say that in the year 2003 that this country, which boasts about being the fifth largest financial centre in the world, must have minimum living standards below which no one under its shelter must fall. We, the People's Progressive Movement, will adopt a zero tolerance for this unnecessary suffering. This is where they will have great fun because it is now that I am going to say what we will do. Besides adopting that zero tolerance for the unnecessary suffering, we will move, within six months of being elected, to make sure that pipe water is brought to every single home in the Cayman Islands. Where a means test shows that a family cannot afford to install or hook up to pipe water, then we will simply have to underwrite the cost of that. Let it be made very clear: this is not about creating a welfare state. This is simply about doing what should be done. Where it is determined that a family cannot afford in-door toilet and washroom facilities, then certainly we will have to do something about that also. We intend to develop a special programme of assistance for senior citizens, the indigents and the disabled. I heard mention of it this morning, when the Leader of Government Business was speaking about his Economic Development Plan. We will see what happens between now and then.

I think about the recent flooding in the George Town area and the fact that this country, with all its celebrated wealth and affluence, could not mount a more positive and meaningful response to the plight of scores of households, many of whom went without basic necessities for an inordinate length of time. As I

hear the Minister for Community Services making sure that he tries to distract me - and he will not this afternoon - let me say that the fact those same people are represented by not one, but two persons, in Executive Council appeared not to have had the necessary weight in determining what further, if any, assistance could be given. One is forced to ask—and by the way there is a big difference because I am at a big disadvantage. I do not have a television show, so I can only choose my moments sparsely—

[interjections]

The Speaker: Order!

Mr. D. Kurt Tibbetts: One is forced to ask, "Why were these persons allowed to languish in a state of hopelessness and deprivation in a country that boasts of a $43 million surplus on its current account?" We, the PPM, are very concerned about the quality of health care that is afforded to less fortunate families in this country. In summary, Madam Speaker, the response of the public in general to the Throne Speech as scripted and delivered, ranges from disappointment to frustration. People were hoping that the Government would have offered hope to those reeling under the pressure of economic downturn. The Government has not articulated any new policies or approach to solving this problem. Madam Speaker, my colleagues will be responding to the Throne Speech and they will be dealing with their various topics. Let me say that, even when I say nothing, the same licks that the Leader of Government Business talks about keep coming. I said it once and I tried to avoid it, but there is no avoiding it now. They can understand that it is going to be lick for lick from here until then. They can do as they wish. I will stick with my positions and not be personal in my debate, but they cannot expect that they will not be put to task for their actions or lack thereof.

Thank you.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Expression of thanks to His Lordship, Honourable Chief Justice Anthony Smellie, QC,

The Speaker: Before I call for the motion of the adjournment for today, I wish to go on record to thank His Lordship, Honourable Chief Justice Anthony Smellie, QC, for allowing Parliament to meet in these premises (second floor of Kirk House, Albert Panton St) to allow necessary renovations to be undertaken at the Legislative Assembly.

I now recognise the Leader of Government Business to make a motion for the adjournment.

ADJOURNMENT

Hon. W. McKeeva Bush: Madam Speaker, we propose to adjourn this Honourable House until tomorrow, Thursday 13 March 2003 at 10 am.

The Speaker: The question is that this Honourable House be adjourned until tomorrow, Thursday, 13 March 2003 at 10 am. All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 4.29 pm the House stood adjourned until Thursday 13 March 2003 at 10 am.

OFFICIAL HANSARD REPORT
THURSDAY
13 MARCH 2003
10.26 AM

Third Sitting

The Speaker: I invite the Honourable Member for North Side to grace us with prayers.

PRAYERS

Ms. Edna M. Moyle: Let us pray.

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

Bless our Sovereign Lady Queen Elizabeth II, Philip Duke of Edinburgh, Charles Prince of Wales, and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Executive Council and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 10.29 am

The Speaker: Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies for late attendance from the Honourable Leader of Government Business, the Honourable Minister for Education and the Honourable Third Official Member.

STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE GOVERNMENT

The Speaker: I have not received any notice for statements for today's sitting.

GOVERNMENT BUSINESS

Debate on the Address delivered by His Excellency the Governor on Friday 7 March 2003

(Continuation of debate thereon)

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? The Honourable Minister responsible for Community Affairs.

Dr. the Hon. Frank S. McField: Madam Speaker, I would like to begin my contribution to this Throne Debate 2003, if you allow me, first by remembering a dear cousin of mine, Phyllis Alidia Morgan, nee Dixon, who passed away on 1 March 2003 at age 51, in order to include her memory in the *Hansard* of this Honourable House.

I would like to say publicly to my cousins, friends and relatives who have mourned and are mourning Phyllis' passing, that she was a very good example of a sharing, caring Caymanian who put family above self. With that, Madam Speaker, I would ask that the Almighty God continue to bless those that are closest to her, including her husband and her son, Joselyn Morgan, who we all know as "Coach".

Madam Speaker, the Leader of the Opposition–

The Speaker: Honourable Minister, before embarking upon it, please permit me, on behalf of myself and, I am sure, all other Honourable Members also to express and convey our deepest sympathy to you and your extended family and we trust that God's guidance will continually be yours. Please proceed.

Dr. the Hon. Frank S. McField: Madam Speaker, I appreciate those kind words.

The Leader of the Opposition, the First Elected Member for the district of George Town, in his

delivery yesterday, reminded me of *All-to-All* in the *Kingdom of Everything*.

In the *Kingdom of Everything*, there is everything, and the Leader of the Opposition is *All-to-All* in that Kingdom because he has, in one two-hour debate, solved all the problems of all in this Kingdom by being *All-to-All* in that Kingdom, which he was unable to accomplish in 12 months of Government. In this *Kingdom of Everything* there is no taxation, but there is unequal possession of wealth. In that Kingdom, the Leader is able to redistribute wealth by waving the magic wand and water comes to people, toilet facilities come to people in six months when he could not do it in 12 months. Therefore, he had to retreat into fantasy in the *Kingdom of Everything* in order to accomplish in six months what he did not accomplish in 12 months.

It appears, Madam Speaker, the Leader of the Opposition has arisen from a depression and now everything can be righted six months after he is placed in the position of leader of this country. I remember, in November 2000, when this Member was given support by myself and other Members to be the Leader of Government and he decided that my social engineering was not what the Government and the people of the Cayman Islands wanted or needed, although I had worked and sacrificed for many years to be in the position to develop a social management strategy for this country that would finally make sense and would have cohesiveness.

That Member made the mistake of rejecting what he had put down on paper with my pen to form a Government for these Islands that would have given him the possibility to deliver water and housing and everything else. He made the decision to go to West Bay and, as a result, the country ended up with a Minister responsible for Social Services, his colleague from the district of North Side. She was there for one year. I will talk about what was done in that year and what has been done in the year since I have been there; what kind of social engineering has been going on; why his choices of a Minister to be responsible for the social management of this country is flawed and why I am a more capable, more involved, more connected Minister. That is what is eating him out.

He and his kind believe that they can still control people with turtle meat; that they can control people by giving them a little bit at a time and not allowing them to manage or redistribute the pie in a way that makes sense.

I am always surprised by the leader of the *Kingdom of Everything*. He is everything to everybody at all times. He even came to me and said, "Frank, I really did not mean that your housing strategy is going to be a national embarrassment," although that is what I thought I heard him say, "No, bubba I am with you, I am behind you, I am supporting you with your housing". He never mentioned housing in his Throne Speech. He mentioned our affordable housing initiative as it now stands. Before I came here this morning, I drove into the first site that we will have off July Street on Oakmill Street in Windsor Park, Templeton Pine where the first 30 houses will become available to people with very low income. He never mentioned that, he never mentioned the fact that in this Throne Speech we spoke about that and he is talking about a Throne Speech where it suggests that the Government is no longer in contact with the people. Well he must be no longer in contact with the Government.

He is no longer in contact with us because he is not listening to us. He is not listening to us because if he listened to us and knew exactly what it is that we are doing, it would create nightmares for him because his sole objective, Madam Speaker, is to ridicule and criticise so that he can have power again.

Now, he cannot have any good designs for the little black boy from George Town, Frank McField, because somehow I cannot fit in to his plans. He did not, in November 2000, when he had a chance when he walked away with me from the counting room at the primary school in Red Bay . . . and I told him then—and if he has a good memory he will remember the words I said (and I cannot say that in this Parliament) . . . but he knows that I am a McField. I am saying this to say that that gentleman has had opportunities, and so none of my family in George Town or elsewhere can believe that he means me any good because he had a chance to demonstrate to them what he thought of me and he went to West Bay. He went to West Bay. I did not go to West Bay, I stayed in George Town; I stayed central, I stayed put, I stayed resolved. And when the clock turned, when the chicken came home to roost, I was given the opportunity that I had been fighting for in this country since 1977. I have made good use of it and I intend to demonstrate in this speech what I have done in my Ministry to make people understand that I am serious now—just as I was serious in 1997 when I came back from Germany with my PhD.

I was a late starter in the educational system and, if my parents had not gone to New York, I would never have had the opportunity. I talk about my loving cousins and they had instinctively certain qualities that I might not even possess now. I might not be the same person who has the freedom and the ability to hang up in people's doors and talk to them on a particular level, but that does not mean that I do not love the people. It does not necessarily mean that I am not out there working hard for the people. It does not necessarily mean that I have forgotten how black I am and where I come from.

I am tired of people not being able to repeat on the microphone what they tell people and what they hear some people saying; some people that want to blackguard you saying that how they agree when they know better. I have come to the point now where I have to call a spade a spade, and I want all the people who know and trust me to see the spade as a

spade. It is time that they are disallowed from going into people's kitchens and making these false promises and giving them this false information when they know different. When they know, when they had the country in 2000-2001 for 12 months that the country was in a worse state than it had been, that they had gone out to borrow to do things and yet they could not do enough and now in the *Kingdom of Everything*, when he takes over, he is going to do everything in six months by borrowing again? Or by making the people who are better off in this country contribute a little bit towards the social development and the economic progress of the poorer people.

He borrowed $50 million. Now, in the *Kingdom of Everything*, how much more is he going to borrow? However, he cannot borrow any more, Madam Speaker, because we have the budgetary and debt issues in the Cayman Islands Annual Report 2003 by Joe Bealey and Mark George that says that the Government of the Cayman Islands will be restrained from borrowing. So where is the Honourable Member going to get the money from in the first six months of 2004 when he comes into power? Where is he going to get the money from in 2004 to do what he could not do when he came into power in 2000? In 2005, thank you; for six months in 2005.

I do not want to get into their type of arithmetic. I know what I am saying and they know exactly what it is that I am saying. I am saying that they had a chance. If they did not have a record, it would be different, but they have a record that we can see. The people should know when they make their promises that they have no basis to prove that they can be any better than we are.

I have been in the Ministry of Community Services, Women's Affairs, Youth and Sports for four months more than his Minister. The Elected Member for North Side was there 12 months. The Third Elected Member for Bodden Town, a Member of the Opposition, had Social Services since 1997. Therefore, on his Back Bench, are the people who controlled the social systems in this country since 1997. What have they done? Why are the youth, family and other social problems here because I have spent 14 months? There are not here because I have spent 14 months. They are there because for the longest of time, going back all the way into the 1970s, the Governments of this country refused to believe that social planning was necessary, was urgent, and was needed and people who tried to come in with new innovative ideas were pushed aside, called radicals, called black power advocates, called this and that and the other thing, but God works in strange ways.

It is incredible because I always continue to thank the people of George Town and the people of the Cayman Islands for the fact that I was able, after all other problems that I have experienced, to lift myself up with their help, into a position where I can now see what needs to be done and where I can now fight. However, Madam Speaker, it cannot be done in six months. It cannot be done if I was only given three years because somebody else took away a year from me, because rather than him going according to what should have happened in November 2000 he went West Bay and took away one of the four years that I would have had to create and implement a social plan for this Island. That is what happened to these Islands.

I had three years and that is a short time. He has one Member on his Back Bench that had three years too with Social Services from 1997-2000 and let me discuss the difference.

I realise that the Social Services Department in this country is big and bureaucratic, meaning that there is plenty red tape; there are numerous procedures; there is a lack of people seeing the urgency of the client. There are times, I believe, that many people see their needs before they see the needs of the client. That is part of the problem that we have and we are looking into ways of trying to resolve that problem. When I took over the responsibility for Social Services I did not let the Director, Deputy Director, Permanent Secretary, Assistant Permanent Secretary or anybody else tell me what had to be done and what could be done in the restructuring of Social Services.

The reason why is because I realise that ultimately I am responsible to the people of these Islands and it is me that they will hold accountable, judge, and say that I have betrayed them and did not deliver. Therefore, regardless of what the constitutional arrangements are, I have to achieve my outputs in ways that are reasonable, but I have to achieve them, because my contract is up for scrutiny in 2004.

Madam Speaker, it was obvious to me that the Social Services Department was too big, that the focus gets lost because there are so many issues that are competing. You have one person in the department who decides what issues will come up to the ministerial level in order to be dealt with and to be supported financially or otherwise. There is a big problem there. If you have children, youth, senior citizens, probation, parole issues, a series of social issues, you need to do prevention, intervention and cure. It is therefore my argument that Social Services needed to be restructured and so I decided to hold meetings with the Department Head in order to convey to her, and the Deputy Director, the direction in which I felt that Social Services should be going.

First, we decided that we would not continue with the Cayman Islands Marine Institute (CIMI) contract. This is something that the previous Ministers on that side decided that they would continue with, because from 1997-2000, when the Member for North Side was there, they decided that they would continue. There was a conscious effort to continue that relationship with the Associated Marine Institute Inc. (AMI) in the United States.

What we found is not only did Social Services, in my opinion, cause many young well-trained Caymanians to leave the Social Services Department, but also those persons that did go to CIMI under AMI were not necessarily getting the kind of response that they should get because at the end of the day it appeared to me that AMI was interested in keeping its contract. It was not necessarily interested in giving Caymanians the feeling that they can run an institution for boys and girls with behavioural problems.

We believe that there have been Caymanians who could do this job among us for a long time. We therefore decided that we would try to Caymanise our children and youth services. It means that we have established, with the guidance and help of Ms. Mary Lawrence, whom we brought on as an advisor to my Ministry. It is interesting that although in 1997 the Third Elected Member for Bodden Town had Social Services, he did not bring on Ms. Mary Lawrence as an advisor. The Member for North Side had the Ministry for one year and she did not get her involved. However, I felt that Ms. Mary Lawrence, JP with her experiences in the juvenile courts and as a JP and her being an advocate for children for so long in this country… I remember back in 1978 she worked with the *Northwester.* She was one of the people who came to me and started talking to me about the poverty and the need for families to have assistance on the preschool level; that we could not wait for children to go into the primary schools; we needed preschool education.

I remember that she was an advocate for children. I said what we need is a good advocate; we need an organisation outside Government supported heavily by Government, but autonomous, independent enough to be able to advocate on behalf of the children. It led to the formation of the Children and Youth Services (CAYS) Foundation and, the Government supported that. The United Democratic Party Government that the Leader of the Opposition is criticizing and saying that there are five Governments supported it. They supported it, the Minister of Education supported it and expressed that he wanted to see something like this happen when the Member for North Side was there. That is what the Minister of Education said to me.

Now, Madam Speaker, all I can say is if we look at the CAYS Foundation chaired by Mr. Dick Arch, the deputy chairman, Reverend Crawford, is the minister at the United Church of Jamaica and Grand Cayman in Elmslie Church. The Minister of Education and I attended a meeting with them yesterday to clarify issues, but they are acting as an autonomous body that is advocating the rights of children to an education and a future. The Member for North Side, when she was Minister, did not set up an organisation that had that clout and autonomy and yet had Government financial support at the same time. What did it lead to? One of the things that it led to was the cleaning out of much mess that was being hidden, both by the Education and Social Service Departments, and warehousing these kids at Bonaventure and, at the end of the day, they were bound for Northward Prison.

We cleaned it up. We brought out some of the problems in the open. We started to encourage our people to openly discuss and debate the Education Department, if necessary, with regards to it. That does not mean that it is more than one Government. It means that the Government has different hands and the hands have different fingers. If I move this finger this time and I do not move this finger, it does not mean that they are separate and that they are working separately; they are working together although they have differences in the way they perceive or the speed at which they move. Sometimes it has to do with the speed at which they move rather than the way in which they perceive the problem.

Therefore, I am saying that Michael Myles, who is the manager at Bonaventure House, who is a Caymanian from the Shedden Road area, is back in this country not because of the Third Elected Member for Bodden Town (who was the head of Social Services from 1997-2000) or the Member for North Side (who was in charge of Social Services from 2000 to late 2001—for 12 months), but because of me. I, Madam Speaker, started to change the system. He recognised it and wrote a letter and said that he would love to be of some support to his country and to his people, that he had left because of frustration with the Social Services, that he had left because he had gone to CIMI, and because of the AMI program, he had been frustrated also by the way in which he was paid. However, if he could contribute to a change in orientation towards the management of social problems, towards social engineering in this country, he would be the first one to get on the plane. We said, "Yes, we are ready for you because we are not going to let happen to you what happened to Frank McField because Frank McField is in the driver's seat and he is going to protect you all the way. You are not going to lose your job because you stand up for your people." We made sure that he had airline tickets to come back with his three daughters.

He gave notice and left without question to come back to take over here. He has turned the place around, Madam Speaker. We invite the Leader of Government Business to go down there and take a look to see what Michael Myles has done.

The Speaker: Do you mean the Leader of the Opposition?

Dr. the Hon. Frank S. McField: The Leader of the Opposition. Thank you, Madam Speaker, you are more awake than I am.

However, people like Michael Myles do not get into the system. They do not get protected in the system without people like Dr. Frank McField who feel

it and know what it is when you come from a group of people and you see them be disadvantaged every day in the system and you cannot speak about it because if you speak about it you are colour-prejudiced, and you this, and you that and the other thing. So I am happy that Michael is back in this country. We have made sure that he gets a salary that will allow him to exist, will allow him to do his job and make numerous sacrifices for his country. And his wife will soon be back.

Therefore, I am saying, Madam Speaker, that the creation of the CAYS Foundation was a very important move by the Government. How could the leader of the Opposition not refer to the fact that this was included in the Throne Speech? How could he not see what it says here?

"In 2003, the restructuring of the Social Service Department will continue, with the Youth Residential Services being moved under the new Children and Youth Services Foundation, set up in 2002, when the Government decided not to renew the contract with the Marine Institute".

"Chaired by Mr. Richard Arch, the Foundation will be responsible for the Bonaventure Home (formerly the Marine Institute) the Frances Bodden Children's Home, the Hope Centre (formerly the Boys Home on Middle Road) and the Place of Safety".

How could he not have seen that and how could he not have been listening to the press release? How could he not have been listening to the Public Eye show that he accused me of having what he does not have, what he could have because he has more money than I do and he has had it longer? He could easily have a TV show if he felt that bringing the consciousness of the people to a different level rather than placating them in trying to somehow be so paternalistic—"Yeah, we know how you feel"—rather than doing that to try to encourage us to get to a level where we can all mutually support each other and not one have to depend upon dragging the other one down every time.

He needed to have listened to the talks that Mary Lawrence was doing at the Rotary Club. He needed to have known that she had persuaded people at the Rotary Club to become involved. Now we have Rotarians involved with the government children and youth services to a point that we did not have before. I am not saying they were not involved before, but they see new enthusiasm because we have taken it away from the bureaucracy that stifles it and now we have put it in a position where it can be focused on, where it can be developed and where it can be nurtured. How could he not have seen that as part of the restructuring process Social Services will be split between financial assistance and social services?

How come on page 12 of this Report he did not see that and he could not understand the significance of this? Does the man understand social language? Who is advising this man about what my Ministry is doing? It means that we have perceived and have been willing to deal with the problems that are caused by the fact that people think that Social Services are about welfare cheques and not about correcting the dysfunctional behaviour and values which exist in our families and our communities; to give people the possibility to be able to compete in the same society that the Leader of the Opposition competes in, and that his children will compete in, and that his children will not be dependant upon hand outs. It is the same thing that we are talking about; not give, give, give. It is about teaching people to fish and not giving them the fish. That is why we are restructuring the Social Services. That is why in 12 months, with all the difficulties of dealing with the government bureaucracy, in all the resistance that you get, I have continued on my path to restructure that Social Services because it is important that when I leave, and if that be in November 2004, at least I can look back and say I have created a foundation, now use it.

Social problems are the results of many causes. I must give the former Minister, the Elected Member for North Side a compliment. Her Government set up the Commission of Inquiry into social breakdown and youth violence and I was the chairman of that committee. I discovered so much—not just what the problems were, but what was compounding those problems, because they were not being dealt with. People were not serious enough about it. We need a system and a structure that will bring a missionary type of attitude towards assisting people in solving their problems rather than this mercenary type of attitude: "I am a worker, I get paid, that is all I am going to do. I am not going beyond a particular point". We found out that if we do not deal with the restructuring, the rebuilding, the reconstruction of our families, we cannot deal with the reconstruction of our communities. If we do not reconstruct our communities, our country is in serious problems. Yes, we have a water problem and we know it, but we have many other problems too. Yes, we know we have needs, we have physical needs, but we have some moral and spiritual needs that need to be attended to.

There needs to be a focus on the family, on children, and, for this reason, we intend to create a unit specifically in Social Services that is called the Children and Family Services Unit Social engineering. They must really think that social engineering is the result of some legalistic conceptualisation of clerical nonsense. I did not expect anyone to understand that, Madam Speaker. That is basically a joke. The creation of a unit that deals specifically with children and families means that the young parent programme that was created to deal with pregnant teens will be a part of that, but it will only be a small part of it now. We intend to use that building, the Joyce Hylton Centre, and make a whole parenting place out of it. We are moving that away from the Place of Safety so that will no

longer be the Place of Safety. We will close that down and use that building as the Children and Family Services Unit building and we will have different types of courses and treatment.

We are going to bring the Children's Law into this Sitting. It is mentioned in the Throne Speech that this will happen. It says:

"After much delay a revised Children's Law will be presented to the Legislative Assembly during the first half of 2003. This will replace the 1997 law, which proved administratively cumbersome. The review of the current Adoption Law will also be finalised. These legislative advances will allow Social Services to concentrate more clearly on children's services, the goal always being to solve the problem in a way that allows the child to remain with the parent(s) where possible."

The fact that this man did not see, and never mentioned it; is it just politics? I hope it is not personal; I hope it is just politics. I hope he is just trying to cloud the atmosphere so that the people in central George Town, in particular, will see me in a not too good a light, because being so dark there are not going to see me anyway if there is not enough light. I hope—because this is English here and it is so clear that I cannot understand why that Member could not have seen that children's services is going to be an emphasis for us. However, you cannot deal with children without dealing with their parents. Throwing that old stigma on people and saying, "Well, you know, look at her, she has five children, she is lazy and does not want to work" and all those kinds of things. No, Madam Speaker, that is not the attitude that we want to encourage. That woman who has five children is a very important producer because without reproduction we would not have any society.

My Ministry is responsible for gender affairs and women's affairs and we understand that the whole idea of casting someone out simply because they have children and saying they are no good because they are not contributing to society—that is not true because we understand how many problems we have when we do not regard their contributions to their children as a contribution to society. I prefer to work that way. I prefer to work to say that if children are so important, the parents are and if a parent is, a house is. A house is—and we talked about housing at the end of our contribution here in the Throne Speech. "Oh, it was so boring", says the Leader of the Opposition. It says here under Housing: **"Various studies have identified the lack of affordable housing as a contributory factor to social breakdown. In 2003, the Ministry will continue its Affordable Housing Initiative, phase one involving construction of two hundred homes in a number of communities. Additionally, the Government will establish a framework of housing entities that will, in partnership with Private Sector financial and construction institutions and companies, provide a continuum of housing tenure options. These will range from rental (assisted or otherwise) tenancy to outright purchase and will incorporate the Government Guaranteed Home Mortgage Scheme."**

"Physical infrastructure alone will not build sustainable communities and strong families without the necessary social support systems. [Social engineering lacking in this Government?] **Social intervention in the form of skills building and job training will, in conjunction with the Ministry of Education, be provided to ensure that people living in the improved residential areas have the requisite life skills to lead productive fulfilling lives."**

Social engineering! Do not tell me it is talk because we like to walk the walk, not just talk the talk. We are walking the walk, and if some of you would like to, I would like to suggest that we adjourn and take the Opposition to the first site that is being prepared so that they can see for themselves what is being done there. I bet not one Member of that Opposition has been to any of these sites. If they have been to these sites, as they are saying, how come they could not come here and give us some compliment for it? Madam Speaker, I know what the answer is.

[Inaudible comments]

The Speaker: Please pass comments to the Chair.

Dr. the Hon. Frank S. McField: Madam Speaker, I know what the answer is. They are Opposition. They oppose anything that I do and they will only try to find the bad things and they will never say anything good.

It is important for us to realise also that we have decided that the Probation Department needs to be looked after, because crime has emerged as one of the major social problems that we have in our society. Crime and deviance many of us have seen as one of the results of social disequilibrium caused by a rapidly changing society. We are now in the process of having a review of the Parole Board. This was mentioned in the Throne Speech and it is a very important fact. Again, we never had them mention anything about that. We also talked about our Chapter House at the facilities at Northward Prison. We said that: **"The construction of the new enhanced accommodation allows conversion of the former female cell block into a Young Offender wing. This includes a discrete Secure Juvenile Unit (Chapter House) with a capacity for 14 and its own classroom association and sports area. Additional funds have been provided for specially selected and trained staff, including teacher/counsellors to provide the education and activity."**

They have started hiring for Chapter House already, so, from the point of view of crime and deviance being one of the major social problems, I think that we have set out to deal with them.

I was on Rooster Radio, Madam Speaker and the host of the show was very surprised that my Ministry had accomplished so much. I have a long list of some of these accomplishments and I do not want to spend my time reading them out to the Opposition who know them. I certainly think that somehow the general public knows. Just another example is the crisis centre that was recently opened. The Opposition talked about this Government and it being out of touch with the people. Is he saying that because we are buying a building for the crisis centre and supporting the establishment of a crisis centre, it is out of connect? Does that represent disconnect—the fact that domestic violence in our society is affecting children and others? For a very long time, people have been talking about it, including the Minister that was responsible for Women's Affairs, who brought a private member's motion to have a crisis centre established, but was not able to accomplish that during her 12 months. I was able to have it open within 14 months of being there. Is this what the Leader of the Opposition is barking at the Government for? Is this what the Leader of Opposition is barking about? However, I think you were in Government at that particular time in 2002. Do not worry about that. Well, I must actually be getting to the fly now.

[Laughter]

Dr. the Hon. Frank S. McField: I think that the crisis centre…money came from the crisis centre to purchase the crisis centre. It was money that was taken from the Orchid House. She had a capital project for the Orchid House which was to build near the Fairbanks Prison, a prison basically for young people and we decided to scrap that Orchid House programme. We took money from it from December 2002 to purchase a house that was identified for the crisis centre. We also took some of the money to try to boost up the performance of our national football team. We are aware of the fact that we needed a continuum of care for young people. We are aware of the fact that just one element will not do. Therefore, we wanted to have the Chapter House that would be there in case there were juveniles that were not responding to the other types of positive encouragement which the Government and its partners would be making available, in order that they might have the chance to modify their behaviour and gain the social and educational skills that would make them productive individuals. That is just one extreme of the programme.

We are bringing, Madam Speaker, two new counsellors to Substance Abuse Services who will deal with juvenile issues. How long has it been known that children were using drugs / marijuana at an early age? Why is it me who is making sure that we have two additional counsellors that have that orientation? Since we now have responsibility for Substance Abuse Services—and we, with a little encouragement, helped to point out that a Caymanian was needed in the position of director of Substance Abuse Services; that a Caymanian who also knew the juveniles' needs in this country would be someone who would be good for it. We have Ms. Judy Seymour, a very capable Caymanian who is now the acting director there and should, I believe, eventually be promoted to director of the Substance Abuse Services.

Two additional counsellors will be added to her regiment in order to deal specifically with juvenile issues which will give us a possibility to be able, at Bonaventure House, to have a specific programme for young people with these substance abuse issues as well. Also, we will have a counsellor who will be able to deal with the prison and will not just have to rely upon voluntary assistance. We will still appreciate that very much, but at least we will have someone there who will be able to coordinate that type of activity. There is no point in incarcerating people when 40 per cent of the people incarcerated have substance abuse problems and at the end of the day we are doing nothing to make sure that they are counselled so that when they do come out at least they will have a better chance of not going back to prison.

I think that one of the interesting things we mentioned in here was Canaan Land. We upped the grant for Canaan Land from $25,000 per year to $100,000 per year because we have nothing against faith based programmes. We are encouraging Canaan Land and its directors to play a more important role in providing facilities for people who are affected by substance abuse issues. Therefore, there is much that is going on in our Ministry. There are many changes and much focus from the point of view of dealing with these social problems.

Sports, Madam Speaker—one of the things that we have done is have the Caymanian coaches' salaries and positions re-evaluated so that they will have more opportunity to earn better wages. However, we are also saying to them that as you are earning more we expect more from you, which means you have to make yourself available to be trained. That does not necessarily mean that you have to go away. We have courses that we have been doing since I entered the Ministry. Mr. Winston Skinner has been coming here occasionally to do courses in development in terms of sports and coaching in community development.

We are moving the Community Development Unit to Sports and Youth so that it becomes the Community Development Youth and Sports Department. Since the Community Department before was in the wrong place, operating under the wrong assumptions and the wrong policies, we are restructuring it so it will be more with that particular Department. Overall in sports, we are seeing sports and physical activity as instruments to rebuild our community and to preserve the social capital in the community. We do not believe that we can develop youth without developing the

community or develop the community without developing the youth so we are putting those together because they have to work together.

It is really unfortunate that the Leader of the Opposition could come here and make the remarks about social engineering. I think that he made them specifically because he wanted to pick on me because I come from George Town. I hear he comes here all the time, but I never hear him say that he comes from George Town. He comes from every place else, but he does not come from George Town, according to him. Sometimes it gets on my nerves as a George Towner that I have to fight off these people who come from elsewhere.

Sometimes I wonder what it is they care for. Is it really the *Kingdom of Everything* where you can be *All-to-All*? Madam Speaker, I know where my heart is and it really offended me yesterday when somebody was telling me that there was a flood in George Town and that people were displaced and basically the Government did not do anything about it because the Government is disconnected to the people and the Government has no social contract. I do not know where the Leader of the Opposition was the night of the last severe flooding that we had in the district of George Town. Perhaps they will get up and tell this Honourable House where they were. I know one thing, Madam Speaker, I was in the flood and I was in the areas that were most traumatically affected by the flood. As a matter of fact there was one picture on the television with my car going through the flood on School Road. Many people might not realise that it was my car, but it was my Legend and it was going through there. I am not saying that to brag because that was my job. I am saying that the Minister responsible for Public Works, Mr. Linford Pearson, was also out there because we spoke on the phone.

When I went to the Scranton area the people had come out to Rohelio's garage, I was there. I made sure Mr. Carson, my Permanent Secretary, was out that night. The Deputy Director of Social Services, Ms. Gwen Dixon, was out that night. I spoke to the Leader of Government Business on the telephone and he said, "Do whatever you have to do. Spend whatever money you have to spend to make sure that these people are well taken care of." Some of these people were my family members and then these—I do not even want to say the word—come to say what they said.

The Speaker: Please do not say it Honourable Minister.

Dr. the Hon. Frank S. McField: I was there and I was very concerned about the fact that we still have these kinds of problems in Cayman where rain comes and people have to run out. However, I did not create those problems, Madam Speaker. I come from one of the poorer families too. I have used an education to try to make it better for myself, but not if these boys feel that they still have to run the shop and I have to come there to get credit every time and I have to get credit from them.

The point was that I stayed out that night at Sammy's Inn to make sure that people were put in accommodation. I made sure that if it was full that they could go to the Holiday Inn or Sunset House. My Department had a plan, we executed it and we did it well and there was no crisis in George Town. There was heavy rain, but there was no crisis because there were people who cared who were out there capable of dealing with the issues.

Since that time, and as I—

The Speaker: Honourable Minister, you have one hour remaining. Would you care to take the morning break or would you wish to continue?

Dr. the Hon. Frank S. McField: Madam Speaker, I would just like to do five more minutes and then I would take the morning break.

I would just like to say that we housed over 100 people—hotel accommodation for 33 families. Thirty-three families is a large number of families to deal with in that particular instance. I never saw the Second Elected Member for George Town who was saying that he was out there. I never saw him that night and he did not see me. Of course, he went around saying that I was not out and I went around saying that he was not out. That is because there is such a divide between the two of us that, God knows, it is best to probably keep us separated in certain circumstances.

We housed 33 people. I do not know how many they housed, but let me tell you one thing: we are the Government; we are the ones with the resources; we are the ones with the legitimacy to do it and we did it to the fullest extent. When people start doing things for other people because of their political parties, we do not know about the legitimacy of a political party to go around doing certain things. I questioned that too. We have charities in this country, but we have to be careful in regards to politics and the giving because it is enough when it happens during election time. I am just saying that to say that I believe that each Member and the Member for East End now who is going on—he is the first one to come to me when he needs something. He knows that they can come to the Government and say, "This person did not get something" or "This person is in this situation" but before they do that, Madam Speaker, they prefer to go out and make mischief, to make my family think that I do not want to help them and talk about the little house that I have that does not even look like the house that they have—creating resentment.

Let me tell you, Madam Speaker, each Member of the Opposition knows that they could have called me and said, "Dr. Frank, this person needs…"

Madam Speaker, we sent Public Works around and I have a list to assess. I am not saying that Public Works or Social Services or any government bureaucracy is perfect. We know that it all has problems and I am one of the greater critics of the government bureaucracy, but to make out as if the Social Services Department did not do anything …

33 families were put up that night. So far the Government has expended more than $82000. $82000 has been committed. There are repairs on people's houses that have gone all the way up to $5000. This was not budgeted for; this is an extra expense that the Government has. Therefore, why is it that the Opposition is using the flood in George Town to try to pretend that the Social Services Department, led by me, has not reacted properly? I, first of all, Madam Speaker, would like to put on record that I got out there as a Minister, that I tried my best to coordinate to make sure that my people were doing, even after the event, what they were suppose to be doing. If there are instances where my Social Services Department did not do what they were supposed to do, I would like the Opposition Members to report this to me because the people would be better off if they have a Social Services Department that is doing what they are suppose to do.

We have a Member of this House who went and got a law degree and he thinks that because he became an important Colonial Clerk that he has the understanding of all issues. Madam Speaker, I think I would like to take a break at this time if it is possible.

The Speaker: We will now have the morning break and I would ask Members to try to reconvene within the fifteen minute allocated time.

Proceedings suspended at 11.36 am

Proceedings resumed at 12.01 pm

The Speaker: Please be seated. Proceedings are resumed. Continuation of the debate on the Throne Speech by the Honourable Minister responsible for Community Services.

Dr. the Hon. Frank S. McField: Madam Speaker, before we took the short break I had been speaking with regard to my disappointment in how the Opposition Members, especially the two Opposition Members from the district of George Town, handled the situation with regards to the last flooding. I remember when the Leader of the Opposition, the First Elected Member for George Town took over in 2000, there was a big flood in George Town. I remember going with him into the swamp area of George Town, Washington Boulevard. I remember going into the Scranton area. I remember the fact that he had an opportunity at that particular time to make sure that more drains were placed in many of these areas and the question is: how many new drains were provided? I am not saying necessarily that the drains themselves will do the job, but I remember that the question of flooding in George Town is one that has been ongoing.

It is interesting that when we had the flood that the flooding in the area of Randyke Estates was not as terrible, simply because the Government had developed some mechanism to relieve the water. What happened in the Washington Boulevard and the Scranton areas is that the water came down so fast and because the Scranton area has these places that are all built up around the communities, some of the houses that did not flood before were flooding at this time.

It leads us to believe that somehow it would be positive to think about alternative places for, at least, some of the younger people in the area to be able to afford to live. This is the reason why we have started to concentrate on the first affordable housing projects in the district of George Town and this is something that the Government has agreed.

We realise, Madam Speaker, how the problem of overcrowding and housing in the district of George Town, which houses more than half of the population of the Cayman Islands, is very serious. This is the reason why we are giving priority to the development of housing in George Town. There is some criticism that the Opposition has been throwing at us regarding the housing project: from the use of the material to the use of the company. However, I still say that there are good possibilities; that we have challenged the established order here sufficiently now to begin to deal more realistically with companies which are not seeking just to bleed us, but which will sit down and talk more reasonable contracts and terms with us.

The Italian company that we have employed, Vetromeccaniche Investments, to deliver these houses is in contact with several local companies and electricians in order to have more local Caymanians involved in this particular enterprise. However, as most people know, I said from the very beginning, it was a challenge to create the houses and not create the jobs in the first instance. We have tried to fix a price that we would like to stay with. Of course involving more local contractors will perhaps affect that price somewhat, but not much, and we would like to accommodate everybody as best as possible. We know that we cannot please everybody and we know that the people who are looking for affordable housing—and we have over 700 people that have listed their names for these houses—are to get information from us each day as to what to do.

We intend to bring to the Executive Council the Housing Trust concept so that the Government will create a Housing Trust that will own and operate these properties and make sure that they are physically and socially managed to the best of the ability so that they are not going to become slums. However, if

you have the Opposition going around trying to discredit the Government's Affordable Housing Scheme, trying to throw labels on them, more or less trying to marginalise and discredit these houses, then people are going to think that it is not worthwhile and that they are getting something that is no good because the better off members of the society, who can afford the different kind of accommodations, are turning their nose down simply because they are trying to find something wrong with what the Government is doing. I do believe that I have made a good effort to try to deal with a very difficult problem and that this Government is totally behind that project.

I am not saying that there are not many different ways to reach the village, but rather that you have to choose one road to walk. Once you have chosen that road it gives other people the possibility to laywait you and try to ambush and discredit you when they never made the efforts themselves.

I am saying that, Madam Speaker, because I understand that the Opposition is, as the Leader has come in here and said, trying to take a credit for the process of constitutional revisions. One of the things that is in the Constitution that the Leader of the Opposition and his deputy, the Second Elected Member for George Town, are taking credit for, is the creation of the multi-constituencies. That would mean that the district of George Town would be divided up. They seem to have always felt that this is what they wanted to have happen to this country because they have two Members, one from the district of East End and one from North Side, who are in a constituency by themselves, but they only have one representative and they feel logically that should be the state of all the country—that the country should be divided into 17 constituencies.

The interesting thing that the Opposition is going to have to explain to the people in George Town, especially the people in central George Town, is why they have insisted on George Town being divided up into little parts. What are the politics behind the division of George Town and the fact that it must happen now? Why did they put so much pressure on the Government to concede to their particular demand if there was going to be any advancement in the constitutional debate? I did not go to England to discuss the Constitution with anybody. I decided that I did not want to go even if I was asked to by the party. I did not push myself and I decided that I was not going to talk about the Constitution because there were so many more things that were important here for me to try to achieve. I do believe that I am beginning to achieve some of these things even with the difficulties of the bureaucracies which surround me.

I would like to say that the Leader of the Opposition and his Deputy are creating politics for the central George Town area, particularly in central George Town where people believe it will be divided up. Perhaps they do not really have that much of an emotive relationship with people in central George Town to know how we think and what our roots are and the deep family connections between all the people in that area. Therefore, when they start introducing this type of garrison politics to the central George Town area, creating this deep divide there, like no place else, they should remember what it is that they are doing: cutting families and little areas up, because I wonder how they see it.

If we look at the voting tradition of the central George Town area—and I go back to the 50s when I first started to be conscious of politics and you had people running in this area—elections were a colour issue. The people in central George Town would be looked at as the "black people" and they would want to have a candidate and so forth and so on. The issue of how Caymanians regard colour and race is a little strange, but I am saying that there is, especially during election time, much talk about race and who the black people are going to vote for, and if the black people do not vote for you that means that you are not going to get in and so on.

Everybody knows that central George Town black people have been a very important element in the whole election question in the Cayman Islands. The whole idea of dividing or separating them from other areas in George Town so that those people do not have to rely on the people in central George Town, to me, tactically is not the best thing; but as I said, this is what everybody seems to be pushing for. The Leader of the Opposition and his Deputy seem to want to take much credit for the fact that they have achieved that type of division—to move central George Town away from impacting the overall election of candidates in this country. Without the central George Town votes I never would have been elected in the Cayman Islands in 1996 or 2000, but particularly in 1996, that central George Town family vote that I received was significant. Therefore I can see why people would look back on it and say what we have to do is remove central George Town from having that much of a say in who we elect in South Sound and in Red Bay and remove central George Town and case it off by itself.

The question is, once they do that, who are they going to run in central George Town? Why is it that their political party are concentrating so much on central George Town, when it will only be one of the many constituencies that George Town will have? The concentration on central George Town is because people in central George Town are poor and black. They think that they can continue to easily manipulate them and control them by taking advantage of their misfortunes. I have spoken about this with regards to funerals and different things: how they feel that they can get in there and take advantage of people and not get people to see the greater good. It takes a little bit of striving and a little bit of sacrifice, but they can get there if we give their children the opportunities, and

this Government is willing to give their children the opportunities, to give their families the opportunities to have housing and to reconstruct.

The housing that we will be providing will provide for many people in these areas, like young women with children who could not afford high mortgages. This is what we are working on and they are trying to control people with their politics.

The question is, Madam Speaker, if they see central George Town as so important to control now, once the constituencies are divided, who are they going to run in central George Town? Is the Leader of the Opposition going to run in central George Town because his connections are so great there? Is his Deputy Leader, the lawyer, going to run in central George Town? Or do they have another candidate? If they have another candidate, what does that person have to look like for them to run for central George Town? What kind of politics is it that they are doing? It appears to me that there is a candidate that they seem to have decided on to run in central George Town—somebody that ran in the district of George Town overall in the last election and was not successful, but could have been if the Leader of the Opposition and his Deputy Leader had allowed that person to participate on their political platform.

This is extreme politics and manipulation. How is it that they did not run with that person? They did not hold that person up as a person that the people of the whole district of George Town should vote for and support in the last election. However, now they are going around with their garrison politics tactics trying to convince people that that is the person that they feel should control central George Town.

It would be interesting to find out once they have divided the district of George Town into all these constituencies, which constituencies the Leader and Deputy Leader of the Opposition would want to run in. It will be very interesting to find out about this whole division that the People's Progressive Movement have introduced into this country, simply because they could not find a way of controlling the power of this country without sharing it with people who were not of the same class background as themselves. They tried in 2000 to keep me out and now they have created a movement to try to keep me out again. All I can say is that after the turtle meat and breadfruit that they fed me in their nice homes, I do not think it is unreasonable to expect that I would have to at least try to get something that is half way decent, knowing what they have, because the only way I would have got to their house would be that way. I would not be invited to any social functions; that is for sure.

The point, Madam Speaker, is that when they go to that extent to control because they believe that they are the ones who have a monopoly on education, intelligence and morality, it is not true. This paternalistic, plantation, *massa* type of attitude has to cease because they are bad copies of *massa* in the first place. I am tired of people not willing to look beyond the fact that people in the George Town community are voters. They are more than voters; they are people and they need to be told the truth. We had enough of this when the Leader of the Opposition got up on many occasions and challenged Mr. Truman Bodden, who was the Leader of Government Business, on his shortcomings. When the Leader of the Opposition had the chance to make a change in this country in 2000, when he could have got a government together, he did not seem to know where to go.

I know that there are many people out there who are saying, "Thank God, the Leader of the Opposition is not the Leader of the Government. What state would this country be in if you had six of one and half a dozen of the other?". What would have happened if we had that kind of leadership who did not have the courage to bring in the revenue measures, to give us at least that little $8 million that I hear them talking about that they would like us to redistribute right away? They never even had the courage to vote for the revenue measures that we had to bring in regarding the financial community and there was no more possibility of borrowing. Where is this money going to come from? Are they telling me that they are now going to be the People's Progressive *'Mao Mao'* Movement? Are they telling me now that they are going to take the money from the rich and give to the poor? Do the words Progressive People Movement equate to some Maoist type of movement? If the man is going to be able in six months in the colony of everything to have the funds to do all the things that he is going to do, with bringing water to everybody, what would the cost be and how would you cover the cost?

Possibly some of the speakers who will come after will be able to tell us exactly how they intend to institute the *Kingdom of Everything*, where you can do in six months what you could not do in 12 months. This is what is so ridiculous: that this man would have the courage to come up here and tell the people of these Islands what he would do in six months after being elected in 2004, when he had 12 months and he did absolutely nothing in George Town. What about the little park that we have now in Washington Boulevard in the Swamp? Within 12 months I did, at least, get a piece of land and get it filled. I got a little fence around it and got $38,000 to spend on it to get that little park in the Swamp going. We also got some more drains there and we are going to do more things there. What did he do in the 12 months?

We got a little place in Scranton where we are going to open a recording studio where children who have some kind of talent can put it on a tape; where we will have a projector where they can watch movies and discuss things they are being influenced by. It is taking a long time because of the bureaucracy, but the Government support has been there, the money has been there and it will happen. We gave the children the possibility to come; it is painted red. Many people

do not like the fact that it is painted red, but it is what the kids decided. If, at the end of the day, the community objects to it, it is only paint they will have to change, but at least it is there. My goodness, he had 12 months and what did he bring to Scranton besides peppers and turtle meat? When I ride through that neighbourhood I feel for the people, believe it or not! I might not be jumping out there saying, "Hi, how are you doing *blah, blah, blah*" but I feel it and I see. I see problems there that need to be dealt with.

Unlike most of us who have toiled and struggled with prejudices and disadvantages in our society, the Second Elected Member for George Town has come to the Legislative Assembly as a privileged boy who intends to maintain that privilege and that superiority over people based on the fact that he has a law degree. However, Madam Speaker, I have always said that a law degree, unfortunately—with all due respect to you as a lawyer as well—does not necessarily mean, in all instances, that the person has a capability to have a vision, to have the capacity to hold the feelings, and to suffer when suffering needs to be done in order to maintain one's dreams. Once one has those dreams for one's people, it is not easy to be able to implement them because there are more questions than answers; there is more to it than just getting up there and making a boastful speech.

I want that Member to know today that I come to defend my turf, defend where my navel string is buried, and defend the experiences of my forefathers. I come to say that, at the end of the day, I see myself as being more capable of representing the families in Central George Town than he will ever be. However, Madam Speaker, it was not as if I could change the whole picture as soon as I got in Government. That is impossible because we saw that his friend, the Leader of the Opposition, could not do it in 12 months. All that I am asking the people of Central George Town and other areas to look at is what he did in 12 months and what I have done in 14. It is only two months more than he had and that is a good test. Even if I did bring a little park in here, we got the park fixed up in the Windsor Park area. We got a little bit done here and a little bit done there and we do not have millions of dollars any more. I have come in at a time that is not the same as when the money was flowing, but I am making sure that every little dollar counts, and every little thing goes towards helping to improve the general lot. I do not find it amusing that people think that I will talk and smile about politics and that is why they are doing this to me. It is because of politics. They are just taking over where some of their family people ended up.

This situation about the Seaman Ex Gratia benefits is a taxing one because the Government of November 2000/2001 and the Minister responsible for the portfolio at that time, the Elected Member for North Side, decided that because of the financial situation of the country, the criteria be changed from what they had been. Previously the Government that you were responsible to, Madam Speaker, provided for 600 recipients of the Seaman Ex Gratia benefits and a total of 596 applicants were processed and paid up to the end of December 2000. When the Member for North Side came in, the ex gratia benefits were cut and a total of 144 persons were taken off. This was the result of a reassessment. For them to now turn around and make it seem as if this is a result of this Government and of this Minister is not fair.

My Ministry revised the criteria again in February 2002. People with household incomes of under $1500 per month were reinstated for the surviving spouses. At this time there were 453 seamen or their surviving spouses receiving the benefits. Funds were approved to add 60 seamen in August 2002 and we went to Executive Council to get those funds that were not in the Budget. By the end of December 2002 a total of 504 seamen or surviving spouses were receiving Seamen Ex Gratia benefits on the new criteria. At the end of February 2003 there were 516 seamen or surviving spouses receiving benefits. There are four applications that meet with the revised criteria to be processed. There are an additional 81 applicants who have not submitted their current income. These persons have been contacted by telephone. Madam Speaker, I did not return this to the original position that existed when you had the Ministry, where there were more people, but we revised the criteria in order to allow as many people to benefit as the Government felt it could afford.

Therefore, Madam Speaker, it is incorrect to say that the Government does not have a social conscience, or that the Government is not doing anything to help the people. I could look at the poor relief. One thing that I must say is that the Leader of Government Business has been criticised for using it to get votes. My Ministry has done what we could to make the criteria as flexible as possible, but we have applied the criteria to the persons receiving poor relief. What the Leader of Government Business has encouraged is that we remove the necessity for children of parents to be examined in order for their parents to get poor relief money. Therefore, it is easier now for an elderly person to be able to qualify and to have more money in their bank account. One thing I can say about the Leader of Government Business is that he has more social conscience than anybody in this Honourable House. I am sorry; I just had to say that, and no bad feeling towards you. The Leader of Government Business is always on and on about this Ministry and what people are getting. The former Minister from North Side knows that as well as I. That is important for us to get.

The Ministry of Community Service, Women's Affairs, Youth and Sports is a very big Ministry because we also have responsibility for the prison. We have done a substantial amount of work in improving it and making sure that it is a vital community service and that those persons who go to prison have an op-

portunity to improve themselves whilst they are there. We realise there are still a great deal of problems and we still need to be thinking about a halfway house for prisoners. We know that unless we ease those individuals back into the society with more support, the chances are they will re-offend. We need to look more at the characteristics of the offences and the people creating them, and give the probation department more encouragement and support in collecting empirical data, to make sure that the perpetrators and causes of those crimes are better known to us, so that we can not only create preventative measures, but also be able to assist those individuals in overcoming the many difficulties that they might have.

More money is needed for social programs. The Government needs to understand that without a social strategy that will improve social cohesiveness, our social capital will begin to impact negatively on our physical capital. All the work that we do to keep banks here will not suffice if we do not find ways of making our population more socially healthy. Madam Speaker, this needs a consolidated effort. This will not be done by sporadically trying to take political advantage of the Government; by working through political groups not the social agencies and charities; and political individuals becoming involved in handouts which could be construed as being done solely for political purposes to receive political favours later on—"Look what I did for you". The Government has a legitimate right to deal with these issues and has set up criteria to assess people. It is not right when the Government uses one criteria and a political group trying to win votes uses another criteria in order to destabilise the Government and the position of the Government. Social services and charitable work in this country have been done for many years by the churches and other groups in this society, but the mere fact that a political organisation, a Maoist group, thinks that it can control the people in this particular way is an intervention, is a change.

I used to hear people tell us about the time when the merchants used to hold a cow and put it there and say, "You get the cow when you vote". Now it looks like you get the cow before you vote.

[Laughter]

Dr. the Hon. Frank S. McField: I am saying this, Madam Speaker, because I am disheartened at the fact that the Member for East End can call me to ask me, as the Minister responsible for Parks, for assistance with the building of the park which the Government agreed to with the Dart Foundation in East End. However, when he gets up to speak, he will say all sorts of things about this Government because he has to defend his Opposition colleagues. However, there are many Dixons in East End and plenty of those Dixons are my family and we went to East End and did some financial assessments which we felt were necessary. He was upset because I took Members of the United Democratic Party with me, or they called me, to visit these people and as a result of that we had Social Services assess and a few more people got on the social relief roll there. However, he could not call me about some other problems that his group wanted to take advantage of, so he knows how to nicely call me on the telephone to get things done. At the end of the day he knows, although he is the Elected Member for East End, he is not part of the Executive Council branch of Government. He is not part of the administrative branch of Government. He is not empowered to administrate anything directly with regards to Government resources. He is not legally and constitutionally entitled to do so. However, what the people are doing is setting up their own alternative welfare organisation, which I believe could create an issue.

If they are doing it for political gain or purpose then it is difficult. If he is involved in the parks for political purposes only and there are other people that want to be involved and they have to be pushed out, how am I suppose to go in there and deal with it? We already have that kind of divide there and we have to be careful that we do not have it also in Central George Town where people say, "Well I do not want Social Services because of blah, blah, blah". I think—

The Speaker: You have 15 minutes remaining Honourable Minister.

Dr. the Hon. Frank S. McField: The Peoples Progressive Movement (PPM) has embarked upon a course of action that is very delicate, although we understand we have a political party system here. You are supposed to impress people with your programmes when the change comes, with what your Government in waiting is going to do. You critique the policies of this Government, you suggest what your alternatives will be, you encourage people to vote for you, but if you start trying to upstage the Government's legitimate organs for social welfare and improvement by setting up your own systems, are you doing that for political reasons? Or are you doing that because people are so badly off that if you did not do so they would be much worse off? I put it to you that if you reported these instances to the Minister or the Department—and the two Elected Members for George Town have not been in contact with me in any case to tell me about any situation that they have discovered that needed to be dealt with. They have seized the time like Maoists and grabbed the opportunity to try to run with people in a different direction.

Why is it that they could not call me? I called them when they were in power and there were floods. I was out there talking with them when they were the big bosses. However, they did not want to be near me because they did not want people to see that I am now the person in the position because they would

never want to accept that they are not king, especially not in those neighbourhoods. They could have called me. I insist that they could have called me and they could have said, "Dr. Frank, there is somebody down here. We talked to Social Services, blah, blah, blah. Try to do something about the situation"- but they did not.

I will sum up by saying: I thank the people for the possibility; that I have had the opportunity to fight a fight that has been a good fight, and to still land on my feet and still be able to challenge those deceitful wolves who harbour in the background waiting to snatch the prize for their own. I thank the people of this Island for having the confidence to vote for me. It is only fair that I say, that I believe that I understand many of the social problems in this country. I believe that it will take some time to be able to deal effectively with these problems. I believe that we have made a better start in the two additional months that I have had. I am sure that when the Member for North Side, who continues to talk and talk, gets up and has the opportunity to make the long speech that she always loves to make, that she will outline, in this long debate of two hours, some of the things that she did that she thought were unique and different; and why she thinks that if she is the next Minister responsible for Community Affairs that she will be able to take the problems head on the way that I have been able to.

I would like to invite all of the Members of the Legislative Assembly to a game at the Annex on 16 April 2003. If the Member for North Side would just listen I think she would be interested in this announcement, because she is interested in sports. We have tried to restore the Annex to its original grace where people can come and see domestic games being played. One of the attempts that we have made in Sports is to bring sports back to the community. There seems to have been too much focus on the regional competition and the national teams and not enough focus, perhaps, on the development of the domestic leagues.

One of the ways that we thought that we would be able to improve the domestic leagues is to bring sports back to the individual districts and into the areas where they had flourished first of all. Therefore, we have spent quite a bit of money on the Annex field to upgrade it. It looks great now and we would like to see the finals on 16 April 2003 played there. We would like to invite people because I did that too. It was not done by the 12 month Government that the Leader of the Opposition was in. I did that too for George Town. There is a little piece of land next to the T. McField Youth and Community Centre that this Government bought and we are going to make a little market there. We were thinking about putting a tennis court there but when the road is closed, McField Lane will be increased and we are going to put a little market in there. We are going to be doing little small things in George Town that really make the difference.

The Speaker: You have eight minutes remaining Minister.

Dr. the Hon. Frank S. McField: I am sorry, Madam Speaker, that I might not have, as a Minister, talked more about the overall situation that I should concentrate on, but I have concentrated very much on politics. I am not going to apologise about that, and talking about how I think the PPM is manipulating people, especially in the district of George Town because I do not think that they hold any meeting in West Bay or do anything in West Bay.

[*Interruption*].

Dr. the Hon. Frank S. McField: Oh, they are down there, too.

[*Laughter*]

Dr. the Hon. Frank S. McField: They must be all over the place.

All-to-All in the *Kingdom of Everything* — in the *Kingdom of Everything All-to-All* promised the people that he could do more in six months than he could do in a year. *All-to-All* said that the reason he could do more in six months than he did in a year was that anybody knows that if you think about something you can get through the problem much faster than when you have to do it. *All-to-All* had all the time, 12 months to do it, to put water in every house, but *All-to-All* could not do it. However, in the *Kingdom of Everything All-to-All* will do it in six months. *All-to-All* will do all for everybody next time because *All-to-All* did not manage to do it in the first place.

Madam Speaker, this has probably been my most political debate. I am fired up. I am insulted by the fact that *All-to-All* could come here and tell me that . . .

The Speaker: Order!

Dr. the Hon. Frank S. McField: . . . he can do more in six months than he could do in a year. Does he think that people do not have any sense? If he had not been given the opportunity or the encouragement, then it would have been different.

The Speaker: You have five minutes remaining.

Dr. the Hon. Frank S. McField: It always amazed me, Madam Speaker, from the time I read *Don Quixote*, the Lilliputians and all those fairy stories about how political wizards could create these systems and hypnotise people and get people to believe everything, that I never read a story where there was turtle meat food that caused people to be put into the situation where they believe all the things that were being said. I have to agree that I believed them one time

too. I believed that *All-to-All* could be *All-to-All* in any kingdom not just in the *Kingdom of Everything*. However, I believe now that *All-to-All* should be banished forever to the *Kingdom of Everything* and leave this place alone because *All-to-All* already had a chance here. Let *All-to-All* therefore reign with all in the *Kingdom of Everything*. Thank you.

The Speaker: We will now take the luncheon break and reconvene at 2.30 pm.

Proceedings suspended at 12.51 pm

Proceedings resumed at 2.38 pm

The Speaker: Please be seated. Proceedings are resumed.

Continuation of the debate on the Throne Speech. Does any other Member wish to speak? Does any other Member wish to speak? Last call, does any other Member wish to speak? I take it that no other Member wishes to speak and by implication passes up the opportunity to debate the Throne Speech.

The Elected Member for the district of East End.

Mr. V. Arden McLean: Madam Speaker, I would not have allowed the Throne Speech to be closed down because the Government did not see fit to speak any further. It is expected that since the United Democratic Party is made up of nine Members that more of them would have spoken before any of us continued. Nevertheless, Madam Speaker, I shall continue.

I have my notes to debate from, but before I get into the meat of my debate I consider it incumbent upon me to reply to some of the things that the Minister of Community Affairs addressed in his debate this morning. I was particularly amazed at how the Minister tried to distance himself from the social problems that the country is experiencing and rightfully so, from his perspective, blame them on everybody else whose wake he is continuing in.

If the Minister is right in his assessment that ministers prior to him are to be blamed for all of the social ills in this country, then I would draw his attention to September last year when he and other Members of the United Democratic Party (UDP) went on television, on his show, and blamed me for the social ills in East End. If he is going to distance himself as Minister from those affecting the country then, all the blame cannot be placed on me for what has transpired in East End over the past many years, because I was not a Member of this Honourable House. Therefore, Madam Speaker, if the Minister needs time to straighten those social ills out in this country, I would respectfully ask that he and the other Members of the UDP in the district of East End understand and respect that I need time too.

He has held the helm of this country's affairs in that respect for a little over a year. I have been the representative for the district of East End for a little over two. On that same show, the Minister said—and he repeated it again this morning—that the Executive Branch of Government is responsible for the distribution of wealth and he is correct. It is his responsibility to ensure that the wealth in this country that must be distributed by Government is distributed. He also holds the responsibility to ensure that it is distributed on an equitable basis. Madam Speaker, I think it is only fair to give him time, but he must stop the talk and do what he said this morning which was walk the walk.

This morning the Minister also spoke of how I was upset because he and Members of the UDP Party came to East End and did an assessment within that district. To say that I was upset is not entirely so—not about the assessments and the help. What concerns me is his way of upstaging me as the representative of East End. Why is he doing it in that manner?

He talked about the out staging that the PPM is doing of the Government legitimate machinery. Let me go back, Madam Speaker. Then he asked, "Why is the PPM doing it? Is it for political or personal reasons?" Now I pose the same question to him. Why is he trying to upstage my position as the representative of the people of East End? Is it personal? Let me remind the Minister of Community Affairs that when he speaks of his family in East End, I am very aware of who they are. However, he has no more family in East End than I do because all of his family in East End is my family too; it is that simple. If we are related then we are all the same one family. Therefore, I do not understand the basis for him bringing family into this. What is the personal agenda that the Minister has?

Then he talks about how I try to befriend him. Madam Speaker, the Minister has a responsibility to this country. He has the responsibility for the distribution of wealth. It is my responsibility to address the issues that affect, in particular, the people of East End. Who am I to go to when there is a need for Government's intervention? It is him, Madam Speaker. So, this political rhetoric has to stop. We have to stop trying to fool the people and ensure that we educate the people on how the process and the system works.

Like he, Madam Speaker, I do not have any money. He talked about the Kingdom of Everything. I do not know where that came from because I certainly did not grow up as a privileged boy. I also spent many days with baskets on my head going into the land. When I came out of there with my father at least I had provision in it. Yes, I, too, spent my time in the trenches. Therefore, my rise to this position did not come as a result of being a privileged child and the Minister must stop this. Madam Speaker, my family was so poor that we lived in a one-bedroom house. My parents had seven of us. I recall the number five

bath pans that you had to fill with water and put out in the sun to warm to able to bathe in the evening. I did not have running water in my house. The Minister of Community Affairs, Madam Speaker, was more privileged than I was because he got the opportunity to go to America. The first time that I wore shoes to school was when my father sacrificed, from his little trucking business, to send me to prep school. I started my education in the Town Hall in East End barefoot and wearing short brown pants. That is probably why I do not have attractive feet today because of kicking out the toenails. Therefore, Madam Speaker, no one in this country must claim that I am privileged.

What I have I have worked for—and honestly. I take offence to the Minister making such remarks because he knows that it is not true – it is just political rhetoric. You must be honest with your people and he is not.

The Speaker: Honourable Member for East End is that your opinion?

Mr. V. Arden McLean: Of course, Madam Speaker, but thank you very much for elevating me to Minister's position.

The Speaker: It is short lived. I do not vote in East End.

Mr. V. Arden McLean: A bit premature but after 2004 perhaps. Thank you, Madam Speaker.

The Speaker: Please continue.

Mr. V. Arden McLean: The Minister spoke of how the First and Second Elected Members for George Town are trying to manipulate the people of George Town. Maybe he needs to tell the country how the UDP are trying to manipulate the people of East End also. I have my finger on what is going on, trust me. In September 2002, on that same television show that I referred to earlier, the Minister and his Members talked about the drug use in East End and that the Elected Member for East End was doing nothing about it. By Christmas time, Madam Speaker, they were up there giving out gifts in the form of liquor. Somebody needs to tell me what that meant.

Point of Order

The Speaker: Second Elected Member for the district of Cayman Brac and Little Cayman.

Mr. Lyndon L. Martin: Madam Speaker, I rise on a point of order because the Member suggested by, "They were giving out liquor in the district of East End" that the United Democratic Party was and that is misleading the House. If he can support that suggestion I will gladly withdraw my point of order.

The Speaker: The Elected Member for East End, would you be so kind and repeat what you have said?

Mr. V. Arden McLean: Madam Speaker, perhaps if the Member was listening he would understand what I said. I said that on the television the UDP was talking about how drugs are so prevalent in the district of East End and how I am doing nothing about it. I did not say the Minister, I said Members of the UDP, in East End during Christmas—which was within three months—were giving Christmas gifts in the form of alcohol.

The Speaker: Member for East End, can you say whether any of those UDP Members were the Elected Members present here today or any of the Elected Members not present?

Mr. V. Arden McLean: Madam Speaker, I just made that straight. It was not the Minister or any Elected Member that I am aware of.

The Speaker: Thank you for the clarification. Please proceed.

Mr. V. Arden McLean: Thank you. It certainly says volumes for the policies or the objectives of anyone who does that.

I could confirm, Madam Speaker, my knowledge of where the Second Elected Member for George Town came from as well, but I am sure he will ably do that in his contribution. Suffice to say that my knowledge of the Second Elected Member for George Town is that his navel string is buried in East End as well. The Minister talked about his navel string. Well, mine is in East End too. I know the Second Elected Member for George Town spent most of his time in East End as a young boy and I saw his father push him very hard with cows and land baskets too. Like me I guess he would kill the parrots with slingshots to prevent them from eating provisions and crops in his father's land; and wore *wampers* as well, but perhaps the Minister does not know what *wampers* are. I do not recall ever seeing him taking parrots as pets, nor myself.

The Speaker: Member for East End, would you please rope your argument in and stop making innuendos.

Mr. V. Arden McLean: Madam Speaker, I shall move on. The intent really was not innuendo and I do apologise if that was your understanding of it.

I will get back to the Minister for Community Services when I reach his section of the Budget.

When I arose to make my contribution to the Throne Speech I was reminded of my thoughts when it was delivered by the Governor on 7 March 2003 in Cayman Brac. When it was being delivered the only

thing that came to my mind was watching the monitors on a critically ill or dying patient, when all the organs being monitored have failed and there are no more bleeps and usually they call that a flat line.

On 8 November 2001 when the UDP came to power—and I might add under still questionable circumstances—their reasons for the coup were very clear, if not justified. They said that the country was not moving forward under the leadership of the First Elected Member—

Point of Order

Mr. Lyndon L. Martin: Madam Speaker, on a point of order.

The Speaker: Please state your point of order.

Mr. Lyndon L. Martin: Madam Speaker, the Member is misleading the House by suggesting that on 8 November 2001 there was a coup. A coup has a clear definition and what occurred on 8 November 2001 could in no way be defined as a coup. Therefore, I respectively ask for the Member to withdraw that statement.

The Speaker: Member for East End, I take the Member's point of order in that what transpired on 8 November 2001 was legal and there was no litigation emanating there from, or any objection during the time from the Parliament. I would ask you to withdraw that section of your statement as this House does not consider it to be a coup, and, in fact, had any Member present during that time considered it to be, then that was the most appropriate time to make an objection.

Mr. V. Arden McLean: Certainly, Madam Speaker. While I shall have to bow to your ruling, I guess, a rose of any colour is a rose.

The Speaker: Member for East End, I have asked you to withdraw it. It was a request for an unconditional withdrawal and not for any remarks that are going to result tantamount to the same statement.

Mr. V. Arden McLean: Thank you, Madam Speaker.

I respectfully withdraw the statement concerning a coup.

The Speaker: Thank you. Please proceed.

Mr. V. Arden McLean: The UDP Government of today said that the country was not moving forward under the leadership of the First Elected Member for George Town and they were going to stimulate the economy and be the saviours of the Caymanian people. After more than one year in power and the delivery of another Throne Speech, the UDP are yet to show their shining armour that was promised.

If this is the UDP's way of stimulating the economy then they have failed miserably. As if recognising that the 33 pages given to the Governor were planned and uninspiring, the Leader of Government Business came to this Honourable Chamber yesterday and, as is now the custom, delivered a second Throne Speech, which was equally long in length and short on substance. In his contribution, the First Elected Member for George Town spoke of the Government and the technocrats with their arithmetic that was amply demonstrated in the presentation of the Leader of Government Business because the Leader of Government Business spoke as one from on high who has no clue of what is happening on the ground in the Cayman Islands.

It appears that this Government has mastered the art of reciting the cliché statements of multilateral institutions. They are no longer speaking as representatives of the people of the Cayman Islands, but as representatives of the International Monetary Fund, the European Union and other technocratic agencies. As a result, we now find ourselves having to debate two Throne Speeches, the total sum of which provides no basis or hope or comfort to the working people of the Cayman Islands.

Throne Speech Number One, Madam Speaker, which was delivered in Cayman Brac by His Excellency The Governor, was merely repetition of all those which had gone before. I went and secured copies of the Throne Speeches dating back to 1997 and you would be amazed by the familiarity of the utterances made back then and of those given by the Governor on this occasion in Cayman Brac.

It is obvious that the macro-policies and plans of the Government are all the same; the distribution of resources is the same; the noble goals of developing our people and institutions are the same. Madam Speaker, what is clearly lacking is the will and the know-how in the UDP Government. It appears the Government cannot get beyond the rhetoric of the technocrats who pen their speeches. There is obviously a disconnection between those speechwriters and the politicians, for both of the Throne Speeches say one thing and the Government is doing another thing.

In November 2002 the Government proposed a six-month Budget and bragged of a $43 million surplus. Within weeks we saw the Government introduce an increase in garbage fees. This was after saying, in the introduction of that Budget, that they would not increase taxes, and I quote from the introduction: "For 2003 (half) no changes in cohesive revenue or new guarantees are being requested."

Within a few days that identical revenue measure was withdrawn because of gross public outcry. Let me thank the Minister responsible for withdrawing it because it was going to bring some hardships on our people. How many times in the last year have we seen the UDP making these draconian deci-

sions, without any thought put into it of the consequences of their actions. There are many to be named: the fishing licence and the parking in George Town, to name a few. In this instance, it appears the Government decided that if you lived on the beach you could have your garbage fees drastically increased. If the Government was in tune with the people they would understand that this is not the case.

Let us look at a case in point, Madam Speaker. In East End, the district that I represent, many of the people who live on the beach have lived there all their lives. They have inherited these properties, which have been in their families for generations. How can this Government justify increasing garbage fees for some people to the tune of 380 per cent per annum with no increase in other districts? With all due respect to your good self and the Second Elected Member for Cayman Brac, I do not mean to disrespect the people of Cayman Brac, but certainly I am looking for some equality for the people of East End. I question, is this the way that a country should be governed or run into the ground? There has to be some thought process. I also question if this will be the legacy of the UDP Government: no consultation on these issues—the same consultation that they accuse the First Elected Member for George Town of doing too much of. Perhaps they will now see that their claim to fame of being able to make decisions should be done with a little more finesse and at least a quarter teaspoon of logic.

The Minister responsible for Community Services amongst many other things—and I certainly do not envy him and I want him to know that—this morning spoke of the Government, of the things that they are doing, of putting people back on the financial aid list and of what my two colleagues did not do when they were Ministers. On my way into this Honourable Chamber this morning, I met two ladies downstairs who had just been laid off from their jobs. It would be interesting to hear what the Minister said to them—if he saw them.

The Speaker: Honourable Minister for Community Services.

Dr. the Hon. Frank S. McField: Madam Speaker, if the Member would like to know what I said, I can explain.

The Speaker: Would the Member give way?

Mr. V. Arden McLean: No, Madam Speaker, I am not.

The Speaker: Please continue, Member for East End.

Mr. V. Arden McLean: Thank you. If he has a point of order I will gladly give way. I will have no alternative but to give way. Let him go out there and tell the people what he said to them. These are the things that the UDP have to keep their fingers on.

Many of our people are losing their jobs. If the economy is not vibrant, like the UDP promised in 2001, then Government is going to have to take care of these people, further putting this country in the financial constraints that the UDP Government likes talking about. We will get to the financial constraints in a little bit, Madam Speaker, because we need to address that one too.

Moving on to the items of Government policies that were articulated, as I said, with much flatness, I would like to turn to the judiciary. While the Government may say that we complain, we nevertheless have a right. I am very pleased to see that a site has been identified for the relocation of the operations of the Summary Courts, but I trust that this is not paying lip service to the judiciary in the past.

The need for a new court facility has been verbalised for too many years in this country. My question to the Government is, where will the monies come from? In this Honourable House we have heard replies to questions that the monies that were supposed to be earmarked for a new court house were being used on the Euro Bank trial. Some may well say that we are the recipients of some of that money right now because we are in the court that was built for the Euro Bank trial. We are conducting business in that same court house and many may say that that is it. Madam Speaker, if the monies that were earmarked for the court house and court facilities have been spent, and the Government is crying fiscal constraints, I wonder if this is another promise filled with air, because we do not need that. If we can get financing for the proposed Caymanian "Twin Towers", where is that coming from? Is that free? Do we have an unknown genie or benefactor? I do not think so. However, if the Government can find that then the time has come to build a new court facility. Since I have been in this Honourable House we have talked about a family court and a drug court. I hear the Chief Justice crying for these facilities in order for his department to be more effective in the administration of justice. Madam Speaker, I urge the Government to move ahead and let us get on with a new court facility.

As I turn to the Police Force I would like to congratulate the three young men who are poised to take over command of our Police Services. Personally, I believe that it will go a long way in restoring the morale among the many officers they will take command of, and I look forward to a change in the landscape in that service. We have seen the effectiveness of Mr. Kirkland Nixon in the Fire Service where his leadership has attracted many young Caymanians and they have made it a career choice. I hope that young Caymanians will now see the Force as a more attractive career choice. Unfortunately, I must question the continuing presence of the former Deputy Commissioner and the planned retention of the cur-

rent Commissioner. Please allow me to explain. First, what are the expected benefits of these arrangements? Secondly, at what cost or benefit to these Islands? Thirdly, is this how we are going to Caymanise the country? Fourthly, but very importantly, will our three young career officers who are taking over ever be afforded the privilege of operating independently as has been afforded to the non-Caymanians who have headed up the Police Force?

I am concerned, Madam Speaker, that in the presence of the former Commissioner and Deputy Commissioner our young Caymanians will not be able to operate in an independent manner. The time has come when we must stop putting Caymanians in place to fail and putting the provisions in place where they are deemed to fail. If they are going to be Commissioner, Deputy Commissioner and Assistant Deputy Commissioner let them rule the roost: "Cockroach has no business in fowl fight". They had no business in the fight and the command of that Police Force when others were there. Now let them have their independence at the helm.

I know that was going out on the limb, but I love going out on the limb. Perhaps I am family to the Minister for Community Service.

Moving on. In the Throne Speech I noted, with much interest, the intentions of bringing legislation to this Honourable House to enhance the criminal justice system. Let me make it abundantly clear, if this includes amending the Evidence Law to allow the police and judges to infer guilt whenever an accused elects to remain silent, there will be no favourable reception from this side in the absence of protections, such as the Bill of Rights. I do not condone criminal behaviour and in particular the use, abuse and distribution of drugs or even white collar crimes, but an accused must be considered innocent until he is proven guilty.

Since I am on legal affairs, it may be prudent that I take time at this juncture to speak briefly on the issue of the Euro Bank trial and the Attorney General. Much has been said about the PPM's involvement, or the lack thereof, in this matter.

First, when the Opposition called for an inquiry into this issue it was not, and I repeat, it was not with the intent of inquiring into the conduct of the Attorney General or Mr. Gibbs. It was for an inquiry into the systemic reason for the failure of the overall investigative process and what could only be described as a defective organisational structure of the FRU (Financial Reporting Unit).

Additionally, it was hoped that the inquiry would further investigate how the reporting authority and investigating unit failed, remove any remaining moles and ensure that anyone missed in the first investigation would be held accountable.

As for the issue of how the Attorney General was handled: despite our attempts to extend the olive branch on this particular issue and come together with the UDP in a bipartisan approach to try and resolve the issue, the UDP forged ahead with much noise and ridicule of the PPM. Eventually the Government had to pay out the remainder of the Attorney General's contract, and under his terms. I am sure this was done to the dismay of the leadership of the Government. Obviously, the shouting did not pay off and the galvanising of the public and the sensitising of the issue had no effect. We still had to go back to the table. The PPM took a different approach to the UDP. We said that it should be resolved through dialogue. Nobody in the PPM was supporting the Attorney General or Mr. Brian Gibbs or anyone else for that matter. I stood in this Honourable House and said he must go. I said it then and I say it now. Whether the Attorney General did something wrong or not, he holds responsibility, but there are different ways of dealing with it.

We were accused of siding with England and disappointing our people. I have never heard more rubbish. I am sure those who made such remarks now realise there was no validity to them. Madam Speaker, I had no conversation with anyone from England except Ian Henry. When he visited, the Governor arranged a meeting with the Opposition Members and then with Baroness Amos and all the Members less the Executive Branch. That was during her little rest stop in the Cayman Islands—because it could not be considered anything else, as brief as it was, but I trust that she will be back. Having said all of that, I believe the PPM today are vindicated in the position we took, albeit unpopular at the time, because Government's only means of resolving the issue was to resort to the same dialogue we recommended. The bombastic approach of the Leader of Government Business proved to be an obstruction on this occasion again.

Continuing on the issue of the FRU, it appears as if there will be a review of the roles and functions of that Unit. I am positive the country will welcome such a review and I hope there will be opportunities for young Caymanians to be trained and given positions of responsibility and, very importantly, given the chance to progress within that Unit. As I said earlier, about the appointment of the three young Caymanians at the top of the Police Service, I must again remind this Honourable House of the need for close monitoring of the restructuring of this Unit, if only to ensure that any Caymanian placed in the position of authority will not be set up to fail.

Yesterday, Madam Speaker, the First Elected Member for George Town laid out our position on how we see the reporting authority of the FRU and who it should report to. Therefore, I do not think it is absolutely necessary for me to go into that area again today. However, I await the Government's review of this very important and vital Unit to the financial industry and the continued success of our country.

As I now turn to education, I must say, Madam Speaker, that there seem to be many programmes in place in the planning and implementation stages for education, such as the New Education Pol-

icy, Improving Teaching and Learning in the Cayman Islands (ITALIC) and the National Education Leadership Program (NLP). While their acronyms have a nice ring to them one must ask what is really being done to ensure our children are receiving a reasonably proper education.

Where is the policy that says that by year 2010 95 per cent of our children leaving primary school will be proficient in literacy and numeracy? The system has failed a large number of our children. It has failed them because we are not setting standards for them. We are allowing them to go through school then letting them out into the work force functionally illiterate and innumerate. Employers are using this as an excuse not to hire our people, our children. What are we going to do about it? I went to the East End School recently and in one of the classrooms—I believe Mr. Tibbetts'—there is a bumper sticker on the wall which says, "If you think education is expensive try ignorance". How appropriate. We can decide whether we pay now or delay payment. Like that bumper, I warn that there will be a far greater price to pay by society if we do not ensure the population of this country is educated and allowed equal partnerships in our society and equal privileges in their country.

Madam Speaker, we must prioritise.

The Speaker: Member for East End you have an hour remaining. Would you like to have an afternoon break or would you wish to continue?

Mr. V. Arden McLean: Yes, Madam Speaker.

The Speaker: We will take the afternoon break for 10 minutes. Please attempt to have a quorum in 10 minutes.

Proceedings suspended at 3.40 pm

Proceedings resumed at 4.01 pm

The Speaker: The continuation of the debate with the Member of East End continuing.

Mr. V. Arden McLean: Thank you, Madam Speaker.

When we took the break I was on the subject of education and I now turn to the section on education relating to the East End Primary School.

We have a situation at the East End Primary School which I have addressed on several occasions with the Ministry and which the Government seems not be taking very seriously. The school is in dire need of a cafeteria, staff office and other physical improvements, and may I just inject here again, these have been outstanding for a very long time. Suffice to say the Minister, in a reply to one of my requests for these issues to be addressed, reminded me of the fiscal constraints Government is experiencing at the moment. These issues have been outstanding from the school's inception and I just get this feeling that the UDP Government is carrying on the legacy of many previous Governments by apparently not attempting to address them.

I was recently invited to a PTA meeting at the East End Primary School to which the Minister was invited to address the parents on the needs of the school. I was somewhat surprised that shortly before the meeting I was called and informed that the Minister had an emergency and would be unable to attend. Be that as it may, to my knowledge that meeting has not been rescheduled. The parents in East End are getting restless and rightly so—we cannot blame them. Why should their children have to eat lunch outside in a passageway? That is what we have today in the 21st century. Why should the teachers have to operate from cramped quarters when other school populations do not? I stand firmly behind the parents in wanting more for their children.

I notice today that the Minister of Community Services is dressed differently and I suspect that was deliberate. I trust that he also has seen the designs on my tie, which was deliberate as well, because it says,"Save the children" and the Minister for Works, being the fashion type that he is, was very attracted to it.

[Laughter]

Mr. V. Arden McLean: There are times for lighter moments, Madam Speaker, but I want to go on record here saying to the Government that if they think that it is representation as usual for East End they are mistaken. East End is no longer without a voice in this Honourable Chamber and the fact that I am in the Opposition does not mean that I am without might. It does not mean that I am dead. The voice of the people of East End will be heard through me and the UDP will be reminded. My responsibility is to look at the needs of the people of the district of East End and bring it to the attention of the Government and that I have done. I trust the Minister understands that I am still awaiting his decisions on the outstanding issues that he described to me, through correspondence I might add, that he would be consulting his Permanent Secretary and Chief Education Officer on.

I just want to remind the Minister that these were the provisions for proper cafeteria with a modernised kitchen and staff accommodation. I do not understand the need for a consultation on the need for a cafeteria because it is obvious it is not there. There is a small multipurpose hall which, with some extension for the proper kitchen facilities, could also serve as a cafeteria where the kids could eat inside. Madam Speaker, in today's environment the East End school is too far behind. All I can promise the people of East End is that I will address the issues with the

Government. I will write and I will continue to write to the Minister and bring them to his attention.

Please allow me to go on record here to thank the firm of Ernst and Young for providing the computers for the computer lab. Thanks also to Mr. Carlyle McLaughlin, whose ancestral roots are embedded in East End and who is a cousin to the Second Elected Member for George Town, for providing at least six of those computers. While my efforts have been successful, from begging I might add, in acquiring computers and a full computer lab for the school in East End, it has not been successful in the laptop goals and ideas that the Minister has been talking about—for every child to have a laptop. At least, since I have been elected, the school in East End now has a computer lab.

Therefore, when we talk about a party providing for people when there is a disaster, or there is a need in the community, that is the purpose of any party. Any political organisation in any country that does not recognise the needs of its people and try to help them should not be an organisation. That is the purpose of it. Use the resources you have to get what your people need. One of my resources is begging and I will utilise it until they stop giving. When I have an ideal and a belief, I am going to the end with it because it is going to help the people that I represent!

In the case of the computer lab in East End, Madam Speaker, the only thing missing is an information technology teacher. We get one for half a day once a week. It is my understanding from educators that introducing a new subject to students, which information technology is in this country—and I applaud the Minister for wanting to go in that direction, but evidently he is not getting the help from the Executive Branch that he needs so he needs to start putting some heat under them – my understanding is that it takes a minimum of two hours per week for each one of those children to have access and be taught information technology. Now, I may be wrong and there may be different positions taken on that. I do not know whether we need a full time information technology teacher in East End, but I know we need more. With about 120 students we need more than a half day to cover all of those students. It is probably about 80 who utilize that computer lab. This is what the Government needs to do and I am appealing to the Government to provide these basic necessities. The computer lab is there.

I did not do it for personal reasons, Madam Speaker, I did it so that the children could have full access to a computer while they are at school. The Government just needs to provide the teachers. Is that too much to ask? I do not think so. I do not think that is too much to ask. I can say that the parents in East End are awaiting the Minister's commitment to provide a full-time or additional time information technology teacher.

We must prioritise. We cannot expect our children to be successful if they are expected to learn in such an environment. These and other issues at our schools, and in particular at the East End school, must be addressed immediately, but there must be parity in relationships to equality and quantity. Parallel to the physical development of our schools and the school system, we must also institute a balanced curriculum that prepares our youth to achieve their full potential.

We have all advocated vocational and technical programmes in this country, but we have persistently only paid lip service to it. Very little is being done. In the Minister's report card 2000-2004, which was delivered in this Honourable House on 19 December 2002, he outlined five key goals, which he said he would concentrate on over the political term 2000-2004. Madam Speaker, they were, and this comes straight from the report card:

a) To promote and support school improvement.
b) To strengthen the opportunities and quality provision for teacher training.
c) To improve information, communication and technology skills at all levels.
d) To enhance the provision for technical and vocational education and
e) To establish citizenship education as an integral part of the curriculum at all levels of schooling.

Madam Speaker, in that report card the Minister went on to say that he and the Ministers attending the 14th Commonwealth Education Minister's Conference agreed on these five goals and his hopes were that when he reported on his progress at the next meeting of the Minister's in December 2003 and: **" … ultimately to the electorate in 2004 I will be judged as providing the level of stewardship which our education deserves to move boldly into the 21st century."**

As disappointing as this may be to the Minister, I must tell him he has much ground to cover and time is running out. He needs to light the fire under the executive branch of Government and ensure they prioritise even if it means taking some of the bond issue and getting the education programmes in place. He needs to at least achieve one of these five goals. He cannot report to the electorate in 2004 and not even one has been completed. He needs to have a little percentage. I do not know how he is going to get it, but he does not have much time and we all have to report and we all have to have our report cards ready for inspection in 2004. While time is running out on all of us, I trust he has not set himself up not to have at least a reasonable report card. I also hope that some of the issues at the East End school will be addressed and completed prior to 2004, when the Minister is going to report to the country.

The East End school has progressed much under the leadership of the current principal and dep-

uty principal, but more can be done with improvements to the school: more provisions, more comfortable surroundings for the school. Madam Speaker, I must applaud the PTA which was elected some six or eight months ago. They have done extremely well. They have paid off past debts, have monies in their coffers, have bought equipment for the school, and they are going out there and doing their own drawings to try and get the cafeteria and kitchen equipment for the school. They are doing it themselves. I assist where I can, is that an indictment on me too? I should not? This is what my responsibilities are and I was going to deal with it a later but since I am on it now, let me set the record straight about this park in East End.

The Minister for Community Services talks about the park and it is mentioned in the Throne Speech. I have my notes as well, but in meeting with the Dart Foundation and Management I requested of them, that if it was possible, I would appreciate very much if they could put some play equipment into the school for the reception class and two other classes. Recently that was installed and I will talk about the generosity of the Dart Foundation and Dart Management a little later on about providing a park in East End. However, again I used my resources, which is the begging resource, to get these things for the school. One of my colleagues said charm, but I do not know if I have too much of that. I believe that is our responsibility as representatives of the people. This thing about if you are not a part of that party then your constituency is going to suffer just to ensure that you are not re-elected.

Madam Speaker, it is not affecting Arden McLean. It is affecting the people we so love (or we claim to) and they are the same ones, whether they are on the minimum wage or an executive wage, who pay the taxes for those services to be provided. When I hear us talk about not providing it, especially in the atmosphere and the complement of the current Legislative Assembly, I look around: three Members of the Government, three Members of the Executive Council have ancestral homes in East End. It is their family too and if they do not provide it, it is more than my family, it is their family too. It is unfair.

Three of those Members come from the district of East End so why it is that Arden McLean has to be punished because of his mouth? Well Arden McLean will always be punished because of that. Why should the people be punished because of my mouth? That is unfair to the people of East End. It is unfair to the people of this country. This rhetoric of the people of this country needs to stop. Let us go on with our politics, this is the house of politics, but let us draw the line and stop threatening people not to put anything in their constituency so they will not get re-elected. If it is not I, someone else is going to come and ask for the same things, because whoever comes in here would have to be Ray Charles not to see the same things lacking in East End, or anywhere else for that matter. If they are going to ask for them, they have to be provided. The basic needs of the people of this country must be provided with the same wealth that the Minister talks about that he is responsible for distributing.

ADJOURNMENT

The Speaker: We have reached the hour of interruption. May I call on the Deputy Leader of Government Business to make the motion?

Hon. Linford A. Pierson: Madam Speaker, I move the adjournment of this Honourable House until tomorrow Friday, 14 March 2003 at 10 am.

The Speaker: The question is that this House do now adjourn until tomorrow Friday, 14 March 2003 at 10 am. All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 4.31 pm the House stood adjourned until Friday, 14 March 2003, at 10 am.

OFFICIAL HANSARD REPORT
FRIDAY
14 MARCH 2003
10.14 AM

Fourth Sitting

The Speaker: I invite the Honourable Member responsible for the Portfolio of Internal and External Affairs, the First Official Member to grace us with prayers.

PRAYERS

Hon. James M. Ryan: Let us pray.

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

Bless our Sovereign Lady Queen Elizabeth II, Philip Duke of Edinburgh, Charles Prince of Wales, and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Executive Council and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 10.17 am

The Speaker: Please be seated.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

The Speaker: I have not received any apologies for non-attendance or late attendance for today's sitting.

STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE GOVERNMENT

The Speaker: Neither have I received any notice of statements for today.

GOVERNMENT BUSINESS

Debate on the Address delivered by His Excellency the Governor on Friday 7 March 2003

(Continuation of debate thereon)

The Speaker: The Member for East End continuing his debate with a remaining time of 35 minutes.

Mr. V. Arden McLean: Thank you, Madam Speaker.

When we adjourned yesterday evening I was going to turn my attention to the Human Resources Department in the country and I will now go on to that area.

I think it should be a concern to all of us that in today's environment we hear of so many instances where employees are complaining of the lack of provisions for health insurance and pensions. By law, insurance and pension provisions must be in place for every employee in the Cayman Islands. Nevertheless, we hear of instances where deductions from salaries are being made and no record of investment of these funds is presented to employees.

Representations on these issues are made to me on a weekly basis and when I make enquiries, Madam Speaker, I come away as frustrated as the complainant. There do not seem to be any clear lines of enforcement. I noted that the Government is now proposing to merge the Pensions Office with the Department of Employment Relations. I trust that this will produce a greater degree of enforcement and prosecution where necessary.

I also noted the recent announcement of the appointment of a new acting head of insurance and that is welcome. However, I question whether the mere appointment is enough to stem this reckless disregard for the law? May I suggest the Government review the relevant legislation to ensure there are ample provisions to support enforcement and also to ascertain whether CIMA (Cayman Islands Monetary Authority) is the most effective umbrella under which to have the enforcement side of this important subject because there needs to be some enforcement done. Perhaps that side should go under the Ministry of

Human Resources' Employment Relations Department. I respectfully suggest that the Government looks at this. Employees in this country are being taken advantage of and their future is in jeopardy if they do not have health insurance and pensions in place.

I now turn to Community Services. Even though I spent much time on that yesterday, there are a few things I would like to touch on.

I have noted with much interest that in the restructuring of the Social Services and Community Development Unit, the Community Development Unit will be moved to the Department of Youth and Sports and the reason given is to ensure better teamwork. Madam Speaker, contrary to what the Minister might believe, I do hope it produces the desired results. In East End I have had many complaints about the representation, or the lack thereof, of the Social Services Department which, I believe, may be due to it being so disjointed, but as we all know we have to take these complaints in stride. Therefore, I give encouragement to the Minister in his direction of this important service and I hope that he will get some results.

In saying that, I would also like to point out to the Minister that the Government recently acquired properties in East End for the cemetery. Homes occupy both pieces of the property and one of the homes is in fairly good condition. May I suggest to the Minister that he tries to coordinate with the Minister of Lands for the use of this property to accommodate permanent offices for community or social workers and for the sports and recreation needs in East End. I believe this would go a long way to regaining confidence in the community in this vital service.

I now turn to the Prison Service. I noted in the Throne Speech delivered in Cayman Brac that the Government is contemplating the construction of a young offender's wing at Northward Prison. I think the Minister announced that some time ago. It proposed including a discrete secure juvenile unit called a Chapter House. The Government, I think, would do well to explain how they are going to keep this facility discrete at Northward Prison. I am not complaining just for complaining sake and I will show that.

We recently witnessed the conflict that was aired in the news media between the two Ministries surrounding the four juveniles. If that conflict could not be kept secret I would like to know whether it is fair to expect that we can erase the stigma that is sure to accompany these young individuals associated with Northward Prison. I question whether or not the Government should be looking for lands elsewhere because, even if this facility is separated from the main population at Northward Prison, there are no guarantees that there will not be interaction between young adolescents and "criminals".

Regardless of the behaviour of these young individuals, is this the real environment we want to put them in? Even if it is separated, I have some concerns about it. I am extremely concerned. I believe the fact that you have gone to Northward, the fact that these kids are young adults, they still need to be given a chance. I cannot stress enough the importance of placing these young people in the proper environment that will give them every opportunity and chance to get their lives back on track.

My plea to the Government is not to abort the idea of providing the facilities, because we need to do that, but to abort the idea of putting it at Northward Prison. While one may say that it is not going to be in Northward Prison, it is going to be closely associated with, and somewhere in the same vicinity as, Northward Prison. I really believe the stigma attached to Northward Prison is going to discolour these young adults—young children, for they are not young adults really, they are much younger than that. So my plea to Government is to review that again and think of finding some other government property to place it on.

As I promised yesterday, I will now turn to Youth and Sports. On behalf of the people of East End, I wish to publicly thank the Dart Foundation and Dart Management for their generous donation of the park in East End. I know the Minister of Community Services will say that I am not genuine, but I must also thank him for providing the funds to construct the restroom facilities. The park is taking shape and is soon to be completed and I am sure it will bring a new sense of pride to the people of East End. I am extremely proud to have been a part of seeing it come to fruition. Having a park in East End, in that exact location, was one of the things I campaigned to work towards in 2000 and early in 2001 I started doing that. Under the former Minister, the Elected Member for North Side, I was introduced to the Dart Foundation and it began then. The current Minister has continued the commitment on behalf of Government.

Under the same administration of the former Minister of Community Services, two years ago I requested the then Minister to appoint a sports coordinator for East End and the eastern districts. Upon the current Minister's appointment, I renewed my request and was informed of the previous commitment that was made and was assured by him that the commitment would be honoured. Madam Speaker, to date the sports coordinator has not been appointed. We keep saying that sports are part of the development process in any country, so I again renew my request for a sports coordinator for the eastern districts.

As I turn to housing I noted that, according to the Government, the advent of affordable housing is here. I took note of the mention in the Throne Speech of the construction of 200 homes in a number of communities. Unfortunately, the Throne Speech made no mention of which communities they will be built in and I question if it was an innocent omission or a deliberate one.

Six months ago, the Minister and members of the UDP were saying that East End needs affordable housing. Today, that said Minister has total control over the funds made available for the purposes of

providing affordable housing and yet no mention was made of the one district that six months ago the Minister was claiming needed homes.I, like the people of East End, await the Minister's announcement and I personally await the opportunity to discuss with the Minister the provisions of an affordable housing scheme for the people of East End.

Much land is available in the district of East End to have affordable homes built on. Many people will sell their properties to Government and these are lands that do not really need filling, so the expense will not be as great to have these homes built.

I also noted that Government has said, and I quote from the Throne Speech: **"Additionally, the Government will establish a framework of housing entities that will, in partnership with private sector financial and construction institutions and companies, provide a continuum of housing tenure options. These will range from rental tenancy (assisted or otherwise) to outright purchase, and will incorporate the Government Guaranteed Home Mortgage Scheme."**

The Government needs to state whether this statement means there will be other schemes parallel with that after or prior to the completion of these 200 homes, and if we will see a different type of affordable house being constructed. I await the Government on that issue.

On the issue of Public Works and Utilities, I am again expressing my concern at this sad state of affairs in relation to the failure of Government to complete the pipe-borne water to the residences of East End. Madam Speaker, I know that the Water Authority may be experiencing some difficulties with physical equipment, but I believe the time has come to review this and ensure that the physical equipment is available to effectively get water throughout the eastern districts.

The Leader of the Opposition spoke passionately on this matter, and I am sure that the Member for North Side will concur with me, that time is running out on the Government. Neither of the two Throne Speeches touched on this issue. I know that the Water Authority is rather close to its intended destination for water in East End, but they are being taken off to go elsewhere on so many different occasions that it appears as if their goals will not be reached this year. To go back and start cutting from the junction of Frank Sound Road and North Side Road to go to North Side will further lengthen the time it takes for water to be made available on all of the side roads in East End.

The Speaker: Member you have 13 minutes remaining.

Mr. V. Arden McLean: Thank you, Madam Speaker.

I am also concerned about the deteriorating state of the roads in rural districts. As a representative of a rural community, I am compelled to register my concern on the lack of focus and priority given to the maintenance and upgrade of road surfaces in parts of Bodden Town, East End and North Side, but, in particular, East End. Madam Speaker, these roads are the paths of many tourists. The Leader of the Opposition spoke of the occupancy rate at the timeshare institutions in the district of East End. There are many tourists and residents in that area who use those roads. I know the Water Authority is there now, but Government needs to make a little more effort to have these roads properly paved.

Another issue I would like briefly to touch on is the Health Services Authority. Recently I was informed that the ambulance service for the eastern districts was not operational due to staff shortages. The Member for North Side and I wrote to the Minister. I know the Minister was absent from office for a while, but we await his reply on that issue.

In concluding my contribution to this Throne Speech, I would like to end by saying that the People's Progressive Movement is very concerned with the direction that the country is going in under the leadership of the UDP Government. We are committed to returning Caymanians to the centre of national decision-making and to the centre of economic activity and prosperity. Certainly we need foreign investment to assist, but not to totally control the country. We are committed to returning more Caymanians to the mainstream of economic activity in this country.

As it stands, we are being called upon to debate not one but two Throne Speeches. As I said earlier, neither of them attempts to address the issues of concern to the people of these Islands. I however–

Point of order

Hon. W. McKeeva Bush: Madam Speaker.

The Speaker: Honourable Leader of Government Business.

Hon. W. McKeeva Bush: On a point of order.

The Speaker: Please state your point of order.

Hon. W. McKeeva Bush: Madam Speaker, I have sat the last couple of days and heard some references drawn to my speech as two Throne Speeches and I think that is misleading the House.

The first Member to do that was the First Elected Member for George Town. Now the Member for East End is parroting his words, as usual. Everybody knows that there is only one Throne Speech in this country. That was done in Cayman Brac by His Excellency the Governor. I took the position as Leader of the Government—as my party and colleagues wanted me to—to speak first to outline our plans, but more specifically to lay the plans for an Economic Development Plan.

I said that I do not have any authority to read any Throne Speech—that is His Excellency the Gov-

ernor's job. I would appreciate it if those Members withdraw that statement because it is not the truth.

The Speaker: Member for East End, I have listened to the Leader of Government's submission on the point of order. He is absolutely right in that there is one Throne Speech. I would ask you to withdraw that remark. I will not call on the First Elected Member for George Town as the point of order was not taken at that particular time and I will not make a retrospective ruling. Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker.

I respectfully withdraw that there are not two Throne Speeches. Theoretically, there should never be.

The Speaker: Member for East End, I have asked you to withdraw that there are not two Throne Speeches. Let us make it very simple.

Mr. V. Arden McLean: Madam Speaker, I withdraw saying that there are two Throne Speeches because there is only one.

The Speaker: Thank you. Please proceed accordingly.

Mr. V. Arden McLean: Madam Speaker, when the UDP Government is replied to there is much stopping of everybody else, but we allow them to say as they feel.

Hon. W. McKeeva Bush: You have to tell the truth.

The Speaker: Order.

Mr. V. Arden McLean: The Minister of Tourism is saying that we need to tell the truth. Well, maybe he needs to direct his Ministers to tell the truth too, but Madam Speaker–

Dr. the Hon. Frank S. McField: Are you implying that we do not tell the truth?

Hon. W. McKeeva Bush: That is what he said.

Mr. V. Arden McLean: Do not worry, Madam Speaker, and this country can rest assured that there is an emerging alternative to those who sell out ….

[Laughter]

The Speaker: Order!

Mr. V. Arden McLean: …. will be on the horizon for the country.

Hon. W. McKeeva Bush: That is where you are—on the horizon.

Mr. V. Arden McLean: I am satisfied that the people of this country will soon have an alternative to the powers that be; an alternative that is people-centred and people-driven; an alternative that is positive in its outlook and philosophy.

Hon. W. McKeeva Bush: Left of centre.

Mr. V. Arden McLean: An alternative that is dynamic and not static like the UDP Government.

The Speaker: Is that your opinion, Honourable Member?

Mr. V. Arden McLean: Yes, Madam Speaker.

An alternative that has a mission and not an agenda; an alternative that is a movement and not a party.

Hon. W. McKeeva Bush: We are not a party.

Mr. V. Arden McLean: Madam Speaker, I am convinced the alternative which currently offers hope and not despair is the People's Progressive Movement of which I have the honour of being a founding Member. Madam Speaker, I urge the people of this country to hold on for help is on its way. The People's Progressive Movement is the hope for the future of this country. I would again inform this Honourable House that my job here is not to personally attack anyone, but I will respond to any personal attacks made on me.

The Speaker: You have four minutes remaining, Honourable Member.

Mr. V. Arden McLean: Thank you, Madam Speaker.

Hon. W. McKeeva Bush: You never say anything anyhow.

Mr. V. Arden McLean: Madam Speaker, I feel privileged to have been given the opportunity by the people of East End to serve in this Honourable House and again my voice will be heard. Their voice will be heard through me and I implore . . .

Hon. W. McKeeva Bush: You are not doing anything for them anyhow.

Mr. V. Arden McLean: . . . the Members of this Honourable House to let us keep it political and to stop the personal attacks on each other. Let us keep it political—politics is politics, but when we start personally attacking each other we can expect nothing other then replies to those personal attacks.

Hon. W. McKeeva Bush: That is right.

Mr. V. Arden McLean: I promise everyone that I will reply to any personal attacks made on me. Thank you, Madam Speaker.

The Speaker: Thank you. Does any other Member wish to speak? The Member for the district of North Side.

Ms. Edna M. Moyle: Thank you, Madam Speaker. I sat here yesterday and listened to the Honourable Minister responsible for Community Services, Women's Affairs, Youth and Sports and I had nothing to say. The blame for nothing being done in the Ministry was placed at the feet of every past Minister responsible for Social Services, except the Honourable Minister who is now responsible for Tourism. However, we cannot live in the past any longer, we must move on to the future.

You know, Madam Speaker, I am not one who stands in this Parliament and speak for hours. I heard the late John Redman say about sitting in here and listening to people speaking for four hours, that "It is not the person that speaks the longest that says the most." The Honourable Minister did make a sarcastic remark about me yesterday in that regard. However, the most damning indictment of the contribution made by that Minister yesterday was uttered from his own lips. After he treated this Honourable House to two full hours of dire tripe, in which little or nothing was explained about his planned social programmes, he was forced to apologise to this Honourable House and the country for his failure to articulate a coherent, comprehensive social policy for these Islands. That, I would remind this House, is his solemn obligation.

Perhaps the Minister has still not made the transition from a vocal Opposition Member whose time in this House was devoted to political rhetoric and harsh criticism of the Government, whichever government was sitting on the opposite side at the time. He must now come to understand, sitting where he now sits, that he is now required to produce more than rhetoric and criticism of his fellow George Town representatives and former ministers, including myself.

I was totally shocked, Madam Speaker, because that is not the normal behaviour of that Honourable Minister. However, I concur with the First Elected Member for George Town. I call him First Elected Member for George Town because one minute in procedure in this House he is being called the First Elected Member for George Town and the next time he is being called the Leader of the Opposition. Therefore, I concur with the First Elected Member for George Town who proffered that the Throne Speech, as delivered, offered very little hope to the ordinary Caymanian.

Madam Speaker, I will ask you to ask the Government to do as the Opposition did when the Honourable Minister of Tourism was delivering his contribution to the Throne Speech—just listen. There is still a number of their persons who have not spoken yet who can deal with anything that any Member on this side brings forward.

The Speaker: Are you calling for a point of order under Standing Order 39 (c)?

Ms. Edna M. Moyle: No, Madam Speaker. I am sorry to interrupt you. I am not calling for a point of order; I am just asking you if you could ask them to desist while I make my contribution.

The Speaker: Member for North Side, there is provision under Standing Order 39 (c) for any Member to bring it to my attention. I will say it at this time, but I would ask Members to look at Standing Order 39 in its entirety where Members are asked to:

"(a) enter and leave with decorum;
"(b) not to read books, newspapers, letters or the documents unless they relate to the business before the House,
"(c) maintain silence while other Members are speaking and not to interrupt except in accordance with Standing Orders; and
"(d) in all other respects conduct themselves in a seemly manner."

All Members are mature and I expect them to behave accordingly. Please continue.

Ms. Edna M. Moyle: Thank you, Madam Speaker.

Nowhere in this country that I have visited since the delivery of the Throne Speech has anyone expressed any optimism about his or her lot in life changing for the better as a result of the social and economic plan outlined by the Government. I share the view that there appears to be a deliberate strategy to delay the start-up of vital social programmes until later in the year. This is normal. It has happened over the years and certainly until much closer to an election.

Members of this Honourable Chamber come in contact with working Caymanians at funerals, in the supermarkets or at social events. People in this country are complaining; they are fearful of the economic downturn and its likely impact on the well-being of their families. Madam Speaker, residents of the Cayman Islands have become accustomed to a particular standard of living and they do not wish to compromise or reverse that standard of living.

Persons, who in the 1980s and the 1990s were able to elevate themselves through application and hard work, wish for a brighter future for their children. During those years they were confident in the view that their retirement years would have been comfortable. Persons thought that their savings and pensions would have been able to afford them a comfortable and dignified quality of life in the evening of their years. Today they see a grave threat to that stability.

People in this country are genuinely worried about the escalating cost of living. This was a pet sub-

ject of the Honourable Minister responsible for Community Services when he was on the Back Bench. Many persons exist on a fixed income, but almost on a monthly basis their commitments are rising. They are being forced to pay for goods and services they formerly accessed freely or for inconsequential sums. The First Elected Member for George Town spoke of the necessary increase in the cost of health care and prescription drugs. He spoke of the virtual commercialisation of our Health Services and the fear of residents, seniors in particular, of getting ill and having to underwrite the cost associated therewith.

At this point, Madam Speaker, I ask the Honourable Minister responsible for Health to get it across somehow to the public that no one who is seeking medical attention will be turned away from the George Town Hospital. The reason I am asking the Honourable Minister is because I have had several calls and meetings with several members of the district of North Side who need medical attention, but are afraid because they have no medical insurance and they have no personal money for they have no jobs. I have assured these people that no one will be turned away from the George Town Hospital. However, I think if the Honourable Minister can get some publicity out there that these people can understand they will be given medical attention, it would be much appreciated.

While a few years ago the average parent in the Cayman Islands wished for their offspring to lead a better life than we all did, today we find ourselves in a situation where parents are hoping that their children can have as good a life as they did. That is why the presentation of this particular Throne Speech was so eagerly anticipated. Persons wanted to hear from the Government what plans it had in store for resuscitating the economy. Persons wanted to know what fundamental changes the United Democratic Party administration would have been proposing to enhance their lot in life.

In almost every social and economic sector persons are fearful of the apparent drift in the management of these Islands. No one seems to be concerned about the plight of the individual, particularly mothers who are at their wits' end to make ends meet. At this point, I would like to say the Seamen's Ex Gratia payment—and I will deal with it later because it seems as though there are certain people who are awfully economical with the truth as far as that situation exists. I congratulate the Government that they were able to raise this ex-gratia payment for those persons making $1,500 per month or less. However, Madam Speaker, having been the advocate for women in these Islands over the years—and you have supported when you were on the Back Bench and in the Ministry—I am disheartened that we are able to discriminate so blatantly against women. We feel that the poverty line for our men, the seamen, is $1,500 a month or less (and they are entitled; they did a lot for this country). However, there are women out there making $800 a month or less. Why have we not taken the same decision that those women will be assisted and brought up to the $1,500 per month or less?

Those are the reasons why it was hoped that this Throne Speech would have been responsive to their needs and anxieties. Spokespersons for the Government speak glowingly of the millions of dollars that are being invested in this economy. They point with pride to the many private sector projects underway and the record profits being realised by some investors. However, there appears to be an indifference to the plight of the indigenous businessperson and the impact that the downturn in business activity has had on the spending power of individuals. There is a growing number of families falling through the social cracks and this begs the question of the role of the Government in helping to ease the strain on vulnerable groups.

I know that when the next person gets up from the Government side there will be aspersions cast on me that, "You were the Minister for one year and you did not do anything to help these families from falling through the social cracks". Those problems were there for many years before I became a Minister of Executive Council and they were falling through at that time and they are still falling through, so we cannot lay the blame at the feet of one Minister.

[Interjection]

Ms. Edna M. Moyle: Madam Speaker, I am sure that the Minister of Tourism will have every right to reply because he has the right—not to deliver a Throne Speech—but he has the right to reply to it.

Hon. W. McKeeva Bush: Are you saying I delivered that Throne Speech?

Ms. Edna M. Moyle: No. I said you do not have the right to deliver a Throne Speech, but you have the right to reply to it.

Hon. W. McKeeva Bush: I will do that.

Ms. Edna M. Moyle: Madam Speaker, I do not need teaching in procedure. When the Speaker has made a ruling that one cannot use certain phrases and terms I know quite well that I, as another Member getting up to speak, cannot overturn your rule.

Madam Speaker, this Honourable House and this country knows, as I have said before, that I have been a proponent of the rights and entitlement of women in this country. I must say, and I will stand and say it, far and wide I am not one to blow my own bugle. I am humble and I like to do what I have to do for my people. I want no praise. We look around the district of North Side: there have been many buildings and facilities built in that district since I became the representative. You do not see my name on that building because when history is written I hope I will be remembered without having my name on a building

that I founded as a representative for the district of North Side.

Before I came to this Parliament, one of the first things I was courageous enough to do — and I am one to give praise where praise is due – was to bring the motion to set up a Women's Affairs Office. I must say that the Government and the Back Benchers at that time unanimously accepted the motion.

However, I speak of the plight of women not in sexist terms, but in relation to historical facts to do with exploitation, physical and mental abuse and discrimination purely on account of gender. Our women have endured much in this country. We all know of their added responsibilities during the period of the 50s to the 80s. I know quite well, for I happen to have been one of those mothers when fathers and several of our men went off to sea. We know of the pattern of single parenting and the fact that many of our women have had to endure major sacrifices in order to secure the advancement of their children. These women today find it very difficult to make ends meet. New technologies have made it very difficult for them to compete and one must ask questions about what plans the Government has for the training and retraining of these individuals.

We need to bring the new technology to them. It is useless if we provide these services in George Town to assist women in the other districts (West Bay, Bodden Town, East End and North Side) because when they get home after work it is impossible for them to deal with what they have to deal with at home and then come back to George Town to have access to these services. We must not forget the women in your districts – the districts of Cayman Brac and Little Cayman.

We need to effectively retool these women for the dynamic environment in which they now operate. Women in these Islands are in the lower category of pay scales and many of them, I am sure, could move up if they were given the opportunities to be retooled. Had I remained in the Ministry, I would have hoped that many of our women who are now receiving $400 a month, could have been retooled and put back into the work force. We need to look at this and give them a fair opportunity.

This country is at the stage where, if its indigenous population is to thrive, measures will have to be taken to train persons of all levels of activity no matter their age, sex or academic status. We need to carry such programmes into the communities. The Community Development Services that are being offered must now move beyond "the Christmas card at Christmas" or "the meal on Christmas Day". We must now carry programmes with a qualified person as the Community Development Head who can instruct our Community Development Officers. Our Community Development Officers must get training so that they can perform and deal with the problems of the communities.

We can no longer depend on established institutions of learning. There are many civic centres and school buildings around these Islands that are woefully under-utilised. The Minister of Community Services, Women's Affairs, Youth and Sports is now talking around the problems. As a matter of fact, I did like the title in the Ministry: Community Development rather than Services, because when we speak of community development it means that we intend to empower the communities, get them involved in doing things for themselves and not just offer them services. From all reports, the Minister and his close advisors, in my opinion, do not have a clue as to what is required to turn the situation around, particularly in my district. The Department of Social Services is in a mess where the so-called rationalisation of Children's Services is breeding horror story after horror story. Take, for example, the plight of the four young boys.

[Interjection]

Ms. Edna M. Moyle: Madam Speaker, you know I would like to answer the Minister of Tourism.

Hon. W. McKeeva Bush: Not me.

Ms. Edna M. Moyle: I am getting a little bit fed up.

Point of Order

Hon. W. McKeeva Bush: Madam Speaker.

The Speaker: What is your point of order?

Hon. W. McKeeva Bush: I am also tired of this woman calling my name here this morning when I am sitting down writing. Other Members might be talking and she is listening and reading her speech, but it is not me and I am tired of it. If I have something to say, I will say it loud enough so that you can call me to order or so she can hear or anyone else can hear.

The Speaker: Member for North Side, please continue your debate.

Once again, I will ask Members to please refrain from speaking while another Member is speaking because it is quite distracting. All it does is delay the proceedings of the House because I have been allocating extra time for interruptions.

Ms. Edna M. Moyle: Thank you, Madam Speaker.

We take, for example, the plight of the four young boys (whom the Member for East End mentioned before) who cannot find a resting place to pursue their education. I do not remember the name of this foundation that is chaired by Mr. Richard Arch, CAYS (Child and Youth Services), I think . . . the Minister of Education said that this is what he wanted me to start when I was Minister. Madam Speaker, if that was said it must have been said in a dream. However,

what the Honourable Minister of Education should have told the Honourable Minister responsible for Community Services about when we met on numerous occasions, is that we cannot take our young children and put them into facilities like CIMI (Cayman Islands Marine Institute) and different facilities, and not get them back into the mainstream education system in these Islands. Until today I am sure the Minister of Community Services is still experiencing that same situation where these children are not being readily accepted back into the mainstream system.

In that same example of the four young boys separate Ministers are pointing fingers and passing the buck because the system is not currently structured or geared to provide a sound education to the so-called "bad children". We call them that, I do not. I call them children who have been left behind by a system that has not catered to them. I have to congratulate the new social worker, Mr. Michael Myles. He stood by his guns until he got some solution for these young boys. I am now told that the so-called solution rests in the four boys turning up at the Hope Centre every morning to have a chit-chat with the designated teacher. We are getting one step closer.

If we isolate young people like this and place them in a non-functional environment, as we have been doing, we can never expect them to function properly. Neither can we expect them to function effectively in any society.

The problem is symptomatic of the wider element of drift and morass that has come over the Social Services Department since its restructuring. The great stroke of genius is to put children drawn from the various centres with varying behavioural and other conditions under one umbrella agency with the same therapeutic regime. In other words, the assumption is that because these children may happen to go to school together or play together that they can live together and not be affected by the others' influence or shortcomings.

Thus, today in our country we have a situation where children with behavioural problems, children in need of care and protection and children bordering . . .

Point of Order

Dr. the Hon. Frank S. McField: Madam Speaker, on a point of order.

The Speaker: Please state your point of order.

Dr. the Hon. Frank S. McField: Madam Speaker, I would like to bring a point of order to this House on rules of debate 32 (4) which says: **"32(4) A Member shall not read his speech but may refresh his memory by reference to notes and may read extracts of reasonable length from books or papers in support of his argument."**

Although the Member, in my opinion, is delivering a speech with reasonable content that Member is not refreshing her memory, but is reading directly from the speech and has been doing so for quite some time. I would just like to bring that to the attention of the House.

The Speaker: Thank you, Honourable Minister. Standing Order 32 (4) does say that: "**A Member shall not read his speech but may refresh his** [her] **memory by reference to notes and may read extracts of reasonable length from books or papers in support of his** [her] **argument."**

I have taken note of it. It is a point of order and I would ask the Member to continue her deliberation by refreshing her memory only.

Ms. Edna M. Moyle: Thank you, Madam Speaker. I bow to your ruling, but if you will allow me: having watched the delivery in this Parliament of the numerous Members on that side who have read speeches word for word when I have not got up to speak. It happened in the presentation. I will stop.

The Speaker: Member for North Side, the Standing Order has been there and continues to be there and whenever any Member brings it to my attention I will rule accordingly. The mere fact that no Member brings it means, by implication, that they have consented to the reading thereof. Please continue.

Ms. Edna M. Moyle: Thank you, Madam Speaker.

The lack of coherent policy has resulted, in my opinion, in the virtual collapse of our communities, our outreach programmes. Emphasis is now being placed on abrogating these responsibilities to worthwhile charities such as the churches.

Do you have another point of order?

[Pause]

As a result of the overall loss of focus, we are now putting in place and broadening the curriculum at Northward Prison.

The Speaker: Sorry to interrupt you. Is this a convenient time for the morning break – for a 10 minute break?

Ms. Edna M. Moyle: Yes, Madam Speaker.

The Speaker: We will now break for 10 minutes.

Proceedings suspended at 11.20 am

Proceedings resumed at 11.37 am

The Speaker: Please be seated.

The Member for North Side continuing with one hour and 32 minutes remaining.

Ms. Edna M. Moyle: When we took the suspension, Madam Speaker, I was speaking of the break-up of the traditional family. Parents are concerned about the drift and anti-social behaviour, particularly in our young men.

Any country should wish for all of its people to become more purposeful. However, we see in the Throne Speech plans being made to incarcerate, whether this be in a separate unit well removed from the Northward Prison or not. We know that the stigma and ridicule of these young people going to this particular unit at Northward Prison will remain with them for their lives. It is as though we are now taking the Northward Prison facility as a finishing school for our young people.

This country needs a clear and coherent programme of social reform and engineering. We must nip anti-social behaviour in the bud and this must start at the primary school level. Under education I will mention the anti-social behaviour that exists in the primary school system. This is why I am totally shocked that there are no programmes in the Throne Speech between the Ministry of Community Development and the Ministry of Education. For us to solve this problem, these two Ministries particularly must work together. We must turn around the attitude of our young people. We must, in particular, turn around the attitude of our young boys.

Some years ago, I asked a question in this House and it may have been when I was put back on the Back Bench of the present Minister of Education. Now that I am in Opposition, I ask that question again. It is a proven fact in these Islands that our young girls graduating from high school are taking advantages to advance their education, but our young boys are not. We must look into this problem before we lose them all.

As I said before, the Honourable Minister, I am sure, will take note of everything I have said today because I am not, as a woman, able to conceptualise and deliver. However, he conceptualised yesterday and dealt with none of these problems. He dealt with racism and I have no time for that. All my people are equal, no matter the colour of their skin or their sex.

I was informed just yesterday that approximately 75 per cent of our offenders at Northward Prison—and I hope the Honourable Minister will correct me if I am incorrect—are there either for drug use or some other connection with drugs. It is my understanding that there is not constant counselling. I must say the Minister has said that provision is being made for two additional counsellors so that there can be an extension. I appreciate this because we cannot lose any more of our young people to drugs without giving them the opportunity to be rehabilitated, whether inside or outside of prison.

Madam Speaker, we, as a country, must do everything in our power to curb the anti-social behaviour of our young people and give them the opportunity to develop to their full potential. When I was removed from Executive Council, being the person that I am, I went to the Honourable Minister of Community Development who got up a while ago and spoke, and I said, "Whatever I can do to assist you I would be more than happy to do". That stands today. I am not in this House to do things to be re-elected, whether the Members of this House want to believe that or not. I am here to do the right things for my country and if the people of North Side feel that the right things that I have chosen are not so, they have the power of the 'X' in the next election. However, I will always stand and assist wherever I can for the betterment of my people.

If a nation does not provide adequate educational facilities we are doomed before we get started. We heard the First Elected Member for George Town, when he presented his contribution on the debate on the Throne Speech, talk of the physical plants and the lack of classrooms. These must be addressed and addressed now.

Too many of our young children are doomed and abandoned from the system during the ages of 15 to 16. They are made to feel unwanted, unloved and uncared for too early in life. I am not here to say that the Government must take on the responsibility of the parents. The parents in these Islands must take on their responsibilities and instil values and discipline in their children. They are the future leaders of this country.

Many of us in here have reached that age of 55. I am quite beyond that and it is my dream to find a young North Sider to take over my position and what I have started in here. I have been looking for that young North Sider for eight years, but unless we give our children the proper opportunity of proper education we are not going to find those young people that are interested in coming in here to follow a political career. We send them to be accountants, we send them to be lawyers, but there are so many other jobs that we could train our young people for. Who is going to go to university and get a degree in accounting and come back to these hallowed halls when they can make $500 an hour outside?

The Throne Speech was well scripted but there was not a single initiative on combating HIV and AIDS. If we do not pay attention and stop turning a blind eye on this, the survival of future generations will be at risk. Madam Speaker, I think there was one line that said HIV, but there is an organisation that I think the past Speaker of this Honourable House and our National Hero, the Honourable Sybil McLaughlin is involved in that is trying to bring this to the forefront.

HIV can destroy a small country like ours. Once it gets into the mainstream of our society and our young people and older people—I was reading, I think it was when I was in Trinidad, of the number of elderly men that have now been diagnosed with HIV and AIDS. The people of these Islands need to know. It needs to start in the schools. When we read newspapers almost every country has responded to this

threat by formulating policies, establishing institutions and developing programmes to ensure that the spread of HIV/AIDS is contained, to ensure that every child, adolescent, youth and adult learns of the threat of HIV.

The Throne Speech, for this country and for the needs of its people, leaves a lot to be desired.

Madam Speaker, I thank you for bringing to my attention the mention of HIV/AIDS on page 22 of the Throne Speech. It says: **"With support from Caribbean Epidemiology Centre, in Trinidad, the Cayman Islands will develop a National Strategic Plan for HIV/AIDS. The Caribbean AIDS Telecommunications Information Network will be established in the Public Health Department to enhance information dissemination. These projects are funded by the Department for International Development of the United Kingdom."**

I apologise for saying that there was no mention. However, if we take as long to get this National Strategic Plan as we have taken to get a 21st Century Education Policy we will all be doomed.

One of the best youth policies in the region, Madam Speaker, and that was under your time in the Ministry, was written by the young people of these Islands. I think it has been sent to other Islands in the area. However, we hear very little of the implementation of the National Youth Policy.

I was accused of doing nothing in the Ministry, but one of my priorities was to lay that on the Table of this Honourable House and to leave funds for its implementation. When we try to make someone look as though they wasted their time in a Ministry, it always comes back to haunt us. I had less than one year because I think the election was on the 8 November and swearing was on the 15 November. I was removed on the 8 November—less than one year. However, that Honourable Minister who has the vision in social problems, accused the First Elected Member for George Town of taking one year from him because he needed four years to put a proper social policy in place, but I was supposed to have done it in less than one year? Let us be realistic. A social policy had been discussed at the Ministry before I left there because we cannot continue piecemeal with our social problems. We must get a document that can tell us facts and guide us in the right direction.

The Government seems to think, as I just said, that more of the same solution is the answer; not in the 21st century.

I am sure that a telephone call has now been made to the Minister of Education to come to these hallowed Chambers because I said a while ago I would deal with education. We heard in the Throne Speech that we are going to get a 21st Century Education Policy. In my opinion, not only the Honourable Minister of Education's term, but also the century, will be expired before we get that. I hope that we are operating on an education policy, but it is my understanding that we are not, so how can the Education Department carry out the policy decisions of the people without having proper information as to what the Ministry hopes to achieve?

The Millet Report that the Honourable Minister laid upon the Table of this House is a well-written document and a factual report. I think it has been around from your time on Executive Council when the past Minister Truman was Minister of Education. However, I think one of the first decisions made in Executive Council after the 2000 swearing in, was that the Minister of Education would lay the Report. I beg the question: how much of the recommendations in the Millet Report have been put in place? How much has been sent from the Ministry to the Education Department for them to implement working together?

We are in the 21st century with an education system that provides no statistics. How can we continue and hope to improve the education system being offered to our young people? I hope that that Minister of Education in his contribution will be able to give me facts and contradict me when I say we have children in this country graduating from high school reading at the level of an age seven child, when we boast to be the fifth largest financial centre in the world. We are crying out daily to "Caymanise" the Civil Service and to see that Caymanians are given fair opportunities in the private sector. How can we do this if we are not giving our children a fair chance with a proper education system?

We have children graduating from John Gray High School with a certificate that is not recognised by the private sector in this country. I do not know if it is recognised by the public sector. These children are not able to write a resumé to get a job. It is frightening and unless we do something about it and do it now we cannot wait to write a 21st Century Education Policy while our children are being doomed for the future in their own country.

We offer the CAT (California Achievement Test) to our children that, it is my understanding, is null and void outside the State of California. What are we doing to our children? The parents on these Islands are not going to sit back and take the lack of proper education for their young boys and girls any more.

I have a number of questions here and I hope that no one rises and says I am reading these questions. I have no choice. Do we have a completed curriculum for our schools? I have never seen it being laid upon the Table of this House. Madam Speaker, is our curriculum being written for the majority of our children to be able to achieve or is it, as I understand, being written for the top 20 per cent? What is more important? The top 20 per cent will achieve no matter what, but the 80 per cent that is being left behind can no longer be left behind. The curriculum must be based and catered to the needs of our children.

I supported the present Minister of Education when he was in Opposition on the Back Bench. He is an educator and I felt certain that by now the course

of our education system in this country would have been changed drastically to cater to the needs of the Caymanian children. We tend to blame everything on the Education Department, but I do not. Some smart person will probably get up and say, "You are blaming it on the Minister and not the Education Department … nepotism because your daughter works there". Not so. The Education Department in these Islands can only carry out the policy statement decision from the Ministry, so I have to lay my blame at the foot of the Ministry.

Madam Speaker, the time has come in the development of these Islands that no child should be left behind or not be able to read properly. As I said before, we boast of being the fifth largest financial centre in the world yet we have so many children that cannot read. It is a shame. They are leaving school without the basics. Why? Since I have been here, I have never heard one single Member say "no" to whatever request comes to the Legislative Assembly to be spent on education. We have always said "education, education, education". It is the future of these Islands.

It is time for the parents of these Islands who have children in our school system to adopt a zero tolerance for illiteracy and innumeracy in our children. It is my hope that the 21st Century Education Policy will ensure that by 2010 no primary school child enters the secondary system unless he or she is an 80-90 per cent functional reader. In saying that, the child must be able to reason and comprehend objectively. We need to put this in place right now so that we do not lose our young boys. Many of them will be graduating in September and we must put in place immediately some incentive somehow.

It is not my job to tell the Minister what to do; my job is to tell him what is not there. That is what the role of the Opposition is and I learned that quite well from you, Madam Speaker, when I spent one year on Executive Council because whenever you got up to speak you made it very clear in what you said.

Those male students must take advantage of advancing their education. I am aware of serious anti-social problems in our primary schools. When I was the Minister, even though I did nothing, mark you now I am a woman, I did nothing . . . I was supposed to solve every problem in this country in less than 12 months. I sat with the Minister, the Permanent Secretary or the Assistant Secretary in the Ministry that I was given responsibility for. The Minister's Permanent Secretary, the Chief Education Officer, the Director of Social Services and the Minister of Education and I discussed the behaviour that I had become aware of in a primary school. I said we need education social workers in the primary schools. There is no way the social workers at the Department of Social Services can be available at all times when there is a problem in order to assist. It is too late when these children do not reach the Social Services Department until 11 plus.

[Inaudible Interjection]

Ms. Edna M. Moyle: I agree with my colleague at the back: that is why we are having so much trouble now at the George Hicks High School with behavioural problems. I have searched the Throne Speech and I see no policy decision taken that we are going to provide our primary schools with social workers so that we can nip these problems in the bud. It is urgent, Madam Speaker.

I said before that the only way we are going to solve our problems is for the two Ministries to work together—The Ministry of Education and the Ministry of Community Services. I say this without fear of contradiction: if today I had children in the primary and George Hicks and John Gray High School system, I probably would have to go to classes to be able to assist them with homework. What are we doing in the communities to assist these parents, so that they can assist their children, so that they can develop to their full potential?

Why are there not resource centres in the districts? There are libraries. In my district there is an old clinic that is staying there and falling down. I learnt a couple of months ago that someone was living in it and using the electricity. The bill was going to the Government and no one knew who it was. That is a building that could be used as a resource centre. There are not many parents and the parent that really pays attention to the children to get the homework done is like you and me—the mothers. No, no I will give credit where credit is due, but the mothers are the ones . . .

[Inaudible Interjection]

Ms. Edna M. Moyle: Well, that is good, I am glad you do not go fishing, but you tend to your children's homework first. However, Madam Speaker, can you tell me in your district, how many parents have access to computers to assist their children with projects? I know in my district there are not many. So why can we not provide a facility, a resource centre where these parents can take their children and get the information needed so that they can produce the same type of work as their colleagues?

In this age of technology much has been said about putting computers on the desks of every child in our primary school system. A laudable idea. It should be done. But I am going to relate a story of my nine-year-old granddaughter. She is going to be awfully upset at me because she is not a public person. When she heard the news item on the radio that every primary school student in these Islands would be given a laptop computer at their desks, she got out of the car, went inside and said, "Mom, could I have Mr. Roy Bodden's telephone number?" and her mother said, "Why Chelsea?". She said, "Mom what is the use of giving us a computer on each desk with no computer teachers?"

Do we now have the qualified computer teachers to assist these children? Madam Speaker, we hear of stories where pornography is being taken into our primary schools. We must have control. We cannot leave these children without supervision. We cannot. I have a 13-year-old granddaughter and, if she comes up to see me on a Sunday to use my computer, I sit and make sure that what she is doing is what she should be doing.

My next question is—and this is for my primary school in the district of North Side because I think you had the same thing in Cayman Brac—why are there still two classes of children, particularly in the North Side Primary School? I am not aware that it exists anywhere else except, I think, it was during a question of finance that the Second Elected Member for Cayman Brac asked the Minister of Education the same question I did. Why are they still being taught by one teacher? Not even a partition. Can you imagine what that teacher is going through even if it is only ten children she is trying to teach? Are our children being given a fair opportunity?

Long before I entered these hallowed halls, I wanted a survey done, particularly of the North Side Primary School. They graduated from primary school many years ago with a high in English and a high in mathematics. When it came time for graduation I could only find one North Side child. Why are they getting lost in the system? It needs to be answered and it needs to be answered now before it is too late. I am being told by the First Elected Member for George Town that it extends itself beyond my district. I am only asking the Minister of Education to give every child in these Islands a fair chance.

When I learned that our primary schools—and I think it might even extend to the George Hicks High School, I am not sure because being Opposition you do not get too many questions answered. Sorry, I do get carried away when it comes to my children. The question I asked is why are the primary schools of these Islands (and maybe George Hicks) on an English Caribbean based curriculum, but are using American system textbooks and the American reading programme? Then we send them on to John Gray where they sit a Caribbean English exam based on what they learned in primary school using American textbooks.

Can you believe that, Madam Speaker? We have in this country, it is my understanding, other primary schools (and I will stress this is my understanding, but that it extends to the George Hicks but I could not confirm that) where the children are on an English Caribbean based curriculum, but are using an American system textbook and are on the American reading programme and then the final exam is a Caribbean English exam. When the Minister of Education replies, I hope for the future of these Islands that these questions can be answered. I would like to be told how often testing is carried out at the George Hicks High School. It would be interesting to know.

The next section of the Throne Speech that I would like to touch on, Madam Speaker, is the Sunrise Adult Centre. Any Member of this Parliament that has never visited the Sunrise Adult Centre must make it their business to visit that facility. I am sure that the Third Elected Member for the district of West Bay will totally agree with me. The physical plant is a disgrace to have our physically and mentally challenged people in. It is a total disgrace. It should be a shame on us in these Islands. I am even concerned that the Fire Department has not condemned the building where we have these people. I see the Third Elected Member for West Bay shaking his head and he is saying, "Yes, they have condemned it". We stand here and boast, we want investors, we are the fifth largest financial centre in the world and our physically and mentally challenged people are being treated like nothing. We should cry shame on all of us.

The one thing that was not said when I was being attacked for doing nothing: I left $250,000 in the Budget to find a place to rent that was suitable for our people. This was done—we talked about it here in this Throne Speech. We want to do a purpose built facility. This is why we were renting until the government was in a position to find property to do a purpose built facility for our people. My question now is, "What has happened to the $250,000 that I left, or are we hiding that so the country will think that I did not do anything?"

I was involved in the Sunrise Adult Centre—the facility where it is now—when "Hands Across Cayman" was arranged by Jackie Balls and myself to raise funds to provide that facility. It was so long ago that I cannot remember what year, but it was when we were running the Miss Cayman contest because the Miss Cayman world insisted that the contestant who won at the end of the day should be involved with projects dealing with the handicapped. We raised $15,000 to start that facility.

We have added on since then, but we have not given these people a fair chance to develop. I am going to say it here, that this facility, I am sure the people of the district of West Bay will understand, has to be more centralised. We have children in East End, we have children in North Side and we have children in Bodden Town that are not getting the benefit of this service because they cannot get there. We need a similar facility for your district. This is one of the things I was considering when I was there, but I did not do anything. However, the country will learn when history is written.

Madam Speaker, the subject that I did not want to touch was the Seaman's Ex Gratia payment, but it seems as though it is being used as a political football for mileage. However, it is not going to be used at the expense of Edna Moyle with people who are so economical with the truth that they cannot tell it. Tell the truth on me, I have no problem, none whatsoever. I can deal with a thief because I can hide what I have, but I cannot deal with a liar. Sorry, Madam

Speaker, perhaps that was un-parliamentary. Is there anyone who is economical with the truth?

The Seaman's Ex Gratia payment—let us give a little history. When I took over the Ministry after the last general election it was felt that the Auditor General should look at the ex-gratia payments because it had been discovered—and it is quite possible that it can happen—that persons who were not seamen in these Islands, but were shrimping in other places, came here, married after they finished shrimping, never went to sea and were getting the money. We found that they had the wife that they had divorced 12 or 15 years ago, but the present wife was getting the money. Therefore, we decided to ask the Auditor General to look into this matter.

Faced with the Auditor General's report recommendations, if you will allow me to read those —

The Speaker: Member for North Side, was that a report specific to the Ministry or was it to report to the Public Accounts Committee, and if so, has it been tabled?

Ms. Edna M. Moyle: Madam Speaker, it was reported directly to the Ministry, but Executive Council accepted it and it was brought here on the Business Paper to be laid upon the Table of this Honourable House. However, I went to London and the House concluded its business before my return and the report was not laid.

The Speaker: I beg your indulgence one moment so I can confirm with the Deputy Clerk.

[Pause]

The Speaker: Thank you. Member for North Side I am verily informed by my Deputy Clerk that it has not yet been tabled and, as far as she is aware, it has not yet been scheduled to be tabled, so I would ask you to so tailor your remarks so as not to infringe with that traditional standing provision. Please proceed.

Ms. Edna M. Moyle: Thank you, Madam Speaker, I bow to your ruling. However, are you saying that if I am going to read from it I can table it now?

The Speaker: As I understand it, Member for North Side, it should go through the procedure where it is tabled by the person responsible in the existing provisions. It does not prevent you from using knowledge that you acquired in the Ministry that was not specifically contained. Once it is tabled there will be provision to deal with it accordingly. Obviously, you also have the provision to make personal statements if you see the desire to do so.

Ms. Edna M. Moyle: Thank you, Madam Speaker. I will not get into the Auditor General's report and I can assure the country that it will never be tabled because I heard the present Minister say this shortly after I was removed from the Ministry.

However, based on the Auditor General's findings and his recommendations the decision was taken by the Ministry that I held responsibility for to take a paper to Executive Council to change the criteria and, if my memory serves me correctly, that was also discussed in this Legislative Assembly on a question that was asked. I could not take a paper to Council and change the criteria by myself—it was a unanimous decision. Executive Council at that time consisted of the Minister of Tourism, the Minister of Works, the Minister of Education, the First Elected Member for George Town, and me, and the decision was unanimous; there was no argument. The only argument was that the names in the Auditor General's report should not be published and I agreed. I am sure the minutes of Executive Council would bear me out if the Governor were to release them.

Therefore, when I hear at public meetings in Cayman Brac (and I hope my ears heard correctly) that the Minister said that I personally thought the men in Cayman Brac were getting too much money so I took it away … You see, this is an example of being economical with the truth that I talked about. Speak the truth, speak it ever, cost it what it will, and I can deal with it, but he got the figures. I was in the passageway when I heard the telephone call being made, "Get the numbers when Julie was there and the numbers when Ms. Edna Moyle was there". What did it prove? The same criteria are being followed except you make $1,500 or less. Therefore, let us stop playing politics and let us deal with the country. Tell them the truth. Let them know the facts. I have no time for that.

Many names that came off were recommendations from within here. It is not in my policy, nor my personality to disclose things like that because they know who they are. I was told,"Don't tell so-and-so". Be that as it may, they must live with their consciences.

The Speaker: Member for North Side, you have made a very wide and encompassing statement which could impute the reputation and motives of Members in here. I wish you either to clarify or withdraw.

Ms. Edna M. Moyle: Madam Speaker, what I am saying is the truth, but I will withdraw the words "persons in this Chamber came to me with names to be removed but don't tell so-and-so". I withdraw those words from the *Hansard*, but I am telling the truth.

The Speaker: Thank you.

Ms. Edna M. Moyle: Before I conclude my debate, in response to a question (I will tell you in 2004 who it was!), I listened with interest to the Minister of Tourism's contribution, particularly where it dealt with three hotels—I think he said one for Cayman Brac, one for

the eastern districts and one for the western peninsular. I only asked the Minister with the hotel for the eastern districts particularly if that is going, I would say, into North Side or into the district of East End or Bodden Town ….

The Speaker: Member for North Side, you have 41 minutes remaining.

Ms. Edna M. Moyle: Thank you, Madam Speaker, but I will not need that amount of time. Thank you very much.

… particularly for the district of East End and North Side because I have had so many tourists who have spent their time in the Cayman Kai areas, Rum Point and in the Morritt's Tortuga and Reef Point, comment that they find in those two particular districts more of the old Caymanian style of life. I am only asking the Minister to give the people the opportunity to have some say in the type or the size of the hotel that they would like to see in their districts. Let them have some input so that we do not spoil the ambience of those districts and the same in the district of East End.

I conclude my debate by congratulating the Deputy Commissioner of Police, Mr. Buel Braggs (or is it Chief Superintendent Braggs or Chief Inspector?) Inspector Rudolf Dixon . . . we will get the names right, everyone knows who I am talking about—all those who were promoted. However, in all the congratulations that have been offered—and these three gentlemen deserve it for they are young Caymanians and they have their country at heart—I believe deep in my heart that the First Official Member of this House, the Honourable James Ryan, had some input to make sure that these young Caymanians got the opportunity that they deserve. I will continue to ask that Honourable Member who has responsibility for the Civil Service of the Cayman Islands—

[Inaudible Interjection]

Ms. Edna M. Moyle: Madam Speaker, may I conclude? I never said a word when the Minister was making his presentation.

I would implore the Honourable First Official Member that, as he has acted in this case with these three bright young Caymanians to allow them to have their rightful place in the Police Department of these Islands, he let us look to doing the same thing within the civil service: that all Caymanians get the opportunity to move on. I am sure that as a concerned Caymanian you will assist wherever possible.

My final thought—I heard the argument in here yesterday to the Member for the district of East End that if he does not behave himself and he does not stop being such a strong opposition, the district of East End will not get anything.

Mr. Lyndon L. Martin: On a point of order, Madam Speaker.

Point of Order

The Speaker: Please state your point of order, Member for Cayman Brac.

Mr. Lyndon L. Martin: I was present throughout the afternoon yesterday and my recollection is that that statement is not accurate, so I am simply asking for the Member . . .

[Inaudible interjection]

The Speaker: Order, order.

Mr. Lyndon L. Martin: . . . for the Member to support that statement or to withdraw the statement.

The Speaker: Member for Cayman Brac, would you be so . . .

[Inaudible interjection]

The Speaker: Members, Leader of the Opposition and Leader of Government, at this time we will take the luncheon break and we will reconvene at 2.30 pm.

Proceedings suspended at 12.32 pm

Proceedings resumed at 2.35 pm

The Speaker: Please be seated. Proceedings are resumed. Member for the district of North Side, before doing so, I should wish to say that I have requested the Hansard office to do a search and they have not been able to ascertain that those remarks were made in this Chamber. In that regard, it would be a point of order and the Member may wish to go on from there.

Ms. Edna M. Moyle: Thank you, Madam Speaker. I bow to your ruling and I shall continue with my contribution.

When I sat and had lunch there were several things that came across my mind regarding women and I have one or two questions. Why has the Government chosen to only assist national footballers with a monthly stipend? My question is, why are the same benefits not offered to women in sports? I know we have two ambassadors for sports in the Cayman Islands, Mr. Street and Ms. Mothersill, and if my memory serves me correctly, it was announced that Ms. Mothersill would be receiving an ambassador's payment. I recall that the amount was much less than that for Mr. Street.

These are the questions that we need to answer in a day and age when women need to become equal with their counterparts. We want nothing more. I think you will recall, Madam Speaker, when I debated the motion to set up a Women's Affairs Office that I wanted to work in partnership with the men. I am only

asking for the women in sports to be treated the same as our counterparts, the men.

The national netball team represents these Islands overseas, but I have never heard that they receive a monthly stipend to assist them—and if I am wrong I apologise. I understand that the national ladies football team goes overseas. I was not able to ascertain whether this was through the football association or on their own, but I understand (and I hope that I am wrong) that the Cayman Islands ladies football team are not even given proper uniforms—they are given hand-me-downs. We, as women in these Islands, can no longer accept this difference.

I would like to clarify on the Seaman's Ex Gratia payment. I need to make it extremely clear that as a Minister when a policy decision was taken by taking a paper to Executive Council which it accepted, I did not interfere with how the technocrats in the civil service dealt with that. If I was wrong, I was wrong, but I believe that the Minister must stay one step above getting personally involved when a policy decision is taken and is being carried out. That is my personal feeling.

Sitting over lunch and recalling the story the young Cayman Brac journalist Olivia Scott wrote in the Caymanian Compass about the drug problem in your district, I would have thought that there would have been much more in the Throne Speech as to how the Government was going to deal with that problem, as it is quite frightening for a population the size of Cayman Brac. In her story, she said she interviewed those young people who told her the problems with the drug situation. I am so committed to trying to help our young people. I think the challenge today to the United Democratic Party is to get into the district of Cayman Brac pronto and let us deal with the drug problem. Do not let it grow. Nip it now while we have a bit of time before it is too late.

I would love to have seen in the Throne Speech, Madam Speaker, a list of legislation affecting women and children, not only the Adoption Law (I left that with the Legislative Council when I left there) and not only the Children's Law that started when the Third Elected Member for the district of Bodden Town was there. However, because we had people involved that took a law straight out of the United Kingdom and brought it and put in the hands of our children, it has had to have been re-written and re-written and I thank God that it is finally going to be debated in this Legislative Assembly with a view to acceptance.

For some time now, Madam Speaker, I have debated in this House the removal of the word "illegitimate" in any legislation in the laws of these Islands. When I look upon a child, I see a child—I do not see an illegitimate child or a child from a marriage. I see a child—a blossom. I stress today the need for removing these sorts of things, all such references in any legislation; these stigmas from our children.

I thought I would have seen legislation to put in place that it is a crime to stalk young girls and women and if it is the other way around, men—I have no problem with that—my colleagues are telling me that men get stalked. You are going to hear . . . When I sat down at lunch and thought when my friend (and I thought he was), the Honourable Minister responsible for Community Services used such words that I did not have the ability to conceptualise the speech I was delivering, it makes me wonder, and I must wonder because the men in this House read their speeches word for word and not one soul rose on a point of order. Is it because I am a woman that I must not have that ability because . . .

Point of Order

Dr. the Hon. Frank S. McField: Madam Speaker, on a point of order.

The Speaker: Please state your point of order.

Dr. the Hon. Frank S. McField: I believe that the Member speaking is imputing improper motives on my part. Further, I believe that to discriminate against anyone because of gender or because of any other characteristic that is natural, is improper and against human right conventions and against the code of conduct of this House. Madam Speaker, that would be Standing Order 35(4).

The Speaker: Honourable Minister, could you please go on to state your motives so that I will be in a better position to make a ruling.

Dr. the Hon. Frank S. McField: Madam Speaker, 35 (4) states: **"No Members shall impute improper motives to another Member"**.

For the Member to say that I objected or rose on a point of order with regards to her reading her speech—she keeps referring to the point of order although you, Madam Speaker, ruled that I had a point of order. She is now imputing that I rose on a point of order because she is a woman, which is not the truth.

The Speaker: Member for North Side, the Honourable Minister has stated his motive for raising the point of order. I have taken it to be in the literal meaning and I would ask that you continue.

Ms. Edna M. Moyle: Thank you, Madam Speaker. I listened on that particular point of order and I am very happy with your ruling, but I, as the only Lady Member debating on the Floor of this House, because you no longer have that opportunity seeing where you sit as the Speaker . . .

The Speaker: Member for the district of North Side, I do not believe that you are correct in saying that I no longer have that opportunity because there are precedents for the Speakers to have made remarks, includ-

ing yourself, on the Throne Speech and that is still open.

Ms. Edna M. Moyle: Madam Speaker, thank you. That is not what I am talking about. What I am talking about is for you to come down here and stand in the position that I am in. I know there are precedents that exist throughout the Commonwealth.

So, Madam Speaker, I had no choice but to assume that the only reason that happened was because I was a woman. I will die with that belief and it is my opinion . . .

Point of Order

Dr. the Hon. Frank S. McField: Madam Speaker, on a point of order.

The Speaker: Yes, Honourable Minister, please state your point of order.

Dr. the Hon. Frank S. McField: Madam Speaker, I continue to insist that the Member is imputing improper motives to me as the Minister who is responsible for Women's Affairs at this time. I think that the Member knows that I could use Standing Orders because she stood and she read her speech. I brought it up as a point of order and it could be because she is of a different political disposition to me. It does not have to be because she is a woman. For her to say that I did because she is a woman is to impute improper motives on my part.

The Speaker: I made my ruling at the time that the objection was made in respect to Standing Order 32 (4) where a Member should not read his or her speech. It is not my intention to continue debate on that Standing Order. I would ask for all Members to refrain imputing wrong motives as the motive has been clarified and the Member obviously has the reservation to believe what she wishes provided it is not expressed herein.

Ms. Edna M. Moyle: Thank you, Madam Speaker, it is my belief.

I will close my debate and contribution to the Throne Speech delivered by His Excellency the Governor, Mr. Bruce Dinwiddy, in Cayman Brac, which I have said to you on two or three occasions was an excellent function. I totally enjoyed the Parliament held in Cayman Brac and the historical occasion of the Throne Speech being delivered in Cayman Brac for the first time.

I did not get to partake of your yam cakes, Madam Speaker, but I understand they were excellent and I would like to pass on my thanks to the people of your district for their Cayman Brac hospitality.

I close my contribution by thanking the Minister of Community Services on completing the Frank Sound Park with the funds that I left in the budget that was started in 1995 when the Minister was the Minister of Tourism. It is a facility that I am sure will be well used by the young families in the Frank Sound area of North Side. I look forward to a meeting tomorrow with the Honourable Minister in my district to open a park that I must take the praise for.

Therefore, Madam Speaker, when the point of order came before . . .

The Speaker: You have 21 minutes remaining, Honourable Member.

Ms. Edna M. Moyle: I was saying that I hope the district of North Side will not be left out because I am now an Opposition Member. The people of North Side and any other district, whether their representative be a Member of the Government or a Member of the Opposition, we must remember that any services that are being offered are being paid for by the people's money. The people's money is not just from the people that support us—it is from the people of the Cayman Islands.

I have to pause here, Madam Speaker, and thank the Honourable Minister responsible for Public Works because even though I am on this side and he is on that side, I have never picked up the phone when a concern has been brought to my attention by anyone in my district. I do not know if it happens in your district, but it happens in mine, where the majority of people that come to me with concerns are not people that voted for me in an election. However, because they did not vote for me, I do not believe that their concerns are not genuine and that I do not have the responsibility to deal with them. I have to thank that Honourable Minister because every time I have called he has given me results.

I have gone as far in other districts where people have said they have called their representatives, or someone, because they need the road fixed, but no one is coming. I have said, "Here is Mr. Pierson's cellular number". Of course, if it is George Town, I would pass it on to Mr. Kurt or Alden, or in East End I would pass it on to him—I am sorry, Madam Speaker, for using their first names—the First Elected Member for George Town and the Second Elected Member for George Town and the Third Elected Member for Bodden Town. However, no one has come back and said that this Minister did not take care of the problem and I feel this is how all Ministers must be. This is about the country. It is the country's money. We have just had the occasion to write to the Minister of Health to deal with the ambulance situation in North Side where there were four calls and an ambulance had to come from West Bay. The Minister has undertaken to look into the matter and this must be the attitude of all. We represent the same people that pay the same taxes and if anyone is controlling the purses of the government, we cannot discriminate when it comes to providing services to people because their representative is on the other side.

Madam Speaker, I now sit down and await the attack.

The Speaker: Does any other Member wish to speak? The Second Elected Member for the district of Cayman Brac and Little Cayman.

Mr. Lyndon L. Martin: Thank you, Madam Speaker.

I just beg your indulgence until I get the podium.

The Speaker: Certainly.

[Pause]

Mr. Lyndon L. Martin: Madam Speaker, it is with great delight that I have the opportunity once more to address this Honourable House and this great country as a Member of the Legislative Assembly representing the sixth electoral district of Cayman Brac and Little Cayman.

Before I get into the meat of my contribution, I will take this opportunity to make a statement that I think directly impacts all of the plans that we are talking about in this Honourable House. In listening to the Members that have contributed so far, I have heard each Member make statements of their personal hardships. I heard the Member for East End talk of not being a privileged individual. I heard the Member for North Side talk of a need to draw young people into politics as she hopes to pass on the reins of her district to someone else. I heard the Minister of Community Affairs talk of his road to where he is today.

I think it is very important that we all understand where we come from to better understand what we all represent. It is my belief that we, as legislators, form a fraternity, form a group of individuals who have an elite responsibility, and together that fraternity should work in solidarity for the country.

I am a young man. In fact, I am the second youngest Member of the Legislative Assembly (the title of the youngest goes to my colleague from West Bay, the Second Elected Member). I graduated from Cayman Brac High School where my navel string is buried. In 1987 I was valedictorian with nine GCSE passes, then I came over to Grand Cayman to do A levels, as we have to do because we do not have that opportunity in Cayman Brac; completed my A levels at the Community College; was granted a scholarship to go overseas; studied; graduated with honours with a Bachelor of Science and Economics, Business Management and a minor in Finance; went on to do my Masters and MBA with focus on Economic Forecasting, once more graduating with honours; joined the Civil Service where I had the privilege of working under the tutelage of a very good friend of mine, the Honourable Third Official Member and I greatly respect him; gained rewards and recognition, even lump sum payments for great efforts, and evaluations that are second to none as a civil servant.

In 1996 I made the bold decision to enter the political arena and from that day on the Caymanian that was deemed as being poised for great things became the subject of great attack. The 1996 General Election was focused around attacking Lyndon Martin. Various allegations were brought against me and these were personal, not political. As the First Elected Member for George Town likes to say that his debate would never get personal, would never attack individuals, but would be political and factual. However, in 1996 and onwards the attacks were not just political they were personal; they were aimed at not only keeping me out of the Legislative Assembly, but also at discrediting me and making it impossible for me to gain employment within my field in my country.

To date, from 1996 to now, all the claims, all the flair that they were going on with, are still unsubstantiated and have proven, by default, to be inaccurate. Madam Speaker, the days, months and years that have followed have always been characterised by blatant attacks at me. I have been deemed by some as being the first cousin to Saddam Hussein or Bin Laden, the worst person in the world. However, Madam Speaker, I only strive to represent the interests of my people, your people, the people of Cayman Brac and Little Cayman. The backroom chatter, the states of trying to put me under a system of duress; a state where they are going to launch more attacks at my character, but I would like the country to know that everything that can be said about this Member has been said. There is nothing more; there are no more names they can call me. They have called me them all. They have called me a thief, a crook, an abuser, a liar. They have called them all; they cannot call any more.

I am an open book and I answer to three individuals principally. I am not a born-again Christian, but I believe and pray in the Lord Almighty as much as anyone else or more than most, so I answer to the Lord Almighty; to my mother who is very special to me; and to my wife. The Members of the Opposition or the political individuals in the public who want to say something about me can go ahead, but they had better know how to substantiate it because I am no longer going to sit back, relax and take the blows. I have a family to defend and I have a character to defend. Therefore, do not make the remarks when we go in the lunchrooms and backrooms. If you can make the remarks, come forward and say them, say them to the country, show that your motives are not personal, but make sure that you can substantiate them.

I use this opportunity, Madam Speaker, to say this in Spanish because it does not have a direct English translation that sounds good: I am a man *"con pelo blanco en mi pecho"*. That means I am a man with white hairs all over my body that are not caused by age, but are caused by the mileage and the stress that has been put under me since I have opted to do what I think all advanced thinkers in this country should do. That is: step forward and represent his

people in these hallowed Chambers. However, I would like, especially the Members of the Opposition to understand this, that as long as the blood flows through my veins and the people of Cayman Brac and Little Cayman choose to elect me, they will hear my voice. I will be here. I am saddened that the First Elected Member for the district of George Town is absent from the Chamber because I would like him to understand this because his big bullying tactics will not work with me.

The Speaker: Member for Cayman Brac, I take it that you are going to tie this line of argument into the Human Resources section of the Throne Speech?

Mr. Lyndon L. Martin: Yes, Madam Speaker, I certainly will.

As the Member for North Side rightly pointed out, we need to encourage Caymanians to take up leadership positions in the Parliament, churches, and social sector. As was pointed out earlier, it is necessary to get Caymanians into the civil service and private sector. However, as long as we adopt this attitude that has been plaguing the Caymanian community for years of always crying down each other, always fighting within our own nationality when there are so many others out there ready and willing to take over our turf...

We need solidarity and support, Madam Speaker. When Members get up and attack young Caymanians such as myself, not only on the floor but also out on the streets as they mostly like to do, they must understand that their action is going a long way—because many young Caymanians look at the United Democratic Party as a two-level organisation—our current Executive Council and the Executive Council in waiting. The younger Members who are looking to our senior, seasoned politicians, our seasoned representatives and we are sitting here. You can look at it, you can examine it and you will see that we are five on five. Look at it as a great organisation—one that encourages young people to get into politics and representation.

The United Democratic Party Constitution even calls for a Youth Parliamentary Group to have individuals trained before they are of age to come into Parliament. I only make this plea to this nation: it must be compulsory for us to start to support each other and work together, rather than always try to drag down our fellow Caymanians.

I entered politics because my good colleague, the Honourable Minister of Health, introduced me to politics in 1996 as a suitable replacement because he was opting to run in his home district of Bodden Town rather than Cayman Brac. That is how we should be. We should be encouraging and looking for individuals and we should not feel threatened by younger individuals who are coming in. Younger individuals with different mindsets and different ways of thinking are healthy for a nation. I see too many occasions where energy and focus is put on tearing down Caymanians. We must cross that bridge! I thank this Honourable House for allowing me to get that particular statement off my chest.

We had the privilege of witnessing an auspicious occasion of the Throne Speech of the Cayman Islands being read within our district of Cayman Brac and Little Cayman. It was a very emotional event. It was very taxing because I watched you and the staff of the Legislative Assembly work diligently in organising the Aston Rutty Centre to ensure that it went off smoothly.

I would like to thank the staff of the Legislative Assembly, the Members of Executive Council, and the Members of the United Democratic Party who made it possible, who supported going to the Brac. As I stated at a public meeting in the Brac the day before the Throne Speech, I would like to personally thank the Minister of Education who supported you and me in our quest to have the Throne Speech read in Cayman Brac. I also would like to thank the Public Works Department and District Administration for the work that they put in to make sure that we were great hosts in Cayman Brac for the reading of the Throne Speech. I would like to thank all who participated, the public who came out and those who catered the food because it was a fantastic occasion.

Not only was the Throne Speech read in Cayman Brac, but it was an opportunity for the whole of the nation's media to be present in the Brac, to capture and get a new understanding of the people of the Island and of our capacity. All of the Members of Government were there to touch the ground and to shake the hands of the people. The Members of the Opposition were there to mingle and interact. So, everyone left with a better feel and with a better understanding of the country.

I would like to thank Radio Cayman for hosting the Talk Today show from the Brac and for centralising its focus on issues of Cayman Brac. Madam Speaker, I listened carefully as His Excellency read his first Throne Speech and I have to congratulate His Excellency on a fantastic delivery and on a Throne Speech that was well put together and composed.

The Opposition issued its formal reply, as it was termed by the First Elected Member for the district of George Town. He prefaced his reply by acknowledging that the official response was written prior to and without knowledge of the contribution from the Leader of Government Business. Thus, he acknowledged, prior to his contribution, that many components of his contribution would not be relevant because they were covered in greater depth. However, I can talk confidently about my Leader—the Leader of Government Business—and if that were the situation he would be able to adapt his presentation to the knowledge that he got that day because during a sitting of this Parliament we can sit down and take notes of what is being said.

I am deeply disappointed by the inability of the Leader of the Opposition and his admitting openly to the nation that he was not able to respond to what had come earlier that day because his official response was already prepared. I have to say in listening to his detailed lengthy presentation that from the onset I was disappointed. I only have one thing to term the response from the Opposition so far and I borrow it from a bumper sticker. It is quite simple: ”Lead, follow or get out of the way”.

The Opposition had their opportunity to lead and they did not do it. Now that the country has a definitive plan that is inspirational and is full of hope they must follow, irrespective of what they say. They must come on board with the Government and deliver to this country what this country needs. Alternatively, they can get out of the way.

The Elected Member for the District of East End stated that the PPM was a positive alternative, was not a party, by the way, was a movement that was a positive alternative; one with a positive outlook; one that is dynamic and not stagnant. I have to wonder who he is describing because it is not the PPM that I know. In listening to their response I did not hear anything positive; it was just doom; it was all negative. I have not heard one positive word come out or a positive plan for this country come forward—all negative. Dynamic not stagnant? You were very stagnant in the one year that you had the leadership of this country. I do not find it logical in any way to associate the word dynamic with what I know of the PPM.

Madam Speaker, there is not a whole lot that you can say from the delivery of the Leader of the Opposition because his delivery was certainly long in content but short in substance—as he termed the Leader of Government Business. He advocated at the end of his delivery the very attitude that is most unhealthy for this country. He said: **“It is going to be lick for lick from here until then.”**

The Speaker: Could you please quote the reference?

Mr. Lyndon L. Martin: I am reading from the Unedited *Hansard* of 12 March 2003.

Madam Speaker, this Member (as I termed earlier) likes to use such bullish terminology, such bullish action. It is time for us to be able to debate in this House on the merits of our argument; put our facts forward; contradict the facts, but let us not get into this aggressive adversarial type of politics where we are going to talk about ”lick for lick”. It is unhealthy, unwise and unproductive to advocate that, especially coming from a position of a Leader of the Opposition.

I once more refer to the same unedited *Hansard* of 12 March 2003 where the Leader of the Opposition defined the Throne Speech as being: **“100 per cent the policies, programmes and priorities of the Government of the day and certainly what we heard last Friday, Madam Speaker, and what was contained in the Throne Speech, is what the Government wants said and what was omitted is what the Government prefers not to have said in the Throne Speech.”**

I agree a Throne Speech is an important policy document. What I expected from what has been advocated as being a positive alternative to the United Democratic Party — and for the sake of my party I would like the Opposition to understand it is not appropriate to say the UDP Party. The P stands for Party, so it is either the United Democratic Party or UDP and not UDP Party. I do not want to stress that fact any more, but I find it my obligation to correct them on that.

The Throne Speech is very important. It is a policy document, but the alternative PPM should have come forward with their alternative policies with some direction for the country. We were told by their Leader that is what they were going to do. In his normal format where he is going to always put some precursor before he makes a remark, he said and I read from the *Hansard* 12 March 2003: **“And this is where they will have great fun now because now is when I am going to say what we will do.”**

That was his precursor. **“Besides adopting that zero tolerance for the unnecessary suffering we will move within six months of being elected to make sure that the pipe water is brought to every single home in the Cayman Islands. Where a means test shows that a family cannot afford to install or hook up with the pipe water then we will simply have to underwrite the cost of that. And let it be made very clear, this is not about creating a welfare state. Where it is determined that a family cannot afford in-door toilet and wash room facilities then certainly we will have to do something about that also.”**

You hear the generality he likes to talk about in his contribution, “**Something about that**”. What are you going to do? Madam Speaker, I challenge the Opposition and the nation to search the remainder of the contribution from the Leader of the Opposition and find what else he plans to do. Given his definition of what a Throne Speech is—the 100 per cent encompassing document with the policies of the Government—can we conclude that the official response from the Opposition, which only listed three things that they intend to do, is 100 per cent encompassing? I think that is a fair assumption.

I ask the Leader of the Opposition and the PPM and all of its Members, what about education? I did not hear you mention anything about education when you listed what you were going to do. What about health care? What about improving tourism? What do you plan to do? You criticise, but in listening to what you planned to do you did not make any suggestions at all—I cannot even say constructive or not constructive. What about the economic stimulus package? What about the effort to revive the Cayman Islands economy? What about things for my district? I did not hear you list any of those.

So, am I to assume that if the PPM is successful in the 2004 General Election that we can only hope for three things? We have already stated in the Throne Speech that we plan to look at piped water for Cayman Brac up to Faith Hospital. However, Madam Speaker, you and I know we want it to go to the high school in the first case, but then eventually throughout the Island. I did not hear them list that under the things that they plan to do if they are successful.

Our people do not only want toilets hooked up, wash pans put in and water; they want jobs; they want education. They want houses to put those washrooms and toilets into. They want scholarships. Madam Speaker, judge the United Democratic Party by our delivery of all of those things.

It amazes me that people that I assume have a degree of reasonable intelligence (I will not stretch it to go beyond reasonable) could listen and read this Throne Speech, could hear the delivery of the Leader of Government Business, and then get up and say that it is not inspirational and does not provide hope. Are they telling me that when the Throne Speech and the Leader of Government Business talked of providing 200 homes for low-income individuals, that is not providing hope? Are they telling me that putting piped water in Cayman Brac is not providing hope? Madam Speaker, it amazes me that they could come to such a conclusion, but they disappoint me so often that I must not be surprised any longer.

The Member for East End made a delivery spanning from yesterday to this morning and I took a few notes, but I will allow the respective Ministers to respond to most of what he has said. However, this Member has once more amazed me. To get up in this Honourable House and to make a statement that because he is not a part of the United Democratic Party that we should not be punishing East End. Madam Speaker, in the same address, within minutes, he was talking about the Dart Foundation Cayman Islands Government joint agreement to put a park in East End with bathroom facilities sponsored by the Cayman Islands Government.

Madam Speaker, you and I would have welcomed the United Democratic Party to refocus the Dart Foundation to put a park within our district of Cayman Brac. However, the United Democratic Party is all encompassing—we represent all of the Islands, not only those that are members of our Party—so the Members of this Party continue to support the Dart Foundation Cayman Islands Government Park in the district of East End.

We do not have a Member for North Side that is an Elected Member that is part of the United Democratic Party, but the party has active District Councils within all districts. We have active memberships within all districts and we represent all of the Cayman Islands—be it who support us and who not support us. We are here to represent the Cayman Islands people.

This Saturday we are going to open the Frank Sound Park. I have to admit something to this Honourable House and to this Nation—I tried my hardest to undermine the efforts of the park going to East End. I called the Dart Foundation; I called the Minister and suggested that we needed the park in Cayman Brac. I apologise to the people of East End, but my first loyalty lies with the people of Cayman Brac and Little Cayman.

In my quest to find out more about this park and how we could reroute it, one of the revelations that amazed me is how rude—and that is how it was termed to me—the Leader of Government Business at that time, who is now the First Elected Member for George Town, was to these developers who were coming in to give a park to the people in the district of East End. I understand that in the early days–

Point of Order

Ms. Edna M. Moyle: Madam Speaker, on a point of order.

The Speaker: Please state your point of order.

Ms. Edna M. Moyle: Thank you, Madam Speaker.

I wonder if the Honourable Member could state when this took place and if he has proof in the absence of the First Elected Member for George Town?

The Speaker: Second Elected Member for Cayman Brac, could you please respond accordingly.

Mr. Lyndon L. Martin: Madam Speaker, I would appreciate if she is referring to proof of the incident being rude?

Madam Speaker, I cannot give dates. I can only state that in my inquiry with members of the Dart Foundation and other people who were present in the organisation, that that suggestion was made. I have said that it was something that I heard and was third hand, but if the Member is not happy with that I would be happy to simply say that it is my opinion that in interpreting what was said to the Members of the Dart Foundation, I consider it rude.

The Speaker: Member for North Side, do you have another point of order?

Ms. Edna M. Moyle: Yes Madam Speaker.

Based on the reply, I think the Honourable Member should withdraw his words.

[Inaudible comments]

The Speaker: Please direct the comments through the Chair, Members.

Member for Cayman Brac could you please restate what you actually said?

Mr. Lyndon L. Martin: Madam Speaker, as a normal practice I do not speak from any written prepared speech, so I cannot say exactly what I said. However, in dialogue held between the Government and members of the Dart Foundation, the Leader of Government Business at that time, who is now the First Elected Member for George Town, was deemed as being rude.

The Speaker: Were you saying that was what was conveyed from the Dart Foundation or is that what you have actually assimilated from your own opinion?

Mr. Lyndon L. Martin: That is something that I assimilated from my own opinion. I have clarified that to say that I am willing to say that, in my opinion, the statements made were rude.

The Speaker: The Chair accepts that he has qualified it to be his opinion and that it is not a statement of fact.

Ms. Edna M. Moyle: Madam Speaker, I thank you for your ruling, but I would appreciate if this Honourable House could suspend and actually get the *Hansard* of the exact words that that Honourable Member used.

The Speaker: We can suspend, but I would ask that all Members stay in the Chamber and I would ask the Clerk to get the *Hansard.*

Mr. Lyndon L. Martin: Madam Speaker, if it suits you I will certainly withdraw the statement to allow for the flow to go on.

The Speaker: Sorry, I was conversing with the Clerk. Could you please repeat what you said?

Mr. Lyndon L. Martin: In the interest and productivity of time, I would be happy to just withdraw the statement because it bears no weight on the argument I am putting forward.

The Speaker: Accepted. Member for North Side do you find that acceptable?

Ms. Edna M. Moyle: Yes, Madam Speaker, once he repeats the words he said and withdraws them—not just says "I withdraw".

The Speaker: Second Elected Member for Cayman Brac.

Mr. Lyndon L. Martin: Madam Speaker, I am happy to withdraw the statement that the First Elected Member for George Town, in his capacity as Leader of Government Business at the time, was rude to the private individuals contributing the park to the district of East End.

The Speaker: Thank you. Please proceed with your contribution.

Mr. Lyndon L. Martin: Madam Speaker, we live and we learn. I have to comment that I hope it is not just because I am a young man that the Member wants to interrupt me.

The Member for East End, as I was suggesting, made allegations that because the East End representative was not part of the United Democratic Party that an attempt would be made to punish them. Both the Government and I have demonstrated through our actions that that is false.

In his contribution, the Member for East End also spoke of the Chapter House and the negative impact of having the troubled youth—youth with behavioural problems—located on a separate facility at Northward Prison—separate, but on the same compound, with no interaction between the prisoners and the residents at Chapter House—simply utilising government-owned property and various synergies that could be capitalised upon by having it there. He suggested there would be a stigma. Whenever a government has to decide to locate a facility for the incarceration of young people with behavioural problems, one of the common complaints is the location because no one wants it near them. The people of East End would not want it to come into their district. Therefore, the Minister opted to exercise what is financially prudent, what is community oriented, by putting it at Northward Prison and not paying some $60,000 per year to care for the child, which was the alternative.

It is important to understand the programme that the Minister of Community Affairs has. It is a whole continuum of care. The Chapter House residents are not simply your bad boys or your troubled youth. These are people who are sentenced by the Courts. These are not situations such as the four individuals at Bonaventure. Bonaventure serves a programme within this continuum. It is important, for these youths are put there by the Courts and must have a facility that can safely house them.

Madam Speaker, the social engineer for the Opposition had advocated the Orchid House which was going to be at Fairbanks Prison. They get up and talk about the stigma of having it at Northward. What about the stigma of having it at Fairbanks Prison? It is evidence of simple political opposition for the sake of opposing.

In his contribution, the Member for East End commented on the computer lab at East End Primary School and I am happy about the provision of this. However, the Member went on to say that he did not put this computer room there for personal reasons but for the children. Madam Speaker, I, too, was involved in negotiations with Ernst and Young; I, too, appeared in the *Caymanian Compass* like he did with the handover of computers (my particular instance was with Creek Primary School in Cayman Brac), but I am fully cognisant that it was not me who put the computers

there—it was Ernst and Young in an ongoing programme that they have had for many years of providing computers for our schools. Further, it was our Government who built the computer room, who equipped the computer room, who supplemented what was donated and who augmented what was there.

Therefore, Madam Speaker, I urge that Member not to attempt to mislead his people by saying he put it there. Give credit where credit is due. It was the Government who put it there in conjunction with a generous donation from Ernst and Young. I thank the firm of Ernst and Young for their continuous effort in providing IT equipment to the schools. I understand they have recently given some computers to West End Primary in Cayman Brac and more will be coming and I look forward to it. Madam Speaker, I hope that you and I are there to shake their hands and say thanks, but we are not going to get up there and say that we did it. The Government built the computer room at West End Primary School and I thank the Minister of Education for building the computer room under our watch in Cayman Brac and Little Cayman.

There is much more that can be said on the Member for East End but, as I said, the Minister of Education will be responding to much of it, so I do not want to be repetitious.

I would now like to turn to various programmes localised in Cayman Brac and Little Cayman and make a few comments and give a few statements of appreciation, suggestions and requests to the Government on behalf of the people of Cayman Brac and Little Cayman.

First, I turn to the Customs Department. Madam Speaker, in dealing with Customs, I am obligated to comment on the point brought by the Member for North Side of the article written recently by a fine journalist from Cayman Brac, Ms. Olivia Scott. The article outlines comments from various young people, from the Chief Inspector of Police and other concerned citizens over the drugs on Cayman Brac and Little Cayman. At the same time as the articles were coming out, you and I held meetings, in particular one grand meeting at the District Administration Building with all involved in drug prevention, interdiction and counselling, including the District Commissioner, the Deputy District Commissioner, the Social Work Department, the High School Counsellor, the Police, the Community Officer and the Community Development Officer. All were present to outline and detail the problem for us to get a better understanding.

Madam Speaker, this meeting was initiated by you and it was very productive as we were able to assess the situation. One of the things that came out of this meeting and the subsequent discussions between you and me and the various parties involved, is that the drug issue on Cayman Brac is worse than we would like. However, it is not a situation that is out of control. Cayman Brac still remains, in my opinion and I am sure in yours, the jewel of the Cayman Islands. It is still safe and a great place to raise your family.

At the meeting, we outlined various initiatives that were necessary in assisting us to combat the drug issue. I humbly put forward to the Government that Cayman Brac Customs Department needs a second K9 Unit—that is an officer and a dog. Madam Speaker, we concluded that whilst the existing dog is passively trained, meaning trained to interact with the common public, we need an aggressively trained dog—one suited for field operations. This dog could also be used during the vacation time of the existing dog and handler, but would have to be placed on the outside of the conveyor belt rather than on the inside because he would be more aggressively trained. I have gone further in putting forward a Parliamentary question, which I am sure will be answered during this sitting of the House, requesting a commitment or details of progress on securing that K9 Unit.

At the meeting we recognised the diligence and commitment from the Police, Customs, Immigration, the District Commissioner and the Social Services Department and I commend all involved in the fight against drugs in Cayman Brac and Little Cayman. I have held meetings with the National Drug Council and one of their employees, Mr. Simon Miller who has committed to carrying out various programmes in Cayman Brac. Madam Speaker, I see Mr. Simon Miller is listed as one of the candidates for the Young Caymanian Leadership Award. I wish him great luck for he is a fine young man.

I also put forward a request to the Government for a larger boat for canoe intervention to be located in Cayman Brac so that we can go beyond the regular 6 mile/ 12 mile limit of the existing small boats. The Drug Task Force could come over and use this boat, while our existing enforcement officers could do regular patrol. I am cognisant of the financial restraints. Madam Speaker, I wait patiently, but I encourage the Government to move in this direction. I assure them that I will continue to raise this issue as you and I will keep noting the progress that is being made.

For many years it has been noted that there is a need for extra space. District Administration employees are walking over each other. Property has been acquired for the expansion of the District Administration Building and many of the exercises and programmes that we talk about require this extra space. When we talk of putting office work from government to the Brac, we need space because in the Brac there is not enough private rental property space that could be easily and cost effectively acquired.

We need, Madam Speaker, to assimilate more young people into District Administration. From a human resources perspective, I am concerned that the continuity of the great service from District Administration is in question because we do not have enough young people coming in. However, we need space to be able to do this. I use this opportunity to

recognise the addition of Mr. Delroy Bodden and Mr. Carey Christian as two young computer technicians who have been recently hired, but they are crammed into little closet-like areas to work from. Madam Speaker, we need to look at the space issue at District Administration on Cayman Brac.

I have made a written request for renovations that are needed at the District Officer Administration Building and residence in Little Cayman and I hope, from seeing the submissions of the upcoming Budget, that it will be included in the final document. The roof is in desperate need of change because it is sagging, shingles are missing, there are woodlice, and other problems. Furniture also needs to be improved upon. I take this opportunity to thank the Government on the work that has been done to that particular office in the form of new tiling and other minor renovations.

Lands and Survey Department's main employee, Mr. Jerry Banks was awarded the Civil Servant of the Year Award last year. He is a dedicated civil servant who is seen on the road before 6.30 in the morning, setting up his equipment to survey. He works long and hard hours, mixing his own cement to put down his markers. Madam Speaker, the Department needs to be allowed to carry out surveys in excess of the existing threshold of $3,000 per job. We do not have private surveyors on Cayman Brac and Little Cayman. I have been pressing this issue and I ask for the Honourable Minister to give some more consideration to allowing this officer to continue beyond the $3,000 threshold to doing survey work.

The issue of Immigration in Cayman Brac is one of key concern and needs to be elaborated on. We have continually noted the decline in the population of Cayman Brac. Recently, it has been highlighted through the population of the elementary schools on Cayman Brac, so now various initiatives have been proposed. I advocate that we may need to look at our Immigration Law regarding the 409 work permits that are issued in Cayman Brac and the foreign nationals employed in Public Service, as to whether we should now permit those who can show through financial assessment their ability to maintain their children in Cayman Brac to bring their children. There is an economic argument. The dollars that are generated in Cayman Brac are sent to foreign locations to maintain their children. Therefore, why not have these children in our schools paying the fees to go to school, have groceries bought at our grocery stores to feed the children and then the money would stay in the local economy?

I am a member of the Immigration Law Review and at the next meeting I will make representations to that effect. In the past I have made recommendations and I hope to see it come forward in the form of the new Immigration Law expected to come out later this year (I think in the June sitting) where the requirements for permanent residence for the Cayman Islands should be amended to make it more attractive for Cayman Brac because we need a population. When we talk about health services in Cayman Brac, all of our problems can be attributed to the lack of a population. When we talk about air service, we can bring it back to the need for more people on Cayman Brac.

I believe that it is feasible and viable for the permanent residence requirements for Cayman Brac to be reduced. The independent source of income could be reduced to say US$70,000 because US$70,000 is more than adequate to maintain an individual family on Cayman Brac. I believe that the requirement for investment in non-movable property could be reduced to $150,000 because the current requirement of $750,000 is a lot of property in Cayman Brac. It may not be much on Seven Mile Beach, but it is a tremendous amount of property on Cayman Brac. Therefore, I believe it can be reduced to $150,000 because $150,000 can provide a nice home on Cayman Brac.

I strongly advocate an increase in the population through non-natural methods such as the issuance of permanent residence, but I also would like to see more Caymanians given the opportunity to come back to Cayman Brac.

This Government and the Minister of Information Technology were responsible for the issuance of a license that has made it possible for Brac Informatics to operate on Cayman Brac. Madam Speaker, it was a momentous occasion when we witnessed the opening of this very high-tech, highly sophisticated white collar employment generating facility and I thank the Honourable Minister and the United Democratic Party for its vision in making this licence possible to allow this operation to go forward.

I must put forward a challenge to the proprietors of this operation of Brac Informatics—I would like to see some Caymanians employed. Madam Speaker, I am very good friends with all at Brac Informatics and I will ask them for a scholarship for a Caymanian. We want something in order to train a Caymanian who can come back there and work. It takes two hands to clap—the Government made it possible, now we must ask Brac Informatics to come forward. I speak with great hope because I know the developer and I know that he will eagerly accept my challenge. A scholarship will go a long way, but Caymanian faces in the operation will go even further.

The Postal Department received a great enhancement under the watch of the United Democratic Party. We were there with the Minister of Information Technology when we opened the West End Post Office, which also has high-speed ADSL Internet access now. It is a great facility and has offered a facelift to that particular area. For those who say that nothing has been achieved by the United Democratic Party, Madam Speaker, I ask for them to rethink that statement.

I want to talk now about the Public Works Department of Cayman Brac and Little Cayman. Madam Speaker, for some time now you and I have been ad-

vocating the need of converting the many group employees—not all, as it is unreasonable to expect that all will be converted. Due to the sporadic nature of work, Public Works will need to have some flexibility where some group employees are maintained. However, at Public Works on Cayman Brac there are too many hard-working long-serving (some as many as 25 years) and senior supervisors who are still group employees. There are many shortcomings from being a group employee versus being permanent and pensionable: the notice that your employer must give you for your termination is only a week or maybe two weeks so it is not as stable; when that individual goes to the bank to get a loan and he is listed as a group employee who is on a contract by contract basis, he is given difficulty versus if he was a permanent and pensionable employee.

Madam Speaker, you and I have on many occasions recognised the importance of the hard working individuals in the Public Works Department who are willing at any time. We recently saw, as we prepared for the Agriculture Show, that they will go beyond the call of duty to come out, work hard, work in the rain, as the Minister of Agriculture can attest to. We were out there working side-by-side in the rain with the Public Works guys, heavy equipment operators, people with heavy rakes, and machete men. I have great confidence in the Public Works Department.

Many have launched attacks and criticisms on the Public Works Department of Cayman Brac. Many have said their jobs could be done more economically by using private sector individuals. I do not say that is not true. However, most, if not all, of our Public Works guys are Caymanians, are Cayman Brackers, and we must keep them employed. One of the facts that you and I can boast about is that, during these two years that we have been the representatives, there have been no lay offs. That is very important for that community. Public Works is a major employer and when we use the Public Works Department to build a building, we know that money is staying there because it is going to Caymanians. If we give it out to the private sector, which sometimes we have to, that money is paid to foreign labour. There has to be a balance. We must understand that there is a need to be prudent, but there is also a need to ensure that the financial resources of this country remain within this country.

The Speaker: You have 1 hour remaining.

Mr. Lyndon L. Martin: Thank you, Madam Speaker.

I am not sure if you would indulge to an afternoon break at this time?

The Speaker: Certainly. We will take the afternoon break, but I would ask Members to reconvene within a ten minute period so that we could continue today's business.

House suspended at 3.58 pm

Housed resumed at 4.15 pm

The Speaker: Please be seated. Proceedings are resumed. Continuing the debate by the Second Elected Member for Cayman Brac and Little Cayman with one hour remaining.

Mr. Lyndon L. Martin: Thank you, Madam Speaker and thank you for that welcomed afternoon break.

At the time of the break I was speaking on the Public Works Department. I would like to reiterate that I have the greatest of confidence and we give the Public Works Department and its work crew our full support.

One of the great challenges of getting development on Cayman Brac, in the form of roads or other public work construction, is the fact that the group employees are always paid from projects. Therefore, when we put in a submission — and I hope that the Honourable Member for East End pays careful attention because he critiqued a submission in the Budget for roads for Cayman Brac. In fact, he objected to say that where each district in the Cayman Islands had $200,000 allocated for road work, Cayman Brac had $475,000 in that particular budget and asked the question as to why. Madam Speaker, there is one major difference right up front. We use the money allocated for road works on Cayman Brac to pay the employees against that particular vote. Therefore, where the road work is allocated for each other district, the payroll would not be charged against that particular road vote. For specific example, that particular year where there was $475,000 some $300,000 was devoted to payroll. That does not leave much to buy the material, to buy the asphalt. Thus, that particular issue of group employees has far-reaching consequences because it limits our ability in this Parliament to get the type of funds that we need to get the type of development on Cayman Brac.

The other reason that we need roads in Cayman Brac is because we still have much landlocked property and un-surfaced roads. Therefore, when the First Elected Member for George Town speaks of piped water—and I agree that is very important; it is for that reason we have it in the Throne Speech for Cayman Brac – it is also important to understand that we still have citizens in this country who drive to and from work on roads that are not paved. However, under our watch, under the United Democratic Party, we are aggressively addressing the issue of paving roads. We paved a substantial portion of Major Donald Road leading up to the lighthouse, which is a major tourist attraction, and through effective negotiation with the power company we have had them install power along that same road going up to the area that we call Green Land.

We have already seen the direct impact because people are starting to buy property and build

their homes on that road because it is now paved, has electricity and streetlights.

Madam Speaker, we have also paved a substantial portion along Songbird Road going west on the Bluff. We have spent much energy, time, and money taking down some of the cliffs and removing some of the hills to get roads paved. These are some of the projects that are undertaken and sponsored by the UDP administration. Therefore, when the Opposition say that we are not doing anything to stimulate the economy, many of the Cayman Brackers that I interact with say what a great idea it is to open up these roads on the Bluff and create development. It is happening, but it does not happen overnight.

People are building and are starting to buy property, but you have to give time for the development to happen. What we are doing is creating the foundation and the atmosphere for it to happen within our district and that is the same thing happening in Grand Cayman.

While we are talking on roads, the Spot Bay Road (previously called Sky Blue Road), which is the most frequented road in Little Cayman because it links the two sides of the Island together and is the road where the Police Station, Public Works, the school and the designated health centre are—that is a road that we need to give urgent attention to. The road needs to be straightened, widened and surfaced. Again, I urge the people of Little Cayman to be patient because much is being done, although we do not see it. The first part of this process is to acquire land, to gazette it, to get owners permission for its straightening because we are not prepared to pave the road until we can straighten it, as there is a requirement under the Roads Law for a certain amount of visual clearance when you pave roads.

Again, on this issue, I have a parliamentary question put forward as to the progress being made in acquiring owners' permission and acquiring land and the gazetting process for the Spot Bay Road in Little Cayman.

I must also mention health care facilities and the need for regular dental visits to Little Cayman. I know that the Minister of Health is committed to providing an appropriate facility and an appropriate schedule for dental visits to the residents of Little Cayman. However, one of their challenges is the facility because the existing Health Centre is so small, there is a great problem with dust, and we need to relocate, improve or pave the area in front. Madam Speaker, it is a challenge that the Minister is currently looking at and I have the greatest confidence that relief will be given.

There is still only one healthcare provider in Little Cayman—one nurse. I have spoken to you on this and I know that you concur. I believe that every healthcare professional who enters into a contract with the Cayman Islands Government should have a provision in their contract that they may be rotated to the Sister Islands—only a provision, as it is not necessarily going to be done. However, you can expect it because it is becoming more difficult for the healthcare providers in Cayman Brac to keep providing the nurse for Little Cayman. We need to get a relief nurse rotated from George Town Hospital occasionally to give the lady a day off or to give her vacation time.

I must take this opportunity to commend the appointment of Dr. Jefferson as Medical Officer in charge of Faith Hospital. I witnessed Dr. Jefferson taking his day off when his family—his daughter and his wife—was visiting to go over to Little Cayman to give the nurse a day off. I thought that was so notable and noble. I thought it was so courageous for the man to lead by example. I hope there can be some relief for the healthcare provider in Little Cayman within the near future.

I now turn to the Port Authority. Last Friday we were privileged to be at a ceremony for the reopening of the dock in Cayman Brac. It is a dock that you and I know quite well—as youngsters we have all swum around it; as boaters we have driven under it; and we have all been around the dock. We walked over the dock and saw the condition of it prior to the work being done. We saw the amount of rebar exposed and the amount of cement that has fallen to the bottom of the ocean. Cayman Brac now has a new modern dock with proper lights which it did not have before, and the capacity of providing a good service for Cayman Brac for many years to come. It makes me proud of this achievement.

This was made possible through an insurance settlement that the Government received for damages sustained by the dock. However, Madam Speaker, it is not always the case where insurance pays and the work is carried out. We have had other such situations in the past where insurance has settled, but the items have not been replaced—the dock in Little Cayman at Point of Sand being one. I am greatly appreciative to the Minister of Tourism, the Leader of Government Business, for the interest that he has shown in the port facility for Cayman Brac. I remember during negotiating time for the commencement of that job that he would not take no for an answer; it had to go forward. The Board was also supportive of it, Madam Speaker. Time was of the essence because the dock brings food to the people of Cayman Brac.

The Leader of Government Business took it upon himself and the Board to contract Misener Marine, the original contractors who performed the duties expeditiously within the contracted period, with the exception of delays caused by weather. Madam Speaker, the Opposition also opposed that appointment. I thank the Leader of Government Business for standing firm and ensuring…

Point of Order

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, on a point of order.

The Speaker: Please state your point of order, Member.

Mr. Alden M. McLaughlin, Jr.: The Member is misleading the House. The Opposition never opposed the appointment of anyone to perform the functions necessary to repair the dock in Cayman Brac. Unless the Member can clearly articulate such opposition he must withdraw the statement.

The Speaker: Second Elected Member for Cayman Brac and Little Cayman, could you expound as to why you made that statement?

Mr. Lyndon L. Martin: Madam Speaker, I think it would be easier for me to rephrase the statement so that it may be less offensive. I think the Members of the Opposition opposed the method under which the contract was entered. Does that make everyone happy?

[Inaudible interjections]

The Speaker: Please direct comments through the Chair.

Mr. Lyndon L. Martin: Madam Speaker, I am happy to just oblige the Member and withdraw the statement that, "the Opposition opposed the construction of the dock in Cayman Brac". I would like to say the Members of the Opposition opposed the method under which the Board appointed Misener Marine to carry out the work in Cayman Brac. I hope that makes the Opposition happy.

The Speaker: Please continue Member.

Mr. Lyndon L. Martin: Madam Speaker, I say that the method used in appointing the company for Cayman Brac was the only method to get the job done in the time needed. Therefore, by opposing the method of appointing, it was opposing the timely completion of the job. The port on Cayman Brac is now up and running and we are quite happy.

I also take this opportunity to point out that during the construction phase of the port an alternative port had to be designated. Through the Board, the Leader of Government Business allowed for the designation of Cemetery Pier as a temporary port with proper fee collection by the Port Authority, in order to receive the cement and concrete that was needed to build the port. Through that action a small industry has been created: the export of aggregate. Cemetery Pier was proven to be an effective port.

The Speaker: Second Elected Member for Cayman Brac and Little Cayman, we have reached the hour of interruption. May I now call on the Leader of Government Business to move the appropriate motion?

ADJOURNMENT

Hon. W. McKeeva Bush: Madam Speaker, I move the adjournment of this Honourable House until Monday,17 March 2003 at 10 am.

The Speaker: Thank you. The question is that this Honourable House do now adjourn until Monday 17 March 2003 at 10 am. All those in favour please say Aye. Those against No.

Ayes.

The Speaker: The Ayes have it.

At 4.30 pm the House stood adjourned until Monday, 17 March 2003, at 10 am.

OFFICIAL HANSARD REPORT
MONDAY
17 MARCH 2003
10.35 AM

Fifth Sitting

The Speaker: I will invite the Third Elected Member for the district of Bodden Town to grace us with prayers.

PRAYERS

Mr. Anthony S. Eden: Let us pray.

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

Bless our Sovereign Lady Queen Elizabeth II, Philip Duke of Edinburgh, Charles Prince of Wales, and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Executive Council and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 10.38 am

The Speaker: Please be seated.

ADMINISTRATION OF OATHS OR AFFIRMATIONS

The Speaker: Madam Clerk, perhaps we could expedite the process by calling Mr. Walton at the same time.

Oath of Allegiance
By Mr. Samuel Bulgin
Temporary Second Official Member

Mr. Samuel W. Bulgin: I, Samuel Bulgin, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth, ll, her heirs and successors according to law, so help me God.

Oath of Allegiance
By Mr. A. J. Walton, JP
Temporary Third Official Member

Mr. A. Joel Walton: I, Joel Walton, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth, ll, her heirs and successors according to law, so help me God.

The Speaker: On behalf of this House we wish to welcome both of these Honourable Members and I now invite them to take their seats.

Please be seated.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

The Speaker: There are no messages or announcements for this morning.

STATEMENTS BY THE HONOURABLE MINISTERS/MEMBERS OF THE GOVERNMENT

The Speaker: I have not received any notice for statements for this morning.

I now recognise the Second Elected Member for Cayman Brac and Little Cayman with 45 minutes remaining.

GOVERNMENT BUSINESS

Debate on the Address delivered by His Excellency the Governor on Friday 7 March 2003

(Continuation of debate thereon)

Mr. Lyndon L. Martin: Thank you, Madam Speaker.

Before I continue my address I want to express my condolences to the family of Dale Hugh George Gordon, a young man of 19 years from our

district of Cayman Brac, who was buried yesterday. I took the opportunity yesterday, as per your request, to express condolences on behalf of yourself and your family, and took the liberty to express the condolences of the entire Cayman Islands' Government and the Legislative Assembly. The hearts of the entire Cayman Brac community went out to the family yesterday and once more I express my condolences.

The Speaker: Accepted and on behalf of the Honourable House I am sure that I, too, can take the liberty of expressing our sincere and deep condolences to Nurse Campbell and her immediate family. It was shocking news that came through Pedro initially and then on to Cayman Brac. It is another reminder that we have a great creator and that time waits on no man and that we should take every opportunity to make sure that the most important element in our life is to serve God and to do good while there is time and opportunity.

Please continue Member for Cayman Brac.

Mr. Lyndon L. Martin: Thank you, Madam Speaker.

When the House adjourned on Friday I was speaking on the Public Works Department, in particular the Public Works Department of Cayman Brac and Little Cayman. This morning I was at the airport in the Brac and watched the Public Works guys as they boarded Island Air to go over to Little Cayman for a week of work. The appreciation that I expressed on Friday was compounded as I looked at these men and women leaving their homes, parting with their families to carry out the work of the Government in Little Cayman. I discovered another hardship that these men go through - the difficulty of getting their food supplies transported over to Little Cayman so that the cook at the Public Works Department could prepare their food. However, happily this morning it was transported over by Island Air. I hope that the airline adopts the practice that they had this morning of dedicating a flight to Little Cayman for the Public Works guys to allow them to get all their stuff.

One of the other great challenges faced by the Public Works Department in Cayman Brac and Little Cayman is the age of the equipment that they are asked to work with: trucks as old as 30 years that have worked in the hard terrain of the Bluff, bulldozers as old as 25 years. Under this Government we have seen much needed improvements. We have seen a new paving machine for Little Cayman; a new water truck purchased for Cayman Brac; the purchase of a pickup truck for the Public Works Department; and we have seen a continuous effort made by this Government (including the new upcoming Budget) for other replacements to some of this aged equipment. Therefore, when individuals in this Chamber get up and talk of there being no hope, no inspiration in the Throne Speech in the policies of this Government, I am at a loss to find words that amply describe their motives.

Throughout the contribution of the various Members of the Opposition we have heard suggestions of political motives by the United Democratic Party (UDP). We have even heard suggestions that the UDP and its administration may be delaying much needed social programmes closer to election. Madam Speaker, what can be further from the truth? What the UDP administration has done is taken the reins of the country when the coffers of the country could not afford to do social programmes to the magnitude that we needed. We have taken action to redistribute income, as they like to talk about; we have taken action to improve the Government's financial position so that we can now go out and embark on the much-needed social programmes.

I was very disappointed, as I normally find myself when I listen to the Opposition, that they can get up and talk about the delaying of much-needed social programmes, but were not able to identify these social programmes. As I stated on Friday, it is time for us to draw together and work in unity and in solidarity. When the social programmes are being examined, rather than just getting up and criticising for the sake of criticising, make positive suggestions. When no other positive alternatives are suggested, we can only assume that they cannot come up with anything better than what the UDP's administration is doing through our very qualified and experienced social engineer in the form of the Elected Member for George Town, the Minister of Community Services, Dr. the Hon. Frank S. McField.

Madam Speaker, so much has been said about the Sister Islands. In the contribution of one of the Opposition Members it was suggested that the Throne Speech did not address the issue surrounding drugs in Cayman Brac. The Throne Speech outlines the Government's broad policies, but more than simply addressing it in Throne Speech, this Administration is out on the streets doing things. This Administration has made it possible for the largest complement of the Royal Cayman Islands Police Service to be in Cayman Brac. I give gratitude to the Executive Council and special mention to the First Official Member who has made it possible for us to have the largest number of police officers in the history of Cayman Brac to be present under this Administration.

This Government has also funded the acquisition of a four-wheel rough topography motorbike to allow the custom officers and police officers to more effectively search and patrol the shorelines of Cayman Brac. There is a request for a second one to be purchased for Little Cayman. As we know, the supplier of the drugs is the ocean - they are just simply drifting in. It is this Administration that is taking effective action. We can see from the many reports in the paper that the actions are paying off. The custom officers and the police officers in Cayman Brac are working diligently in their efforts of interdiction.

Madam Speaker, I would now like to turn to the Planning Department. For many years we have

noted the need for a much-needed building inspector for Cayman Brac and Little Cayman because it is always ironic that we inspect the electrical and plumbing, but we never inspect the building. I am happy to learn that efforts are being made as we speak to recruit a building inspector who will be stationed for Cayman Brac and Little Cayman. These are actions that are being done under this Administration and the role of a building inspector is important to ensure security of one's home. So I beg to differ with anyone who suggests that the UDP administration is not doing things effectively for my district.

The Royal Cayman Islands Police service for Cayman Brac now stands at some 14 Constables. There are plans in place and action being taken to increase that number further. As we heard recently from a question asked in this very hall that there be a position of a second inspector in Cayman Brac and an increased number of policemen for Little Cayman because currently we only have one police officer on Little Cayman. There has been the introduction of a Community Police Officer, Constable Dave Ashurst, who has been adjusting greatly to his position and has certainly proven to be a great addition to the Cayman Brac community. Madam Speaker, you and I have had the opportunity of meeting with this particular community officer and have seen the effectiveness of the many programmes that he has undertaken, planned and is engaged in. I congratulate and thank the Community Police Officer, the Chief Inspector who supervises him, and the entire Government for making it possible for Cayman Brac.

There are plans underway to have a uniformed support group for Cayman Brac. We have also recognised the need for a four-wheel drive truck for the towing and moving of the police boat. I hope that in the upcoming Budget we could have some relief to get a truck in order to be able to launch the boat. Ironically, the boat is situated and parked just minutes away from the best docking facility in the former Panama Canal. However, it can take hours to launch the boat because they have to bring trucks from elsewhere. We have noted the need for increased space, and an improved facility for the police officers of Cayman Brac. The Police Station is very old, space is limited and there is no room for expansion because all property around it is occupied. I urge the Government to look at the proposals that have been made for the relocation and expansion of Cayman Brac's Police Station.

This morning, upon leaving the Brac, I noted the rough weather on the south side of Cayman Brac and how the tourists aboard the dive vessels had to venture through the channel in this rough weather. It is for that reason that this Government has continued to put money and support behind Cemetery Pier and its improvements on the north side of the Island. If this dock was operational the boats could launch through the channel, but guests could board the boat on the north coast where the weather better.

The Civil Aviation Authority has requested, and has been granted, planning permission for the expansion of the arrival hall on Cayman Brac. This is a much-needed and greatly awaited development and we look forward to the commencement of work. I understand from the Authority that they are now at the stage of receiving bids on this particular job. These are developments that are being made under this Administration for the improvement of Cayman Brac and Little Cayman. Civil Aviation Authority has increased their staff complement by three new employees on Cayman Brac to improve safety for our indigenous populace and visiting guests who use the civil aviation facility and the airways. They have sent their entire staff, including those on Cayman Brac, on refresher training courses. We have seen the repaving of the airstrip in Cayman Brac and we have the development of a master plan for a new airstrip for Little Cayman. We look forward to the new airstrip going ahead and continuing along.

I would now like to turn briefly, Madam Speaker, to the issue of tourism. Tourism is our only industry in the Sister Islands of Cayman Brac and Little Cayman. We do not have the twin pillars. We must respect, cherish and nourish tourism. The Tourism Policy Document has recognised the need for "Caymanising" our tourism product. That policy can best be implemented by better utilisation of Cayman Brac and Little Cayman in the full tourism mix. The Honourable Leader of Government Business has provided a commitment and I look forward to it being executed in the near future. I know he has gone even further with the commitment by identifying an individual to act as a Tourism Promotion Officer for Cayman Brac and Little Cayman.

These are great developments that we see happening under the UDP administration. There has been a commencement of a beautification exercise and appointment of a National Beautification Committee including a committee for Cayman Brac. We need an estimated $75,000 to be allocated in the upcoming budget for beautification activities. I would like to take this opportunity to congratulate the Brac Reef Hotel for commencing beautification in front of their facility as they have undercut the trees adjacent to the pond and intend to put some benches there. I encourage that entire hotel strip on Cayman Brac to follow suit to make it more attractive, to utilise the resources that we have, to capitalise on the beauty of the West End pond.

I hope to see that entire stretch with the pond side undercut with benches, walkways and bird-watch areas. Much has been done in that area, especially under our Administration, as we have seen many improvements to the facilities allowed for bird-watching and nature observation. I would like to see that entire road straightened, widened and elevated so that we do not have flooding along our main hotel stretch of Cayman Brac.

I would like to thank this Administration, the District Administration and the Public Works Department for the efforts that have been made for drainage on the West End pond in order to prevent flooding as we have had in the past. However, more is needed. We have seen an increase in the number of drains going into the ocean from the pond to prevent flooding and we have seen pipes put in to connect the two ponds to prevent flooding - all under this Administration.

Our tourism product is dependent on reliable, timely, efficient and cost effective air service to Cayman Brac and Little Cayman. It is under the United Democratic Party administration, as announced by the Leader of Government Business, that the new Cayman Airways Board has decided to acquire appropriately sized aircraft to provide an hourly "bus service" to Cayman Brac and Little Cayman. I look forward to the introduction of such a schedule. Madam Speaker, you and I who travel to Cayman Brac on a regular basis, sometimes two or three times a week, can attest to the difficulties that we have getting to and from the Sister Islands. The residents of Little Cayman and Cayman Brac have cried out that they need better and improved service. Madam Speaker, irrespective of what aircraft is selected there will always be a need for jet service into Cayman Brac. Last Friday I flew and it was sold out; this Saturday the flight was sold out. In fact, on Friday it was over-sold. A jet service will always be needed, but it can be complemented and augmented with a smaller, more efficient aircraft.

I would now like to turn briefly to health services. Health services is an economic instrument, a foundation from which an economy can be built, a community can be built. I would like to thank the Honourable Minister of Health for the much-needed renovations and repairs that have been carried out to the ceiling and the air-conditioning unit in Faith Hospital. We have seen the reopening of the female ward. I would also like to thank the Honourable Minister and his Ministry for the acquisition of a new ultra-sound machine. This diagnostic tool is much needed and we welcome its arrival. I understand that negotiations are currently underway for its purchase and it will be on the Island shortly.

The Minister and the Health Services Authority have now made it possible to contract a new surgeon in Cayman Brac. We have for some time articulated the need to replace the surgeon and the gynaecologist. I have listened to the reasoning expressed by the Health Services Authority and by the Ministry of the difficulties in recruiting a properly qualified gynaecologist for Cayman Brac. I understand the difficulties when we only have eight, 10, maybe 12 deliveries per year, but we need that position filled. I know the Health Services Authority is making efforts, but 15 months is long enough. The position needs to be filled.

Health services in Little Cayman need to be addressed. The facility is not adequate. The Minister has made effort and, at the time of the creation of the Health Services Authority, property was vested for a new health clinic, but notable objection has been made to the location. Therefore, I look forward to actions and negotiations between the Minister of Health and the Minister of Education to remedy the ongoing difficulties in the selection of a new site for health services for Little Cayman.

Madam Speaker, I am pleased to note that on the 2 April of this year the Dental Department will be visiting Little Cayman to do an assessment of the populace, to categorise them, as well as an assessment of the facility so that they can provide regular ongoing service to the residents of Little Cayman. This is welcome and it is a positive development, once more, under the UDP administration.

I must emphasise, before I leave the topic of health services, that the people of Cayman Brac and Little Cayman require good health services. We have great doctors on Cayman Brac in the form of Dr. Jefferson and Dr. Wallace. We currently have one surgeon who has been recently appointed, and the vacancies—and I correct myself when I said earlier that we need to replace the surgeon and gynaecologist—there are currently no gynaecologists on Cayman Brac, we need to fill that vacancy. We hope to be able to encourage the surgeon who is there to stay on, however, his contract is of a short nature of three months. I am informed by the Health Services Authority that efforts are on the way to locate another individual in the event that the current surgeon decides not to stay on.

The Community College of the Cayman Islands can and should be offering courses in Cayman Brac. They currently offer some night classes, but I am talking of college credit classes that can be offered through remote classes. I have asked the Honourable Minister to give an undertaking to look into the viability of offering classes in this format. This should be possible with the technology available in this day and age. Education on Cayman Brac is something that is on the minds of every Bracker and every resident of Little Cayman. I am pleased to learn that the Honourable Minister of Education has recognised and acknowledged that the school service in Little Cayman that was created under your administration, Madam Speaker, is a viable and much-needed service and must continue. The ongoing debate of education services can now be put to rest. That school needs to remain—some nine students. Madam Speaker, under this Administration we were able last year to put a fence around the school to provide better safety for the children. Much has been done.

Education in Cayman Brac has also been a controversial issue. The proposed amalgamation of Spot Bay Primary and Creek Primary School that has come forward from the parents of Cayman Brac through the PTA and through the Education Department is now being considered and reviewed by the Ministry. I act in the capacity of Chairman of the Edu-

cation Board of Cayman Brac and we have also reviewed the proposal to amalgamate. The issue of double classes is the issue at hand. We can all agree—and I am so happy that I find one topic that I can agree on with the Member for North Side—that double classes is not acceptable. It is much better to provide $30,000 a year for a teacher to teach that student (even if it is one student) than to allow that student to slip through the system to then pay $48,000 a year later to incarcerate him. Madam Speaker, I look forward to a remedy. Amalgamation is one proposal that is being reviewed, but double classes on Cayman Brac must stop.

The education of our children in this new world order, this new day of globalisation, where we are no longer talking of domestic and international affairs because it is all one; we are no longer talking of a domestic labour market and an international foreign labour market because we are all one; we are asked to provide equal rights to foreign labour as we are asked to provide to our own indigenous workers under international obligations. If our people are expected to compete head-to-head with foreign labour we must continue to put focus on education.

It has angered me to hear the Opposition challenge what the Minister of Education is doing, to suggest that words like ”italic” are only good sounding things, but there are no fixed programmes. There is one un-contestable fact that cannot be challenged: that under this Administration there has been a record number of Caymanians receiving funding for tertiary education. Madam Speaker, the Minister who chairs the Education Council can wear this proudly on his shoulders because I sit on the Council with the Minister and I see his commitment to training our people. The Minister created the Employment Services Centre and put the Education Council into that Centre so that in one location we can see who the Caymanians are who are looking for work and we can see the training that can be made available to equip them.

The same Minister that the Opposition said is doing nothing has authorised and created a committee for the development of what he terms the Cayman Islands General Education Diploma (GED). Many of our students are out there trying to get work, but do not have a high school diploma. The GED programme, which provided them an opportunity in the past to get a high school equivalent diploma, is no longer available in the Cayman Islands for testing; they must go to Miami. Many of these students go through the training at ICCI to prepare them for the GED, but do not go on to get the piece of paper. Therefore, the Minister has created a committee with a timeline of having a Cayman Islands GED programme in place for September 2003. Madam Speaker, if this is not delivering then I ask the Opposition to tell me what is.

Madam Speaker, much has been said on the draft Constitution and much credit has been taken for the format of the end results of the draft Constitution by the Opposition. They have got most of what they wanted and asked for; most of what they went out in the streets with wheelbarrows and everything for. However, I borrow the phrase, “all to all in the kingdom of everything”. When the Opposition was in Cayman Brac and saw that the people did not want single-member constituencies and did not want to divide the Island, they recognised it and published in their report that the people of Cayman Brac may be an exception. The fact is that the new draft Constitution calls for there to be 17 single-member constituencies, calls for the splitting of Cayman Brac and Little Cayman. Are they also taking credit for that, for the people of Cayman Brac? Are they also going to take credit and say that it is there because they asked for it? I can only conclude that is the case.

Madam Speaker, the draft Constitution and its likely impact on our people is something that you and I have talked about and looked at. I would like it to be known here, because it was suggested to me recently that the reason that you and I do not support single-member constituencies is because we fear our own seats. Nothing could be further from the truth. Strategically it works in our favour. However, the people of Cayman Brac opted not to support it, through their show of hands as we polled them in the Aston Rutty Centre. It is for that reason and that reason only that we articulated our opposition to it. However, it is here in the draft and it is going to come and we are ready for it because you and I have devoted our time and effort to only one thing: representing every citizen of Cayman Brac and Little Cayman to the fullest of our ability. It does not matter if they are on the east, middle, west, south side or on the Bluff - I am sure the people of Cayman Brac and Little Cayman recognise the efforts and energy that we have put in.

Madam Speaker, if I could beg your indulgence to give me an indication of time remaining?

The Speaker: You have five minutes remaining.

Mr. Lyndon L. Martin: Madam Speaker, I would like to devote my final five minutes to the issue of the seamen’s ex gratia payment. This is a key issue in our community simply because at the time when Caymanians went to sea, Cayman Brackers represented, per capita, a significant district. Madam Speaker, when you saw fit under your time as Minister to introduce this scheme to reward the seamen for their diligence and their contribution to our development, I too supported it. It was recognised early that the number of seamen applying far exceeded the country’s ability. It was recognised early that we needed to ensure that all who were receiving were those who were appropriately qualified to receive - meaning they were Caymanians.

I am ashamed that politics has been brought into this. It has been suggested privately in this Parliament, and publicly, that when the Honourable Minister (now the Member for North Side) in October 2000

requested reassessment in order to stop some 144 individuals—144 individuals were stopped under that Minister. It was suggested that this Member suggested names from Cayman Brac. Madam Speaker, the facts are . . .

Point of Order

Ms. Edna M. Moyle: Madam Speaker, on a point of order.

The Speaker: Please state your point of order, Honourable Member.

Ms. Edna M. Moyle: Madam Speaker, the Honourable Member is misleading this House in saying that I said that he suggested names. I said he came to me and said he would assist me because there were people in Cayman Brac who should not be receiving it, but he had to do it in the first year of his four-year term.

The Speaker: Honourable Member, are you also indicating that he did assist you?

Ms. Edna M. Moyle: No, Madam Speaker, I am not indicating that he gave me names and I have never said that he gave me names.

The Speaker: Second Elected Member for Cayman Brac.

Mr. Lyndon L. Martin: Madam Speaker, the statement that I just made was that it was suggested, I said, privately in this Chamber and publicly, that I played a role. I would like it to be clear—and the only point I want to make, and I am happy to bow to any ruling, Madam Speaker, that I did not suggest any names to be removed from the list of recipients. No one individual was removed because of my suggestion. To suggest otherwise would be misleading. Madam Speaker . . .

Point of Order

Ms. Edna M. Moyle: Madam Speaker, on a point of order.

The Speaker: Please proceed.

Ms. Edna M. Moyle: Would the Honourable Member say if I, Edna Moyle, said that he suggested names?

The Speaker: Second Elected Member for Cayman Brac.

Mr. Lyndon L. Martin: Madam Speaker, I never said the Member for North Side suggested any names. I can, however, make it clear that at the time of her contribution, in making her statement, there were other Members of the Opposition, not her, who were making that statement. Madam Speaker, those are the facts.

The Speaker: In those circumstances, Second Elected Member for Cayman Brac, would you withdraw your indication that the Member for North Side was the person who made those statements?

Mr. Lyndon L. Martin: Madam Speaker, I do not recall actually suggesting the Member for North Side, but if that was what. . .

Ms. Edna M. Moyle: Indicating, indicating . . .

The Speaker: Order!

Mr. Lyndon L. Martin: Madam Speaker, if any reference was made that the Member for North Side was the one who suggested that I removed names I am happy to withdraw because it was not the Member for North Side who made that suggestion; it was Members of the Opposition.

Point of Order

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, on a point of order.

The Speaker: Please state your point of order.

Mr. Alden M. McLaughlin, Jr.: The Member is now making a blanket accusation of Members of the Opposition. Would he please say which Member of the Opposition made statements suggesting that he recommended names be removed?

Mr. Lyndon L. Martin: Madam Speaker, I am not prepared to give any names of the Opposition. I can only state that at the time of the contribution by the Member for North Side there were individuals on that side of the Chamber making references, not through the microphone that it was. That is all I am about to say.

The Speaker: Second Elected Member for the district of Cayman Brac, it is the Chair's view that once a blanket statement is made and an objection is taken thereto, in order for it to fall outside the ambit of Standing Order 35(4) where Members "impute improper motives", it is my view that it would be an improper motive if a Member is not guilty of the allegation. I would therefore ask you to withdraw that or specify the Member that made the allegation.

Mr. Lyndon L. Martin: Madam Speaker, as this bears no relevance on the point, I am happy to withdraw any suggestion that any individual made that remark.

All I want to be clear is that I, the Second Elected Member for Cayman Brac, made no suggestion of any individual to be removed from the recipi-

ent's list for the seamen's ex gratia payment, the veteran's payment or permanent financial assistance. However, as noted by the Minister of Community Services, there were individuals who were receiving who should not have. They were either fishermen or turtlers, or were not Caymanian at the time of their seamen experience. Madam Speaker, any logical thinker would come to the conclusion that there were particular individuals. Therefore, I did make that statement and I wish the Minister had taken me up on my offer to consult with me before removing my people from the list because rather than getting a community development officer to do a financial assessment that resulted in more members . . .

Point of Order

Ms. Edna M. Moyle: Madam Speaker, if I may, on a point of order.

The Speaker: Please state your point of order.

Ms. Edna M. Moyle: Madam Speaker, the Member is misleading the House and the country because I made no recommendation to remove any person from the seamen's ex-gratia payment. We made a policy decision based on the Auditor General's recommendations and the public service technocrats dealt with it based on the policy decision. Therefore, I would ask the Honourable Member please to withdraw any indication that he is saying that I personally removed . . .

Madam Speaker, would you ask the Minister of Community Services to shut-up until I am finished?

The Speaker: Honourable Member, I am sure you are quite aware of the Standing Order and I would ask you to make the request without getting on the same level.

Ms. Edna M. Moyle: Madam Speaker, if I may continue with my point of order, I would ask the Second Elected Member for Cayman Brac and Little Cayman to withdraw his statement and indication that I, as the Minister, removed seamen from the district of Cayman Brac, or any district in the Cayman Islands, from the list of seamen receiving this ex-gratia payment. I took a policy decision in Council based on the Auditor General's recommendations and the technocrats in the Ministry, not I, dealt with those based upon the means test

The Speaker: Member for North Side, are you saying that the technocrats undertook that without policy direction or without your knowledge? Is that what you are ascertaining?

Ms. Edna M. Moyle: Madam Speaker, I am saying the policy decision was taken by Executive Council based on the Auditor General's report on the seamen's ex-gratia. They based their removal or addition based on that criteria —not me.

The Speaker: Member for Cayman Brac, it is your assertion that the Minister did it in her personal capacity or did she do it in her political capacity as a Member of Executive Council? Which is it?

Mr. Lyndon L. Martin: In her capacity as a Minister in the Executive Council with the responsibility for this particular subject. Madam Speaker, during the contribution of that particular Member on Education, she illustrated that she could not blame the technocrats at the Education Department she had to put the blame at the foot of the Minister.

The Speaker: Thank you Member. The Chair rules and accepts your explanation that it is not a personal statement on the attack of the previous Minister, but it is one directed at the base of policy being a ministerial responsibility. Please continue.

Mr. Lyndon L. Martin: Thank you Madam Speaker.

All of my Ministers of Executive Council on the United Democratic Party accept their responsibility for their subject matters. The facts are that during the time that the Member for North Side was a Minister, 144 individuals were removed.

The other fact that cannot be challenged is that I, the Member for Cayman Brac, played no role in their removal. It is also a fact that community development officers who are not equipped to do financial assessments were doing financial assessments. It is also a fact that the Minister who now is responsible for that particular Ministry has recognised the need of separating community development from social work and financial assessment. Thus, it is recognised that the UDP has seen the error of those ways and have changed those ways.

During the watch of the UDP, during the year that we have been here, approval was sought and 60 or 64 individuals reassessed and re-established to receive seamen's ex-gratia payments. It is a fact.

The Speaker: You have two minutes remaining Member.

Mr. Lyndon L. Martin: Madam Speaker, so when we say that we are delivering to the people of this country that is a fact. When we are accused of holding back things until it gets closer to the election, what can be further from the truth when we are delivering? Many of our people in Cayman Brac and Little Cayman have been reassessed and re-established on the list of recipients for the seamen's ex-gratia payment. That is the case in every district including North Side and East End. Therefore, when our social engineers are going out there and taking things in hand and delivering to the people what they want and need, do not come and accuse this Government of doing nothing.

It is the same situation with the permanent financial assistance. I challenge that anyone…You want to see interesting facts; compare district by district to see which district had the highest percentage removed during the administration of which the Member for North Side was the Minister responsible. See which district had the highest and it will not surprise you, Madam Speaker, and it certainly has not surprised me. Go and contest that fact and you will see that Cayman Brac and Little Cayman had the highest percentage removal.

Point of Order

Ms. Edna M. Moyle: Madam Speaker, if I may on a point of order.

The Speaker: Please state your point of order.

Ms. Edna M. Moyle: It seems as though this Honourable Member has some documentation to this fact. I wonder if he would lay it on the Table of this Honourable House?

The Speaker: Member for North Side, could you be specific in the facts that you wish to have attestation thereto?

Ms. Edna M. Moyle: That is his saying that when I was the Minister the greater number of persons removed from financial assistance were from the district that you and he represent—the district of Cayman Brac and Little Cayman.

The Speaker: Member for Cayman Brac, the statement that you made . . . is it your opinion or did you make it in the capacity of a statement of fact?

Mr. Lyndon L. Martin: Madam Speaker, the *Hansard* of this Honourable House will show that during a question and answer and supplementary, that question was answered and provided some time ago. I am not the Minister responsible for Community Services and not in a position to table any such document. However, as any Member of this House is privy to all *Hansard*, they can certainly research it because it was answered in this Honourable House as district by district.

I did not quote from any particular document, but rather simply from memory of transactions within this Honourable Chamber. I do not feel it fit to challenge myself to look for this document and table it because I did not quote from any particular document. Every Member of this House has the privilege of researching the *Hansard*. I simply from memory because it was a fact that bore heavily on my shoulder that our district had the highest percentage removed.

The Speaker: Member for Cayman Brac, I have asked the Clerk to request a review of the *Hansard* and once we come back from the afternoon break I will make a ruling in that regard. Please continue, and you have approximately 15 seconds remaining.

Mr. Lyndon L. Martin: Madam Speaker, in my final 15 seconds I simply would like to congratulate the United Democratic Party administration on their first 14 months. I would also like to thank the Members of the Opposition because for the first time they have delivered a very healthy, constructive debate.

Madam Speaker, thank you very much.

The Speaker: Does any other Member wish to speak? Would Members wish to take the morning break at this time? We will accordingly suspend for 10 minutes for the morning break.

Proceedings suspended at 11.33 am

Proceedings resumed at 12 noon

The Speaker: Please be seated. Proceedings are resumed. Does any other Member wish to speak? Does any other Member wish to speak? Last call. Does any other Member wish to speak? If no other Member wishes to speak I will call on the Leader of Government Business to exercise his right of reply.

[Pause.]

The Speaker: Is it the wish of the House to continue or is it the wish to have an early lunch?

Hon. W. McKeeva Bush: No, I think I would like to begin since I have risen.

The Speaker: Please proceed.

Hon. W. McKeeva Bush: Madam Speaker, I want to thank my colleagues who so ably discussed the Government's plans for the year in the various Ministries.

As I said in the opening debate, I have never seen the world in such a condition of uncertainty. These Islands are now seeing a drop in business activity as all countries in the region are. Tourism is also reeling from the effects of world conditions, but tourism and business were in decline starting around 1998. The various figures in business tell us that. As Leader of the Government and the Minister of Tourism, I promised the country to be truthful and forthright at all times about what we are facing as a country. I will always do whatever is in my power, as other Ministers will, to fix the problems we face.

Madam Speaker, it seems the Opposition have taken as their hobbyhorse to beat up on two areas specifically, not that they have not beat up on all other areas. I want to deal with the interim Leader of the Opposition (I will deal with tourism a little further on). I just want to say to him, and I am sorry that he has left the room, as is their usual way when they

know they can be contradicted, I want to say to him (and anyone else for that matter) that I too could have been dishonest to the country and jacked up the visitor arrivals by a 100,000, as was done by the previous Minister, but that would have been dishonest and I am not a dishonest person. Rather, I identified the problem and put in place a new and good statistics programme where the numbers do not come to me before they go to anyone else, as was the case before, but they are published on the Web for all to see before I see them. In fact, I am the last to get the figures.

I wish that the Leader of the Opposition was in this room and I am going to ask his colleague, the only one who is sitting here, to go and fetch him, because I would like him to be present for the next few remarks.

Madam Speaker, it does not look like that is going to happen.

The Speaker: Honourable Leader, are you requesting a quorum?

Hon. W. McKeeva Bush: I would like them to be here, and I think the Opposition should come in since they have made their speeches and made all sorts of accusations.

The Speaker: In that event, I call upon Madam Clerk to request the Serjeant for a quorum to be present. Under the existing Standing Orders the Chair will allow five minutes for a quorum to be present after which time, if not, the House will suspend.

[Pause.]

Hon. W. McKeeva Bush: Madam Speaker, we have a quorum, but the Opposition will still not come in. I want to address the actions of the Leader of the Opposition who seemed to have lost his way in his speech. Whether this was by his own accord; or because of his frustration with himself with the plight he finds himself in; or whether this was because he came to the House with a speech written by his new handlers, one he seems rather uncomfortable with. However, I consider that there is no reason whatsoever for him to behave in the manner he has in the last couple of days.

Madam Speaker, first, the behaviour of the Leader of the Opposition on Friday, when you had to suspend the House rather quickly, leaves much to be desired. In building the party system we have to prove that we can find able and willing leaders from all over these Islands - willing to accept responsibility and willing to work together in unity for each party. We, the two party leaders, must prove ourselves: we have to prove that we are capable in understanding our problems; we have to prove that we are efficient in dealing with those problems, and we are capable of dealing honestly and fairly with our people and can assist in giving our people a better quality of life. However, we have other responsibilities too, one of which is to treat Honourable Members of this Honourable House with due respect, even in the cut and thrust of debate.

Let the Leader of the Opposition understand something: the UDP has four young Members with us – the Second Elected Member for West Bay, the Third Elected Member for West Bay, the Fourth Elected Member for West Bay and the Second Elected Member for Cayman Brac and Little Cayman. These Members have demonstrated in their time here that they are capable and understand the problems we face. I think they are doing a fair job in representing the people who put them here.

I think it is uncalled for and unbecoming of the Leader of the People's Progressive Movement (PPM) to curse either one of them in the manner he did here on Friday and during the debate by the Member for North Side. I can tell him that I will not allow him or any other Member to bamboozle them the way in which it was carried on here on Friday. There is no reason whatsoever for any Member to sit in their seat and use indecent language in this House. Madam Speaker, I am going into my twentieth year in this House and I have never heard it done. Members have been heated; there have been arguments; we do not like what goes on; we are in Opposition; we are in Government and we are debating accordingly, but we never treat Members that way. If this is what we are going to have from a leader of the Opposition party, then God help us in trying to build this two-party system. In wanting to lead, Madam Speaker, one must be ready and I do not think that the People's Progressive Movement is ready for leadership in this country. I do not think so.

The PPM is taking credit for the new draft Constitution. The Leader says we should have said something about it. We have. We started in Cayman Brac just two weeks ago which is before they did last week. It is funny how they were so quick to jump on the bandwagon before, but were not ready this time. I want to say to this Honourable House and to the people of this country that much time has been spent on this matter. We on this side have a lot more to do than just talk about the Constitution. There are many more issues that are urgent that are facing us. However, we have given a commitment to the country that once the draft had come back from London we would go public with it and we would debate it in this House. We are going to keep that commitment to the people of these Islands.

I do hope that we will not have to spend time correcting the deliberate attempts by the PPM to mislead the people of this country. I hope that when we bring the draft here we can get a unanimous debate and a unanimous decision on it - unlike the Motion with the Commissioner's Report when the PPM boycotted the debate in this House, yet today have the temerity to take credit for the results of our efforts. If we had not brought the Motion here, I wonder how they thought they would have got to London. Yet, they

are going to have the audacity to stand here and say that it is through their efforts that we have the draft Constitution.

Had it been left to the People's Progressive Movement in this House and their satellites outside, we would not have gone to London. We would not have had the summit between ourselves because all those proposals did not come from the People's Progressive Movement - they came from the United Democratic Party. What the Opposition was busy doing was misleading the people when they should have been educating the people. When I and other Members in the UDP were saying, "let us get a bit more autonomy, let us get some changes by January 2003". When we were doing that, those benighted souls over there were running around the country with wheelbarrows and straw hats telling the people that McKeeva is a dictator and wants to be the Chief Minister. I wonder if I want to be Chief Minister any more than he wants to be.

Had we had the changes that we were asking for in January of this year, we might have been able to deal with the Attorney-General rather than have to pay him the kind of money he did not deserve, but our hands were tied. That is the kind of situation that this country is going to continue to get in with those people around. God help us if the People's Progressive Movement, as irresponsible as they are, gets the majority to form a government in this country.

They played some very dirty politics with the constitutional debate and with the issue of the Attorney-General. It seemed to have paid off for them, seeing that they now say and brag in the bar rooms that London has done what they want, and is on their side. Is that because they were better than us? Or because the Second Elected Member for George Town went to see the Attorney-General in his professional capacity . . .

Point of Order

Mr. V. Arden McLean: Madam Speaker, on a point of order.

The Speaker: Member for East End, do you have a point of order?

Mr. V. Arden McLean: Yes, Madam Speaker.

The Speaker: Please state it.

Mr. V. Arden McLean: Madam Speaker, the Minister is saying that Members of the Opposition bragged in the bar that they got what they wanted. I believe that the Minister needs to identify those Members who bragged in the bar...

Hon. W. McKeeva Bush: Are you saying it was not you?

Mr. V. Arden McLean: . . . that they got what they wanted out of the constitutional review.

[Inaudible comments]

The Speaker: Order!

Member for East End, in order for me rule whether or not it is misleading on the Standing Order that you brought, you would need to identify from my perspective whether or not it was you. Otherwise, I would not know what I am ruling on as it related to you.

Mr. V. Arden McLean: Madam Speaker, I know I did not brag in any bar, so I want to know if he is naming me because he said "the Opposition".

The Speaker: Honourable Leader of Government Business, as it related to the Member for East End he has stated for the record that it was not him. Could I ask you to withdraw it as it related to him and state, if you are in a position to so do, which Members you are aware made the statement.

Hon. W. McKeeva Bush: Madam Speaker, I am glad to hear that the Elected Member for East End was not the one. I said they bragged in the bar room. I did not say it was him and so, Madam Speaker, I did not hear it was him.

The Speaker: I believe the record has been cleared and that it has been categorically stated that it was not the Member for East End making the statement.

Please proceed.

Hon. W. McKeeva Bush: Madam Speaker, what the Opposition has done, if anything, was to allow the Labour Party Government in the United Kingdom to divide us here in the Cayman Islands.

Let me say most emphatically, since the Leader of the Opposition has asked, the United Democratic Party is supporting the draft from London, but it does not stop there. We fought, without the help of the Opposition, to have a provision included to protect our financial industry. During that time the Opposition was silent in protecting the financial sovereignty of these Islands. In the draft Constitution sent to us by London (which the Opposition said that London supported) there is nothing to do as we have asked. If there is anything needed, or let me say while political development is needed and we support it, it will not do us any good if the Labour Party Government still controls us to the extent of being able to spend our money without our agreement.

Madam Speaker, in this 500th year of our history we must be able to have more say in this aspect of our affairs. The interim Order in Council is before us and sets out the path to enable the country to get a new electoral system. We are going along with it to an extent in the hope that we can have a better Cayman

Islands. However, we would not expect to be able to support the fact that they have included in the draft interim order that the Governor must appoint the Leader of Government Business who is actually the leader of the majority party in the House, while they have sent an Order in Council with the Leader of Opposition being appointed because he is the leader of the minority party. What is the difference? I wonder too if this is what they are talking about: that they got some help from London, how London is supporting them and how the Foreign and Commonwealth Office (FCO) is supporting them.

We are going along with the interim Order in the hope that we can have a better Cayman Islands, but we are concerned that they have that provision written the way it is. Madam Speaker, I was going to deal further with that interim Order, but I wonder whether you would take the break at this time.

The Speaker: Certainly. We will now suspend for the luncheon break and reconvene at 2.15 pm.

Proceedings suspended at 12.26 pm

Proceedings resumed at 2.22 pm

The Speaker: Please be seated. Proceedings are resumed. The Leader of Government Business continuing his reply to the debate on the Throne Speech with 1 hour 40 minutes remaining.

Hon. W. McKeeva Bush: Madam Speaker, I find it appalling that an Opposition who had so much to say and so many accusations to make in their debate refuses to come and take their seats when their questions could be answered and are being replied to. Before we took the break I dealt with the behaviour of the Leader of the Opposition last Friday when he was using indecent language while another Member was talking against one of the younger Members in the House. I had also talked about the Constitution and our support for the draft except that there are areas which have not been included which we asked for in London, such as the protection of our financial sovereignty and the interim Order.

The interim Order in Council before us sets out the path to enable the country to get a new electoral system. As I said, we are going along with it in the hope that we can have a better Cayman Islands. However, we will not accept that the UK has placed provision for the appointment of the Leader of the Opposition (which is the nomenclature that will be used in whichever Constitution we get) and for that Leader of the Opposition to be elected as the Leader of the Minority Members in the House, while they expect that we should accept the Governor appointing the Leader of Government Business while not recognising the majority party.

What kind of democracy is that? What kind of democracy is the FCO expecting us to have and what kind of democracy is the People's Progressive Movement wanting? What will they support? We have not heard anything from them. As I said, they have said that the FCO is supporting them. Maybe that is so. Maybe that is why the Order in Council is framed in the language it is. However, I am not scared of that. I am already concerned when you have the Opposition saying that London supported them and saying to me that they are going to draw the lines of the constituencies to keep me out. Now, that statement has given me much concern. I will be writing to the Governor (I have already spoken to him about it) and I will be writing to the Foreign and Commonwealth Office about that threat of the Opposition. The new system of boundaries must be fair to everyone. Really, I am so busy with other governmental matters . . .

Point of Order

Mr. V. Arden McLean: Madam Speaker, on a point of order.

The Speaker: Please state your point of order, Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. The Minister knows quite well that neither the Opposition nor the Government will be capable of drawing any constituencies.

The Speaker: Member, can you please state your point of order then go on to expound it.

Mr. V. Arden McLean: Madam Speaker, the Minister is misleading the House and country.

Hon. W. McKeeva Bush: No, no, Madam Speaker . . .

The Speaker: On what basis, Member?

Mr. V. Arden McLean: Madam Speaker, the Minister is saying that the Opposition is going to draw the lines in order to keep him out of this Legislative Assembly, I presume he meant. We all know that neither the Opposition nor the UDP Government can draw those lines. There will be a Boundaries Commission set up with Commissioners to do that, and to make recommendations on the 17 constituencies as provided for in the interim Order. Therefore, I feel that the Minister should withdraw that statement.

The Speaker: Member for East End, I have listened to your explanation and if I was correct in hearing what the Leader of Government Business said, I do not think he was questioning the legality or the capability of the Opposition to draw the lines, but was merely making a statement that his understanding was the Opposition had said that they would draw the line. Is that your understanding as well?

Mr. V. Arden McLean: Yes, Madam Speaker, but the Opposition cannot draw the lines of the constituencies.

The Speaker: Thank you for confirming my assessment of the facts as stated. The Chair rules that it is not a point of order because the Leader of Government Business was not questioning the capacity or even the tenacity of the Opposition to so do, but merely making an expression that it has been stated by the Opposition that they would do that. That is my understanding.

Please continue, Leader of Government Business.

Hon. W. McKeeva Bush: Thank you very much, Madam Speaker. As I said, I am concerned about this because I do not know who else is watching things in this country. However, I am watching, and I have seen what the FCO has done with that Order in Council. I have good reason to believe that there has been collusion between the FCO and the parliamentary Opposition.

As I pointed out earlier, why are they appointing one leader and then going off in another direction with the other one? Let me say that I call it a threat. I was told in this Chamber the other day that the Opposition was going to draw the boundary lines to keep me out of the Legislative Assembly. That is a serious threat by the Opposition because in a commission of two members and a chairman, the only way that the People's Progressive Movement could succeed in that kind of skulduggery is to have the chairman with them. His Excellency, the Governor appoints the chairman; the People's Progressive Movement would appoint one Member; and the United Democratic Party would appoint one; or we would recommend to the Governor the appointment of one member each. The Opposition says that they have got most of what they wanted in the constitutional discussion.

I am concerned, but I am concerned for more than one reason. I am concerned because I know that the PPM will go to any length and sink to any depth to get rid of me and other Members of the UDP, as the Member has declared. However, I will carefully observe their actions, and I will expose any attempts by the People's Progressive Movement to tamper with the due process of the Boundaries Commission or any attempt to undermine its membership.

My concern goes even further because I know they have a man from one of the eastern Caribbean islands running around this country advising them on political organisation. It really gets to me when that group…it is no wonder that the Benches are empty except for the Member for East End, and he truthfully was the one who made the threat. It really concerns me to know that they are spending, as I understand it, hundreds of thousands of dollars in the development of their party; when they are running around George Town asking people to give them second-hand mattresses for their people of this country. Why in the world are they spending thousands of dollars on someone to come here to do that anyway? Every one of them grew up in the country; every one of them knows full well what the make up of this country is all about, so why do they have someone going from West Bay to George Town to Bodden Town, East End, North Side, Cayman Brac, advising them on political development?

Then they have the audacity to say that the United Democratic Party is following some other government in the region "right of centre". What kind of accusation is that? If the United Democratic Party is right of centre then where is the People's Progressive Movement? The only Opposition Member in the House should be able to tell us. If they accuse my party of being right of centre then their's must be left. That is the only explanation that I can give. Truthfully, they do not fool me. I do not know who else they are fooling with their talk about how much they are going to do in the first six months when they have done nothing for a year. I recognise that they do not love the people the way they say they do.

In saying that, Madam Speaker, I had hoped that the Member for North Side would be here. You know why they are not here: because when I refute them they know that they do not have an answer. No one in this House or outside can accuse me, and other Members in the UDP, of not being good to the poor people in this country. When I started in government people were getting $25. I moved motion after motion to get it raised to what it is, and the Deputy Leader who got elected the same time I did can attest to that and the *Hansard* is there. Other Members who came behind us know how much we struggled to raise benefits for the people of this country. I had an opportunity for just over five years to put certain things in motion to make it better, to enhance our social development, to enhance sports. I can say from day one that neither the Elected Member for North Side nor the First Elected Member for George Town (who is now the interim Leader of the PPM) supported us in giving benefits. Every day there were complaints from them about who was and who was not getting it. When the First Elected Member for Cayman Brac took over it was the same thing: they were constantly complaining about people getting benefits.

The Elected Member for North Side's excuse the other day was that when she took over she had to change the rules. They changed the rules because that is what they had planned to do from the beginning. I had my say on it whilst in Executive Council and I told them if there were problems then change those problems; if there were people who were not seamen, but were getting benefits then stop them; if there were some women who had been divorced from their husbands and were getting - these things happen, they fall through the crack in a new system. So, did she change it? She went whole scale because I can tell you they were calling up people in my district

to find out who is who and what kind of house they had, rather than doing a proper system as my colleague, the Minister of Community Services, has done. They do not love the people the way they say and they had ample opportunity to prove it, but what did they do? They sat back and lazed around.

Madam Speaker, it galled me the other day, sitting here as a Member, knowing what I went through in Government to get benefits for the seamen, and to get assistance to the level that it is now of $400, knowing full-well that it is not enough. I did not pick out man, woman or child - it was across the board. I think, honestly saying so, the First Elected Member for Cayman Brac did the same thing. What did they do but come in and wreck the system, take a lot of people off who really needed it? That is what they have done. The People's Progressive Movement are nothing but wolves in sheep's clothing.

They come here making all kinds of promises about going for social development. If the people of the Cayman Islands trust them they might get a development, but it will not be social - it will be a boot in their seat. That is the development that they will get from the People's Progressive Movement. I know about them. I worked with them on the Back Bench. When we were seeking the last increase and other benefits for the elderly of this country, I asked the Leader of the PPM to second the motion and he refused. I remember him going to the west end of the Legislative Assembly and refusing to second that amendment. How did I get it done, Madam Speaker? I asked the First Elected Member for Bodden Town to second the resolution and he did. Yet, that is the group that comes here saying that they are going to do this and going to do that, and they are going to give people water in the first six months. Why in the world did they not do all that in the one year when they were in the Glass House? We had to open every window or else we would have suffocated – doing nothing but sitting smoking cigarettes, locking their legs like Rip van Winkle and going to sleep, and having meetings. Madam Speaker, the record will show that there is no deliberate attempt to delay any vital projects until election year. As I go through my speech we will see that it is not so.

The Elected Member for North Side went to great lengths talking about the cost of living; nothing being done to resuscitate the economy; and that people fear the lack of management. If the people are scared about the lack of management and decisiveness today, can you imagine what it was like in 2001 when nothing was being done? What did they do about the cost of living when they were there? I know that the PPM has been running around the country saying these things, but what did he do? He put $15 million duties on various items when he was there. That is what he did. What did he think would happen with that? Had he had the leadership ability and had they cared enough for the people of the country they would not have done that in 2001. Mind you, I have my feelings about certain things when it comes to duties because I recognise that sometimes it is not getting to where it should be for the people. Therefore, I do not necessarily agree with taking off all the duties. However, the fact is that they were taken off and he put them back on - $15 million worth.

Families in need, she says. The Elected Member for North Side admits that needs have been around a long time even when she was there. However, while accusing the UDP of doing nothing, she did not show what she did in her year of office. Why? What did she do for women then? What did she do for children then? She says if she had remained in office . . . Madam Speaker, that Member had the opportunity, but she would not stay, and I do not know if her staying would have made a difference, because for one year there was nothing done. That is their record: dismally nothing.

They got up here and went on about the parks system, and the Member for East End complained about people keeping him from getting any benefits. What nonsense. When the two of them were in office the people who are building the parks went to them and they ran them away with their indecent language. They got the Second Elected Member for Cayman Brac a little bit boiled up the other day, but they will not get me. If they were here I would be saying the same thing. They used the same indecent language on them that they used here last week Friday. They did nothing about it. When the Elected Member for North Side was the Minister she would not meet with the group who was doing the parks, so we had to beg the Permanent Secretary to meet with the people – people who are spending millions of dollars on the park system. Then they come here and try to make the people of this country believe that they are such angels and butter cannot melt in their mouths. Oh yeah? Well, I know them and they are no angels. If the people of this country believe that that group is going to do them any good just let them get some authority.

They say that they are going to return Caymanians to the mainstream of running the country and getting the benefits of the country. I wonder how they are going to do it and I wonder where Caymanians are being left out now - they were not left out before or in 2001. We recognise the problem we have and it cannot be done overnight, but there are no outsiders running this country. The people outside of the FCO, the UDP and the Ministers in Government now are doing the best we can, but we are not taking any advice. We do not have anyone from Barbados, St. Vincent or anywhere else advising us or doing any work for us as the People's Progressive Movement have. Thus, while they are accusing us of these things they are the ones doing them. The Member for East End cannot answer because he knows what I am saying are the facts. He knows that.

Madam Speaker, the park projects were started in spite of the Elected Member for North Side

and the then Leader of Government Business, the First Elected Member for George Town.

The Leader of the Opposition spoke boldly, asking me to state what I was going to do to bolster business in the case of war in the East. He made much of that. Nevertheless, as is usual with the PPM, he did not say what his plans are, and he should have. You mean to tell me that it took the threat of war to make that Member realise that businesses and people need help. What was he doing when he was there? I keep asking this question and he knows that I was going to ask it of him - that is why he is not here; that is why he left his briefcase because the briefcase cannot talk. He should be here this afternoon to answer what his plans are, and if he cannot do it then the Elected Member for East End should be doing it. Somebody from the PPM should be saying what their plans are.

Madam Speaker, we have gone past the day when Opposition is just for opposition sake in a two party system, which they now boast, "that we have and we are a part of it." The Leader of the Opposition must put forward his plans, if he has any credibility whatsoever. I now challenge the Leader of the Opposition to say what his plans are. If he were here I would sit down and allow him to elaborate since he raised it, but that is why they are not here because they know that I would give them that kind of challenge.

Madam Speaker, if a war breaks out, what can these little Islands do? A plan is being formulated for shipping, Cayman Airways and tourism to ensure that the country is able to carry on, that our gates are open, safe and secure. We do have committees for terrorist threats. The truth is that because the economy was in such a poor condition when we got the reins of responsibility, when I took over as Leader of Government Business, I had to push hard to make the economy work. Today the economy is in a better condition than when he was there and we would be able to withstand some shocks.

There is ongoing development. Statistics show that planning permits have increased in 2002 - January this year shows a large increase over January 2002, especially in the residential area. This means that Caymanians are getting the benefits, although the PPM says they are not. Furthermore, the statistics in planning will tell us there is a huge drop in permits. I am not saying that every one of those permits was a job that was filled, but I am saying that there were more people at work today than when he was there. He did nothing to get the economy going. Whatever they accuse me of, they cannot say that I have not been hard at every task, trying to get the economy to turn around although, as soon as we offer a plan they get on the radio (either themselves or their political operatives) blaspheming any kind of plan. How else do they believe that we are going to get the economy going?

What was he going to do when he was there? During his ministry in 2001, he talked in the Throne Speech about the construction of the new Government office accommodation, but he did not go anywhere with that; he talked about growth management, but he did not go anywhere with that; he talked about Cayman Airways and we know he did not go anywhere with that; he talked about the agricultural sector, but we know he did not go anywhere with that; he talked about solid waste issues, but we know he did not go anywhere with that. What did he do? That is a dismal report card. If your child came home with that many wrongs in their report card, you would spank them. Madam Speaker, it is easy to talk, but it is a difficult thing when you have to perform because you have to make a decision and that group over there cannot do that; they cannot make a decision.

No one is prepared for the eventuality of war. Which leaders do you really hear saying, "This is our economic plan in case the world is at war"*?* No, Madam Speaker, you make a plan and you change it to fit world conditions. That is what I said we would do: we would prioritise if war broke out to try to handle the impacts. The important thing is that you do have a plan for economic prosperity and stability that can be adjusted for those types of eventualities. We know that this would come as a shock to the PPM because under their leadership the country was in such an economic mess that they were borrowing $50 million just to keep the country going during "good times" when there was no war. So, I could understand their concern if we were still under that type of leadership, but this is different. This is the Government that produced a balanced budget with no borrowing and no new revenue measures and paid off some of Government's debts. In the possibility of war, we are not as cash strapped just trying to keep the country going; we have options available to us for emergency use.

I do hope that one of the reporters will carry this because this is a direct answer to their speech which was carried on the radio and in at least one of the newspapers. Leadership is really not an option for the PPM because, as I said earlier, in order to create a report card on the Leader of the Opposition during his one year one only has to look at his record. They complained about the Government's budget and that we were preparing a better budget, a balanced budget, but were not spending money. However, I will deal more fully with it a little later.

Madam Speaker, in addressing the point made by the Member for North Side who said that we had given glowing reports about the millions of dollars and record profits earned by some investors, I really cannot understand these people because the truth is no one spoke. I certainly did not and I did not hear anyone else on our side talk about profits of investors. We would not know anything about that since people are just now beginning to invest again, but yet the *Caymanian Compass* carries the Member for North Side saying that. We did not talk about anyone. She

was asleep. Just let me say that at the beginning of 2001 the General Reserve Fund stood at $10.2 million — this is their record — and by year-end the balance was approximately $4.2 million.

They asked us where the social engineers in the Government are, and the Honourable Minister of Community Services showed us that there are more social programmes and financial support being given by his Ministry now than there ever has been. It keeps rising. More money is being spent on sports and there were 33 families housed by the Government during the George Town flooding. You must give credit where credit is due. Those two Members, the Minister of Telecommunications and the Minister of Community Services, were out there that night, I believe, with all the people trying to get them into various places of safety until about 3 or 4 o'clock in the morning. Where were the other ones? I do not know.

More is being spent on education, Madam Speaker. The most scholarships that were ever given were given this year. That is why when the Leader of Opposition was leading the country, it floundered. The Member's only concern was with domestic politics and he could sit there and aggravate and carry on and twist things with Truman Bodden. He was good at that, but he was not good at fixing the affairs when he took over; not good at leading the country. They talked about me dealing with international affairs, Madam Speaker. I say the day that I have to face the FCO I will be ready. If they are nice to us we will be nice to them, but they must understand that we know how to deal with them too. I do not know that they could do it. He had that opportunity. I will come to that later on.

In his reply to the Throne Speech the Leader of the Opposition accused the United Democratic Party of being too concerned about the fiscal position and paying too little attention to the economic and social development of this country. In his words he accused the Government of having a lack of social conscience. The records speak for themselves and nothing could be further from the truth.

The Member ought to look at the facts: 37 per cent of the 2003 half-year operating expenditure has been allocated to building and supporting the community, providing educational and health services and looking after the welfare of our resident population. This is nearly twice as much as is being spent on any other outcome areas. The fact is that a further 20 per cent of 2003 half-year operating expenditure has been allocated to supporting a strong economy that generates employment, income and a high standard of living. They need to check the budget. The fact is that another 19 per cent of 2003 half-year operating expenditure has been allocated to ensuring that the Cayman Islands is safe and secure. The fact is that over three-quarters of all government expenditure is devoted to the economic and social development of this country. The fact is that the Government has already agreed in principle to the building of two new primary schools and a new secondary school, and initial scoping work on these very important capital development projects is underway. Perhaps they do not have any more the information that they used to get out of the Glass House, but they should go back and check.

The Leader of the Opposition said (I listened to him carefully) that the Minister of Education needs to convince his colleagues in Executive Council to spend on education. Madam Speaker, the budget is the proof of the pudding. We do not need to be convinced of expenditure for education. When the Minister needs it he gets it. We do have a bureaucracy to contend with though, and we cannot get moving as fast as we should. That is a fact of life that we have to contend with. I am, however, convinced that the Minister is moving in the right direction, as he is with many other projects, in giving all the school children lap top computers for the technological age that they will grow up in.

We are moving in the right direction and we had to do it under serious fiscal circumstances. We did not have money; we had to make money. He did not seem to understand that. The fact is that the Government is addressing the traffic congestion problems that are so frustrating for residents and visitors alike, including completing the Linford Pierson Highway and constructing the new Galleria roundabout which he could not get done while he was there for a whole year. The fact is that Government is deregulating the telecommunication sector so that the cost of living for residents is reduced. The benefits have already been seen and are resulting in cash in people's pockets and we plan to go further to ensure that the savings are in the pockets of our people and not Cable and Wireless.

The Speaker: Honourable Leader, you have approximately 55 minutes remaining.

Hon. W. McKeeva Bush: Thank you.

The Speaker: Is this a convenient time for the afternoon break?

We will now take the afternoon break and we would wish to reconvene at 3.15 pm.

Proceedings suspend at 3.05 pm

Proceedings resumed at 3.24 pm

The Speaker: Please be seated. Proceedings are resumed. Serjeant-at-Arms, could you please ensure that we have a quorum. I believe he has been endeavouring to do likewise. *[Pause.]*

The House is in quorum.

Hon. W. McKeeva Bush: Thank you very much, Madam Speaker.

Contrary to what the Leader of the Opposition would have people think, the United Democratic Party

is very concerned about the welfare of our residents. Unlike the Opposition, the UDP knows that you cannot spend what you do not earn. You cannot spend on anything and everything you like without thinking about how that expenditure will be funded. The Government is no different than ourselves: we can only spend what we have. We know that we cannot go to the shop with an empty purse or wallet, and we know that we cannot buy everything our eyes see because there is a consequence. We also know that we cannot over borrow because there is a consequence. The Opposition needs to understand that and, unlike the Opposition, the Government knows that the fiscal performance of the public sector has a direct impact on the overall performance of the economy.

Good economic performance is dependent in no small way on the financial performance of the Government and, in particular, on ensuring that the rates established for duties and other revenue are in line with other economies in the region. If ever-increasing levels of government expenditure are funded by a continuous increase in rates of duty or government borrowing (as the Leader of the Opposition did when he was there for a year) the Cayman Islands will quickly become an uncompetitive place to do business. The economic consequences of that would be disastrous.

Investors and businesses invest in countries that can manage their finances, not those that have high levels of debt, raise revenue all the time and raise taxation. Good economic performance is therefore essential for social development. Without it there would be no social development because you would not have the money to pay for it. We have only to look to our neighbours in the rest of the region, as well as Latin and South America, to see what happens to economies and social conditions when governments do not manage their finances properly. I cannot understand why the Leader of the Opposition is now preaching otherwise. There is no pot of gold to fund everything. We, as a country, would like many things, but we have to live within budget. Nor can we just keep on borrowing to finance our desires. Sooner or later that borrowing will be more than we, as a country, can afford to repay, and it will become a problem for our children and their children; and the FCO will take over our budget and run it for us. If we believe we had trouble with the Attorney-General, let that happen.

The solution, Madam Speaker, is to prioritise expenditure so that it best achieves the economic and social outcomes we desire, and this is exactly what the Government is doing. None of us would have a problem finding new things to spend more money on. It is easy for the Leader of the Opposition to sit there and toss up new spending ideas, but how would he repay them? Unlike the People's Progressive Movement, the United Democratic Party Government is committed to both fiscal responsibility and social development, but we will achieve those objectives in a responsible and balanced way. That is why I have laid plans to use, as the *Caymanian Compass* calls it, a "forward plan" for economic development. Had I been able to do that from 2001 we would be well ahead today, and our people would be in much better positions. You cannot develop a hotel overnight - investors are not going to just plunk money down into buildings which are long-lasting economic revenue drivers. We are not going to get that overnight. I thank God that I did push in 2002 the way I did, and even in 2001, although every time I tried to push I was taking some licks for it.

I have said on numerous occasions that the United Democratic Party Government is committed to building a secure prosperous Cayman Islands that can be a proud legacy for our children and grandchildren. Make no mistake, we will achieve this goal, but we will achieve it in a responsible manner so that at the end of the day the coffers are not empty. We took over a bankrupt government; in 2001 nothing was there.

Madam Speaker, the Opposition knows that the Government is on the right track. That is why they went to such a drastic extent the other day. The Opposition says they share the concerns of the financial community, and the Government, about the potential impact of this Directive on the financial industry and the economic fortunes of this country. They said that they would do whatever they can to support the efforts of the Government and the private sector. It is a pity that when the Leader of the Opposition was in power, he did not do what he had to do, then perhaps I would not have to enter a suit in the Court of First Instance in Luxemburg. They now jump on the bandwagon because they know that I am determined, and the Government is backing me, to deal effectively with the United Kingdom Labour Party Treasury on this matter. They say that we should be consulting them. Madam Speaker, I am going to be very careful what I say to them because they have connections with the Attorney-General and I believe that the Attorney-General is an agent of the Labour Party Treasury in the United Kingdom. Enough said.

Madam Speaker, I launched a debate in this Honourable House on Wednesday last week by providing an update on both the Government's and the country's economic outlook for 2003. As I explained, the Government has imposed certain fiscal discipline by way of its new Public Management and Finance Law which better facilitates and safeguards the long-term economic sustainability and growth prospects for these Islands. The factors include, but are not limited to, numerous international initiatives that impact our financial services sector, including the European Taxation of Savings Directive and the constant threat of war in Iraq, which threatens to depress tourism and travel levels. We are still praying that hostilities will cease, but it looks as though it is heating up. It is more imminent every hour. We hope not.

In recognition of these volatile factors amongst others, I believe I laid out an irrefutable case

for why this country needs to be developed and needs to implement and adhere to a comprehensive and bold economic plan to set a course over the next five to ten years. This economic blueprint is critical if this country's objectives, including its many non-financial objectives, are to be met. If we are to continue to have the high standard of living which has been so pervasive in our community, we need to chart a course for achieving the financial targets necessary to support our many national needs. I am very proud of the programmes and the initiatives which this Government has brought forward this year. This Government has inherited many challenges which have been long-standing, but given the scale of the challenge, or the unpopular nature of the problem, they have been largely ignored or have been superficially tackled over the years. In the face of much and typically unfounded criticisms from the Opposition, this Government has set out to tackle those things which threaten our existence as we know it. We have been focused and determined to do all that was necessary to once again empower a positive outlook for our future generations. We have done this in a responsible manner; we have candidly addressed the need for us to realise that there is an element of trade-off which is part and parcel of any process and which will allow this country of nation builders to achieve its stated goals.

I am often criticised, Madam Speaker, for being decisive, but I have watched first-hand as this country's competitiveness has been eroded over time by a lack of decisiveness. We have suffered too long by thinking that those things we most cherish, our Caymanian way of life, could be protected or enhanced by doing nothing and by simply hoping for the best. That way of thinking has been like poison to our system: making us slow, making us fearful, making us reactive rather than being the resourceful self-confident people we have historically been. I am referring to a people who have trusted that with God's help they will have the innate ability, with hard work and sacrifice, to solve any problem that may come their way. I look forward with bold expectations because I have a firm knowledge of who we are and how far we have come, and a good understanding of how far we have yet to travel.

The Opposition talks with many flowery words and promises high heaven, but we know they do not have the ability to accomplish those promises which they claim the Government is not attending to. As I said earlier, they wasted their opportunities when they not only had the power, but also the goodwill of the people to get things done at that time. We will only have three years when a government is normally afforded four or five years. As I look around at our competitors, I know that we cannot afford to delay the call for action or we face having to adjust our lives to accepting the crumbs others have left behind. We need to get back to our core strengths of innovation, resourcefulness, flexibility, friendliness and responsiveness, of being cautious but being open-minded, not constantly criticising without offering alternatives, not constantly criticising without doing our own work. That is the way we have come and these have served us well in the past. It is time that we, as a people and as a country, get on the move again and stop allowing ourselves and our future to be derailed by those who use fear tactics to divide and control, as the Opposition have been doing,.

Whatever our internal differences, Madam Speaker, let us unite as a people and elevate our discussions and our problem-solving and let us give credit where credit is due, so that those of us who toil on behalf of the preservation of our Caymanian way of life are supported as we do battle against factors which threaten this very existence. I believe that I am a forward thinker with a healthy appreciation of the past and those efforts that made possible our present realities. It is time for this generation to secure an equally bright future for successive generations. In spite of what the Opposition is doing and saying, this is what the United Democratic Party is all about.

Madam Speaker, on Wednesday I spoke about a plan for tourism, and that plan is to turn cruise visitors into long-stay visitors. The Opposition sat there, looked at me, listened, opened their mouths, but when they got up they said I had not said anything. However, I certainly spoke of specific programmes underway at the Department of Tourism and the Ministry which are designed to stimulate that sector's economic performance and provide long-term sustainability for the industry.

It amazes me that people who sat there for over a year doing nothing all of a sudden have repackaged themselves and have decided to work in the last year before election. Based on what I heard last week, we can expect that he is going to have all sorts of great ideas and feedback to give me now. It figures that he can talk a lot now for he is well rested while the rest of us have been working all out, day and night, for the past two years. Members of the Opposition have made a number of comments about tourism which is not surprising to me: tourism is everybody's business and the political pundit's favourite topic. Yet again, Members of this House will stand here and misrepresent the truth over and over again to mislead the people of the Cayman Islands.

First of all, I want to clarify what our competition is. Market research shows that in the largest market, the United States, the competitive set for the Cayman Islands is not the Dominican Republic or Cancun. In the United States, our primary competitors are Bermuda, the Bahamas, Turks and Caicos, and even Jamaica. The Opposition said that I must do something about the deterioration of the product. I do not have time to go into all the details of the market research at this time but, as I said in my debate, we can make great strides in our product if the country is prepared to make sacrifices.

They have complained about the deterioration of the product. Take the issue of traffic congestion—

Bermuda does not have that problem and do you know why? Since the 1940s Bermuda took a policy decision to allow only one car per family. Would the Opposition want such a move in the Cayman Islands? I ask the Leader of the Opposition to comment on this and to give me any other suggestion he may have that may be effective, and at the same time palatable, but that would help to resuscitate the product he says is suffering.

He talks about too many cruise passengers in George Town. We can have fewer cruise tourists if that is what this world wants. However, are we prepared to explain to the George Town merchants, the tour and transportation sector, the water sports sector and retail shops, and all the other Caymanian businesses and families who are benefiting from the business now, and who are trying to get into the business, that they will have to accept a fraction of their income today? If they earn less then they pay their employees less; if they pay their employees less that means less money in the economy; less money for families - the same families that the Member for North Side talks about. It means less money for families, for women, for children. Keep this up for a few months and this will mean hardship for business owners and employees, loss of jobs and eventually undue hardship for families.

What we must do is use the cruise volumes to develop an effective cruise conversion programme to entice the right type of cruise passengers to come back for stay-over tourism at a future date. That is what my Government is doing. I asked the Department and the private sector for a cruise conversion programme over a year ago. I provided details of this programme last week Wednesday when I informed Members of this Honourable House about it. Did the Opposition listen? Everything is a trade-off and we have to make the best of this short-term situation with the cruise passengers by identifying which ones are the right target for our cruise conversion goals. In the meantime, if the Leader of the Opposition would find another injection into the economy to make up for the daily injection of cash the cruise industry provides to water sports, merchants and retailers, the transportation sector and to all Caymanians as it passes down, I hope he would share it with me and the business owners in those groups. He needs to come forward and say what his plans are.

The Member commented on the extensive deterioration of our tourism product, especially along Seven Mile Beach, Stingray City and the negative effects of cruise tourism. He is correct that there is product deterioration, but it has been deteriorating for years - even before I took the reins of office. The former Government administration, as I said earlier, allowed the Tourism Management Policy to become a document on a shelf without any relevance to the Department of Tourism's priorities, actions and decision-making. The last five-year plan (1995-1999) lapsed in 1999 and when I took over in November 2000 there was no bridge or obvious intent to get a new Tourism Management Policy and plan in place. On top of that, there was no television advertising; it had all been cut

Having a comprehensive guiding document was a priority of mine; and I called on the Department to initiate a process to get a new Tourism Management Policy and plan in place within my first few weeks. Madam Speaker, the Member went on to say, that I may not like the plan. I wanted him to be here because I wanted to tell him that that is a blatant lie! I called for the policy; I insisted it be done; I was even the person who recommended the tourism company be put on the short list for consideration. Not only that, but I was the one who wanted the wide public review, so much so that it is on the Internet for everyone to see and read. Does that sound like I do not like the plan? The man took leave of his senses.

The fact is that the problems that we are experiencing today have been years in the making. We, in the country, ignored the product in the 1990s and it let our marketing get off the tracks; we lost the sense of direction. Millions of dollars were being spent, yet the Cayman Islands were not in the top ten Caribbean destinations in the minds of US consumers. Many US consumers only thought of the Cayman Islands as a location for the movie *The Firm,* or for scuba diving, or, more recently, where Enron executives hid their money. The impressions were wrong and were left to grow and fester in the absence of an effective marketing policy. While all of that was happening, what were they doing? Padding the tourism visitors number—that was what the previous Minister was doing between 1996 and 2000.

Madam Speaker, our profile customer is an affluent, educated, sophisticated traveller. It makes no sense for us to continue to have dozens of marketing agencies for the Cayman Islands and still have people think so narrowly and inaccurately about our country. We have to take responsibility for our image and our public relations. It is for this reason that I initiated a comprehensive brand assessment for the Cayman Islands. We have to develop a brand for the entire Cayman Islands - not just an individual sector like tourism or finance. From that over-arching brand we address the image and product issues, then cascade into the individual marketing programme for each sector in the economy. This is what I have been doing and we have now put ourselves back on television. There is effective marketing, but it will take time. Had the work been done before, while this downturn is going on and while the war is imminent, we would have been better placed. So, I have to struggle with these things, but I am doing it. I am addressing the problems, but it will take time to come into place. We have critics, but we have very few problem solvers and even less help.

Are we to be a country of all chiefs and no Indians? The re-branding exercise is being carried out by a Caymanian company, Brac Informatics Centre Ltd., and encompasses a cross-section of the public

sector from each of the financial services, e-business and tourism areas. I am pleased that my colleagues in Executive Council share my commitment to getting this right and each of their respective areas are fully on-board to find efficiencies, improve management, the marketing agencies, and ensure that the face and voice of the Cayman Islands, both at home and overseas, is positive, proactive and credible. For far too long - and I have a good relationship with the association - there have been people (I am not saying they are from the association) criticising the voice of our television marketing programme, which belongs to a young Caymanian. They carry it too far.

It is easy for the Opposition to talk because they are not performers. I have been working day and night, off Island and on Island, to straighten out the mess I found and now have to deal with. Given the global environment, we are having a hard time, but I know my work will pay dividends. When things are more settled in the world arena the Cayman Islands will be poised to do well. Madam Speaker, I may not be the Minister, or this Government might not even be the government that will take benefit at that time, but thank God, what we are putting in place will be serving the Cayman Islands for many, many good years.

I consider that we have done well in the Department of Environment and the legislation and plans that we are putting forward, I believe, will serve the country well in the protection and enhancement of our natural environment. Later this year in May when the Duke . . .

The Speaker: Honourable Leader, you have 25 minutes remaining.

Hon. W. McKeeva Bush: Alright ... when the Duke and the Countess of Wessex are here they will open the Barkers National Park. This is a big step to save the environment, and this is the kind of trade-off that I have said we have to make. While we are pushing for development that will be long lasting, we are protecting the environment by saving our wetlands.

There are a number of pieces of legislation that should be here in June: the Convention on International Trade in Endangered Species, the Flora and Fauna legislation. Madam Speaker, I intend to raise the matter at Executive Council to get an environmental park in George Town which, I believe, is in the area of the Community College; we are putting in a workshop and storage facilities in Little Cayman – the DoT office. In all areas we are moving in the right direction. At the upcoming budget in May or June I have asked the Permanent Secretary to include four officers to work in the Marine Department. These are things that are needed and now that we have some funds moving along we are putting the funds in the right place. We are not throwing it away but also, we are not doing as the Opposition said; we are doing something for the people of the Islands.

Madam Speaker, the existing Fire Prevention Code, the SBCCI (Southern Building Code Congress International) 1994 Revision will be replaced by the 1999 Revision. This is to coincide with the recently implemented 1999 Building Code, which addresses the requirement for high-rise structures, that is, dealing with the various liquefied petroleum gas.

The Vehicle Licensing unit will continue its programme of decentralisation of services in Grand Cayman by setting up an office in Bodden Town similar to that which has successfully operated in West Bay. The formal architectural plans and the budgeting of the first phase of the Bodden Town office are on track for 2004. The Department plans for 2003 include the development of certain aspects of the Traffic Law. These include the following areas:

1. The provision of set times for movement of backhoes and other slow moving heavy equipment along major roads. The changes to the Law will prohibit such activity during peak traffic hours and, if at all possible, will facilitate the re-routing of those heavy vehicles to minor roads or alternate routes;
2. The provision of regulation for the better enforcement of revenue collection measures. The public is now being advised of their obligations under the Traffic Law to have their vehicles licensed, and if suspended or terminated the procedure which is to be followed to prevent them from allowing oneself to become liable for significant past fees. This is a sustained media plan informing the public;
3. Online services with appropriate legislation, due to budgetary restraints, are expected to be fully implemented in 2004. However, the necessary proprietary work will commence this year;
4. A draft Traffic Amendment Bill 2003 covering further development of the public transport system and laws is in the works to be tabled at the next Sitting of the Legislative Assembly. This will give more extensive enforcement powers to public transport inspectors, in terms of reporting offenders for public transport violations. There will also be a traffic authority that sets out the full extent of the parameters for the Vehicle Licensing Department to operate under. With the advent of this new Traffic Amendment Law public transport operators will have an avenue of appeal through the new Traffic Appeals Tribunal system. The Public Transport Tribunal will primarily be responsible for all matters relating to public passenger vehicles and drivers including misconduct and compliance with the relevant legislation. The Public Transport Board will continue to function in establishing policy guidelines, issuing of permits for the operation of public passenger vehicles, and the continued development and implementation of public transport systems throughout the Islands. The Department will also play an essential role in the development of plans for public transportation in line with the Vision 2008 Plan. To this end, funds are sought in the 2003/2004 Budget for the creation of a project definition document.

Madam Speaker, I have recently had a complaint about the Department and I have talked to the Ministry about it: that is, passenger carriers were not allowed to operate as 14-seaters but they were asking the owners to take out five seats to make them nine-seaters. Well, this is not, and I repeat, this is not a Ministry directive because I knew nothing about it. I do not think it makes sense at all. I have informed the Permanent Secretary about it.

There are several other areas under my purview, including the Cayman Turtle Farm and other attractions, which are undergoing re-development. Madam Speaker, I have been saying for a long time that Pedro St. James Castle and the Botanic Park are so far away that, to an extent, in the short time for cruise visitors they are not successful. We have talked to them, we have marketed, and we have had an increase, but it is not going the way it was expected when they were building that project. I said that from the beginning. It is in the records, so it is not new to me. However, we have to continue to work with it and we are doing that.

We have one of the best botanic parks in the region. In fact, I believe you could go beyond the region and Cayman would compare well. I have given the Board many plans, but there are things that we are looking at: the Castle has property that we could develop into high-end tourist accommodation. The two coupled together could work well. We are talking about offering a service where you are collected from the airport and chauffeur driven to your accommodation where you have a butler. It will probably hold 12 or 15 rooms, maybe a little more, but be very high-end - like Strawberry Hill in Jamaica. We are looking at that because we are going to have to do something to enhance the property, and that will help, but we still need more people. I believe that it could work because of the location and the kind of property that it is. Madam Speaker, we are not short of ideas and are constantly dreaming. I have handed this one over to the architects to look at it and to see if we can find an investor for it.

We have worked hard on the Turtle Farm and are well on track. Within two weeks of the passing of Hurricane Michelle the Farm was opened for limited tours; by the third week the Farm had expanded the tour to include its landside operation and I thank the Manager, Mr. Hydes. In 2002 over 409,000 people visited the Farm, an increase of 70,000 over the previous year, in spite of the damage that we had from the hurricane. I wish again to express my sincere thanks to the staff for achieving this considerable objective in spite of the problems we faced. The production of edible turtle products resumed on the 9 November 2002, and a production schedule was developed which would allow the remaining turtles at the Farm to be a sustainable supply of product until the Farm could re-establish their breeding programme. The Farm redeployed employees. We could have turned them away, or fired them and told them that we did not have any work. We have been accused of not doing anything for Caymanians, but the Farm redeployed employees who would have lost their jobs as a result of the damage sustained by Hurricane Michelle. Some of these individuals were used in the processing of tour groups arriving at the Farm in order to provide a more customer-friendly environment. All of these individuals are Caymanians. Therefore, do not say we are not working at the problems we face in these hard times.

During 2001 we completed the master Development Plan. As outlined in the Throne Speech, the new breeding pond, now housing the Farm's breeding turtle population, has been completed using a consortium of small local contractors. For the record, it was completed ahead of schedule and under budget. The Opposition opposed this work and once again we proved them wrong. This is no exaggeration; this is no election promise. We are not waiting until election as they say we are doing; we are delivering what I promised because I knew it was possible. The funding programme for this phase of the massive redevelopment plan is currently in the planning stages with a number of options under consideration.

We are moving ahead with the Port and, as I understand it, the Finger Pier will move ahead, hopefully by next week, if weather allows. We will then continue with the north and south terminals. Madam Speaker, the Florida Cruise Association has increased their offer to $26 million instead of $15 million. This will include $18 million for George Town and $8 million for the West Bay project.

The Speaker: Sorry for the interruption. You have 10 minutes remaining.

Hon. W. McKeeva Bush: Madam Speaker, as we observe what is happening at the Port and what is happening in the climatic conditions and changes in the weather patterns, I do not believe that this country can continue to attract good cruise visitors if we do not get piers with berthing facilities. We must go in that direction and that is going to be the next phase. I am going to look at it in the Economic Development Plan. I believe that is the way to help Cayman Brac. Now that we have re-opened the Cayman Brac dock, we will see, since the deep water is so close, if we can place dolphins there for berthing facilities. We are again going to look at it in the Economic Development Plan in the aspect for Cayman Brac. We must plan and we must be forward thinkers or we are going to wither up and die.

The Port Authority will continue to introduce international security standards as mandated by the United Kingdom and the United States of America. The Port Authority must be in compliance with these security standards by 2004. However, through all the security measures we are taking, we are still on the watch. There is a group working on the security policy and putting measures in place for the present. As I

have outlined, there is a broad range of challenges that we face and while some prefer to deal with the obvious fruits of these issues, we have gone beyond the superficial to address the very roots of those challenges.

In the Throne Speech the Government lays out a plan for tackling core issues face-on in every Ministry - not one has been left out; no problem has been tucked under the covers. We are open and addressing them and letting people know what we face.

One thing I might have missed out, but I want to say, in talking to the Minister of Health, we are determined that we are going to stop wrestling with the insurance problem and deal with it head-on. If there is any one thing that is causing people hardship it is the insurance scheme. Hundreds of dollars are paid out by people every month who cannot afford it, and we have to address that issue head-on. That is what the Minister of Health is doing and he will soon make his statements on these things. I do not blame him for not coming out before he is ready, but this is not something that we are going to allow to lay because it is one of the things that is causing more hardship than anything else, to individual families and to companies.

Small businesses are also hard-hit by the pensions issue. Perhaps when we look at this whole issue —if we are hit very hard by the war, to see whether suspension is necessary for a time to help boost companies. I am not saying that is what will happen; I am saying that is what we may need to do. I am not going to jump ahead of the group I am putting together in case of serious effects.

Thus, we have laid out a plan for tackling major issues which are facing us and that will enable positive outcomes which can be shared across our Caymanian population. We are creating an environment inclusive of the necessary physical infrastructure and Caymanian human capital which will encourage and facilitate positive economic outcomes.

Madam Speaker, I want to close by saying that I listened to the Member for East End the other day and I have checked his statement in regards to liquor being given out by the UDP in East End and it is completely untrue. The UDP Members in the East End district did give some sparkling non-alcoholic grape wine to some of our members there during their Christmas drive and one or two people, I think, had some bottles of wine as a gift to members of the Party, but not the general public. There were over 40 families that benefited from the UDP Christmas drive in East End. However, it is untrue to say that liquor was handed out. The Member made it sound like there was across-the-board liquor being handed out for just a big drunk party. I am not really paying any attention to the Member because he has really been a lone soul over there all day long.

The Government has done what it could, Madam Speaker, considering the situation we found when we took office in 2000, and then when we took control of the Government fully in 2001. This is no easy time. All of us were looking at the news, and we know that war could be announced today or tomorrow. These are perilous and worrisome times for us and I am concerned. This is a time that I believe the churches need to be praying for the nation and I believe some of them are. However, as a Government, we will deal with the problems that we have and we will try to prepare for any other areas that might jump up in front of us. So, we have to be careful in our expenditure because are not out of the woods yet. While we have a good system and are well on the road to some recovery, do not let anyone get the impression that the Government has millions of dollars that we can just spend on every item. That is not so.

Madam Speaker, I would like to make a correction. I believe I might have said that it was the Duke and the Countess of Wessex, but I think it is the Earl and Countess of Wessex that will be here for our Quincentennial Celebrations beginning on the 11, 12 and 13 May, throughout all the districts, including Cayman Brac and Little Cayman.

Madam Speaker—

The Speaker: Honourable Leader, you have 30 seconds remaining.

Hon. W. McKeeva Bush: I believe we have done well as a Government and I thank almighty God for health and strength and allowing us to carry on.

The Speaker: That concludes the debate on the Throne Speech. May I now have a motion, Honourable Leader for the adjournment?

ADJOURNMENT

Hon. W. McKeeva Bush: Madam Speaker, we adjourn this Honourable House until Wednesday, 19 March 2003 at 10 am.

The Speaker: Thank you. The question is that this House do now adjourn until Wednesday, 19 March 2003 at 10 am.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 4.20 pm the House stood adjourned until Wednesday, 19 March 2003, at 10 am.

OFFICIAL HANSARD REPORT
WEDNESDAY
19 MARCH 2003
10.41 AM

Sixth Sitting

The Speaker: I will invite the Third Elected Member for the district of West Bay to grace us with prayers

PRAYERS

Capt. A. Eugene Ebanks: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together:

Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.

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

The Speaker: Please be seated.

Proceedings resumed at 10.44 am

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

The Speaker: There are no messages or announcements for this morning.

PRESENTATION OF PAPERS AND OF REPORTS

Community College of the Cayman Islands Annual Report 2001/02

The Speaker: The Honourable Minister of Health Services, District Administration and Agriculture.

Motion to defer Paper

Hon. Gilbert A. McLean: Madam Speaker, I beg to move the deferment of the report on the Community College due to be laid upon the Table by the Honourable Minister of Education until later today or to a future sitting. He is not present at this time.

The Speaker: Thank you. The question is that the paper as it relates to the Community College of the Cayman Islands Annual Report 2001/02 be hereby deferred until the Honourable Minister of Education is present.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: That the Paper be deferred later in the sitting or to a future sitting until the Honourable Minister was next present.

Ruling from the Chair on Point of Order Raised Monday 17 March 2003

The Speaker: The Member for the district of North Side.

Ms. Edna M. Moyle: Madam Speaker, thank you for recognising me. I am wondering if you have been able to do your ruling on the 17 March. We suspended for the afternoon break on a point of order by myself based on something that the Second Elected Member for the district of Cayman Brac and Little Cayman said. You said that after the afternoon break you would make a ruling in that regard. I am wondering if you are in a position to make that ruling.

The Speaker: Thank you, Honourable Member for North Side. I refrained from making that ruling in the afternoon because I was informed that an opportunity

had arisen between yourself and the Second Elected Member for Cayman Brac where facts had been produced and you had conceded to the point. Hence I did not make my ruling.

Ms. Edna M. Moyle: Madam Speaker, I am totally shocked this morning that that Honourable Member would say that he and I had come to some agreement. I have no authority, and neither does he, to come to an agreement on a ruling outstanding by the Honourable Speaker, and we came to no such agreement. So, Madam Speaker, if you would permit the Second Elected Member for Cayman Brac to tell this House what agreement he and I came to based on a ruling that was outstanding by the Honourable Speaker.

The Speaker: Second Elected Member for Cayman Brac, are you in a position to confirm or deny whether or not a conversation ensued between your and the Member for North Side which was communicated to me on Monday last?

Point of Order

Dr. the Hon. Frank S. McField: Madam Speaker, on a point of order.

The Speaker: Minister of Community Services, please state your point of order.

Dr. the Hon. Frank S. McField: I am trying to find out, from a point of clarification, if it is being said that the statement which you just made from the Chair that you were under the impression the two Members had come to a conclusion of an agreement – is it being suggested that the Chair is wrong in making that statement? If it is then to ask the Honourable Member here about this situation would be . . .

The Speaker: Honourable . . .

Ms. Edna M. Moyle: Madam Speaker . . .

The Speaker: One minute, Member for North Side.

Honourable Minister responsible for Community Services, the position of the Chair is that I refrained from making a statement on Monday last because I was given the distinct impression that it was no longer necessary because the Second Elected Member for Cayman Brac had presented a fax to the Member for North Side which contained the information therein and there was no longer a dispute.

In addition, the Member for North Side for whatever reason (justifiably, I am sure) was not within the Chamber to make an objection or say otherwise. That cemented the impression I was given that matters had been taken care of, hence I did not make a ruling. If that is not the position, then I am ready, able and willing to make a ruling accordingly.

The Elected Member for North Side.

Ms. Edna M. Moyle: Thank you, Madam Speaker. I would ask that you tell this Honourable House if that impression was given to you by the Second Elected Member for Cayman Brac and myself together or solely by the Second Elected Member for Cayman Brac and Little Cayman.

The Speaker: I said that it was the Second Elected Member for the district of Cayman Brac and Little Cayman.

Mr. Lyndon L. Martin: Madam Speaker, on Monday of this week a point of order was expressed by the Member for North Side. Following the luncheon break, the Member and I spoke in the lunchroom of this building, and she shared with me that she had expressed to the Speaker that she had an opportunity to call me on contempt because I had stated that (and I read from the unedited *Hansard* of the 17 March the statement that I made): **"Permanent financial assistance is the same situation, and I challenge that anyone—you want to see interesting facts, compare district by district to see which district had the highest percentage removed during the administration of which the Member for North Side was the Minister responsible. See which district had the highest and it will not surprise you and it certainly has not surprised me. Go and contest the fact and you will see that Cayman Brac and Little Cayman had the highest percentage removal".**

I discussed this matter and shared the unedited *Hansard* with the Member and pointed out that I was referring to financial assistance and not seamen's. She concurred on that fact—

[Interjections]

The Speaker: Order, order!

Member for North Side, please contain yourself.

Mr. Lyndon L. Martin: Madam Speaker, it was agreed that we were talking on financial assistance and I will actually quote from the *Hansard* when the Honourable Member for North Side said —

The Speaker: Could you please state the date so that I can follow.

Mr. Lyndon L. Martin: The *Hansard* of 17 March 2003. It says that: **"He is saying when I was the Minister the greater number of persons removed from financial assistance …"**.

I am only stating this to clarify that what we are talking about is permanent financial assistance and not seamen's ex gratia payment. So, are we all in agreement that what we are talking about is permanent financial assistance?

Madam Speaker, I would like to re-emphasise that in my statement I stated: **" … the permanent financial assistance is the same situation, and I challenge that anyone—you want to see interesting facts, compare district by district to see which district had the highest percentage removed during the administration of which the Member for North Side was the Minister responsible. See which district had the highest and I will not surprise you, Madam Speaker, and it certainly has not surprised me. Go and contest that fact and you will see that Cayman Brac and Little Cayman had the highest percentage removed"**.

In the same *Hansard*, the Member acknowledges that we are talking about financial assistance, and in dialogue that we had in the lunchroom and outside in the corridor of this Chamber, she also acknowledged this. Therefore, I do not understand where this morning she is suggesting that I am not accurate that we were talking about permanent financial assistance. Furthermore, in my opinion, the Member has not provided anything to this House to say that that fact is not accurate.

Madam Speaker, I would like to share the facts as I have them and to see whether that statement is not accurate. Of the first 30 people removed from permanent financial assistance —

The Speaker: Member could you state your source please?

Mr. Lyndon L. Martin: I am stating from a report provided by the Honourable Minister of Community Services, dated 11 April 2002. "District by district: the district of Bodden Town 3 of the 30; the district of Cayman Brac 11 of the 30; the district of East End 0 of the 30; the district of George Town 10 of the 30; the district of West Bay 4 of the 30; and the district of North Side 2 of the 30." The district of Cayman Brac and Little Cayman represented 36 percent. Second to that was the district of George Town with 33 percent. Thus bearing the fact that the highest percentage removed was from the district that we represent.

Madam Speaker, furthermore —

The Speaker: Before you go on Elected Member, would you please table that document so that the Serjeant can make a copy for my perusal and other Honourable Members? seeing that it substantiates your evidential submission.

Mr. Lyndon L. Martin: No problem, Madam Speaker. I only apologise that the percentages are written in pencil and I hope they can be photocopied. I would also like to share and I read from the —

The Speaker: Can you lay it and then you can continue, Honourable Member.

Mr. Lyndon L. Martin: Madam Speaker, I would like to say that the same information is also provided on another supplementary that is in a clearer format. One has a lot of pencil writing on it, but I would like to be able to share both with you so I will table both at the same time and the information is the same.

The Speaker: Certainly.

Mr. Lyndon L. Martin: Madam Speaker, to support my point, in answering to the point of order, I will read from the same *Hansard* of 17 March 2003. **"Madam Speaker, I did not quote from any particular document, simply from memory of transactions within this Honourable Chamber"**. Madam Speaker, the *Hansard* . . . I sit alongside the Honourable Minister who answered the question on December 2002 (and I have a copy of the information that he brought to Parliament and shared with me on that particular day) and has clearly broken down the same information district by district.

The two sets of information differ slightly because one has 30 members who were removed from the financial assistance and the other one is 36. I can only assume there is a difference in the numbers because it was a continual process. But it also broke it down district by district and confirms the fact that Cayman Brac had 11 removed, as I stated earlier, out of the 36.

The Speaker: Honourable Member, can you also, for the record, state the question number so that the Clerk can record accordingly?

Mr. Lyndon L. Martin: No. 79, Madam Speaker.

The Speaker: Thank you.

Mr. Lyndon L. Martin: Madam Speaker, the interesting fact is that 11 were removed from Cayman Brac and Little Cayman where we only had 86 recipients - that is 12.79 percent. On that particular date which I said there were 6 more removed the George Town number had increased to 12, but that is 12 of 212 so that is only 5.6 percent. So, even in these facts with the additional numbers it still shows that the highest impacted district was Cayman Brac and Little Cayman.

In rising to this point of order I think it is important that we look at the point that was originally being made. All I was doing in my debate was to show that, under the PPM social engineer, Cayman Brac and Little Cayman had the highest percentage removed.

Point of Order

Ms. Edna M. Moyle: Madam Speaker, on a point of order please.

The Speaker: Please state your point of order.

Ms. Edna M. Moyle: I do not think the whole idea of this point of order is to open a debate that has just completed on the Throne Speech. If he wants to continue in that stream I have no problem, I can sit here and listen to it but I really do not think there is a call for this debate to go back to the Throne Speech.

The Speaker: Honourable Member, that is not a point of order. I believe that an allegation has been laid which could, in the final analysis, lead to a charge of contempt which is a very serious allegation. I believe that the Member has to be afforded an opportunity to put forward his defence and we are so now hearing.

Mr. Lyndon L. Martin: Thank you very much, Madam Speaker.

To suggest that my statement that the highest percentage of those removed under the Minister of Community Services, who is now the Member for North Side, was from Cayman Brac and Little Cayman …

No one can come forward and show any evidence to contradict that; and to suggest that that is not accurate would be misleading in itself, for those are the cold, hard facts. There may be an opportunity for the Member to get up, even in this forum or in some other forum, and justify why. However, the cold, hard facts are that the highest percentage removed was from Cayman Brac and Little Cayman, and those are the facts that I stated and I stand firmly by, and I think I have ably provided documents and I am prepared to give them to the Serjeant-at-Arms to be tabled.

Madam Speaker, the first copy is the page out of a full document, I do not have the full document here but I would be willing . . . I am humbly asking this Chair to recognise the fact that you have put forward that the allegation that has been made through this point of order calls into question my character. I would humbly ask, since the point of order has been raised, is for either through a ruling to be made affirmatively or for the Member to withdraw her point of order.

The Speaker: Thank you, Member for Cayman Brac.

Serjeant, perhaps I could have sight of the document that was laid before you make the relevant photocopies thereof.

Members of the House, based on what has been tabled and I have now had a cursory opportunity to peruse, it is the Chair's ruling that the evidence to substantiate the fact that the electoral district of Cayman Brac and Little Cayman, in that specific timeframe under which the Minister was responsible for financial assistance, did in fact receive the lesser amount of financial assistance thereby having received the most cuts. I am not in a position to make a conclusion as to the reason why, neither am I prepared to venture into the politics of the reason why. The ruling is that the Member was not misleading the House and I would ask for the Clerk of the House to continue with Question Time.

Ms. Edna M. Moyle: Madam Speaker, if I may.

The Speaker: Member for North Side.

Ms. Edna M. Moyle: Certainly I am entitled to see the document that has been laid on the Table particularly if it is the same document that the Second Elected Member showed me in the Common Room on Monday. If I am allowed… unfortunately, Madam Speaker this is not—

The Speaker: Member for North Side, perhaps it would be prudent if all Members could have sight of the same document. To put it in better perspective I would ask the Serjeant to photocopy it and we will have an in-house suspension of five minutes.

Ms. Edna M. Moyle: Madam Speaker, if I may, the particular document that the Second Elected Member for Cayman Brac showed me in the Common Room is not laid on the Table of the House.

The Speaker: Serjeant, please collect the documents and have them photocopied. Member for North Side, once we have reconvened I will give you an opportunity to explain the last statement that you made.

In-House suspension at 11.05 am

House resumed at 11.16 am

The Speaker: The Member for North Side, had caught my attention just before we took the suspension.

Ms. Edna M. Moyle: Thank you, Madam Speaker. When I rose on this matter it was merely to have it straightened out and that a ruling had been made, but now it has gotten into a complete debate. In the answer to the question (I do not know what number the question is, it is not on the paper) ...

The Speaker: No. 79 he said, Honourable Member.

Ms. Edna M. Moyle: It says **"Between October 2001 and May 2002" —**

The Speaker: I beg your indulgence for one moment Honourable Member. *[Pause.]*

Please continue, Member for North Side.

Ms. Edna M. Moyle: Thank you, Madam Speaker. The question actually reads: **"How many people have been taken off the Poor Relief System over the past twelve months, broken down by month and stating the reason for each person being taken off, how they were notified and what timeframe to adjust their financial affairs?"**

The answer: **"Between October 2001 and May 2002 a total of 36 persons were taken off the poor relief" —**

The Speaker: Honourable Member, I am sorry for the interruption, but are you coming to a new point that was not considered prior to my ruling?

Ms. Edna M. Moyle: Absolutely, Madam Speaker.

The Speaker: Alright. Please continue.

Ms. Edna M. Moyle:

"In October 2001 there were three terminations; in November 2001 there were five terminations; in January 2002 there were 17 terminations; in March 2002 there were five terminations; in April 2002 there were three terminations; in May 2002 there were three terminations."

I fail to see how I can be accused when I was removed on the 8 November 2001 and I think it was in March that the Honourable Minister said in his debate — that was on seamen's — so I apologise. However, I do not see how I can be accused of removing 11 persons from the district of Cayman Brac and Little Cayman when the majority of these removals/terminations happened after I left. There were three in October while I was there; accepted. There were five in November; whether they were before 8 November I do not know, so I really do not see how it can be ruled that I was in place at the time when all these persons were removed from the financial assistance.

T**he Speaker:** Member for North Side, there was a statement to the fact that all cases which were terminated up to the 21 May 2002 had been reassessed under the old criteria. The revised criterion was received on the 29 May 2002 and all subsequent reassessments and new assessments are currently being done under the new guidelines. Are you saying that the assessment under the old criteria amounted to the fact that the old criteria was subsequent to November 2001?

[Inaudible question.]

Ms Edna M. Moyle: Certainly.

The Speaker: If I could have some order, the Member for North Side would have a better opportunity to communicate what I have said.

I am saying that the answer supplied to the House by the Second Elected Member for Cayman Brac and Little Cayman says as follows: **"All cases which were terminated up to the 21 May 2002 had been reassessed under the old criteria. The revised criteria was received on 29 May 2002 and all subsequent reassessments and new assessments are currently being done under the new guidelines".**

Is it the position of the Member for North Side that the old criteria, as referred herein, would fall within the time line subsequent to November 2001 concluding 29 May 2002. Is that your position?

Ms. Edna M. Moyle: If I may, I am basing my concern on what the Second Elected Member for the district of Cayman Brac and Little Cayman said in the *Hansard* of 17 March. That is what I raised my original point of order under, and it reads:

"It is the same situation with the permanent financial assistance. [I assume he was referring to the seamen's] **I challenge that anyone … you want to see interesting facts; compare district by district to see which district had the highest percentage removed during the administration of which the Member for North Side was the Minister responsible. See which district had the highest and it will not surprise you … ".**

Madam Speaker, I am saying that they accepted the old criteria until 29 May. So, it is not proven that I was responsible for 11 members being removed from financial assistance in the district of Cayman Brac and Little Cayman.

Dr. the Hon. Frank S. McField: Madam Speaker —

The Speaker: Just one moment, I will come to you Minister of Community Services.

Member for North Side what I am endeavouring to ascertain, is it your position that the old criteria which assessment was carried out was not the criteria that you had endorsed and left in the Ministry?

Ms. Edna M. Moyle: Madam Speaker, that is by no means what I am saying because it is clear in this question that it was changed on 29 May 2002. I am saying that they accepted the old criteria and there is no proof that I was responsible for any number being removed from any particular district as the Second Elected Member for Cayman Brac has stated on the Floor of this House.

The Speaker: The Second Elected Member for Cayman Brac?

Mr. Lyndon L. Martin: Madam Speaker, as a Member of this Honourable Chamber I reported the facts as I knew them. The facts are that during the administration, for which the Member for North Side was responsible for the Ministry that supervises, manages and assesses permanent and financial assistance, a policy was put in place and during her administration. It was as a result of her policy that was put in place by her that the 11 people of Cayman Brac, which is the highest percentage, were removed.

Madam Speaker, the Minister currently responsible can defend himself and I will not attempt to do so because those are the facts from the page of the report that the current Minister provided to me that

I tabled in this Honourable Chamber. Those are the facts, as I know them.

The Speaker: Minister of Community Services.

Dr. the Hon. Frank S. McField: Madam Speaker, since we seem to have gotten into a legal, technical debate here I would just like to say in my own defence, since the former Minister of Community Services does not seem to want to accept responsibility for the outcome of her policies, I can accept the outcome of my policies. In May I changed her policies, the criteria, and reassessed those people who had been taken off and many of them have been added again to the Poor Relief. What the Member said was quite clear. The Member was implying, if he had not stated outwardly, that the consequences of her policy had resulted in the larger number being taken off from Cayman Brac. I do not think that we need to debate that any further.

The Speaker: Thank you, Honourable Minister. I think that each party has had ample opportunity to put forward their respective submissions. The Chair has ruled and I now call on the Second Elected Member for Cayman Brac and Little Cayman to move forward with question No. 1.

Question No. 1

No. 1: Mr. Lyndon L. Martin asked the Honourable Minister responsible for the Ministry of Health Services, District Administration and Agriculture what are the plans of the Civil Aviation Authority in regard to the Little Cayman Airstrip.

The Speaker: The Honourable Minister responsible for Health Services, District Administration and Agriculture.

Hon. Gilbert A. McLean: The need for development of airport facilities in Little Cayman has been closely considered by the Civil Aviation Authority (CAA), and discussions are underway between the CAA and Government.

The Speaker: Minister, could perhaps give the Serjeant time to distribute your answer.

Hon. Gilbert A. McLean: Yes, Madam Speaker

The Speaker: I am obliged.

[Pause]

The Speaker: Please proceed, Honourable Minister.

Hon. Gilbert A. McLean: Madam Speaker, it is a short answer so perhaps I should just start again: The need for development of airport facilities in Little Cayman has been closely considered by the Civil Aviation Authority (CAA), and discussions are underway between the CAA and Government. No concrete plans have yet been made.

The Speaker: Are there any Supplementaries?

Honourable Leader of Government, we have passed the hour of 11 am. Is there a motion to suspend Standing Order 23(7) and (8)?

Suspension of Standing Order 23(7) and (8)

Hon. W. McKeeva Bush: Madam Speaker, I beg to suspend 23(7) and (8) in order for questions to be taken after the time.

The Speaker: The question is that Standing Order 23(7) and (8) be suspended to allow Question Time to continue beyond 11.00 am.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: That Standing Order 23(7) and (8) be suspended to allow Question Time to continue beyond 11:00 am.

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

Supplementaries

Mr. Lyndon L. Martin: Thank you, Madam Speaker. Could the Honourable Minister indicate the new alternative site previously selected by a new Minister for the airstrip and terminal in Little Cayman, and whether his Ministry has developed any formal policy as to their intentions to go ahead with that site or to look for alternative sites?

The Speaker: Honourable Minister responsible for District Administration.

Hon. Gilbert A. McLean: Madam Speaker, there has been a major study done in Little Cayman to determine the most suitable location for a runway. There has been a Master Plan Commission and they have made a report. This report recommends that there should be a 4000x100 ft runway with taxiway, apron, terminal building, fire station and other ancillary facilities. A decision has not yet been taken in regards to this master plan but it will be going forward to Executive Council in the immediate future. Depending on the decision there, the Civil Aviation Authority will then proceed to take steps to find the necessary funds to start this.

The location for the runway is on the north side of the Island and it will be at an angle, which the engineers have determined will be more suitable depending on the winds, and it would pass far enough away from the red foot booby birds and would not cause any problem for the rams or site there.

The Speaker: Are there are any further Supplementaries? The Leader of the Opposition.

Mr. D. Kurt Tibbetts: Just to clarify the location, is it the same site that was previously being filled? I think that is perhaps what the Second Elected Member for Cayman Brac was trying to determine. I am not quite sure from the answer and I just want to get it clear.

The Speaker: Honourable Minister responsible for District Administration.

Hon. Gilbert A. McLean: Madam Speaker, it is not the exact direction that that cleared area . . . it is the same property on which that was and it is government land. The angle of it has changed slightly as recommended by the engineers.

The Speaker: Any further Supplementaries? Second Elected Member for Cayman Brac and Little Cayman.

Mr. Lyndon L. Martin: Madam Speaker, I was hoping the Minister could provide an undertaking to expend some funds on the site to prevent any loss of the funds that have been spent to date in clearing the property; funds are needed now to maintain it. I think some drilling is needed in order to dynamite the cliff.

The Speaker: Honourable Minister responsible for District Administration.

Hon. Gilbert A. McLean: Madam Speaker, it is a matter which has to be determined by the Civil Aviation Authority. There is now a plan and, as I have stated, the angle of the runway will not run exactly as the cleared area. It cuts across a part of it but it will be on Crown land and there are some funds available. I would certainly hope and expect that within another few weeks work could be started in clearing the site as it has been determined to be the best location.

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

Mr. Lyndon L. Martin: Madam Speaker, I would like to point out to the Honourable Minister that immediately to the west, adjacent to that particular site is a piece of property . . .

The Speaker: Please turn it into a question Member.

Mr. Lyndon L. Martin: I certainly will Madam Speaker, . . . a piece of property that is flat in nature. I was hoping the Minister could indicate whether the Civil Aviation Authority has looked into the possibility of acquiring this piece of property in order to reduce the likelihood of having to dig into what has proven to be very deep swamp area?

The Speaker: Honourable Minister responsible for District Administration.

Hon. Gilbert A. McLean: Madam Speaker, I really cannot confirm that the area for the proposed runway does run across a major area of swamp, it is more cliff, to my understanding of it. I am not aware of any offer for sale of property and, to the best of my knowledge, no attempt has been made until now to acquire any additional land.

The Speaker: Are there any further Supplementaries? If not we will move on to the next question. The Second Elected Member for Cayman Brac and Little Cayman.

Question No. 2

No.2: Mr. Lyndon L. Martin asked the Honourable Minister responsible for the Ministry of Health Services, District Administration and Agriculture what is the ambit of the Cayman Brac Development Fund vote and what is currently being paid from this vote.

The Speaker: Honourable Minister responsible for District Administration.

Hon. Gilbert A. McLean: Initially this vote was created for special use for development projects during Mr. Aftab Noorani's tenure as Project Manager for Cayman Brac and Little Cayman. The intention was that this Vote would be used for projects that would encourage tourists and business people to visit/invest in these Islands.

To date funds from this vote have been used to develop the Islands' natural attractions thereby creating eco/nature-type tourist attractions to broaden their visitor pool.

So far, funds expended have paid for the clearing of old bluff trails, purchasing and erecting appropriate signage and descriptive information for various sites. Also, the funds are used to cover fees of the Naturalist Consultant, create a website and do joint advertisements with the Sister Islands Tourism Association and the Department of Tourism in order to bring more people to Cayman Brac and Little Cayman.

Currently funds for the 2003 half-year Budget have been used to expand the website, pay for additional interpretative signs, and with part funding by the sister Islands Tourism Association, also pay for advertisements in the *Natural History* and *Audubon* magazines.

The Speaker: Are there are any Supplementaries? Second Elected Member for Cayman Brac and Little Cayman.

Supplementaries

Mr. Lyndon L. Martin: Thank you, Madam Speaker. I am hoping the Minister is in a position to inform the House whether investments from this fund put into advertisements and funding of tourism promotions are coordinated through the Department of Tourism in Grand Cayman?

The Speaker: Honourable Minister responsible for District Administration.

Hon. Gilbert A. McLean: Madam Speaker, it is my understanding that the District Commissioner makes most of the decisions in regards to the expenditure from this fund and I think it is done in consultation with the Department of Tourism.

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

Mr. Lyndon L. Martin: Thank you Madam Speaker. I thank the Minister for that answer also. Could the Minister indicate that once such expenditure for promotion and websites and other advertisements are done, is there any mechanism within District Administration to handle any inquiries or hits on the website, or to monitor the on-going maintenance of these websites, or are they being created and left as a stand-alone?

Hon. Gilbert A. McLean: Madam Speaker, I cannot tell the Member at this time who actually handles the website. I do understand that it is an interactive website and that persons can and do receive certain information from and using it.

The Speaker: Are there any further Supplementaries? If not we will move on to the next question.

Second Elected Member for Cayman Brac and Little Cayman.

Question No. 3

No.3:Mr. Lyndon L. Martin asked the Honourable Minister responsible for the Ministry of Health Services, District Administration and Agriculture what is the time line and scope of the expansion of the Gerrard Smith Airport terminal.

The Speaker: Honourable Minister responsible for District Administration.

Hon. Gilbert A. McLean: It is proposed to expand the Gerrard Smith International Airport terminal arrival hall by about 520 square feet, which will also include a new baggage conveyor system with more linear room for baggage collection.

In addition, the project will include:

1. extension of the roof to provide cover for the baggage drop-off area; and
2. development of an undeveloped area on the upper floor to provide spaces for private rental and offices for Civil Aviation Authority staff.

It is anticipated that the works will be completed by October 2003.

The Speaker: Are there any Supplementaries? The Second Elected Member for Cayman Brac and Little Cayman.

Supplementaries

Mr. Lyndon L. Martin: Madam Speaker, I was hoping the Minister could indicate when the project is expected to commence?

The Speaker: Honourable Minister of District Administration.

Hon. Gilbert A. McLean: The public tendering process for the project was initiated in late January 2003 and a number of submissions of interests are currently being reviewed. This process was completed on Monday and we will then await the next stage; that of seeking qualified contractors.

The Speaker: Are there any further Supplementaries. Member for Cayman Brac and Little Cayman.

Mr. Lyndon L. Martin: Madam Speaker, the answer stated that the development of an underdeveloped area on the upper floor to provide spaces for private rental and offices for Civil Aviation Authority staff. Could the Minister suggest that the hope of getting a restaurant to occupy that space has now been removed from the desirability of Civil Aviation Authority and the entire space will be used for offices?

The Speaker: Honourable Minister responsible for District Administration.

Hon. Gilbert A. McLean: Madam Speaker, the present position is that the upper floor will be used for office space and not restaurant space. The only restaurant that is there is the one that is run by Mr. Elmer Ebanks. As best as we can understand and discern, this is serving the purpose within the terminal, so there is no plan to include another restaurant on the second floor.

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

Mr. Lyndon L. Martin: Madam Speaker, I thank the Minister for outlining the full scope. Just for extreme clarity I was hoping he could confirm or indicate as to whether any storage facility would be part of this development plan in the form of warehousing? I know currently they are using private warehouses near the airport in Cayman Brac.

The Speaker: The Honourable Minister of District Administration.

Hon. Gilbert A. McLean: Madam Speaker, there are no plans at this time for a storage area within this particular project. There is a future looking situation where we would expect to have some storage space but not in this particular area or within this project.

The Speaker: Are there any other Supplementaries? If not we will move on to the next question.

Question No. 4
(deferred)

The Speaker: The Second Elected Member for the district of George Town.

No. 4:Mr. Alden M. McLaughlin, Jr. asked the Honourable Minister responsible for the Ministry of Tourism, Environment Development and Commerce what was the total cost to Government of the relocation of the Tourism Office from Miami to New York?

The Speaker: The Honourable Leader of Government.

Hon. W. McKeeva Bush: Madam Speaker, I believe that the staff had a message from the Permanent Secretary to give to you in regards to the question. I believe he was not quite ready – it was ready but then he had to make some changes. If it does not come before the House adjourns then we will deal with at the next sitting. I thought that had been relayed to the Chair?

The Speaker: Honourable Leader, perhaps you may deem it necessary to move a motion for it to be deferred until the next sitting because we only have one short matter left for today's business.

Hon. W. McKeeva Bush: The message that I received from the Deputy Clerk was that the Permanent Secretary thought he would be here soon but that does not seem to be point. That is why I was saying if he came before then we would take it, but it did not so we would hold it over for the next sitting. And I so move.

The Speaker: The question is that Question No. 4 as it appears on today's Order Paper be set down for a response prior to the adjournment of today's sitting, and failure that to be taken at the next available sitting.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Question No. 4 deferred until the next Sitting.

The Speaker: Thank you, Honourable Leader.

STATEMENTS BY HONOURABLE MINISTERS / MEMBERS OF THE GOVERNMENT

Change of Ministry Name from Women's Affairs to Gender Affairs

The Speaker: The Honourable Minister responsible for Community Services.

Dr. the Hon. Frank S. McField: Madam Speaker and other Members of the Legislative Assembly, I would like to give a statement regarding the name change of the Ministry for which I am responsible. As of the 11 March 2003 the subject area of Women's Affairs will now be referred to as Gender Affairs, thereby the name of the Ministry will now be Community Services, Gender Affairs, Youth and Sports.

Madam Speaker and Honourable Members of the Legislative Assembly, as you are aware the Ministry is in the process of editing the final version of the Cayman Islands National Policy on Gender Equity and Equality. The final draft will be presented to Executive Council in the very near future. The overall goal of this policy is to promote gender equality and sustainable human development in the Cayman Islands. Gender Equality is a development goal in itself, and this policy aims to promote gender awareness among policy makers, planners, implementors and the general public, in order to achieve equity and equality for men and women, boys and girls.

Madam Speaker, some may question why the change from Women's Affairs to Gender Affairs and may feel that this is a step backward for women's issues. I must take this opportunity to highlight why this is not a step backwards for women's issues but a step forwards total human development and gender equality.

Gender equity is the process of being fair to women and men. To ensure fairness, measures must often be taken to adjust historical and social disadvantages that prevent women and men from operating on a level playing field. A gender policy may embody measures of adjustment. Gender equity leads to gender equality, which means that women and men enjoy

the same status. Gender equality means that women and men have equal conditions for realising their human rights and potential to contribute the political, economic, social and cultural development locally, regionally and internationally and to benefit from these results.

The National Gender Policy is an integral part of the national development process and reinforces the overall development objectives of our country. A gender perspective is necessary if policy makers, planners, administrators and society at large are to understand the underlying causes and find adequate long-term solutions for crucial national and global issues such as labour, trade and migration problems. Therefore, in order to reflect the importance of gender issues I decided that this must be reflected in the title of the Ministry for which I hold responsibility.

Madam Speaker, I want to reassure the Honourable Members of the House that the Ministry is not losing its focus on addressing the issues that affect women. I must say that would be the contrary. Since I have had responsibility for Women's Affairs, a counsellor has been added to the staff of the Women's Resource Centre. This long-awaited position was desperately needed, and it will greatly enhance the programming of this facility. In addition the government purchased property for the establishment of the Cayman Islands Crisis Centre, a shelter for battered women and their children.

The Ministry also continued to be a main sponsor for the television programme *Focus on Domestic Abuse* and to coordinate the Domestic Violence Intervention training programme for police officers and front line professionals. I dare say that we are not losing focus on women's issues; we are simply going a step further towards ensuring that equal value is placed on the contributions of women and men as partners in national development and the development of the society as a whole.

If I may, Madam Speaker, I would like to share with the Honourable Members of the House a poem that is from the manual used in the Domestic Violence Intervention training programme and is excerpted from *Understanding Gender: A Struggle within a Struggle.* I hope that this poem will lie to rest any questions in this Honourable House of "Why Gender?"

For every woman who is tired of acting weak when she knows she is strong;
There is a man who is tired of appearing strong when he feels vulnerable.

For every woman who is tired of acting dumb;
There is a man who is burdened with the responsibility of 'knowing everything'.

For every woman who is tired of being called an 'emotional female';
There is a man who is denied the right to weep and be gentle.

For every woman who is called unfeminine when she competes;
There is a man for whom competition is the only way to prove he is masculine.

For every woman who is tired of being a sex object;
There is a man who must worry about his potency.

For every woman who feels tied down by her children;
There is a man who is denied the full pleasure of parenthood.

For every woman who is denied meaningful employment and equal pay;
There is a man who must bear the financial responsibility of another human being.

For every woman who was not taught the intricacies of an automobile;
There is a man who was not taught the satisfaction of cooking.

For every woman who takes a step towards her own liberation;
There is a man who finds that the way to freedom has been made a little easier.

I hope that after reading this poem Members of this Honourable House understand why the move to change the title of the Ministry to reflect gender affairs. We realise that gender is culturally based and created by societies therefore they can be changed. It is my hope that by changing the name of the Ministry, we are making one of the many steps necessary toward achieving gender equality and total human development.

Thank you, Madam Speaker.

PRESENTATION OF PAPERS AND OF REPORTS

(recommitted)

Community College of the Cayman Islands Annual Report 2001/02

The Speaker: Earlier we deferred the presentation of Papers and Reports. I now recognise the Honourable Minister responsible for Education.

Hon. Roy Bodden: Madam Speaker, I beg to lay on the Table of this Honourable House the Community College Annual Report for the academic year 2001/02.

The Speaker: So ordered. Would the Honourable Minister wish to speak thereto?

Hon. Roy Bodden: Yes, Madam Speaker, I would crave the indulgence of the House to read the summary as prepared by the College President.

The Speaker: Please proceed.

Hon. Roy Bodden: Once again the College had a very successful year. The number of graduates increased from 104 in 2001 to 132. Enrolment in Vocational and Associate degree programmes increased. Attrition declined. The Library Collection grew. The curriculum for the professional banking programmes were revised and restructured. Financially, the College is contributing about 30 percent of its annual expenditure. Fees have not increased over the past few years in order to promote inclusion. About 70 percent of the students attending the College are Caymanians. The College has a qualified, experienced and dedicated faculty. The Board of Governors charted a course for the future and further development of the institution. Associate degree graduates are gaining ready acceptance at some of the most prestigious universities in Canada, the United Kingdom and the United States of America. Most of those attending American universities are receiving two years of advanced standing. Many are completing their baccalaureate degrees in two years and some are graduating with high academic honours.

The Board of Governors

Despite the recurring difficulties with attendance at meetings, the Board of Governors met frequently. In addition to the normal and routine matters, the Board focused on determining the type of institution that can best serve the educational and training needs of the Cayman Islands, identifying the challenges ahead and charting a course on the future and further development of the College.

After more than one year of discussions and deliberations the Board decided upon seven recommendations: -

1. change the name of the institution from the Community College of the Cayman Islands to the University College of the Cayman Islands (UCCI)
2. introduce four-year Baccalaureate programmes in selected specialisations
3. centralise all Government Tertiary institutions
4. make Teacher Training Programmes a priority
5. establish a Business Institute at the College
6. rethink Vocational education and programmes
7. introduce more Professional Programmes.

These decisions which promise significant educational, social, financial and economical benefits to the institution, the individuals attending the College and the Government have been forwarded, with justification, to the Honourable Minister of Education. We now wait with anticipation Government's input, feedback and guidance.

Staffing

The College had one major staffing disruption in October with the unexpected departure of one of the newly recruited lecturers. Potentially, the consequences could have been far-reaching since Cayman does not have a pool of readily adjuncts. Fortunately, many members of faculty volunteered to carry overloads and no class was cancelled. A replacement was recruited for the start of the spring semester.

At the end of the year five members of staff: the accountant; two lecturers; and two members of the support staff opted not to renew their contracts with the College. The Library assistant and Laboratory technician accepted teaching positions with local high schools. The other three left for personal, professional and other reasons. We have already recruited replacements and the College will have a full staffing complement for the start of the 2002/03 academic year.

The Curriculum

At the start of the 2001/02 academic year the College offered 24 programmes. Two of these programmes leading to professional certification in computing, the A+ and Microsoft Certified Systems Certificate (MCSC), were shelved in November because of very low enrolment.

As was the case in previous years the syllabi for all associate degree courses were evaluated and modified to ensure that they are current and some of the syllabi for vocational programmes were revised based on feedback received from the Programme Advisory Committee.

In collaboration with the Cayman Islands Bankers Association, all of the Banking programmes were restructured. This resulted in the need for a revision or construction of new syllabi for most courses. The syllabi for all the Banking programmes have been submitted to the Institute of Financial Services in the United Kingdom for approval and for joint Community College and IFS certification. The new programmes: Financial Services Foundation Certificate, Certificate in Management Practice, and Certificate in Offshore Administration - plus the Legal Secretarial Certificate and Diploma in Banking will be offered in September 2002.

Graduates

In 2001, 104 students satisfied the academic requirements of their programmes and graduated. This was our largest graduating class. In 2002 132 students graduated - 28 more than the previous year. This was chiefly because of an increase of more than 100 percent from Associate degree programmes.

Four significant points emerged from a breakdown of the statistics:-

1. 80 of the 132 graduates received diplomas from work related programmes.
2. About half the graduates can be classified as mature students.
3. More than 50 percent of these associate degree graduates completed their programme through part-time study.

4. About 70 percent of the graduates are females.

We are very pleased with the increasing number of females who are attending the College and are successfully satisfying the requirements of their programmes. We are also very concerned about the declining male participation. This is not only a Cayman phenomenon but is fairly universal. Many research papers have been written on this topic and they all conclude that the chief reason for the decline on male participation at the tertiary level is under-achievement at the high school level.

The Cayman Islands Government needs to pay more attention to this vexing concern and should divert resources to reverse this trend for social and other reasons.

The Library

The Library serves as a hub for academic study, a venue for research and as a communication centre to disseminate information to students. As in previous years, the main emphasis was on ordering books and other materials from university and specialty presses that supplement faculty teaching and support student research. 1,465 items were added in 2002 covering political science, international relations, banking, economics, finance, development, environmental studies, social issues, insurance, taxation and education.

The current inventory is 14,971 items including books, videos, audiotapes and CD products. The value of the collection is US$549,310.62 and does not include the Caymanian Society of Architects, Surveyors and Engineers (CASE) materials that are housed on our shelves for circulation to their members.

In addition to the books, magazines etcetera the Library has four networked Internet stations and four standalone computers for individual use. The Internet stations are free (thanks to Cable and Wireless) and were heavily used. Unfortunately, the individual stations were under-utilised.

The Library continues to be heavily used by the Cayman Islands Law School and the Institute for Theological Learning and Development students. These patrons do not borrow materials but instead rely on our Reference collection for their projects. Community members who are studying for various external examinations also use the Library as a study centre.

Finance

Once again, the financial performance of the College was very satisfactory. The audit of the College's 2001 Financial Statement was conducted on a timely basis without any major problem.

During this period, the grant received from Government has increased but the increase is not in keeping with the growth in enrolment or the addition of new programmes. Fortunately, income is increasing annually and consequently, the College is able to increase its contribution to recurrent expenditure.

Income has increased because of the growth in enrolment (mainly tuition), fees collected for rental and other services and the College's success in curbing the number of delinquent accounts by preventing students with outstanding fees from registering until all fees are paid and current registration prepaid.

The table shows that expenditure is also increasing annually. In 2001 expenditure increased by six percent to $2,406,397 chiefly because of the increases in insurance and utilities costs and the hiring of an additional member of faculty. Salaries and Wages continue to be chief area of expenditure.

The audited financial statements for the financial year, which ended in December 2001, showed a surplus. The financials for the 2001/2002 academic year, on the other hand, show a deficit. Generally this was because of the current state of the Caymanian economy which impacted negatively upon enrolment in Continuing Education and Professional Programmes - the area with the lowest level of subsidization and the College's chief source of revenue.

Work experience and placement

The College has a modified apprenticeship scheme for all vocational programmes. In this scheme students attend classes for three days a week and are placed on an attachment for the remaining two days either with Government or a relevant private sector or company. We also arrange, as far as possible, for the students to receive a small stipend.

This year some employers informed us that they could not participate in the programme because of economic deceleration. Others stepped in and all students were successfully placed. The feedback received from employers in most cases was very complimentary. We are pleased with the excellent relationship with private sector companies and thank them not only for their support of our vocational programmes but also for their service on our programme advisory committees and for their input in the curriculum of these programmes.

Enrolment

Once again the College offered a wide variety of academic, vocational and professional programmes and many short and long courses ranging from academic and vocational to professional, leisure and developmental through its Continuing Education department.

The enrolment picture that emerged at the end of the year was mixed. Despite offerings in such areas as Bartending, Plumbing, Air-conditioning and Refrigeration, course and individual enrolment in the Continuing Education Department declined. Enrolment in the various one-day computing courses de-

creased. Overall, individual and course enrolment in the Professional Programmes also dropped in spite of a significant increase in the Foundation Banking Certificate.

Many factors contributed to the drop in enrolment in Professional programmes and in Adult and Continuing Education courses namely:-

- rising unemployment due to the deceleration in the Caymanian economy;
- competition from other local providers such as the Chamber of Commerce, Paramount Computers, et cetera;
- the introduction of Adult Education classes by some high schools;
- a reduction in sponsorship by many private sector companies and Government;
- the reduction in the number of individuals who were released by companies to attend classes during the day.

The softening of the economy, on the other hand, had a positive effect on enrolment in Associate degree and Vocational programmes. Vocational programme enrolment increased by 10 percent and the majority of the students joining these programmes were recent John Gray High School graduates. When compared to the 1999/2000 academic year the increase was 26 percent. The difficulty in finding jobs contributed to this growth. Even more importantly than the growth in enrolment is the fact that the number of students who dropped out declined and the number who graduated from the various programmes increased by 22 percent.

The largest growth enrolment was in Associate degree programmes. 206 new students enrolled during the year and active individual enrolment in the Fall 2002 was 398 - a 25 percent increase when compared to Fall 2001. Course enrolment increased by 29 percent to 2,893 and for the first time the College had to increase the number of sections offered in Mathematics, Physics, Chemistry, English and Sociology. Unfortunately, other subjects, with as many as 40 students, could not be split because of staffing restrictions.

A breakdown by category of the 149 students who enrolled in the associate degree programmes in September 2001 is as follows:-

- 43 fall in the category of mature students, that is, those individuals who are accepted because they were over age 21 and had relevant work experience;
- 21 who graduated from Community College vocational programmes in 2001 with a grade point average (gpa) of 3.0 or above;
- 53 had four or more O/ CXC passes, grades A, B, C or 1, 2 or 3 at the General or Technical level;
- 29 had SAT scores of 850 or above for the AAS programme or 950 or above for the Associate in Arts or Science programmes.
- 3 had United States high school diplomas.

It is important to note that a significant number of those in the O/CXC and SAT categories were from public and private high schools who took the external examinations before June 2000. We can infer from this that some individuals are taking a break after high school before enrolling in tertiary education.

Despite the increase in some areas and the decrease in others, the enrolment statistics continue to be very encouraging. More than 70 percent of all students enrolled in the vocational, professional and associate degree programmes were Caymanians.

Conclusion

The Board of Governors, faculty and staff of the Community College thank Government and private sector companies and organisations for providing work experience attachments for students enrolled in our vocational programmes, for releasing and sponsoring their employees to attend classes during the day and for providing scholarships and other forms of assistance to students. We thank the faculty and staff for their contribution to the development of the institution and wish those who left at the end of the year the very best in their future undertakings. We now look forward to the challenges in making the university college of the Cayman Islands a reality.

Madam Speaker, I would just like to say that excellence must not only be pursued but must be acknowledged and so I would take this opportunity to congratulate the Chairman, the Board of Governors, the President and faculty of the Community College on an excellent academic year, and to say publicly that I have received the recommendations of the Board of Governors, taken them to Executive Council and I have now communicated with the Chairman and the Board of Governors the position of the Executive Council regarding the request for the Community College of the Cayman Islands to advance to become a university college. I look forward to the Chairman of the Board of Governors making the public announcement as per the position of the Executive Council.

I would also take this opportunity to invite you, Madam Speaker, and other Honourable Members of this House to a presentation at the Community College next Wednesday. We should schedule it for 9 o'clock and hope to conclude it in an hour so that we will be able to come to the Legislative Assembly, if not on our normal starting time, then shortly thereafter. I thank you.

The Speaker: Thank you, Honourable Minister. I will recognise the Leader of Government for the motion for the adjournment, seeing that the business of the House has been concluded.

ADJOURNMENT

Hon. W. McKeeva Bush: Madam Speaker, as there is no more business to conduct, we propose to ad-

journ the House until Monday 24 March 2003 at 10 am.

The Speaker: The question is that House is adjourned until Monday 24 March 2003 at 10 am.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 12.22 pm the House stood adjourned until Monday, 24 March 2003, at 10 am.

OFFICIAL HANSARD REPORT
MONDAY
24 MARCH 2003
10.54 AM

Seventh Sitting

[Deputy Speaker in the Chair]

The Speaker: I will invite the First Elected Member for the district of George Town to grace us with prayers.

PRAYERS

Mr. D. Kurt Tibbetts: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together:

Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.

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

Proceedings resumed at 10.57 am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

The Speaker: I have been asked to give the apologies of the Speaker who is off sick today and we wish her a speedy recovery.

PRESENTATION OF PAPERS AND OF REPORTS

Report of the Minister Responsible for Lands Recommending the Vesting of Crown Land Block 12C, Parcels 217 and 374, to the Port Authority of the Cayman Islands

The Speaker: The Honourable Minister for Planning.

Hon. Linford A. Pierson: Thank you, Mr. Speaker. I beg to lay upon the Table of this Honourable House my report recommending the vesting of Crown Land Block 12C, Parcels 217 and 374, to the Port Authority of the Cayman Islands in accordance with Section 10 (1) (b) of The Governor (Vesting of Lands) Law (1998 Revision). This report is accompanied by the documents required pursuant to Section 10 (2) of the said Law, which contains the said details of the proposed vesting.

The Speaker: So ordered. Would the Honourable Minister wish to speak thereto?

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

Just a few brief remarks to say that this came about as a result of Private Members' Motion No. 23/99 which resolved that Crown Land Block 12C, Parcels 217 and 374, be vested in the Port Authority of the Cayman Islands. This Motion was subsequently passed.

Mr. Speaker, the Ministry had concerns about access to Parcel 374 since the roads running through the Safe Haven development are still in private ownership. Furthermore, the Parcel does not benefit from any registered right of way—vehicular or pedestrian. The most sensible solution to this problem is the vesting of Parcel 217 in the Port Authority. This additional parcel runs from West Bay Road through the North Sound and a portion of it lies between Parcel 374 and the canal. So an encroachment situation would undoubtedly result if only Parcel 374 was vested.

Mr. Speaker, Block 12C, Parcel 217 comprises of a narrow strip of land sandwiched between the Safe Haven and Ritz Carlton development. It fronts the North Sound at its eastern end and the West Bay Road on its western end, being originally intended to provide road access to Parcel 374 but was never constructed upon nor used as such. In accor-

dance with Section 10 (2) of the Governor (Vesting of Lands) Law (Amendment) (Disposition Law) 1998 Revision three valuations were commissioned, one from Government's Valuation Office, the Lands and Survey Department and the others from the private sector's independent valuation companies.

Mr. Speaker, the required procedures under the Law have been fulfilled. Accordingly, I have pleasure in tabling this document. Thank you, Mr. Speaker.

The Speaker: Thank you.

QUESTIONS TO HONOURABLE MINISTERS AND OFFICIAL MEMBERS OF THE GOVERNMENT

Suspension of Standing Order 23(7) and (8)

The Speaker: Honourable Members, since we have reached the hour of 11 am, can I have the motion for the suspension of Standing Orders 23(7) and (8).

Hon. W. McKeeva Bush: Mr. Speaker, I move the suspension of Standing Orders in order to take Question Time after 11 o'clock.

The Speaker: The question is that Standing Orders 23(7) and (8) be suspended to allow Question Time to continue beyond 11 am. All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Orders 23(7) and (8) suspended in order for Question Time to continue beyond 11 am.

Question No. 4
Deferred Wednesday 19 March 2003

The Speaker: The Second Elected Member for the district of George Town.

No. 4: Mr. Alden M. McLaughlin, Jr. asked the Honourable Minister responsible for the Ministry of Tourism, Environment, Development and Commerce what was the total cost to Government of the relocation of the Tourism Office from Miami to New York.

The Speaker: The Honourable Leader of Government Business.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, may we have copies please.

Hon. W. McKeeva Bush: In answering the question of the cost of the relocation it is important to first understand the strategy behind the move and then compare the cost of moving against the cost of staying in Miami.

Briefly, why New York City? It is the gateway for the Cayman Islands' largest source market and represents the hub of the United States tourism and financial sectors. The Government's strategy is to reduce waste and duplication and to create new and better opportunities to improve the economy and welfare of these Islands. One such opportunity was to integrate the destination's overseas presence and Government's resources in the single most important city in each country we were represented. In the case of the United Kingdom, we were already in London, but in the United States our primary head office was in Miami, Florida. The reason for the relocation to New York is simple: from a strategic perspective New York city satisfies not only the needs of tourism, but rather optimises the Cayman Islands' total economic opportunities including financial services, inward investment and marketing.

This strategy was discussed internally within the Department of Tourism, within the Government and with our private sector partners. Within the Department of Tourism, the more I came to understand the business of tourism the more it became obvious to me that while the south-east remains an important region, it is the north-east of the United States that represents the strategic and operational centre of Caribbean travel marketing. If the Cayman Islands network was not structured or positioned to adequately tap into this region then we were compromising our marketing and sales potential from the very onset. I also thought it sent the wrong message to have the Deputy Director of Tourism, who is responsible for the United States sales and marketing, based in a secondary region in terms of visitor arrivals while leaving the most important region to a middle manager.

I knew there was a tremendous amount of work to be done and both time and resources were scarce. Having identified our key market, the Cayman Islands Department of Tourism had to retool itself so it was in both the right position and right condition to service this market in a way which would more accurately reflect its strategic significance. So, in addition to a shift in location, there has been a shift in our mindset as we are challenged to do more with less. In keeping with this mindset, the Department of Tourism undertook a major restructuring of its United States operations in 2001 which resulted in a reduction of staff from 54 to 32 and was able to achieve savings of approximately US$100,190,000. Mr. Speaker, we achieved operational right-sizing by reducing our overhead and staffing costs. This has become a trend within the travel industry and the Cayman Islands. The Cayman Islands Department of Tourism was ahead of the pack in achieving these critical efficiencies.

Mr. Speaker, when I took over, the Department of Tourism and Cayman Airways together had more than 15,000 sq ft of space in the Blue Lagoon

offices in Miami, Florida which housed the Department of Tourism's United States national office and the Southeast regional office, comprising approximately 7,500 sq ft of the total. The national airline also had its reservations and marketing staff there taking up the other 7,500 sq ft in Blue Lagoon. After the move, the Department of Tourism's new office in New York is approximately 4,400 sq ft. This is a reduction of over 2,200 sq ft and, within this smaller space government has comfortably situated:

1. The Department of Tourism's United States national office;
2. The Department of Tourism's northeast regional office;
3. The New York office of the Cayman Islands Investment Bureau; and
4. A conference room with facilities suitable for Heads of Government Departments, personnel recruiting, Permanent Secretaries and Members of the Legislative Assembly to use for government business.

The relocation costs can be grouped into three main categories: -

1. The of ending the 12-year shared lease at the Blue Lagoon in Miami;
2. The cost of relocating the southeast regional office to a smaller Miami location; and
3. The cost of moving and setting up the national office at 3 Park Avenue in New York.

At the recommendation of the Deputy Financial Secretary, the overall assessment of the real estate options and costs was conducted by an external, objective firm with real estate experience in multiple markets. The Ministry selected Ernst and Young and used the firm's real estate division based in the United States. The Ernst and Young conclusions, all things considered, was that the Government would be best off financially to break the Blue Lagoon lease, reduce total square footage as the Ministry and Department wanted to do, and to consolidate the northeast regional office and the United States national office in one new location in New York.

In summary, the savings in square footage and total real estate expense over the next three to seven years would exceed the one-time costs of breaking the Blue Lagoon lease and the cost of a series of less significant relocations. The total cost of breaking the lease at the Blue Lagoon was US$178,556 of which the Department of Tourism (DoT)'s portion was $89,278. As many of the Members of this Honourable House and the wider community will be aware, this staggering lease burdened both the DoT and Cayman Airways for many years. The cost to the DoT of continuing in that space until the end of the lease—a 27-month period from May 2002 to July 2004—would have been US$448,015. The lease cost over the same 27-month period for the 3 Park Avenue location which houses the DoT's US national office, the DoT's northeast regional office, the New York office of the Cayman Islands Investment Bureau and the Cayman Islands Government conference room and facilities, is US$460,592. The costs of relocating the southeast regional office and moving the national office items to New York were a combined total of US$29,200 which included transporting documents and furniture, some new office and telecommunications equipment as well as the first month's rent and security deposit at the new Miami office. The cost of leasing new smaller accommodations for the southeast regional office at Doral is US$89,673. The cost of setting up the new national office at 3 Park Avenue and moving the northeast regional office from its 420 Lexington location at 42nd Street was approximately US$96,000. The cost of the remaining 11-month lease at the 420 Lexington location was US$108,937.

Again, I must reiterate that Government is getting more for its money because the New York office is being used to house three government entities—the Department of Tourism's national office, the Department of Tourism's northeast regional office and the Investment Bureau office. Additionally, there is an excellent conference facility available for official government business in New York. Overall, it will be the office to manage "Brand Cayman" in the United States.

The relocated, restructured and re-energised US national office for the Cayman Islands Department of Tourism was the result of an ambitious plan conceived in April 2001 while at the Caribbean Tourism Organisation Week. At that time, I began to evaluate the best location for the Cayman Islands' national office in the United States. As we took stock of the challenges and opportunities facing Cayman's twin drivers; that is the tourism and the financial services industries, we immediately recognised the parallel importance of this region. This information further substantiated the wisdom of further plans to integrate the Cayman Islands marketing, whether it be tourism, financial services, sports or investment. This Government is committed to managing the Cayman Islands brand with full marketing integrity, commitment and passion.

The Ministry and Department of Tourism have been working hard since last summer to revitalize the image of the Cayman Islands in the United States. We are committed to working more strategically with our business partners, our media partners, and most importantly, our guests. We have deliberately and strategically reached out and developed stronger relationships with our airline partners. In the past year, the United States Department of Tourism has been extremely busy not only managing the relocation and restructuring of the national office, but also executing its core business programme in order to strengthen the brand and begin rebuilding Cayman Islands tourism.

As we strive to penetrate new markets, the single most important message we want to communicate is the diversity and rich tapestry of the three Cayman Islands. Each has a unique personality, to-

pography and range of activities. Together, our three islands share a special blend of Caribbean warmth, a distinct Caymanian hospitality and a pervasive air of safety, security and serenity.

Mr. Speaker, in summary the costs associated with relocating the tourism office from Miami to New York are as follows: -

1. The cost of terminating the DoT's portion of the Blue Lagoon lease was US$89,278.
2. The cost of moving and setting up the national office in New York was US$96,205.
3. The cost of the remaining 11-month lease period at 420 Lexington, New York City was UD$108,937.
4. The combined cost of relocating the southeast regional office and moving the national office items to New York wasUS$29,200.
5. The cost of leasing 3 Park Avenue over the 27-month period in question is US$428,621.
6. The cost of leasing new smaller accommodation for the southeast regional office at Doral is US$89,673.

This represents a total cost of US$841,914.

Mr. Speaker, on the other hand the savings realised by the Department of Tourism for terminating the lease at Blue Lagoon was US$448,015. In addition, the savings realised in recurrent staffing cost over the same 27-month period after the relocation of the United States national office and the simultaneous restructuring of our United States operation is US$$1.19 million. This represents a combined savings of US$1,467,015. When you compare the total cost of the relocation to 3 Park Avenue of US$841,914 to the total savings realised by the move of US$1.467.015, this represents an overall savings of US$625,101.

Mr. Speaker, it should also be reiterated that there are additional operational efficiencies which are not reflected in this financial analysis, such as, but not limited to, reduced overhead cost for utilities and optimising the country's ability to directly access the priority markets for the Cayman Islands tourism, investment and financial services sectors. Our Government is making changes, pursuing a deliberate strategy of creating a more professional, facilitative and user-friendly environment for businesses and investment; changing immigration regulations, cutting red tape and rolling out the red carpet so that local and foreign businesses will find the Cayman Islands a proactive, efficient and professional place to do business.

Thank you, Mr. Speaker.

Supplementaries

The Speaker: The Second Elected Member for the district of George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. In the answer the Honourable Minister said on page two that in the 15,000 sq ft of space the Blue Lagoon offices in Miami housed the DoT's US national office and the southeast regional office, and that the national airline also had its reservations and marketing staff there, taking up another 7,500 sq ft., so half of the space was utilised by DoT's national and southeast offices and the remainder by the national airline. I wonder if the Honourable Minister could say where the Cayman Airways reservations and marketing staff are now housed since the termination of that lease?

The Speaker: The Honourable Minister for Tourism.

Hon. W. McKeeva Bush: Mr. Speaker, the reservations of Cayman Airways has been moved to Grand Cayman and the other office accommodation are in Doral.

The Speaker: The Second Elected Member from the district of George Town.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I wonder if the Honourable Minister could give us an indication of what the cost of that relocation is or was.

Hon. W. McKeeva Bush: Mr. Speaker, I do not think the office dealt with that because we were asked specifically what the total cost to government was of the relocation of the tourism office from Miami to New York. I understand from the Permanent Secretary that the office dealt specifically with that.

The Speaker: The Second Elected Member from the district of George Town.

Mr. Alden M. McLaughlin, Jr.: So, Mr. Speaker, is the Honourable Minister saying that there is an additional cost to the termination of the lease, but it is not a cost directed to government but a cost to Cayman Airways?

The Speaker: The Honourable Minister for tourism.

Hon. W. McKeeva Bush: That is correct.

The Speaker: The Second Elected Member from the district of George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. On page three—and perhaps the Honourable Minister can help me here because I am not the best when it comes to arithmetic—there is a summary of the cost associated with relocating the tourism office from Miami to New York. I am having difficulty with those figures and I will say why. On page two the third paragraph from the bottom, the Honourable Minister says the total cost of breaking the lease at Blue Lagoon was US$178,556 of which DoT's portion was US$89,278. In the summary of the cost associated with the relocation there does not appear to me to be

any reference to that $178,000. There is reference to the cost of terminating the DoT's portion of the Blue Lagoon lease of $89,278, the cost of moving and setting up the national office, the cost of the remaining 11-month lease at 420 Lexington, the combined cost of relocating the southeast regional office and the cost of leasing 3 Park Avenue and the cost of leasing small accommodations for the southeast office at Doral. However, I do not see a reference in there to the $178,556 which is referred to in the third paragraph from the bottom on page two. If that has not been included then the cost in the actual summary is incorrect. So I would ask the Honourable Minister if he could clarify that.

[Pause]

The Speaker: The Honourable Minister for Tourism.

Hon. W. McKeeva Bush: Mr. Speaker, if the Member would look at the answer on page two, in the fifth paragraph, it says that the total cost of breaking the lease at the Blue Lagoon was US$178,556 of which the Department of Tourism's portion was US$89,278. The Cayman Airways portion was not included because the question related to tourism, but certainly the Department of Tourism's cost of the lease was US$89,278 and that is in the answer.

The Speaker: The Second Elected Member from the district of George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. So, the reason why that amount is not accounted for as a cost to government is because the difference is paid by Cayman Airways?

Hon. W. McKeeva Bush: I said that earlier.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker.

The Speaker: The Elected Member from the district of East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker. I am wondering if the Minister could say how he arrived at a combined saving of $1,467,015 if the $89,278 is not accounted for in the calculations on savings. On page four it says, **"On the other hand the savings realised by DoT for terminating the lease at Blue Lagoon was $448,015. In addition, the savings realised in recurrent staff costs over the same 27-month period after the relocation of the US national office and the simultaneous restructuring of our US operations is $1.19 million".**

The Speaker: The Honourable Minister for Tourism.

Hon. W. McKeeva Bush: Mr. Speaker, the question from the Member for East End is in regards to the $1.—I think it is 467—of combined savings on the tourism side. If you check the Cayman Airways figure – and I will give the House that in writing if you are doubting it—you will see that the government has still saved money.

The Speaker: The Elected Member for the district of East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker. What I am trying to ascertain and to show the Minister, is the $448,015 on page two was attributed to the cost of DoT of continuing in that space until the end of the lease of the 27-month period. We paid $178,556 to break that lease and half of that amounted to $89,000 for DoT. He goes on, on page four, to say that after terminating the lease there was a saving of $448,015. I am wondering where the $89,000 was accounted for.

[Pause]

The Speaker: The Honourable Minister for Tourism.

Hon. W. McKeeva Bush: Thank you, Mr. Speaker. I would ask the Members to look at their documents on page two, the fifth paragraph – the same $448,015 the Member referred to – that is only the Department of Tourism's portion. If Cayman Airways had continued for the same period of 27 months, they would have had that same cost. As I said to you, Mr. Speaker, the Government has saved. That figure is correct in total.

The Speaker: The Elected Member for the district of East End.

Mr. V. Arden McLean: Mr. Speaker, I am not saying that that is not what it would have cost for that 27-month period; what I am asking is, in breaking the lease the DoT still had to pay $89,000. Therefore, on page four we cannot again say that there is a savings of the total amount for that 27-month period.

Hon. W. McKeeva Bush: Mr. Speaker . . .

The Speaker: Honourable Minister for Tourism.

Hon. W. McKeeva Bush: The question the Member raised that the $448,015…. As I said earlier, the total savings and the $89,000 is taken in account in the combined savings of $1,467,015.

[Interjections]

Hon. W. McKeeva Bush: Mr. Speaker, I have given as all-inclusive an answer as I can. I do not know if the Members want anything else. I am prepared to try to find the information if they think that something is wrong with the question, because I know the Ministry

has taken quite a bit of time with the accountants on this, going through the whole thing with Ernst & Young and everybody else, just to make sure that they would be satisfied. However, we do not seem to have convinced them.

The Speaker: Are there any further Supplementaries? If there are no further Supplementaries—Madam Clerk.

Question No. 5

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

No. 5:Mr. Lyndon L. Martin asked the Honourable Minister responsible for the Ministry of Community Services, Youth and Women's Affairs if the positions of Sports Officer and Assistant Community Development Officer have been filled for Cayman Brac.

The Speaker: Honourable Minister could I just ask you to wait until we get the answers circulated please.

[Pause]

Dr. the Hon. Frank S. McField: Mr. Speaker, before I answer this question, as I have provided a written answer, I would just like to mention that the human resource issues that we face in Cayman Brac are quite substantial, basically in terms of getting people in positions that we have available. I would like that to be borne by the people of Cayman Brac and by the representatives for Cayman Brac.

The answer to the question is that presently there are no positions of Sports Officer and Assistant Community Development Officer in Cayman Brac. There is a Sports Instructor Post, a Community Development Officer and a Youth Development Officer.

The Sports Instructor position has been officially vacant since 1 February 2003. We have identified an instructor to fill that position and we are working in conjunction with the Personnel Department to have that person in post early April 2003. He has recently, between 7 and 14 March this year, completed a Sports/Community Leadership course hosted between the Ministry of Sports and the Cayman Islands Olympic Committee.

The post of Community Development Officer is not vacant. In terms of the question the Member was asking with regards to the assistant development officer, there is a community development officer in that post. That post is filled by someone who has been occupying that post for some time.

The Development of Youth and Sports has also identified a candidate to fill the position of Youth Development Worker in Cayman Brac. As soon as this person accepts this position, she will assist the Community Development Officer and will work closely with the Sports Instructor.

As you know, Mr. Speaker, there has been an integration between the Community Development unit and the Youth and Sports Department.

The Speaker: Are there any Supplementaries? The Second Elected Member for the district of Cayman Brac and Little Cayman.

Supplementaries

Mr. Lyndon L. Martin: Thank you, Mr. Speaker. I was hoping the Honourable Minister could indicate if the new sports instructor that is hoping to be on line by early April is Caymanian or non-Caymanian.

The Speaker: The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: Mr. Speaker, the young man is a Caymanian and he is from the district of Cayman Brac and it is very fortunate that we were able to find someone from the district at this time to fill the post.

The Speaker: The Second Elected Member for the district of Cayman Brac.

Mr. Lyndon L. Martin: Thank you, Mr. Speaker. I appreciate the answer given by the Honourable Minister that human resources in Cayman Brac is a challenge. I would also like to point out that accommodation is also a challenge and if the Ministry could indicate if there has been any appropriate accommodation for the sports instructor office or the youth development worker, as I know there have been difficulties in the past to find an office to work in.

The Speaker: The Honourable Minister for Community Services.

Dr. the Hon. Frank S. McField: Mr. Speaker, I have been told that presently those persons are accommodated in the District Administration building, but there is a building that will be renovated shortly to accommodate those persons that are in community development and youth and sports. That is something that we will give great attention to in the near future.

The Speaker: Are there any further Supplementaries? If there is no further supplementary, we will move on to the next question.

Question No. 6

The Speaker: The Second Elected Member for the district of Cayman Brac and Little Cayman

No. 6: Mr. Lyndon L. Martin asked the Honourable Minister responsible for the Ministry of Community Services, Youth and Women's Affairs what progress

has been made in the provision of alcohol and drug counselling on Cayman Brac.

The Speaker: The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: A resident Counsellor provided alcohol and drug counselling on Cayman Brac until the post became vacant due to retirement in July 2002. This post was advertised in 2002, however, there were no suitable candidates identified locally to assume the position.

In September 2002, a new Director was appointed and the process of recruitment commenced shortly thereafter. A job description was modified to reflect the unique needs of the Cayman Brac post and this was submitted along with a modified job advertisement to the Personnel Department for publication. The Personnel Department posted the advertisement in the local media and in the Globe and Mail in Toronto with a closing date for applications to be received by December 30, 2002.This drive yielded three potential candidates, which was deemed by the Department to be an insufficient pool for interviews.

In an effort to attract more candidates, the Department advertised the post within the region in January 2003 on a website for regional treatment providers. Thus far, there have only been two responses, one of whom does not possess the relevant qualifications. In an effort to conserve funds, the Department is in the process of reviewing applications received during previous recruitment drives with a view to contacting any of these persons deemed to be suitable candidates.

In the interim, two counsellors from Caribbean Haven Outpatient Services have visited Cayman Brac to conduct assessments and arrange referrals to the Caribbean Haven Residential Centre located in Breakers. These visits have taken place approximately every six weeks, or as an appropriate amount of referrals have been received through liaison with the representative from the Department of Social Services in Cayman Brac.

It is hoped that interviews for potential candidates can be arranged within the next four to six weeks. If a successful candidate is chosen that person could be in the post within four to six weeks.

The Speaker: Any Supplementaries? Second Elected Member for Cayman Brac and Little Cayman.

Supplementaries

Mr. Lyndon L. Martin: Thank you, Mr. Speaker. There are individuals who by court order are required to have alcohol or drug counselling. I was hoping the Honourable Minister could give a commitment to provide some form of weekly visits by an appropriate counsellor in order to fulfil these court orders and other needs in the community for counselling until the post is filled in four to six weeks.

The Speaker: The Honourable Minister for Community Services.

Dr. the Hon. Frank S. McField: Mr. Speaker, unfortunately, the Substance Abuse Department does not have the kind of money that would allow what the Member for Cayman Brac has suggested. However, the substance abuse services remain in contact with the social worker in the Brac and through the Department of Social Services they rely upon them to be informed as to when there is a need for them to do these assessments for the courts.

The Speaker: The Elected Member for the district of North Side.

Ms. Edna M. Moyle: Thank you, Mr. Speaker. I wonder if the Honourable Minister is in a position to say, based on the assessments done so far in the district of Cayman Brac and Little Cayman, how many of these have resulted in referrals to Caribbean Haven Residential Centre in Breakers.

The Speaker: The Honourable Minister for Community Services.

Dr. the Hon. Frank S. McField: Mr. Speaker, I am told that we are only aware of one person from the Brac being referred to Caribbean Haven this year.

The Speaker: If there are no further Supplementaries I would ask the Clerk that we move to the next question.

Question No. 7

The Speaker: The Second Elected Member for the district of Cayman Brac and Little Cayman.

No. 7:Mr. Lyndon L. Martin asked the Honourable Minister responsible for the Ministry of Health Services, District Administration and Agriculture if there has been any progress in the collection of outstanding landing fees owed to the Civil Aviation Authority by Island Air.

The Speaker: Could I ask the Honourable Minister if we could wait until we get the answers circulated?

[Pause.]

The Speaker: The Honourable Minister for Health Services, District Administration and Agriculture.

Hon. Gilbert A. McLean: The matter of outstanding landing fees owed to the Civil Aviation Authority (CAA) by Island Air has remained unresolved for almost 10

years. Together with Ministry staff I have met with the CAA and discussed options for action on the matter. I intend to resolve this matter within the year, beginning with discussions with all the parties concerned.

The Speaker: The Second Elected Member for the district of Cayman Brac and Little Cayman.

Supplementaries

Mr. Lyndon L. Martin: Thank you, Mr. Speaker. Could the Honourable Minister indicate if this debt is still accruing or is Island Air now paying their landing fees as appropriate.

The Speaker: The Honourable Minister for Aviation.

Hon. Gilbert A. McLean: Mr. Speaker, this bill continues to grow. No money has been paid to the best of my knowledge and understanding.

The Speaker: Second Elected Member for the district of Cayman Brac and Little Cayman.

Mr. Lyndon L. Martin: Thank you, Mr. Speaker. Could the Honourable Minister indicate whether this debt is strictly for Island Air planes or does it represent debt for other airlines, commercial or private, for which Island Air acts as an agent.

The Speaker: The Honourable Minister for Aviation.

Hon. Gilbert A. McLean: Mr. Speaker, the money represents that which is owed by Island Air alone and as of 28 February 2003 it was $1,070,426.37.

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

Mr. Lyndon L. Martin: Mr. Speaker, could the Honourable Minister indicate whether there have been any civil proceedings in the past or whether there are any currently between the Civil Aviation Authority and Island Air in an effort to collect these funds.

The Speaker: The Honourable Minister.

Hon. Gilbert A. McLean: Mr. Speaker, legal action was initiated on the 2 April 2001 and when I came to the Ministry I understood that that had run into a stall for whatever reasons. I attempted to initiate this legal proceeding after taking on responsibility for aviation. The recommendation that I made at the time was withdrawn and this matter continues to hang.

Perhaps it might help if I tell this Honourable House a little of what I understand the situation to be. I might also help the Member who is asking the question. I understand that this money has built up over ten years. From the inquiry that I have made, supposedly there was a promise given to this airline that they would be exempted. I cannot find any such record of it, I have been told that there was a verbal agreement. It has been quite a few years back I understand, well over five years and I have no knowledge of anything in writing that says this can be done. Certainly it has not been done during the time that I have been there and indeed one would have to think very long and hard about such an exemption. Whether or not we pursue this matter legally or as something which is negotiated, it is my intention to see that this comes to a close as soon as possible.

As I noted earlier, I met with the Civil Aviation Authority and their Board to get a full brief from them on this matter. I can say that it does not necessarily lie with the government legal department to collect this, as it has recently been decided that authorities may hire their own legal counsel. If it is necessary to follow through on this legally then it is the likelihood that the Civil Aviation Authority will be doing this through its legal counsel.

The Speaker: The Second Elected Member for the district of Cayman Brac and Little Cayman.

Mr. Lyndon L. Martin: Thank you, Mr. Speaker. I am aware that the Civil Aviation Authority has some regulatory arm for the establishment and maintenance of the fares charged. I was hoping the Minister could indicate whether the landing fee which would be part of the cost-base of the airline is included when assessing the fare to and fro Cayman Brac and Little Cayman.

The Speaker: The Honourable Minister for Aviation.

Hon. Gilbert A. McLean: Mr. Speaker, the Air Traffic Licensing Authority is the body that has dealings with the airfares. That matter has no connection to this. This deals with the landing fees which is separate.

The Speaker: Are there any further Supplementaries? The Honourable Member for the district of North Side.

Ms. Edna M. Moyle: Thank you Mr. Speaker. I wonder if the Honourable Minister is in a position to say what authority the director of the Civil Aviation Authority has to collect these landing fees. What can he put in place other than a lawsuit?

The Speaker: The Honourable Minister of Aviation.

Hon. Gilbert A. McLean: Mr. Speaker, I am advised that in a final drastic action it would be possible to stop the operation carried on by the airline, but that is not something that the Civil Aviation Authority would like to pursue and certainly it would not be something that I would be prepared to support, as I believe there are other ways it can be dealt with. However, perhaps the only practical way may be having this matter re-

solved legally if a solution cannot be reached through discussions and negotiations.

The Speaker: The Elected Member for the district of East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker. I wonder if the Minister can say if any discussions have been entered into recently with the Island Air executives, owners, et cetera, and if that would not be a first move prior to legal proceedings.

The Speaker: The Honourable Minister of Aviation.

Hon. Gilbert A. McLean: Mr. Speaker, there has not been any recent meeting with the management of Island Air since the time that a suit was initiated. It would now have to be done based on whether legal advice would say yes, you can talk with them and the way this would be done.

As I said, legal action has been initiated and there has been no discussion with them since that time. However, prior to that, of course, there were discussions with them.

The Speaker: If there are no other Supplementaries, we will move on to the next item.

STATEMENTS BY HONOURABLE MINISTERS / MEMBERS OF THE GOVERNMENT

The Speaker: I have received no notice of any statements.

Suspension of Standing Order 46(1) and (2)

The Speaker: May I have a motion for the suspension of Standing Orders 46(1) and (2).

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move that Standing Order 46(1) and (2) be suspended for the purposes of the First Reading of the Health Services Authority (Amendment) Bill 2003.

The Speaker: The question is that Standing Orders 46(1) and (2) be suspended.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 46(1) and (2) suspended to allow the Bill to be read a first time.

GOVERNMENT BUSINESS

BILLS

FIRST READING

The Health Services Authority (Amendment) Bill 2003

The Speaker: The Bill has been deemed to have been read a first time and set down for Second Reading.

Suspension of Standing Order 46(4)

The Speaker: Could I have a motion for the suspension of Standing Order 46(4).

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move that Standing Order 46(4) be suspended.

The Speaker: The question is that Standing Order 46(4) be suspended.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 46 (4) suspended to allow the Bill to be read a second time.

SECOND READING

The Health Services Authority (Amendment) Bill 2003

The Speaker: The Honourable Minister for Health.

Hon. Gilbert A. McLean: Thank you, Mr. Speaker. This Bill seeks to amend section 8 of the Health Services Authority Law 2002.

(a) By repealing the word “six” and substituting “eight”; and repealing the word “eight” and by substituting “ten”.”

This Bill has been circulated to Members this morning.

[Interjections]

Hon. Gilbert A. McLean: I am sorry, Mr. Speaker, that is a committee stage amendment.

Mr. Speaker, I will get it right in a few seconds.

The Clerk: A Bill for a Law to Amend the Health Services Authority Law 2002: and for Incidental and Connected Purposes.

The Speaker: The Bill has been duly moved. Does the Mover wish to speak thereto?

Hon. Gilbert A. McLean: Yes, Mr. Speaker. Just to say that these amendments are very small amendments to the Law. In the one instance, it seeks to put a limit on the length of time for which the board is appointed —a maximum of three years. At the end of three years the persons will be eligible for reappointment. It is not automatic and what I would wish to see done in this regard is that some members be retained for continuity of the board, but that changes could be made elsewhere in the persons appointed to the Health Services Authority board.

I believe that it would not serve well if it were the case that a whole new board should be reappointed. I would certainly advocate a change, when a change is necessary, of some, but that some be retained for continuity. It is of that kind of importance.

The section which now says that: **"Such persons would hold office at the pleasure of the Governor in Council".**

That section would be repealed. The other amendment would be in respect of repealing subsection (3) of section 32. I am not quite sure why that section was put in there in the first instance and no one seems to be able to give me a good answer. It did occur. It would be replaced by a section which reads: **"A direction given by the Minister shall not apply in respect of a matter pending before the Authority on the day on which such directions are given to the Authority."**

The way it presently is stated is that if the Minister gives the board a direction he has to put it in the *Gazette*. Such direction might be a request to the board to act in a way so that it would best deal with its competition and that would have to be gazetted for the competitors to know. So, it does not make much sense. I think it is one of those things that has occurred and no one can say why it turned up the way it did.

Mr. Speaker, as I said these amendments are not over-shadowing, in my opinion, and I recommend them to Honourable Members.

The Speaker: Does any other Member wish to speak? The Third Elected Member from the district of Bodden Town.

Mr. Anthony S. Eden: Mr. Speaker, just to give support from this side over here – and it is good. These things do happen where points are picked up to make the workings of the authority more efficient. We give support to the amendment to this Bill.

The Speaker: If there is no one else who would like to speak does the Honourable Minister wish to exercise his right of reply?

Hon. Gilbert A. McLean: Mr. Speaker, just to say thanks to the Member who spoke on behalf of the Opposition and to thank all Honourable Members for their tacit support.

The Speaker: The question is that a Bill shortly entitled the Health Services Authority (Amendment) Bill, 2003 be given a Second Reading.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Health Services Authority (Amendment) Bill, 2003 given a Second Reading.

The Speaker: The House will now move into committee.

House In Committee at 12.10 Pm

COMMITTEE ON BILL

The Health Services Authority (Amendment) Bill, 2003

The Speaker: The House is now in Committee. Please be seated.

With the leave of the House I assume that as usual we should authorise the Honourable Second Official Member to correct minor errors and such like in these Bills. Would the Clerk please state the Bill and read the clauses.

The Health Services Authority (Amendment) Bill 2003

Clause 1

The Clerk: Clause 1 Short title.

The Chairman: The question is that clause 1 do stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 1 passed.

Clause 2

The Clerk: Clause 2 Amendment of section 8 of the Health Services Authority Law, 2002—constitution of the Board of the Authority.

The Chairman: I have received notice of the committee stage amendment and I have waived the two days notice for the amendment.

The Honourable Minister for Health Services.

Hon. Gilbert A. McLean: Thank you, Mr. Chairman, and I will get it right now.

In accordance with the provisions of standing order 52(1) and (2) I, the Minister the responsible for Health Services, District Administration and Agriculture, give notice that I intend to move the following committee stage amendments to the Health Services Authority (Amendment) Bill 2003:

That clause 2 be amended by inserting the following as paragraph (a) and by renumbering the clause accordingly;-

"(a) in subsection (4) (f) by –

(i) repealing the word "six" and substituting "eight"; and

(ii) repealing the word "eight" and by substituting "ten"."

The Chairman: The amendment has been duly moved. Does any Member wish to speak thereto? If not, I will put the question.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: I will put the question that clause 2 does stand part of the Bill as amended.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 2 as amended passed.

Clause 3

The Clerk:

Clause 3 Amendment of section 32—Minister may give general direction.

The Chairman: The question is that clause 3 does stand part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 3 passed.

The Clerk: A Bill for a Law to amend the Health Services Authority Law 2002; and for Incidental and Connected Purposes.

The Chairman: The question is that the title does stand part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Title passed.

The Chairman: The question is that the Bill be reported to the Honourable House.

All those in favour please say Aye. Those against, No.

Ayes.

Agreed. That the Bill be reported to the House.

The Chairman: The Ayes have it. The House will now resume.

House Resumed at 12.15 Pm

REPORT ON BILL

The Health Services Authority (Amendment) Bill, 2003

The Speaker: Please be seated. Proceedings are now resumed.

The Honourable Minister for Health Services.

Hon. Gilbert A. McLean: Mr. Speaker, I have to report that a Bill for a Law to amend the Health Services Authority Law 2002 was passed with amendments.

The Speaker: The Bill has been duly reported and is set down for the Third Reading.

Since we have completed business on the Order Paper could I have the Motion for the adjournment?

ADJOURNMENT

Hon. W. McKeeva Bush: Mr. Speaker, I move the adjournment of this Honourable House until Wednesday 26 March 2003 at 10 am.

The Speaker: The question is that this Honourable House be adjourned until Wednesday 26 March 2003 at 10 am.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 12.16 pm the House stood adjourned until Wednesday, 26 March 2003, at 10 am.

OFFICIAL HANSARD REPORT
WEDNESDAY
26 MARCH 2003
11.14 AM

Eighth Sitting

[Deputy Speaker in the Chair]

The Speaker: I will ask the Honourable Minister for Education to grace us with prayers.

PRAYERS

Hon. Roy Bodden: Let us pray.

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

Bless our Sovereign Lady Queen Elizabeth II, Philip Duke of Edinburgh, Charles Prince of Wales, and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Executive Council and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 11.17 am

The Speaker: Thank you. Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies from the Honourable Minister for Communications and Works who is off the Island.

PRESENTATION OF PAPERS AND OF REPORTS

Report of the Standing Public Accounts Committee on the Special Report of the Auditor General on the State of Public Finances of the Cayman Islands' Government for the Year ended 31 December 2000, together with the Special Report of the Auditor General on The state of Public Finances

The Speaker: I will call on the Chairman of the Public Accounts Committee, the Second Elected Member for the district of West Bay.

Mr. Rolston M. Anglin: Thank you, Mr. Speaker. I beg to lay on the Table of this Honourable House the signed Report of the Standing Public Accounts Committee on the Special Report of the Auditor General on the State of Public Finances of the Cayman Islands' Government for the Year ended 31 December 2000, and the actual Report of the Auditor General.

The Speaker: So ordered.

The Speaker: Would the Honourable Member wish to speak thereto?

Mr. Rolston M. Anglin: Thank you, Mr. Speaker. I would like to comment on the Report for the benefit of all Honourable Members of this House and the wider public to whom the Report of the Public Accounts Committee and the Report of the Auditor General would have now become available, as it is now tabled. First, I would like to thank all Members of the Public Accounts Committee for their tireless work and effort in regards to the work of the Committee. Mr. Speaker, the Public Accounts Committee is indeed one of the most significant and powerful Committees that our Parliament has. The Committee deliberates and calls witnesses regarding reports that are submitted to this Parliament by the Auditor General. The Committee has the ability to call any public officer to appear before it and be questioned in regards to the findings of the Auditor General. The Committee works very closely with the Audit Office and, as is the privilege of all Members of this House, the Committee, from time to time, also provides the Audit Office with information and the like to request certain work to be done. The Committee is comprised of the Speaker, the Second

Elected Member for the district of Cayman Brac and Little Cayman, the Elected Member for East End, the Third Elected Member for Bodden Town and myself. The Committee has taken its work very seriously; we have had our challenges at times in getting work done because we are constrained in regards to the actual manpower that the Parliament is able to afford the Committee at certain periods of times especially when Parliament is sitting. Nonetheless, I think it is fair to say the Committee proceeded and now we are able to provide this Report to the Parliament whom we work on behalf of.

I would also like to thank the Auditor General and his staff for the work and support that they have provided the Committee. I would like to thank the Clerk and her staff for the work and support that they also provided the Committee. I would also like to thank all the public officers who appeared before the Committee in regards to this Report, and a list of those persons can be found on page 3 in section 6 of the Report.

Our Report caused us to look way back in time. It is very critical of, not only the budget position, but also the work that was done after the 2000 Budget was passed— the work of the Executive in regards to monitoring the budget. I think, as always, the Auditor General and his staff find themselves in a peculiar position as auditors. Many times their findings cause persons within the civil service to become a bit defensive and concerned that the findings and the reports may not accurately reflect certain situations. However, that is where the Public Accounts Committee comes in. During the witness calling on this Report I think it is fair to say that as a Committee we found that the Auditor General did a thorough job in regards to looking at the State of Public Finances for the year ended 31 December 2000. However, it is very useful, once the Committee does its round of witness calling, to supplement and augment the findings of the Auditor General. Therefore, it is very important that the Report of the Committee be read in conjunction with the Report of the Auditor General. I think it is fair to say that sometimes we find situations where the Auditor General's staff wind up doing their work, refining and fine-tuning their report and when the Committee actually calls witnesses we get additional information that might not have been readily available or forthcoming to the Auditor General. That is not to suggest that there is anything untoward regarding the Audit Office and their inter-relations with particular government departments. However, that is something we find that the Auditor General also observes.

We did have one peculiar challenge in carrying out the work as a Committee for this Report. It is noted in section 2, on page 1, after we list the membership of the Committee, that the Third Elected Member for Bodden Town is also a member of the Committee as a Member of the Executive Council through the general elections of 2000. In order to avoid any appearance of conflict of interest, and to maintain his independence as a member of the Committee, he did not participate in the discussions relating to the subject matter of the Ministry that he had responsibility for at that time. Mr. Speaker, I think it is fair to say that some of the information that was in this Report did, I think, cause the Third Elected Member for Bodden Town to reflect on, and come to the conclusion along with the Committee that he would not sign the Report — and all of us agreed with this as a Committee. However, he was not submitting a minority report. I think all that bodes well regarding the work of the Committee and it shows the cohesiveness and interest that all the Members of the Committee have in ensuring that the Committee tries to, at all times, come to a position that is supported by all members of the Committee.

We did support the Third Elected Member for Bodden Town in his efforts to do just that and I would like to, as Chairman, thank him for his approach regarding his work on the Committee. A report such as this does cause there to be a difficult position for him as a member of the Committee reflecting upon a time in which he was a Member of the Executive. Therefore, I thought it was very important for me to mention that because as the general public get their hands on the Report and read it, I wanted to make sure that no unnecessary or inaccurate inferences or conclusions would be drawn by anything that is stated in the Report.

When one looks at the Auditor General's Report—in particular the general comment section, starting on page 25, section 2.46 through section 2.59—it becomes very interesting, the actual position that was taken and that the Executive found themselves in at the time. I intend to close off shortly, but I thought this would be an important area for me to speak on briefly. Once the Government Minutes are prepared and tabled, all Members will have the opportunity to debate the Reports in their entirety.

Table 1 of the Public Accounts Committee's Report on page 14—*The estimated and actual operating results for the year ended 31 December 2000*—would reflect the combined statements of receipts and payments but exclude the general reserve fund. One can see where alarm would be caused by the Auditor General's Report and the findings of the Public Accounts Committee. If we look at the recurrent revenues, the original estimate was CI$314.2 million but the actual results were CI$280.7 million. The original budget for expenditure was CI$264.1 million and the actual result was CI$247.3 million. For statutory expenditure, the original budget was CI$35.3 million and the actual reported amount for the year was CI$36.9 million. If you take the recurrent expenditure and statutory expenditure away from the recurrent revenues on the budget there was a projected operating surplus of some CI$14.8 million, whereas the actual resulted in a deficit of some CI$3.5 million, which is a negative variance of some CI$18.3 million.

As you work your way through this Table you come down to the variant—and as they say the bottom line is what matters. You have an adjusted deficit before financing of some CI$68.85 million, and an adjusted deficit after financing of some CI$45.05 million as there was actual loan financing of CI$23.8 million for the year. Those numbers alone would cause much alarm as Members go through our Report in conjunction with the State of Public Finances Report of the Auditor General. As the wider public were to have this Report available to them, I focus on section 2.46 of the Auditor General's Report and the related sections on the findings of the Committee in this regard— sections 5 through 9 of the Public Accounts Committee Report. A number of things were revealed and substantiated by our witness calling and findings: First, the Report was critical of the fact that only one Finance Committee was called for the entire year of 2000. The Report of the Auditor General also quoted certain sections of the Public Finance and Audit Law, the old Law, which has now been replaced by the Public Management and Finance Law. However, we must look back at what existed in 2000. The Report noted that according to the Law there were certain powers given to the Honourable Third Official Member in regards to acting as Financial Secretary in calling a meeting of Finance Committee. What occurred in practice was that for the Financial Secretary to call a meeting of Finance Committee an agenda had to be approved by Executive Council. Even though by reading the Law it could and it may have been inferred in the Auditor General's Report that only one Finance Committee was called and that the Financial Secretary, under section 15(3) and I quote: **"The financial secretary may in writing reserve the whole or any part of a provision shown in the subhead and for so long as such reservation remains in force no expenditure will be incurred against the provision reserved".**

Also under section 11: **"The financial secretary shall subject to this and any other law have the management of finances of the government and the supervision, control and direction of all matters relating to the financial affairs of government."**

It may have been inferred and stated in the Report that callings of Finance Committee could be done in the Financial Secretary's sole discretion. However, as most of us would know, and certainly as was revealed during the witness calling that is not the way the system works in practice. As I said, and I want to repeat for clarity, in practice a meeting of the Finance Committee cannot be called without the support of the Executive Council because the Executive Council must approve the actual agenda for Finance Committee.

Mr. Speaker, section 2.52, which we looked at, in great depth, examines how the Government at the time monitored the financial position of the country. It was revealed to us and it was stated in the Auditor General's Report, that certain information that should have been deliberated upon in Executive Council, that is the financial position of the country, was done so informally and was not minuted. That situation is and will be one that causes concern for the Committee and will be picked up on as the public looks at both of these Reports. We see from the Reports that the financial position, although it should have been known to the Executive Council, there was no formal record of discussion on the positions taken. We also see another instance that would have caused a member of the Committee who was also at the time a Member of the Executive Council, to be in a very difficult position, considering everything that is revealed in our Report and in the Auditor General's Report regarding the actual financial position of the Government at the time.

It is very important that we all as Parliamentarians, and as the general public, read the two Reports together, because in reading them in conjunction we have the opportunity to look at what was the state of the public finances for the year ended 31 December 2001, and to hopefully glean a much clearer and more accurate position. I am not saying that the Auditor General's Report is flawed in any way, but it is useful once the Public Accounts Committee deliberates and calls witnesses and is able to provide our thoughts which are based on our findings in relation to the Auditor General's Report. That is why our system of Parliament is designed the way it is.

I am not going to read an entire Report that is some 35 pages long, as I did the last time that I tabled the Report. I just thought that I would offer a few brief comments on some of the areas that I thought might catch the attention of Members and the public upon reading the Report. As I said, I am sure Table 1 in our Report is going to draw much discussion and much thought regarding the financial position. However, I believe in fairness and it would only be fair for us to receive the Government Minute and at that time all of us, as Members, can offer constructive debate on the Reports.

I would again offer the Report of the Standing Public Accounts Committee for reading by all Members of this House. I would also like to thank the Members of this House for having entrusted in me the heavy responsibility of being the Chairman of the Public Accounts Committee up until this time. This will be my final report as Chairman of the Public Accounts Committee due to a decision that has been taken by the United Democratic Party Government that we are going to, for the first time in the Cayman Islands, practice the well-established principle that is adhered to in the majority of parliaments throughout the Commonwealth and the United Kingdom, that a Member from the Opposition be the chairman of this very important and very powerful Committee. I look forward to working along with whoever is going to take up the chairmanship. I promise him or her that I will at all times be as vigorous in the pursuit of carrying out the work of

the Public Accounts Committee. I find this to be a refreshing haven in the world of politics because, as most of you would know, in my former profession I was an auditor, and so I find this to be interesting work. I enjoy it tremendously, as do all members of the Committee.

I would like to beg to move a Motion that the debate on the Report of the Auditor General and the Public Accounts Committee be deferred until the Government Minute has been tabled. Under Standing Orders it should be within 90 days of the tabling of the Report.

With those brief comments, I would offer the Report of the Public Accounts Committee and the Report of the Auditor General on the State of Public Finances for the year ended 31 December 2000 to this Honourable House.

Motion to defer debate on the Report

The Speaker: Do I have a Seconder for the Motion?

Mr. Lyndon L. Martin: Mr. Speaker, I would like to second that Motion to defer the debate on the Auditor General's Report on the Public Accounts Committee until the date of tabling the minutes of the Report.

The Speaker: Thank you, Honourable Member. Second Elected Member for the district of George Town.

Point of Procedure

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, on a point of procedure, from whence does this Honourable House derive the authority to debate this Report? Which Standing Order are we relying on for that? The second point is this: the Government Minute which is required to be laid has not yet been laid in relation to the previous Public Accounts Committee Report which is also awaiting debate. I wonder if those two matters could be clarified, Sir.

The Speaker: Honourable Member, on your point of clarification, I understand that with previous practice reports that were laid on the Table, we laid and allowed for debate. If I may refer to the previous tabling of the same report, which was the 1999 report by the Public Accounts Committee on 11 January 2002, we did have the Motion at that time that the debate be deferred and it was passed unanimously.

Therefore, under that ruling, we will take a vote on the Motion that is on the Floor.

On the other question, as to waiting on the Report, you are correct in saying that Standing Order 77(7) does require that the Government Minute should be laid on the Table of the House within three months of laying the Report of the Committee.

Having said that, the last Public Accounts Report was tabled on 11 January 2002 which happened to be the ending of the Session of 2001. The House was prorogued after that Session and we did have a following Session; four Sessions for the year 2002 of which the House had been prorogued as well.

There is concern as to what happens to the business after the House is prorogued. According to the information received it says: **"The effect of a prorogation is at once to terminate all the current business of Parliament. Not only are the sittings of Parliament at an end, but all proceedings pending at the time are quashed, except impeachments by the Commons, and appeals before the House of the Lords. … every Bill must"** therefore **"be renewed after a prorogation, as if it has never been introduced."**

We have done some research on this and there are different procedures in different parliaments. What will happen in some parliaments is that prior to the proroguing of the House there is a motion which is moved to carry business forward to the next session of parliament. In other parliaments the practice is that at the first sitting of the House in the new session the House gives leave for all business that has lapsed by reason of prorogation to be reinstated before the House at the same stage it had reached. Not having either one of those being done prior to the House being prorogued in both Sessions of 2001 and 2002, I am not sure where the requirement for the tabling of the Government Minute stands. However, I would suggest, and I will be at the mercy of the House, that if a motion is brought that would require the Government Minute for the Public Accounts Committee Report of 1999 to be laid within this Session or within three months of this time, we would then be in accordance with the provisions of the Standing Orders. Having said all of that, we do have a Motion on the Floor and it has been seconded. I will now ask . . .

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I can attempt to assist the House in relation to that particular Motion, if you will give me an opportunity. I would like to address some comments you made in relation to the laying of the Government Minute. I agree with you, Sir, that what is on the Floor of the House is this Motion. If I could, with respect Sir, direct your attention to Standing Order 74(5).

Before that perhaps we could look at Standing Order 75; the Public Accounts Committee is a standing select committee. I do not think there is any doubt about that.

Standing Order 74 deals with the conduct of the affairs of select committees and 74(5) deals specifically with reports. If I may read that, Sir. **"The report or special report** [in this case of the Public Accounts Committee] **together with a copy of the minutes of proceedings of a select committee shall be presented to the House by the chairman or other Member of the committee acting on his behalf** [that, Sir has just been done] **and shall be recorded in the minutes of proceedings of the House as having been so presented and the chairman or**

any Member may, forthwith and without notice, move that the recommendations contained therein be adopted, modified or rejected, and if the motion be seconded and unopposed the Presiding Officer may forthwith and without debate put the question thereon."

"74(6) A motion moved and seconded under paragraph (5) shall, where it is opposed, be deemed to be an original motion of which notice has been duly given."

The point I am making is that the motion has been moved and seconded and, unless it is opposed, the question is to be forthwith put, either to adopt, modify or reject that report. The opportunity for debate only arises if it is opposed. I am not trying to create any difficulty, I just want this House to follow the correct procedure. And I submit, Sir, that is the appropriate Standing Order under which this Report should be laid and adopted, modified or rejected by this Honourable House. Thank you, Sir.

The Speaker: Honourable Member, I appreciate that attempt at clarification, but I do want to direct your attention to the point where it says: **" … having been so presented … and the chairman or any Member may, forthwith and without notice, move that the recommendations contained therein be adopted, modified or rejected and if the motion be seconded …"** That has not occurred. We have not had a motion that it be accepted; we have had a motion for the deferral.

Honourable Members, having said that, the question is that the debate on the Reports as mentioned from the Public Accounts Committee be deferred until the Government Minute is laid upon the Table of this Honourable House.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. That the Report of the Public Accounts Committee on the Special Report of the Auditor General on the State of Public Finances of the Cayman Islands' Government for the Year ended 31 December 2000, be deferred until the Government Minute is laid upon the Table of this Honourable House.

QUESTIONS TO HONOURABLE MINISTERS AND OFFICIAL MEMBERS OF THE GOVERNMENT

The Speaker: The First Elected Member for the district of George Town.

Mr. D. Kurt Tibbetts: Thank you.

The Speaker: Honourable Member, my apologies, I just noticed the hour for Question Time has passed. Could I get a Motion for the suspension of Standing Orders to allow Question Time to continue beyond 11 am.

Suspension of Standing Order 23(7) and (8)

Hon. Gilbert A. McLean: I beg to move the suspension of the appropriate Standing Orders to allow questions beyond 11 am.

The Speaker: Thank you, Honourable Minister. The question is that Standing Orders 23(7) and (8) be suspended to allow Question Time to continue beyond 11 am.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Orders 23(7) and (8) suspended in order for Question Time to continue beyond 11 am.

Question No. 8

The Speaker: Honourable First Elected Member for George Town.

No. 8: Mr. D. Kurt Tibbetts asked the Honourable Minister responsible for the Ministry of Education, Human Resources and Culture to give an update on the restructuring of the Education Department.

Hon. Roy Bodden: The restructuring of the Education Department is now complete with the development of the final senior post in Data and Communication Services. Job descriptions have now been developed for all senior staff and those for all other officers will continue as the five areas recommended by the Millet Report are developed further. These areas, School Improvement, Corporate Planning and Affairs, Establishments, Support Services and Data and Communication Services are all undergoing active review and development in the 2003–2004 academic year.

Supplementaries

The Speaker: The First Elected Member for the district of George Town.

Mr. D. Kurt Tibbetts: Thank you. In the Minister's substantive answer, he speaks of: **"Job descriptions have now been developed for all senior staff and those for all other officers will continue as the five**

areas recommended by the Millet Report are developed further".

He says initially that the restructuring of the Education Department is now complete. If the restructuring is complete and if the five areas have to be developed further, could the Minister explain where the difference lies?

The Speaker: The Honourable Minister for Education.

Hon. Roy Bodden: Mr. Speaker, the posts of five areas have to be tailored to ensure that those posts comply and are compatible with the sections under which they fall. For example, if we were to take establishments, we have to ensure that all staff members who fall under establishments are compatible with what the establishments, department or section are supposed to do. That is what is intended by this exercise now.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you. Mr. Speaker, if you will permit me, the report that both the Minister and myself refer to, seeks to secure in the recommendations No. 46, —and I will turn it into a question, Sir—a better focused organisation should be renamed the *Department for Education* and restructured along the following lines: -

- Chief Education Officer/Director for Education.
- Chief Advisor to the Education Council/Chair of the Senior Management Group (SMG)
- Chief Accounting Officer/Chief Liaison Officer with the Ministry of Education Council (HSA)
- School Governing Boards; and
- Chief Inspector of Schools.

Then it lists the five categories that the Minister mentioned in his answer. While I understand what the Minister has just explained, my question with the whole affair is that the answer in the beginning says that the restructuring is now complete, but there are still further developing areas within the restructuring. Therefore, I ask the question again for clarity, if the exercise is complete, is it that it is ongoing? Is it fluid and if so, why say it is complete?

The Speaker: Honourable Minister for Education.

Hon. Roy Bodden: Mr. Speaker, the sections have been restructured as per the recommendations in the Millet Report, but there is still fine-tuning to do with each section. Perhaps that is what I should have said to the Honourable Member. I apologise for misleading him.

The Speaker: First Elected Member for the district of George Town.

Mr. D. Kurt Tibbetts: Thank you. Mr. Speaker, I will choose one of the five categories at random. I will go to the middle. There is a director of Communications and Data Services to include publications, publicity and public liaison, data collection, interpretation, development of the department's information and communication's technology, capability including Education Department websites on intranet and internet, and the proposed Cayman Islands virtual teachers centre (see paragraph 52). Can the Minister state if, in the completion of the restructuring, the person in that post is not only responsible for dealing with all the matters I just read.

The Speaker: The Honourable Minister for Education.

Hon. Roy Bodden: Yes, Mr. Speaker, that is my understanding.

The Speaker: If there are no further Supplementaries, Madam Clerk.

Question No. 9

The Speaker: The First Elected Member for George Town.

No. 9: Mr. D. Kurt Tibbetts asked the Honourable Minister responsible for the Ministry of Education, Human Resources and Culture to give an update on the Post Inspection Reports for primary schools.

The Speaker: Honourable Minister for Education.

Hon. Roy Bodden: To date, three out of 15 primary schools have received post inspection visits. They are as follows:-

- Creek Primary, May 2000
- Savannah Primary, May 2001
- Red Bay Primary, May 2001

Post-inspection visits are carried out by the Schools' Inspectorate three years after a full inspection. Their main focus is to evaluate the progress the school has made on the key issues for action or priority areas identified during the full inspection. The inspectors also assess what progress has been made in the subjects of English, mathematics and science.

Creek Primary

At Creek Primary the following key issues were identified during the initial inspection:

- Ensuring its aims for the pupils' academic and personal development are shared, understood and agreed by staff and parents, and effectively and consistently implemented;

- Establishing clearer and higher expectations of what pupils can and should achieve, in their learning and presentation of work;
- Securing higher standards of work, especially in language, arts and mathematics;
- Providing teaching that is more varied in approach and better matches the abilities and learning needs of all pupils;
- Clarifying and strengthening the procedures and responsibilities for monitoring and evaluating the work of the school.

The conclusions of the post-inspection report were:

- "Despite some limitations in the action plan, the principal and staff have developed sound strategies for raising standards and improving practice, and discernible progress has been made on aspects of each key issue. There are also signs that staff are discussing and sharing ideas, attempting new approaches and involving parents and the community in planning and the school's work. In the context of the continued hard work and commitment of the staff, this provides a very positive foundation for further work.
- However, the issues raised during the full inspection remain areas of priority for the school's work. The school should consider requesting some outside assistance with areas it has found most challenging, such as raising expectations, meeting the needs of the full ability range within each class and raising standards in mathematics."

Savannah Primary

At Savannah Primary, the following key issues were identified:

- Strengthen the organization and management of the school;
- Introduce more effective assessment and monitoring procedures;
- Improve the quality of teaching and the standards of achievement;
- Reconsider the approach to identifying and teaching pupils with special educational needs and learning difficulties;
- Strengthen the provision for pupils' spiritual, moral, social and cultural development.

The conclusions of the post-inspection report were:

- "Delays in finalising and gaining approval of the action plan and limitations in the plan itself, have hindered the progress made in addressing the key issues raised in the 1998 inspection report. Consequently they remain areas of priority for the school's work. The school should consider requesting outside assistance with areas it has found most challenging, such as policy and guidance formulation, developing schemes of work and meeting the needs of the full ability range in each class."

Red Bay Primary

At Red Bay Primary, the following key issues were identified:

- Strengthen the management structure and involve senior staff in formulating and implementing policies and clear educational objectives;
- Raise academic standards by improving the quality of teaching and making better use of assessment data;
- Set higher expectations for all pupils including those with special educational needs;
- Create a supportive environment which motivates staff and pupils and enhances the pupils' spiritual, moral, social and cultural development;
- Monitor and evaluate the work of the school, especially the effectiveness of teaching and learning.

The conclusions of the post-inspection report were:

- "Since the inspection in 1998, progress has been made on aspects of each of the five key issues. However, there are limitations in the school's action plans, and the implementation of the plans has been delayed considerably. As a result, there is still some way to go to fully address each of the key issues for action.
- Changes in the school's management structure and the various other initiatives and programmes have created a climate in which further and more systematic improvements can take place. As a priority, the school will need to revisit the plan, with consideration for the findings and recommendations in this report, to ensure the planned actions provide a full coverage of the key issues and all linked issues, and thus provide a clearer focus for improvement."

The full summary reports for both the full inspections and the post inspections have been distributed to parents and are available for reference in various public locations, including the George Town Library, the Education Department, the National Archive and the Teachers' Centre in Cayman Brac.

In summary, progress has been variable. Some improvements have been made, but in all cases further work is needed on the priority areas that were identified during the full inspections.

The inspection teams found that schools had worked very hard to respond to the recommendations. Where their work had not had the desired impact, this was due to factors such as weaknesses in the action planning process; delays in implementing their action plans; and a need for external support and guidance.

Supplementaries

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you. Mr. Speaker, at the very beginning of his answer, three of 15 primary schools have received post inspection visits and it lists the three schools. Perhaps a little bit of history might enlighten us. If this is three out of 15 and one was done in May 2000, and two were done in May 2001, could the Minister explain to us the sequence of events which lead up to post inspection visits and getting the reports for those, so that we can understand the timelines involved where we see that it is 15 primary schools, but only three have so far reached the point where they have post inspection reports.

The Speaker: The Honourable Minister for Education.

Hon. Roy Bodden: Thank you, Mr. Speaker. There has been a six-year schedule set in which all government schools had to be inspected. Post inspections begin three years after that inspection schedule has been met.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you. If I understood the Minister correctly with what he said about a six-year schedule for all 15 schools to have the first inspection, and then the post inspection comes three years after each of them has had their first inspection, while not suggesting that that is not real and how it should be, it somehow seems to involve a long time period. Also, I believe that action plans are developed and I would be confident that this sequence of events lays everything out in order. However, in asking the Minister the question about the six years, is it that the inspectorate is satisfied that the plan with that timeline is not only sufficient, but the right approach, given all the circumstances at present within the primary system?

The Speaker: The Honourable Minister for Education.

Hon. Roy Bodden: Mr. Speaker, yes, that time is sufficient. I should have added that not only do the government schools fall on that schedule timeline, but also the private and secondary schools. We have to bear in mind that after the inspections the school will need a certain amount of time to be able to comply with the post inspection requirements. Therefore that is adequate.

The Speaker: The Elected Member for North Side.

Ms. Edna M. Moyle: Thank you, Mr. Speaker. I wonder if the Honourable Minister is in a position to give the dates of the full inspections of all primary schools and the estimated dates for post inspections of all primary schools other than the three named in the question.

The Speaker: The Honourable Minister for Education.

Hon. Roy Bodden: Mr. Speaker, I shall be happy to provide such information on a subsequent occasion, but it is not information that I have readily at hand because we did not anticipate that it would have arisen out of this question.

The Speaker: The Elected Member for the district of East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker. I wonder if the Minister can tell us how many of the schools had first inspections in 1997 and 1998.

The Speaker: The Honourable Minister.

Hon. Roy Bodden: Mr. Speaker, I have to again apologise to the Honourable Member and give an undertaking to provide this information in writing because it is not information that is readily at hand. I do not want to hazard any guesses and mislead the Members. If I can be given the permission I will supply the information at a subsequent occasion.

The Speaker: The Elected Member for the district of East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker. I appreciate the Minister's answer, but just to follow up I wonder if the Minister could hazard a guess as to whether or not there was more than one school done in 1997. The three year period for that was 2000 and there was only one inspected. If it was more than one in 1997 we should know that. If there were more than two in 1998, then why were they not post inspected in 2001?

The Speaker: Honourable Minister.

Hon. Roy Bodden: Mr. Speaker, there were more than two, but I do not want to get into hazarding guesses because when I give inaccurate information it is going to look bad on my policies as the Minister; it is going to reflect on my departments. If Members are tolerant, I will provide the information which is specific and exact. Anyone who knows me knows that I am not in the business of hazarding guesses.

The Speaker: The Elected Member for the district of East End.

Mr. V. Arden McLean: Thank you very much, Mr. Speaker. I am glad to hear the reply from the Minister that he will undertake to get that information available. Maybe we will do another question at the next sitting so it can be aired. Mr. Speaker, my next question is, I am interested in knowing from the Minister how this process works. We get the first inspection and then we do a post inspection three years later. I note in the Minister's answer—and if you permit me, Sir, there are

a number of areas in the post inspection under the three schools that he reported on,

1. Creek Primary School. "The school should consider requesting some outside assistance with areas it has found most challenging…".
2. Savannah Primary School. "The school should consider requesting outside assistance with the areas it has found most challenging…".
3. Red Bay Primary School. "As a priority, the school will need to revisit the plan, with consideration for the findings and recommendations in this report to ensure the planned actions provide a full coverage…".

Mr. Speaker, my question is, what role does the Education Department play in this? Is it only the principle that inspectors inspect and make recommendations and leave the principal and teachers to get all of this in? Where does the Education Department assist them in reaching those goals because, obviously, they have identified the weaknesses?

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Thank you, Mr. Speaker. The inspection process itself is intended to help schools to be able to tackle the key issues which are identified by training school staff to evaluate their own work, using the same criteria that is used by inspectors before the inspection team visits, providing detailed written and oral reports to school staff which indicate the steps that the school need to take to address the key issues, providing feedback to teachers after lesson observations and having inspectors engage in professional dialogue with school staff. In some cases there is expertise that is identified within the school by the inspection team that the school is encouraged to make better use of. However, as the inspection reports indicate, there are areas where schools need additional support. This support must be strategic and targeted to meet the specific needs raised by the inspections.

The Education Department has responsibility for providing ongoing monitoring and support for schools to help them respond to the inspection findings. Thus the Education Department provides what we call, link officers who assume this responsibility. To complement what the Education Department provides, the inspectorate has expanded its training programmes to cover self-assessment and action planning, an annual senior management course and termly meetings with the principals. Effective school leadership is crucial to school improvement. In acknowledgement of this, the Ministry, the school inspectorate and the Education Department have all collaborated to develop a new national educational leadership programme which will begin in May of this year.

The Speaker: The Elected Member for the district of East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker. Much of what the Minister said I probably will not remember until I see it in writing. I specifically heard him talk about two things that I paid close attention to – the first being a link officer. I take that to mean between initial inspections and post inspections. The other section was the schools' need for effective school leadership, and that is developing. May I then ask the Minister, after three years with the development of school leadership being monitored by the Education Department and a link officer providing that support, are we still saying that they need to go outside to seek help? I wonder if the Minister can identify the help that is needed from the outside.

The Speaker: The Honourable Minister for Education.

Hon. Roy Bodden: Mr. Speaker, the reference to "outside" in this case means that the school has to go outside of the school to the Education Department to seek this help.

The Speaker: The Elected Member for the district of East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker. Can I ask the Minister, is this not done on a regular basis within that three-year period and evaluations done on a regular basis leading up to that three years to ensure that these kinds of posts reports are not published. That is, who is responsible? Are we leaving it to the principal, or is it the Department that is responsible to ensure that the principal runs the school in accordance with the academic levels of curriculum for children to reach. Is it the teacher; the principal or is it the Department of Education that has to ensure evaluations are done that have reached the required level for that curriculum?

The Speaker: The Honourable Minister for Education.

Hon. Roy Bodden: Mr. Speaker, it is a shared responsibility between the schools and the Education Department. Perhaps I should say that the system works like this: the inspectorate is an independent body whose responsibility is to audit the schools. As a result of this audit, as in all audits, even in the audit referred to a short while ago by the Second Elected Member for West Bay, certain weaknesses are turned up. When these weaknesses are turned up it is the responsibility of the school, working in collaboration with the Education Department, to strengthen the weaknesses so that they can be corrected before the next post inspection.

The Speaker: The First Elected Member for the district of George Town.

The Honourable Minister for Education.

Hon. Roy Bodden: It is being done. Where help is needed I mentioned the link officers. For example, in the case of East End the link officer is the mathematics advisor. These persons are responsible and they come from the Education Department and they have the responsibility to the various schools.

If the Honourable Member has another supplementary Mr. Speaker, then maybe he can wait until—I know that they all want to be Ministers of Education, but it takes time. It took me twelve years!

[Laughter.]

The Speaker: The First Elected Member for the district of George Town.

Mr. D. Kurt Tibbetts: Mr. Speaker, it is good to have a bit of humour sometimes. However, on a serious note, understanding all that the Minister has said so far, perhaps going to some specific timelines . . . because we understand that the inspectorate are literally the auditors for the schools and their reports will cause whatever action needs to be taken after they have made their assessments. Looking at Savannah Primary School we see that the post inspection visit was done in May 2001. I think I am right in presuming that after the visit was done there was a timely report done. The auditors have completed their jobs. They do not involve themselves with either the logistics or the resources which are going to make the things happen. Their job is to show what is wrong and make some recommendations. We have these link offices which the Minister just spoke about and we also understand that the restructuring of the Education Department has been completed. One of the five posts that is involved in that restructuring is the director of school improvement whose responsibilities include: all government primary and secondary schools, curriculum assessment, school advisory services, site-based and action planning, teacher and principal appraisal, training and professional development of school staff. I am presuming it is that responsibility which the link officer would be connected to. This was done from 2001 and we have all of this in place. Can I ask the Minister, based on the post inspections report, what has been done with regards to implementation of the recommendations?

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Mr. Speaker, in the case of the school reference, the director of schools' improvement is actually the link officer for Savannah Primary School. He is working with the schools' inspectorate to effect the necessary improvements that are recommended. I want to say, Sir, since there seems to be no shortage of education experts over on that side,, the system is fraught with its challenges, and in all candour it is a new system. We are doing our best, all entities are working and there are bound to be gaps,, if for no other reason than because it is a new system. I am confident in the abilities of the people. Perhaps when roles are reversed, we will see if the measured improvements that we are making are conducive to what the education ministers over on the other side expect.

The Speaker: First Elected Member for George Town. I will allow one additional supplementary after this one.

Mr. D. Kurt Tibbetts: The Minister mentioned the word candour and so will I. Whether he believes it or not this whole attempt is to assist him. I just want to get that clear. The Minister just said that the director of schools' improvement, who is the link officer for Savannah Primary School, is working with the inspectorate to effect these changes. I would beg you to consider this not as a supplementary, Sir, because this is just a matter of him clarifying that specific answer that he just gave.

If the inspectorate are the auditors and they do not get involved, then where are we going when we speak of the link officer effecting the changes by liaising with the inspectorate? I want to get that out then we can get to the supplementary.

The Speaker: The Honourable Minister for Education.

Hon. Roy Bodden: Mr. Speaker, obviously, Sir, if the auditors say that something needs to be corrected and it is not understood or someone wishes to ascertain exactly what they have to correct, then who do you think they are going to ask but the auditors? I rest my case. I think my point is made.

The Speaker: The First Elected Member for the district of George Town.

Mr. D. Kurt Tibbetts: Thank you. Mr. Speaker, in the answer. I am not expecting the Minister to hazard any guesses at any of the questions. To go back to the way the system works with the inspectorate and the various modifications that have been made since the Department has now been restructured, with the site-based planning and the implementation of whatever the recommendations are—whether it is with initial inspection or whether it is post inspection after the three-year period. When it comes to the resources that are required—obviously some of the observations and recommendations made by the inspectorate will require funding, some require human resources and they would address a myriad of situations. How is the link accomplished with all of the connections? At the end of the day, when the inspectorate comes back and does their checklist as to what was recommended, the schools develop their site-based planning (and whatever else they have to do), and with the

implementation – is there a constant flow of information throughout the system so that when it comes to budgeting there is no hold up in the schools being able to implement their action plans (within reason understanding all the fiscal constraints) ? We are forever hearing that this is slowed down, that is slowed down, the next thing is slowed down. Is the reason because of resources or is it simply because there is so much at hand and everyone is doing the best they can, but we cannot get everything done at one time?

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Mr. Speaker, each school prepares its budget and sets its priorities and then works with the Education Department to arrive at those priorities and to achieve their objectives. That has to be juxtaposed against what the Honourable Member mentioned; the fiscal constraints, et cetera. That is the way those kinds of situations are addressed.

The Speaker: Madam Clerk.

Question No. 10

The Speaker: The Elected Member for East End.

No. 10:Mr. V. Arden McLean asked the Honourable Minister responsible for the Ministry of Health Services, District Administration and Agriculture to give an updated list of staff employed by the Health Services Authority as –

a. Ambulance drivers
b. Paramedics
c. Emergency Medical Technicians (EMT);

broken down by nationality and length of service.

The Speaker: The Honourable Minister of Health.

Hon. Gilbert A. McLean: The Ambulance Service currently has 24 members of staff. The post of Ambulance Driver does not exist; all staff are qualified Emergency Medical Technicians (EMTs) or Paramedics. The persons are as follows:-

Health Authority Ambulance Services

Nationality	Post	Contract Type	Length of Service
Steven Duval **Caymanian**	Supervisor	PPE	Jul. 1987 16yrs
Hallan Ebanks **Caymanian**	EMT – P	PPE	1995 8 yrs
Martin Amos **British**	EMT – P	OS	Oct. 1998 5 yrs
Debar Gaffigan **British**	EMT – P	OS	Dec. 1997 6 yrs
Kenneth Reid **British**	EMT – P	OS	Aug. 1999 4 yrs
Dennis Fennel **Caymanian Status**	EMT	PPE	Jan. 1990 13 yrs
Mark Shutter **British**	EMT	OS	Jan 2003
Gifford Prendergast **Caymanian**	EMT	PPE	May 1992 11 yrs
Hurvey Pusey Resident **Jamaican**	EMT	LC	Jun. 1989 14 yrs
Joy Vernon **Caymanian**	EMT	PPE	1997 6 yrs
Irvin Williams **Resident USA**	EMT	LC	Feb. 1998 5 yrs
Kendal Connor **Caymanian**	EMT	PPE	Oct. 1993 10 yrs
Lambert Gillago **Caymanian status**	EMT	PPE	Oct. 1990 13 yrs
Jeffery Dacosta **Caymanian**	EMT	PPE	Nov. 1998 4 yrs
Carl Barnes **Caymanian**	EMT	PPE	Nov. 1977 25 yrs
Divern Miller **Caymanian**	EMT	PPE	1996 7 yrs
Collen Cummings **Caymanian**	EMT	PPE	Aug. 1998 5 yrs
Archibald Braithwaite **Caymanian**	EMT	PPE	Dec. 1999 4 yrs
Nicholas Elliot **Caymanian**	EMT	PPE	Dec. 1999 4 yrs
Christopher Johnson **Caymanian**	EMT	PPE	Feb. 2000 3 yrs
Juniere Ferguson **Resident Cuban**	EMT	PPE	Dec. 1999 4 yrs
Steven McLaughlin **Caymanian**	EMT	PPE	Aug. 1998 4 yrs
Sherman Myles **Caymanian**	EMT	PPE	Aug. 1998 4 yrs
Georgette Smith **Caymanian**	EMT	PPE	Jan. 2001 2 yrs

Mr. Speaker, that makes a total of 17 Caymanians, and 7 non-Caymanians. The list that I have read should be attached. If it is not, it will be provided.

The Speaker: The Elected Member for East End.

Supplementaries

Mr. V. Arden McLean: Thank you Mr. Speaker. Could I ask the Minister for some clarification? The list that we have does not include the names but it has the nationalities and the posts. Could he explain EMT – P.

The Speaker: The Honourable Minister of Health.

Hon. Gilbert A. McLean: Mr. Speaker, the EMT – P means that these persons are also paramedics which I am told is an additional qualification. I would also add that I read the names. The names have been left off the list, in that, it asks for nationality and length of service.

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker. The Minister can rest assured that we do not need the names. This is fine. I wonder if the Minister can say if it is desirable to have all these EMTs with the qualification of EMT – P.

The Speaker: Honourable Minister of Health.

Hon. Gilbert A. McLean: Mr. Speaker, it is not absolutely necessary that all EMTs are paramedics, but it is the desire of the Health Services to increase the number and they are working towards that.

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: Mr. Speaker, the Minister seems to figure out where I am going. Nevertheless, I wonder if the Minister can tell us where these EMTs would go to be qualified and what are the immediate plans that he just spoke of. Could he explain those plans to train some more of these Caymanians to become paramedics?

The Speaker: The Honourable Minister of Health.

Hon. Gilbert A. McLean: Mr. Speaker, for the EMTs to receive paramedic training they would need to go to the United States. However, it does provide a logistical challenge, in that we need a few more, if even temporarily, so that the person can be released to go and do this training.

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: Mr. Speaker, I hear the Minister, and I appreciate that, but I would also ask him what qualification does one need to join that area of the Health Services Authority? I notice all of these are EMTs. Do you need to be qualified as an EMT to come on board or does the government provide training prior to them being hired in that area?

The Speaker: The Honourable Minister of Health.

Hon. Gilbert A. McLean: Mr. Speaker, the persons who are recruited in this service . . . the advertisements can be such that they invite persons with EMT training to apply or, where that is not available, they are taken in and are trained within the service. However, we cannot do the paramedic part of it within the service. They need to go overseas for that.

The Speaker: The Elected Member for the district of East End.

Mr. V. Arden McLean: The substantive question asks for the list of employees as ambulance drivers and the substantive answer said that the position of driver does not exist. The Minister's last reply said that advertisements call for persons with EMT training, or they are trained. Is it that they come in as a backroom clerk or a trainee or a student and are never hired into the system as a driver? What job is done during that training period?

The Speaker: The Honourable Minister of Health.

Hon. Gilbert A. McLean: Mr. Speaker, persons who are taken into the ambulance service are chosen from among those who have at least a high school education. That would be an appropriate standard. In fact, that is advertised in today's paper as being a qualification. They should possess a high school certificate or equivalent. As soon as the persons are hired they are allowed to go out with trained staff on ambulance calls. During the initial period of their employment they are shown on the job what to do in terms of going out with the ambulance. There are also classroom studies provided for them until they have reached the level to qualify as an EMT.

The Speaker: The Second Elected Member for the district of West Bay.

Mr. Rolston M. Anglin: Thank you, Mr. Speaker. Could the Minister say, in regard to both the classroom instruction for EMT and the paramedic, how many hours of classroom study do you have to do to become an EMT or a paramedic? What sort of certification and examination do you have to go through to become qualified, or do you have to go through some sort of certification? In regards to getting the paramedics qualification, what would be the cost of sending someone overseas to get that qualification?

The Speaker: The Honourable Minister of Health.

Hon. Gilbert A. McLean: Mr. Speaker, the training to reach the level of an EMT, as best as I can understand, is approximately three months and certification is done locally. For a paramedic this has to be done overseas. I understand that it takes about six months and you can get varying levels of qualification at state level and then at national level, dependent on taking the various higher examinations.

The Speaker: The Member for the district of North Side.

Ms. Edna M. Moyle: Mr. Speaker, I wonder if the Honourable Member could say if the 24 members of staff of the ambulance service is a full complement to provide the necessary services required. If not, would the Minister say how many more persons are needed to make a full complement?

The Speaker: The Honourable Minister of Health.

Hon. Gilbert A. McLean: Mr. Speaker, there are three stations that are served by the ambulance service and the persons who serve have four days on and four days off. They are operated on 12-hour shifts except the one at the hospital which is 24 hours, seven days a week. Ideally, taking into account illness, leave, public holidays and so on, it is desirable to have at least 27. 28 would provide a full comple-

ment to meet the requirements for full coverage. It is now short of about four persons.

The Speaker: The Second Elected Member for the district of West Bay.

Mr. Rolston M. Anglin: In answer to an earlier supplementary the Minister stated that for a paramedic you can get varying levels of qualifications depending on state boards. I guess that depends on what state board you go to and the opportunities there are. What is the standard for Cayman? In other words, what is the minimum standard that the Health Services Authority would want a paramedic to reach and under what state board?

The Speaker: The Honourable Minister for Health.

Hon. Gilbert A. McLean: Mr. Speaker, I cannot give a definite description of the level, but I can say to the House and the Member that we have been, in the past, using mostly the state of Florida for training in paramedics. I could perhaps find additional information, but I do not have that at this time, I could make it available in writing.

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: Mr. Speaker, I wonder if the Minister can tell us how many they plan to send away shortly and will the government bring some in on a temporary basis to cover during that period?

The Speaker: The Honourable Minister of Health.

Hon. Gilbert A. McLean: Mr. Speaker, at this time there is a shortfall in the number of persons who are needed for the ambulance service; therefore, there are no immediate plans to send anyone for training in paramedics. That is something that would be done as soon as we get the complement up. Of course, it is a cost consideration to hire persons temporarily in order to send those on training, but there is really no timeline that I could give and be specific on at this time.

The Speaker: Honourable Members, if there are no further Supplementaries I now propose that we take the luncheon break.

Proceedings will resume at 2.30 pm.

Proceedings suspended at 1.05 pm

Proceedings resumed at 2.44 pm

The Speaker: Please be seated. [Question Time continues.]

Question No. 11

(The Honourable Deputy Speaker, in whose name Question No. 11 stood, had deputed the Second Elected Member for West Bay to ask the Question).

The Speaker: The Second Elected Member for the district of West Bay.

No. 11: Mr. Rolston M. Anglin asked the Honourable Minister responsible for the Ministry of Community Services, Youth and Women's Affairs what is the policy regarding prisoners being allowed to travel off Island to attend funeral services.

Dr. the Hon. Frank S. McField: Requests from prisoners to attend the funeral of close relatives are all dealt with on an individual basis and a compassionate decision is made following a detailed risk assessment.

If a prisoner is in security categories A, B or C an escort is required. In these circumstances permission will usually only be granted for immediate relatives (mother, father, brother, sister, wife, husband, children). However, there are exceptions where, for instance, a grandparent has raised the prisoner and is, in effect, a parent.

Category D prisoners, who have demonstrated that they can be trusted unescorted, may be given permission to attend the funerals of other family members or if the risk assessment is favourable.

Part of the risk assessment is the expected reaction of the mourners, and particularly the bereaved, to the prisoner's attendance at the funeral.

It follows therefore that permission to attend a funeral off island will only be granted in the most exceptional circumstances; after the most rigorous risk assessment by the Prison Authorities and with the express permission of the Minister responsible for Prisons.

There can be no question of an escorted attendance. First, the cost to the CIG is not justifiable and second the personal safety of the escorting officers has to be considered.

- The prisoner must be category D.
- Custodial behaviour needs to be impeccable.
- The risk of offending whilst out of custody must be minimal and the consequences of an offence equally minimal.
- The likelihood of the prisoner returning must be extremely high. To this end the proximity of release or parole date is a key factor.
- The attitude of the prisoner's family and the locale of the funeral are also taken into account. For a favourable decision it must be practical to carry out an accurate assessment.
- The prisoner's relationship with the deceased must be so close as to warrant the exercise being considered in the first place.

Permission to travel off Island to attend a funeral has only been granted once.

- Although serving a sentence for importing cocaine [9 years -in custody from 7/7/00] the prisoner was a genuine first offender;
- He was within 7 months of his Parole Eligibility Date [6/7/03] and is considered by the Prison Authorities as being an excellent candidate for Parole (in his case Remission of Sentence and Deportation)
- He had been on the Enhanced Wing as a Category D prisoner for 17 months.
- He had never committed an offence whilst in prison and had always tested negative for drugs.
- He was extremely close to his 59 year old mother whose death came as an unexpected shock. [He fainted when given the news by his sister in the presence of the Prison Chaplain and an Assistant Director].
- The family home and location of the funeral are not in areas considered to be high risk.
- His mother had been a Senior Probation Officer in Jamaica and other members of his family work in the Department of Corrections.
- The Prison Authorities considered it highly unlikely that he would not return and even more unlikely that he would commit an offence whilst on unescorted absence. [He travelled to Jamaica in the company of his sister on 28/11/02 and returned on 2/12/02.]

Interestingly, there was a problem with his passport on his return flight from Norman Manley airport and the airline refused to allow him to board. He insisted on telephoning the Prison from the airport immediately. Immigration were contacted and arranged with the Jamaican authorities for him to fly. In consequence he returned on time. He provided a negative drug test on his return.

It is considered that the number of prisoners that will meet these criteria is extremely small.

I would also like to add for the records a letter which I received from Junior M. A. Dixon, inmate #3357 and it reads:-

"Dear Sir,

"On behalf of my family, I take great pleasure in expressing my greatest thanks and sincere appreciation to you for having given me the opportunity to attend my mother's funeral in Jamaica.

"I thank you for being compassionate and sympathetic to my unique situation. I hail you for making such a colossal decision to send me and I want you to know that the great respect I had for you has now quadrupled.

"I wish you all the best and hope that you will continue to be successful in all your endeavours. I pray that the good Lord will continue to shine his perpetual light upon you and bless you always.

"Yours respectfully,
"Junior M. A. Dixon (Inmate #3357)"

The Speaker: If there are no further Supplementaries, Madam Clerk you could go on to the next question.

Question No. 12

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

No. 12: Mr. Lyndon L. Martin asked the Honourable Minister responsible for the Ministry of Education, Human Resources and Culture what provisions are available locally for GED or equivalent programmes.

The Speaker: Honourable Minister for Education.

Hon. Roy Bodden: First, Mr. Speaker, on the answer paper that Honourable Members are given they will see the acronym GED. The answers have General Education Degree but it is supposed to read General Education Diploma.

GED – General Education Diploma – is an American examination, which is done by students in order to get a high school equivalency diploma. It is usually an alternative for students who did not, for whatever reason, get to complete and graduate from their high school.

In Cayman the examination used to be offered at the International College of the Cayman Islands. There have been changes at the management level of the examination and it is no longer offered locally. A similar situation exists in other territories, which used to offer the GED. However, students in Cayman can attend preparation classes at the ICCI. Having done the preparation course, the students may travel to the USA in order to do the written examination. Current efforts are being made to have Cayman once again become an examination centre.

Supplementaries

The Speaker: The Second Elected Member for the district of Cayman Brac and Little Cayman.

Mr. Lyndon L. Martin: Thank you. Mr. Speaker, I was hoping the Minister could give more details as to the efforts that are currently being made to have the examination done locally.

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Mr. Speaker, as far as the GED is concerned it seems highly improbable that we will

ever be able to offer that locally again because the entities which franchise the examination have significantly changed the criteria for acquiring a franchise outside of the United States. We have experienced some difficulties because after going through the preparation at ICCI, students have to fly to a centre in Miami or in Florida and take the examinations. What happened in many cases was that was impractical because certain people were also precluded. Any person having a record is not able to access a visa to the United States, so it precluded some people. In addition, there were the normal inconveniences experienced by this kind of travel; it was expensive and often they had to book a hotel.

As a result of that, the Education Council, with my encouragement, initiated the formation of a small Committee to undertake the design of an equivalent programme which will be used for certification in the Cayman Islands.

Members of this Committee consist of representatives of ICCI, the Cayman Islands Community College, the Senior Education Officer for schools' improvement, the Education Officer for test development, as well as the Education Council representatives. This certificate will be endorsed by the Education Council and will be available for certification following a course of prescribed study, which will emphasise four core areas of language, arts, mathematics, science and social studies. There will also be considerable emphasis on social education, as well as on citizenship education.

When I got settled into office I contacted the Chamber of Commerce and asked them if they would, from among their membership, ascertain for me the subject areas and level of proficiency desired in such an examination. I got a cursory report and I hope that we can use this as a take-off point for this examination which will be entirely local to begin with.

The Speaker: If there are no further Supplementaries we will move on to the next question.

Question No. 13

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

No. 13:Mr. Lyndon L. Martin asked the Honourable Minister responsible for the Ministry of Health Services, District Administration and Agriculture what provisions are in place to provide Cayman Brac and Little Cayman with medical coverage in the absence of a surgeon and a gynaecologist and what efforts are being made to provide full-time coverage by qualified specialists or general practitioners with interest in these specialties.

The Speaker: The Honourable Minister of Health.

Hon. Gilbert A. McLean:

1. Surgical Service

A locum surgeon is currently providing a service at Faith Hospital. In the meantime potential candidates for the post are being sought. Should there be a delay in finding a surgeon to fill the substantive post we are also looking for other locums prepared to work at Faith Hospital.

This post is difficult to fill because the very large general practice component of the job, matched with the small surgical component, does not make this an attractive post for a qualified surgeon. Surgeons are not typically trained in general practice and this in itself poses a significant clinical risk management issue.

2. Obstetric/Gynaecology Service

It has not proven possible to attract a replacement obstetrician/gynaecologist (ob/gyn) for Faith Hospital. The reasons are much the same as for the surgical post. There is very little obstetric or gynaecological practice afforded to the clinician, and this is therefore not attractive to a trained ob/gyn.

Currently the Obstetric and Gynaecology Service at Faith Hospital is supervised by the ob/gyn at the Cayman Islands Hospital who visits Cayman Brac on a monthly basis. Between his visits, the patients are managed by Registered Nurse Midwives at Faith Hospital who are following a plan of care, designed by the ob/gyn.

The level of service currently being offered at Faith Hospital will be reviewed and increased if considered necessary when a second ob/gyn joins the health service in mid April 2003. Coverage will continue to be provided by the Cayman Islands Hospital until a suitable candidate is appointed to fill the vacant post at Faith Hospital.

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

Supplementaries

Mr. Lyndon L. Martin: Thank you, Mr. Speaker. I would like to thank the Honourable Minister for the comprehensive answer provided to this question. I was hoping the Honourable Minister could inform this Honourable House if the recently introduced limitation as to the jurisdictions from which the primary qualification of the practitioners to be licensed in the Cayman Islands is obtained—the United States of America, Canada, the United Kingdom and Jamaica—has added or contributed to the difficulty in finding suitably qualified specialists for Cayman Brac and Little Cayman.

The Speaker: The Honourable Minister of Health.

Hon. Gilbert A. McLean: Mr. Speaker, the Cayman Islands have for many years chosen to follow the standard set by the four countries as named by the Member asking the question. The posts, however, have been advertised in Barbados and Trinidad as well as the United Kingdom and Canada, with very poor response. We tend to get applications for working at the Hospital in Grand Cayman, but when the limitations and the extent of the practice in Cayman Brac become known, it does not pose the same attraction for these medical professionals. When we are looking for specialists it is a requirement for a specialist to be able to maintain their specialist qualification or grade, et cetera; they are required to do a certain amount of work in that particular field in any given year. If they do not, they become de-skilled and they can lose the recognition as a specialist. Perhaps we could advertise in other countries that we do not advertise in now or we might choose the standards over and beyond the countries that we do now. However, at this time we do not feel that we would be that comfortable in trying to go further afield when we believe it is possible to stay within the present parameters.

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

Mr. Lyndon L. Martin: Thank you, Mr. Speaker. In the answer given in section 2, ob/gyn, the Honourable Minister indicated that monthly visits were provided from the ob/gyn of the Cayman Islands Hospital to Cayman Brac. Can the Minister confirm that this schedule has been maintained with some form of regularity?

The Speaker: The Honourable Minister of Health.

Hon. Gilbert A. McLean: Mr. Speaker, the Hospital has tried to make it as regular as is possible for the one gynaecologist now in the Hospital in Grand Cayman to visit. I cannot say it has happened every single month as it was supposed to. However, there is a second one who should be joining the staff mid-April and this situation should become much easier. Of course, one would realise that if the gynaecologist from the Hospital here is sent to the Brac for a day or two, we then have to seek to find someone in private practice here to fill that particular time. The better arrangement would be to have two and we are now working towards that.

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

Mr. Lyndon L. Martin: Thank you, Mr. Speaker. From my research I found an arrangement which some smaller countries have in place. I would like to share with the Honourable Minister and ask if a similar arrangement could be looked into for Faith Hospital. Many of the smaller countries that have contractual agreements for the provision of tertiary care by a US provider or UK provider have entered into an agreement where they rotate locums from that tertiary provider through the hospital of the small country. It offers an advantage that the patients from that jurisdiction are already familiar with a provider in the event that they have to receive tertiary care. Additionally, it provides the physicians with orientation to the types of problems and individuals from the smaller jurisdiction. I was hoping to get an indication whether the Honourable Minister and his Ministry and the Health Services Authority would be willing to look into such an arrangement.

The Speaker: The Honourable Minister of Health.

Hon. Gilbert A. McLean: Mr. Speaker, what the hospitals in Grand Cayman and Cayman Brac have been considering is attempting to find a person who is a general practitioner but with special interest and training to a certain level in gynaecology—as is the question that is being asked—but who is not necessarily a specialist that could provide for the extent that it is required. I have heard what the Member has said about arrangements that exist in other small territories. I think he might be glad to know that I have been discussing with certain of the very large hospitals in Florida to see whether such an arrangement can be made whereby their doctors we could start an affiliation with these institutions where they may consider rotating or providing staff for the hospitals here in Grand Cayman, and of course, it also utilises those persons in Cayman Brac as is necessary. My initial finding is that there are a number of medical training institutions that would like to do this to expose the doctors to situations outside of the United States different to which they are used to, and in turn, there are at least one or two who have indicated that they would also consider having some of our doctors do attachments there at no cost to us other than their accommodation and travel. That is the closest that I have reached to what the Member has asked.

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

Mr. Lyndon L. Martin: Thank you. Mr. Speaker, there was a pregnant lady on this morning's flight coming from Cayman Brac to Grand Cayman to await the delivery of her child—an estimated 6 weeks from her delivery date. The question I pose to the Minister is this: If the current arrangements in place through the Health Services Authority require that the 12 pregnant ladies now on Cayman Brac, prior to their delivery, reside in Grand Cayman to await the delivery of their children.

The Speaker: The Honourable Minister of Health.

Hon. Gilbert A. McLean: Mr. Speaker, the Honourable Member seems to suggest by that question that the Government should assume some responsibility for the parenthood of their children. I could not venture any such proposition. One has to accept that parenthood is—hopefully in most instances—planned by a couple, be that wherever and certainly in the case of Cayman Brac and Little Cayman. It has been very fortunate that in some instances we have had up to three specialists to serve the population there at one time. The last specialist gynaecologist who was there resigned after stating in his letter that he liked the community and would have liked to stay but he was losing his skills, and he had an offer from a very large hospital in Trinidad. It was very clear why he was leaving. I think I am aware of the case that the Member referred to and I think that it is a situation which I have heard many times in the past several weeks about government not providing care so that pregnant mothers in the Brac can be attended to in the Brac. I cannot perform miracles. I cannot expect that the Health Services Authority can recruit medical professionals where they may not exist. They can try to find them, but we are hunting within similar pools as other hospitals in the region and we would have to attract by salaries or the fact that maybe the person could further their career.. We have not been able to find a specialist for the Brac, but I think it becomes the responsibility of anyone who chooses to start a family as to where they will get the care. If it is not available at A then logically they must choose to do it at B. The Government tries within the Health Services. I must say that I know of no country in the world (for the little that I have learned during the past 12 months or so about medical care and the ratio) which has the level of care that is given in the Cayman Islands. Regarding travel, the Health Services Authority, not I, believes that the best way of handling this is for a pregnant woman to travel to Grand Cayman or anywhere else. However, the realities of life are that if we take some of our most severe cases, of trauma, of people who are virtually dead, we have to fly them out of here by air ambulance to Miami. So, I think one has to balance the reality of the situation against what is hoped for. I am not advocating, nor is the Government, nor is the Health Services Authority, that the women in the Brac who are pregnant should have to travel to Grand Cayman for delivery. We know that we have some extremely competent midwives and I am told that often those midwives can handle a patient as well or better perhaps than the skilled hands of the surgeon or the gynaecologist.

[Inaudible comments.]

Hon. Gilbert A. McLean: Absolutely. God bless the memory of Nurse Beulah McLaughlin who delivered about 1500 of us, including myself and quite a few of us in here. That is absolute reality, Mr. Speaker. I just think that it is necessary to try to explain that because I bear the burden of trying politically to find the answer. I am trying to do that, but certain things I simply cannot do and I must state it as I find it or know it to be.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, in light of the range of questions, I wonder if the Honourable Minister could say whether or not the Second Elected Member for Cayman Brac is not supportive of the Government health policies.

The Speaker: The Honourable Minister of Health.

Hon. Gilbert A. McLean: Mr. Speaker, I think that question does not emanate out of the substantive ones, so I will not try to answer that. However, I do not think that the Member is against the policies of the Government, at least I would hope not.

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

Mr. Lyndon L. Martin: Thank you, Mr. Speaker. In the last answer provided, reference was made to the past OB/GYN and the termination of this working relationship or his choice to leave. That particular individual also made a proposal which I would like the Minister also to bear in mind. His arrangement should be where he is rotated from Faith Hospital through George Town Hospital, say for one week of the month, in order for him to maintain his skill level and his exposure at the Faith Hospital. I was hoping that the Minister would give an undertaking to also look at such a proposal, because it is not only about attracting an OB/GYN, but also the effort in maintaining and retaining one. So such an arrangement would make it more likely to retain a properly qualified specialist, or even a general practitioner with interest in this particular specialty.

The Speaker: The Honourable Minister of Health.

Hon. Gilbert A. McLean: Mr. Speaker, that is what is proposed to be done, that such a person would be rotated to make sure that they have sufficient opportunity of dealing with enough cases to keep up their skill level. That is one of the things that has been discussed and will be done by the Health Services Authority to try to reach a position that might best serve the two sections in the two Islands.

The Speaker: I will allow one more supplementary. The Second Elected Member for Cayman Brac and Little Cayman.

Mr. Lyndon L. Martin: Thank you, Mr. Speaker. This is my final supplementary. In the original question it

asked what efforts are being made to cover during the absence of a surgeon or gynaecologist, and that would also cover situations such as air ambulance out of Cayman Brac to receive proper attention in Grand Cayman. As recently as this past weekend, we had an occasion where an individual had to be air-lifted out and the arrangement that was conveyed to me is that there is a policy of utilising Island Air to provide such service. In the past this has proven to be fraught with difficulties, taking as long as 16 hours in some cases to have the individual air-lifted from Cayman Brac. I was also hoping that the Minister could give an undertaking to look into alternative methods of air-lifting including a possibility of utilising Cayman Airways during the four nights that it overnights in Cayman Brac and is sitting on the apron. Thank you.

The Speaker: The Honourable Minister of Health.

Hon. Gilbert A. McLean: Mr. Speaker, the Cayman Airways jet flight into the Brac is a different situation altogether from Island Air or the light aircraft that normally flies air ambulances. I feel sure that if there were a case of emergency in the Brac that warranted the airline, and the jet was there, then we could have that done, but I am not aware of any such situations. The time that it takes for an air ambulance to come from the Brac is completely dependent upon what is happening, wherever, with Island Air or whether there would be the availability of an aircraft —there is a company, as far as I know, that is used out of Miami as well because these companies which offer air ambulance are busy. They are doing hundreds of jobs. Cayman is one miniscule demand for such availability. I am not trying to argue the point. Perhaps it did take a long time for the person to be air ambulanced from Cayman Brac, but it does happen. I know that there are major 24 hours delays in getting people out of there and to Miami who are in serious trauma and barely breathing. Many of them have to be stabilised before they can even get on the plane. So these things will occur, but I do not think it is a general rule. Of course, any means that is possible in such circumstances will be used by the Government; by me; by the Hospital.

The Speaker: Madam Clerk, the next question.

Question No. 14

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

No. 14:Mr. Lyndon L. Martin asked the Honourable Minister responsible for the Ministry of Community Services, Youth and Women's Affairs what is the current status of the development of Cayman Brac's Heritage House and under which Ministry does the responsibility for its completion rest.

The Speaker: The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: Mr. Speaker, before I answer this question, I just have to make a brief remark. I think it is important for the general public who have been listening to proceedings in the Legislative Assembly and who understand that in the majority questions come from the Opposition, under the new party system we have operating in our Parliament we have questions coming from a Member of our Party who is the whip of our Party; in other words, a person who is responsible for organising discipline. Therefore, in answering this question, I just want to make it clear that the Member also has the opportunity to caucus the Party and to ascertain some of these answers as well. However, I suppose because of the fact that the people in the Brac might want to hear publicly some of these answers I have willingly agreed that this question should be answered.

The Cayman Brac Heritage was a joint project between District Administration where funds were provided through Public Buildings, the Ministry of Community Affairs and the Cayman Brac Beautification Committee. The official opening of the Cayman Brac Heritage Park was 22 April 2000. A Cayman Brac Heritage House and Park Advisory Committee was set up by the then Minister for Community Parks and Culture.

At this time it was envisaged that District Administration would provide the staffing, mainly a grounds-man, a gardener and a coordinator would have overseen the day-to-day management of this park. At this time there were minor works to be done on this park, mainly the preservation of existing trees and the addition of a few more island plants such as a breadfruit, et cetera. This work was to have been completed by the Cayman Brac Beautification Committee in 2000. Unfortunately, this Committee has not been functional since the end of December 2000. In 2002, a total of $23,000 was allocated for Community Park in Cayman Brac and Little Cayman, $15,000 under capital and $8,000 under Community Development grants to complete work on this park. $12,000 was spent through District Administration in 2002.

There was no request for the funds budgeted under the Community Development Grant in 2002. There is $5,000 for the District Beautification Committee in the 2003 half-year Budget. The Ministry is very keen on having this Park being used by the people of Cayman Brac and is awaiting the Beautification Committee's request for their annual grant.

District Administration is now in the process of outfitting the kitchen so that it can be ready for use before the end of this month.

I understand that a church group has requested the use of this park and as a result the Ministry has gone ahead over the last two weeks to make sure that District Administration do the necessary finishing works on it to make the park functional.

This is in addition to the question: In my opinion the park was in the position to be functional for quite some time now, but it was not made that way. However, the park is under my Ministry.

The Speaker: The Second Elected Member for Cayman Brac and Little Cayman

Supplementary

Mr. Lyndon L. Martin: Thank you, Mr. Speaker. In today's *Caymanian Compass*, in the financial supplement, there is an editorial that covers the park by Ms. Patricia Bradley. It was one of two series on the Heritage Park of Cayman Brac that refers to it as an interpretive centre and as a headquarters and bases for the nature tourism initiative for Cayman Brac and Little Cayman. That initiative, which is spearheaded through the Ministry of District Administration in Cayman Brac . . . I am hoping the Minister would say if there intends to be a joint Committee for the management of this facility once opened between the two Ministries as the usage of the particular park seems to be envisioned to cross both Ministries.

The Speaker: The Honourable Minister for Community Services.

Dr. the Hon. Frank S. McField: Mr. Speaker, I am not going to answer that supplementary question at this particular point. I think that is something I would prefer to reserve in political caucus. I am not going to put myself in any political difficulties with any other Minister by answering any such statement.

The Speaker: No further Supplementaries?

I have been given notice of a statement by the Honourable Minister for Education. I acknowledge him at this time.

STATEMENTS BY HONOURABLE MINISTERS / MEMBERS OF THE GOVERNMENT

New Scholarship Guidelines

Hon. Roy Bodden: Thank you, Mr. Speaker. This statement is regarding the new scholarship guidelines and I am most anxious to get it out because it will be of benefit to Honourable Members in this House, as well as the general public.

Members of this Honourable House are aware that a record number of new scholarships, 153 to be exact, for study locally and overseas were awarded to Caymanian students in 2002. Of these 71 new overseas scholarships and 82 scholarships to local institutions were taken up. This year 100 new scholarships will be awarded. The Government will spend $3 million on tertiary education scholarships. Of these 60 scholarships will be awarded for local institutions and 40 for universities and colleges in the USA, UK, Canada and the region. In a time of austerity we must preserve the scholarship budget, but we must also ensure that we are getting maximum value for the scholarship dollar. The Education Council has found over the 30 plus years of its existence that students who go overseas at 18 years of age or older inevitably do better at their studies and have less adjustment problems. This is reflected in existing scholarship guidelines when extremely few students are given scholarships to go straight from high school to university.

We are fortunate to have excellent tertiary opportunities locally in our own Community College, the Cayman Islands Law School, as well as ICCI. Education Council has proposed revised guidelines to assist in maximising the return on scholarship funds and these have now been accepted by (Executive Council) ExCo. This will make scholarships more competitive. These new guidelines are in keeping with the financial management initiative which government has embarked upon.

At the beginning of each scholarship- granting period, Council will be given a written breakdown of funds committed and funds available for the next academic year's scholarships. Funds will be split between local and overseas scholarships so that the number of scholarships in each category can be decided in advance. The number of overseas and local scholarships will be publicised at the beginning of March in the year that the scholarship is to be tendered. The deadline for overseas scholarship applications for the 2003/2004 academic year is the 31 March. Scholarships will be processed in April whether they are for September or January enrolment. Local scholarships will be processed in August. Deadlines will be well publicised and adhered to. New overseas scholarships will reflect the annual increase of tuition fees imposed by many universities and colleges.

The maximum overseas scholarships awarded will be CI$52,960 over a possible six semesters including one summer semester if required by the programme. This will be equitable and not penalise those students who manage their finances well or borrow to supplement their scholarship. It will also enable students wishing to attend more expensive universities and colleges abroad to have advanced notice that they would need to seek supplementary funding through the CIDB, commercial banks or other sources. Under the revised guidelines, all students, including students eligible for merit scholarships, are required to study locally for the first two years in order to be considered for an overseas scholarship.

The only exception will be in respect of those specialised courses not offered locally. Student choice to study overseas as opposed to locally will not be a consideration. In the short-term, priority for overseas scholarships will be given in the education and health fields. This reflects the worldwide shortage of teachers

and health professionals, which has begun to impact recruitment in these fields. The Cayman scholar will continue to be chosen annually, but the term of scholarship will be four years instead of five, reflecting a requirement to complete the first two years locally. Students who complete the associate degree with a grade point average of 3.5 or above or the Advanced Level examinations may be awarded a merit scholarship with a higher degree of funding for a period of three years.

The Education Council grants a number of scholarships tenable at local private high schools each year for students wishing to pursue a British degree under the British system for which Advanced Levels is one of the entry requirements. Students who choose the 'A' Level route with two 'A' Level passes will be given 3-year overseas scholarships. Students who complete the associate degree locally with a GPA of 2.5 will be eligible for a maximum of three years overseas study to complete the Bachelors degree. Students who are awarded scholarships for Masters level programmes will be eligible for a maximum of two years' study.

Doctoral students will be considered individually on merit, but priority will be given first in bachelors, and in the second place, to Masters level in areas of identified need in the country. The Executive Council recently approved a proposal for 4-year degrees in specialised areas to be offered at the University College of the Cayman Islands, formally the Community College of the Cayman Islands. This will alleviate the pressure on scholarship funds in the future, but it will not begin to take effect in reducing the cost of overseas scholarships until 2006. The foregoing revisions are in addition to criteria for scholarship laid down by the Education Law (1985) and the Scholarship Guidelines of the Education Council. Students and parents are reminded that a government scholarship carries with it certain responsibilities. For example, students must maintain a minimum GPA in each year of study. Students must also carry a minimum class load as decided by Council. Failure to follow these guidelines will result in the scholarship being suspended or withdrawn. The Education Council Secretariat has been relocated to the Employment Services Centre at 310 Paddington Place and staff has been increased. In these days of technology, each scholarship student should be in contact with the office by e-mail. There is no longer a reason why students' requests or any difficulties cannot be conveyed to the Council in a timely manner.

In conclusion, I should like to express my sincere appreciation to the Education Council and its Secretariat, and the Education Board for the Sister Islands for the valuable work they continue to do on scholarships and other matters. I should also like to express my thanks to the Cayman Islands Development Bank that has processed scholarship payments for the past two years. As always I take this opportunity to thank my own staff at the Ministry and the Department of Education for their advice and technical guidance.

The Speaker: Thank you, Honourable Minister. I now acknowledge the Minister of Health who has also given notice of two statements.

Update on Health Services

Hon. Gilbert A. McLean: Thank you, Mr. Speaker. I wish to thank you for allowing me this opportunity to update Members of this Honourable House on four areas which are important to the delivery of health services in these Islands. The areas this statement will focus on are:-

1. Implementation of the Health Services Authority Law 2002; Essential public health functions;
2. The Ministry of Health Services regulatory functions; and.
3. New procedures for accessing medical care overseas.

I would like to begin by clarifying a few of the issues pertaining to the establishment of a Health Services Authority before speaking on the implementation of the Health Services Authority (HAS) Law 2002.

Soon after becoming the Minister of Health I realised that the Health Services Department had grown too large to continue to be effectively managed under the old structure. The Health Services Authority Law passed in 2002 changed the Department to an Authority, thereby creating a new management structure. Mr. Speaker, change is difficult for most people to come to grips with, but it is a necessary requirement for any organisation to undergo if it wishes to renew itself. The process of transforming the delivery of health care in these Islands is progressing well and we are already seeing the benefits of prudently restructured management.

Under the new six department structure the Health Services Authority Board has devolved more responsibility and decision-making authority to those employees who have direct contact with customers. This type of structure is more inclusive, promotes teamwork and is reflective of an organisation that is customer driven. Members of this Honourable House will recall that among the duties that the Authority would carry out as per the HSA Law 2002 was first and foremost: **"It will be the duty of the Authority to provide health care services and facilities in the Islands in accordance with the National Strategic Plan for Health prepared from time to time by the Government".**

Members may recall that the first Plan was tabled already in this Honourable House. Since 1997 the National Strategic Plan for Health has been regularly updated. Many of the action plans are an integral part of the Authority's work and the Minister of Health Services uses this document to update and produce new laws and formulate policies.

An update of the National Strategic Plan for Health is scheduled to take place this year with the view to ensuring it is a national plan that will impact not only the work of the Health Services Authority, but also other health care providers on the Island. To illustrate the plan in action I refer to strategy one which says: "We will establish and coordinate community based health care services with advanced and effective central support".

The Health Services Authority recently introduced an Oncology Unit at the Cayman Islands Hospital for the on-going care and treatment of cancer patients. This is one way of implementing this strategy. The Authority intends, where it is feasible and demand exists, to continue to expand the scope of services it currently offers at the Cayman Islands Hospital while also strengthening the community-based health care services.

As required under the Health Services Authority Law 2002, the administration and operation of health care facilities are to be left to the HSA Board to coordinate. Under this Law the Authority is required: "To administer the government health care facilities in an efficient manner and in such a way as to maintain and promote the health of patients of those facilities".

I would now like to make reference to an initiative by the HSA to create greater access to health care and to better serve the health needs of our various communities.

Following a review of staff work load and utilisation rates, the Health Services Authority proposed to implement changes in the clinic opening hours and the schedule for doctors' visits to the health centres in the eastern districts. The changes to the doctors' schedule are to provide the following benefits to the residents of Bodden Town, North Side and East End:-

1. Reduce waiting times to see the doctor. An appointment system is being introduced which will allow patients to schedule their appointments with a doctor to avoid waiting in the clinic.

2. There will be an increase in the number of physician clinic hours. A doctor will now be directly available to patients in these clinics four days per week instead of the two days previously.

3. A nurse will be available at all clinics to attend to any concerns outside of the doctors' schedule. The nurse based at the clinic will also continue to undertake home visits.

Following a meeting with the Members for North Side and East End, staff of the Authority have agreed to review the proposed times for clinics opening hours with the intention of addressing concerns raised by both Members. We look forward to reaching an arrangement that makes the best use of available resources while meeting the needs of the people of the eastern districts.

When Health Services became an Authority on the 1 July 2002, the Board undertook a study of all the services that were offered at the Cayman Islands Health Services facilities. One of the areas that were reviewed was that of ambulatory service. The study revealed it cost the government $1 million per annum to operate the ambulance service and the revenue generated was only $300,000 resulting in a deficit of $700,000. Ambulance service continues to be an essential part of the delivery of health services though heavily subsidised. The HSA is undertaking a review of this service with the objective of making a proposal on efficiencies and cost savings. New and innovative measures are expected in the near future. Based on discussions with Members, I have instructed the HSA to bring the service up to full staffing complement as soon as possible, enabling all districts to be fully covered.

Members of this Honourable House should note that requesting the Board to carry out this undertaking will not result in any cost efficiency for the Authority. This will result in an additional expenditure of approximately $200,000 to be paid by the government to cover the increased service for this year.

Another area under the responsibility of the Authority is providing health care services to Cayman Brac and Little Cayman. For January and February 2003 the combined cost of providing health care services to persons on these two Islands was approximately $441,024. The amount collected for services rendered during the two months was $24,406. This resulted in a deficit of approximately $416,618 that is paid for by government through the Ministry of Health Services.

Despite the figures quoted above, the delivery of health care in Cayman Brac and Little Cayman, especially at Faith Hospital, will be improved and there are no plans to reduce service. To the contrary, plans are being made to offer more clinics, for example, in the areas of obstetrics and gynaecology. This will be made possible by the addition of a second obstetrician/gynaecologist that will be joining the Health Services Authority's team around the middle of April 2003.

The senior management team of the Health Services Authority including those at Faith Hospital will be working together to establish strategies to effectively improve customer service, revenue collection and containment of expenditure. As part of this review a few posts are being examined with the aim to increasing efficiencies and providing better coverage in more critical areas. This process has already started and the public can expect to realise the benefits in the near future. We continue to encounter difficulties in recruiting medical staff to work in Cayman Brac and Little Cayman. This is mainly due to the low volume of activity in any one speciality area and physicians find themselves becoming de-skilled after a short period of time. This is cause for concern to doctors and they often refuse to take up long-term employment in such an environment. The Health Services Authority is, however, trying to find new and creative ways to deal with this problem such as offering applicants more rotation time through the hospital in Grand Cayman,

allowing them to treat a larger number of patients and thereby maintain their skills.

There are plans to relocate the clinic in Little Cayman to a more suitable location in the recently built hurricane shelter. This will allow for better treatment of patients including the placement of a proper dental chair and equipment, more space for physiotherapy and other medical support services. This will be followed by an improved dentist schedule. Currently one nurse single-handedly operates the clinic on Little Cayman. Better relief is planned for the current post holder who continues to provide excellent service to that community.

Continued development of Cayman Brac and Little Cayman is prominent on the Government's agenda and having access to high quality health care on location is conducive to such development. At this point I would like to share some financial information on the performance to date of the Health Services Authority. The Health Services Authority charges billed for January and February 2003 are greater than the budgeted amount by $142,580. During the first six months of operation as an Authority the management was able to increase their revenue from non-government collections by 12.9 per cent when compared to the previous six months operating as a department.

For the 2003 half-year budget period the Health Services Authority budgeted for collections of $17.5 million. This figure is currently projected to be $18 million – a projected increase of approximately 2.5 per cent. This amount is the total projected collections including both non-government and government payment for patient services, as well as payment for public health programmes and services to Cayman Brac and Little Cayman.

In summary, the Health Services Authority will be subsidised by government in the amount of $2.3 million for the 2003 half-year budget period. During this period revenue collections are expected to increase over the budget by $445,000 and expenditure is expected to decrease by $1.045 million. Therefore, overall it is projected that the Health Services Authority is expected to only have a net operating loss of $811,000 for the first six months of this year. This, I believe, is a commendable start to establishing the Health Services Authority as a financially viable entity.

Members of this Honourable House should note that Executive Council approved the Commencement Order to bring section 16 of the Health Services Authority Law 2002 into force effective 1 March 2003. This grants the Health Services Authority Board the responsibility to determine the fees to be charged for the services provided at all of its health care facilities. However, any new proposed fees shall only come into effect 90 days after their submission to the Minister for Health Services if the Governor in Council does not disallow them. Allowing the HSA to have appropriate charged levels for all the services they perform will reduce the need for the Authority to be subsidised by government. One advantage of changing the Health Services department to an Authority, which is already evident, is that we are now able to clearly identify the true cost of health services in this country and what government is paying for.

I will begin speaking on item number 2 – Essential Public Health Functions, by reminding Members of this Honourable House of two other duties of the Health Services Authority as outlined in the Law. They are:-

1. The Authority will provide public health programmes as determined by the Minister of Health acting on the recommendations of the Board; and
2. It will supply outputs that the Governor in Council has agreed that it will purchase from the Authority.

The medical experts tell us that the output or result of a health system of any country should be to improve the health of its citizens through promotion of health, prevention of disease, cure, care and rehabilitation. For the six-month period, January to June 2003, the Ministry of Health Services entered into an agreement to purchase eight outputs from the Health Services Authority, which included programmes covered under the Public Health Department. Mr. Speaker, public health programmes are significant to the health and wellbeing of the people of these Islands. These are programmes which the Government sees as vital services.

The director of Pan American Health Organisation defines essential public health functions as the: **"Collective intervention by the government and civil society to protect and improve the health of the people".**

To date the Government, through the Ministry of Health Services, has paid the Authority a combined cost of approximately $383,761 for public health programmes. The Public Health Department is directly responsible for overseeing the following programmes:-

1. monitoring, control and investigation of communicable, infectious diseases;
2. screening, counselling, monitoring and home care to clients with HIV, AIDS and other sexually transmitted infections;
3. child health immunisation and school health programmes;
4. ante-natal, post-natal care and family planning services to Caymanians and spouses;
5. prison health care; and
6. health research and promotion programmes.

The Ministry of Health Services recently engaged the services of a projects officer with research background to begin the process of reviewing laws, including the Public Health Law 2002 (Revision) and compiling all existing policy documents into a manual. Once this reference tool is completed it will be shared with other government departments and agencies, as well as relevant persons. During this year it is my aim to begin the process of strengthening the institutional

capacity and infrastructure of the public health systems. This will be done by implementing the recommendations of a report that was produced during a workshop where participants representing a cross-section of ministries, evaluated the performance of essential public health functions within the Cayman Islands.

Research in public health will be expanded by the development of a research agenda based on the health needs of the population of the Cayman Islands. Greater emphasis will be placed on health promotion as the Ministry of Health Services will be forming a multi-agency health promotion working group to assist with planning, implementing and evaluating health promotion activities. To emphasise the importance of essential public health functions I will close my update on this section by repeating a well-known saying: *Prevention is better than cure*.

It is the Ministry of Health Services' responsibility to ensure the people of these Islands are provided with health care services that are consistent with the highest international standards. The third item I will speak on has to do with strengthening the Ministry's regulatory functions. Under the Health Practice Law 2002 the Governor in Council will be requested to approve the establishment of a health commission to advise the Minister of Health Services on policy relating to health practice in these Islands. Members of four councils will also be appointed to assume the responsibility currently carried out by the Health Practitioners Board. These four councils will register practitioners in accordance with the Law, regulate the professional conduct and discipline of registered practitioners and regulate the training requirements of registered practitioners in these Islands. I am pleased to inform Members of this Honourable House that Health Services staff recently participated in a workshop that developed regional blood bank standards and work has commenced on establishing a national transfusion advisory Committee under the auspices of the Ministry of Health Services. The Members of this Committee are drawn from various sectors and disciplines and are charged with two principle tasks:-

1. Championing the passage of legislation that will govern our blood bank's operation; and
2. They are to ensure that the new Caribbean standards are implemented in practice.

Staff from the Ministry, Personnel Department and Computer Services have commenced the process of establishing a centralised database to ensure government pays medical services for only those persons entitled under this scheme. While ensuring access to quality health care, the Ministry of Health Services, in conjunction with other government departments, is working diligently to contain government's expenditure on health services while also attempting to resolve outstanding debts. Members of this Honourable House are aware that government is owed a significant amount of money for health services. All outstanding amounts that were previously owed for overseas loans and advances have been transferred to the Treasury Debt Collection Unit. This Unit has assumed responsibility for the collection of these accounts. All local accounts remain with the Health Services Authority to collect the outstanding amounts that were previously owed to the Health Services Department. All collections above the net outstanding amount, that is, total outstanding accounts less the reserve, will be equally shared between the Health Services Authority and Government. Accounts determined not to be collectible will have to be written off.

Mr. Speaker, one of the strategic parameters of the National Strategic Plan for Health is that: "We will not deny anyone access to our health services".

Mr. Speaker, I will repeat that: "We will not deny anyone access to our health services".

Therefore, the government accepts responsibility to pay the cost of medical treatment for those persons who have no means to do so themselves. For the months of January and February 2003 a combined total of approximately $1,555,557 was paid by the government for medical services to patients classified as indigents.

In an effort to ensure access to essential health care services for all persons in the community the Health Services Authority will not refuse care for persons with life-threatening illnesses who arrive at the emergency service. A process has also been set up by the Patient Financial Services for counsellors to assist Caymanians who have no financial means to pay for their care. All others will be expected to cover the cost of their treatment either by health insurance, credit card or cash.

I would now like to update Members of this Honourable House on the revised process for accessing medical care overseas. Mr. Speaker, the Cayman Islands Government recently extended its contract with Baptist Health of South Florida for one year. However, we are still contemplating the hiring of a Third Party Administrator (TPA). Such an arrangement will further expand the pool of providers for overseas health care and would also assist in containing the cost of health care for entitled persons in the government scheme. While there are some new procedures, all referrals must still be medically approved by the local administrator for overseas referrals, the Chief Medical Officer who at this time is Dr. Gerald Smith. The Ministry of Health Services is reviewing the recommendation to appoint a medical review board to support the Chief Medical Officer in approving non-emergency referrals for overseas medical care.

In the case of persons such as civil servants and pensioners, once a referral has been approved these individuals are sent overseas to receive treatment. No financial assessment is necessary because of their participation in the government scheme. If a person has health insurance they are referred to their insurance company for guidance with accessing overseas providers. For others the Health Services Authority will conduct an initial inquiry into the patient's

ability to pay. If this assessment reveals that a person should be classified as indigent for medical purposes the information is sent to the Social Services Department for verification before a person will be added to the indigents' list. Caymanians who are not classified as indigents, but require financial assistance, are encouraged to seek a loan from a local institution. If it is determined that it will be necessary for the government to cover the cost of the medical referral, the monetary aspects of the case are then handed over to government's Treasury Department. Much like a bank, this Department will conduct a thorough assessment, working with the patient to prepare a repayment plan and secure collateral for funds that the government will pay to an overseas provider on his or her behalf.

In conclusion, Mr. Speaker, the Ministry of Health Services and the Authority are committed to improving health care for the people of these Islands, as well as those who visit our shores. The Health Services Authority will continue to expand its local services to reduce the need for overseas care. I would encourage everyone to do their part by supporting the efforts of the Health Services Authority to transform the delivery of health services in these Islands. Also, persons should only utilise the services when necessary as a way to help contain the cost of health care. Together we work in order that all our citizens continue to have access to cost effective, quality health care for many more years to come. I believe our mission to ensure the wellness of our people through a dynamic community-based health care system in collaboration with local and overseas providers is attainable. Thank you, Mr. Speaker.

The Speaker: The Honourable Minister, are you prepared at this time to do your second statement?

Hon. Gilbert A. McLean: Yes, Mr. Speaker, it is a shorter statement. It should be within the time that is required.

The Speaker: Carry on, Minister.

Progress by Select Committee of the Whole House on Revisions to the Health Insurance Law and Regulations 1997 and Other Matters Related

Hon. Gilbert A. McLean: Thank you, Mr. Speaker. Since my last statement on health insurance in this Honourable House (27 February 2002), there have been a number of occurrences which are noteworthy. These are as follows:-

1. The Select Committee of all the Members of this Legislative Assembly has been meeting to review the Health Insurance Law 1997 and the accompanying Health Insurance Regulations. Submissions, oral and written, have been received by the Select Committee and drafting instructions for amending the Law and Regulations have been issued by the Select Committee.

2. At the time of my last update to Members of this Honourable House, I also advised that I would be obtaining expert advice from one of the top accounting firms in these Islands, which would draw on its local and international experience to advise me more precisely on the relationship between health fees and health insurance premiums in the Cayman Islands. I also said that the firm would be advising me on the other factors that may or may not impact health insurance premiums and the administration of health insurance claims. This advice has been received and the consultants' recommendations to amend the Health Insurance Law and Regulations have been accepted by the Select Committee of the Legislative Assembly on health insurance and have been included in the proposed amendments to the Health Insurance Law and Regulations.

3. Following my visit to Bermuda in January this year, accompanied by the Permanent Secretary in the Ministry and Senior Legislative Counsel to meet with health officials, some useful aspects of their provisions for health insurance are being incorporated into the amendments.

4. I expect to receive the draft amendments to the Health Insurance Law and Regulations this week and will shortly thereafter convene a meeting of the Select Committee to finalise the revisions to the Health Insurance Law and Regulations.

A White Paper will be produced for circulation to invite further feedback on the proposed revisions prior to bringing the amendments to this Honourable House in June of this year for approval.

5. In the meantime, the Ministry for Health Services will also be strengthening its capability to monitor and ensure compliance by appointing a Superintendent of Health Insurance to the staff of the Ministry. Previously, this function was carried out by one staff member of the Cayman Islands Monetary Authority, but the Monetary Authority has been undergoing changes and this position no longer exists within the Monetary Authority.

They are, however, continuing to assist the public with matters relating to health insurance until such time as the Ministry of Health Services appoints a Superintendent of Health Insurance.

I understand that some employers are in the habit of taking out insurance coverage for their employees in order to obtain the requisite work permit, only to let the premiums lapse, leaving the employee and possibly his/her dependants exposed to unaffordable health care costs should a major medical condition occur.

Therefore, among the responsibilities of the newly-appointed Superintendent of Health Insurance will be to identify those employers who have been delinquent in the payment of health insurance premiums for their employees.

6. An agreement for consultancy services to assist in the development of a health insurance product has been entered into between the Ministry of Health Services on behalf of the Government of the Cayman Islands and KPMG Cayman Islands. In this agreement the Ministry has engaged the services of the consultants to evaluate the feasibility of developing a health insurance product to provide benefits to low income, aged and otherwise uninsurable persons in the Cayman Islands.

I have taken this decision because I am particularly concerned about the increasingly high cost of health insurance premiums for persons in the lower income bracket, even for the Standard Health Insurance Contract, which is the minimum coverage mandated by the Health Insurance Law and Regulations.

In addition, those persons 60 years of age and over are being denied health insurance coverage, especially once they are no longer employed and other persons much younger are being denied coverage due to what is termed a "pre-existing condition". Even so-called obesity is now given as a reason for excluding persons.

It makes sense to provide an alternative for persons who find health insurance premiums unaffordable and for those who are deemed uninsurable, in order to allow them the opportunity to regularly set aside funds, through the payment of a health insurance premium, for those times when they will need funds to pay for costly medical treatment. I can assure you that I am searching diligently for that alternative.

7. Despite the challenges that I have just mentioned, a most refreshing and welcome development has occurred, in that, Cayman General Insurance and a newly-formed Caymanian-owned company on Cayman Brac (Brac Informatics Centre) have worked together to develop an e-service product known as InformaticsCONNECT.

I have been made to understand that InformaticsCONNECT was designed with the single purpose of improving efficiency in the settlement of health insurance claims. There are two immediate benefits associated with this new service and these are:-

(i) the ease of administration for the Health Services Authority (HSA) in preparing and processing health insurance claims and enhancing the timely capture of fees for services rendered when using the system.

The HSA, like other health care providers, incurs additional costs to provide the health insurer with a 'clean claim' before settlement can be made and must employ accounting personnel to monitor receivables thus adding to the cost of providing health care.

(ii) more efficient verification, adjudication, processing and payment of claims by the health insurer to the provider of health services.

I am told that the Health Services Authority has been invited to and has agreed to work with Cayman General Insurance to do a test run on the InformaticsCONNECT product at no additional cost to the HSA.

I, and staff from the Ministry, have seen a demonstration of the product and have been most impressed with what we saw. If the promise and potential of InformaticsCONNECT are ever realized, I see one of the benefits to insured persons being to once again, generally, be able to have their health insurance card accepted by providers of health care and services as payment in advance.

There is more than likely the perennial cynic out there who will be ready to shoot down what I have just reported to Members of this Honourable House, and to some degree that is understandable. However, I will remind all concerned that I have made a commitment to see a resolution to the current problems with the implementation of the Health Insurance Law 1997 and the Health Insurance Regulations.

Admittedly, it has taken longer than I could have ever imagined to listen to affected persons and institutions to gain a better understanding of the multitude of problems and why they occur; to look at other models of health insurance and learn from them and to feel confident that the proposed amendments to the Health Insurance Law and Regulations are appropriate and achievable.

I take this opportunity to thank all those individuals and organizations who have offered advice, all those who have made representations to the Select Committee of the Legislative Assembly on health insurance, and indeed, the members of the Select Committee for their own input, support and attention to these recommendations that have been brought before them.

Thank you Mr. Speaker.

GOVERNMENT BUSINESS

BILLS

THIRD READING

The Health Services Authority (Amendment) Bill 2003

The Speaker: The Honourable Minister for Health.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move the Third Reading of a Bill entitled, The Health Services Authority (Amendment) Bill 2003.

The Speaker: The question is that a Bill shortly entitled, The Health Services Authority (Amendment) Bill 2003 be given a Third Reading and passed.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Health Services Authority (Amendment) Bill 2003 given a Third Reading and passed.

Suspension of Standing Orders 45 46(1) and (2)

The Speaker: May I have a motion for the suspension of Standing Orders 45 and 46(1) and (2)?

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move the suspension of Standing Orders 45 and 46(1) and (2).

The Speaker: The question is that Standing Orders 45 and 46(1) and (2) be suspended.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Orders 45 and 46(1) and (2) suspended to allow the Bills to be read a first time.

FIRST READINGS

The Children Bill, 2003

The Speaker: The Bill has been deemed to have been read a first time and is set down for Second Reading.

The Notaries Public (Amendment) Bill, 2003

The Speaker: The Bill has been deemed to have been read a first time and is set down for Second Reading.

The Cayman Islands Registered Stock (Amendment) Bill, 2003

The Speaker: The Bill has been deemed to have been read a first time and is set down for Second Reading.

Hour of Interruption—4.30 Pm

The Speaker: Honourable Members, we have now reached the hour of interruption. May I have the Motion for the adjournment or do we want to continue until we have completed business for today?

Suspension of Standing Order 46(4)

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move the adjournment of this Honourable House until tomorrow morning at 10 am.

I am told that Members have agreed that we could continue with the second readings on these Bills and I would so move the suspension of Standing Order 46(4) and ask that we continue past the hour of 4.30 pm to deal with, I am told, two of the Bills, The Notaries Public (Amendment) Bill, 2003 and The Cayman Islands Registered Stock (Amendment) Bill, 2003.

The Speaker: Honourable Members, I have been given notice that the Member with the responsibility for the Children Bill will be moving a motion for the deferral of that debate as well. Along with the other two Bills, that would allow us to complete the business of the House.

The question is that Standing Order 46(4) be suspended to allow the Second Readings.

All those in favour, please say Ayes. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 46(4) suspended to allow the Bills to be read a second time.

The Speaker: Could I have a motion for the continuation of the House past 4.30 pm?

Suspension of Standing Order 10(2)

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move the appropriate Standing Order that the business be continued past 4.30 pm.

The Speaker: The question is that the House be allowed to continue past 4.30 pm.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 10(2) suspended to allow the proceedings of the House to continue beyond 4.30 pm.

SECOND READINGS

The Children Bill 2003
(deferred)

The Speaker: The Honourable Minister for Community Services.

Dr. the Hon. Frank S. McField: Mr. Speaker, I beg to move that the Second Reading of the Children Bill 2003 be deferred until the second Meeting of the 2003 Session of the Legislative Assembly.

The Speaker: The question is that The Children Bill 2003 be deferred and carried forward to the Second Meeting of the 2003 Session of the Legislative Assembly. If there is no debate I will put the question.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Second reading of The Children Bill 2003 deferred and carried forward to the Second Meeting of the 2003 Session of the Legislative Assembly.

The Notaries Public (Amendment) Bill, 2003

The Speaker: The Honourable Temporary Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker. I beg to move the Second Reading of the Bill entitled The Notaries Public (Amendment) Bill, 2003.

The Speaker: The Bill has been duly moved. Does the Mover wish to speak thereto?

Hon. Samuel W. Bulgin: Just briefly. Thank you, Mr. Speaker. This amendment is brought in connection with a request from notaries to have an increase in the fees that they can charge members of the general public for services rendered. The fees have not changed in the last 20 years even though the annual fees paid by notaries have been increased since 2001. Honourable Members will recall that this Honourable House amended The Notaries Public Law in 2001. The effect of that Law was to increase the annual fees that notaries have to pay to the Cayman Islands Government. Section 9(1) of the Notaries Public Law (2002 Revision) states that: **"A Notary Public shall not charge for the performance of any of the duties of his office any sum in excess of the fees prescribed in the Fifth Schedule ... "**

The amount shown in the Fifth Schedule has remained unchanged for over 20 years. Accordingly, notaries have requested that in light of the increase in annual fees that they have to pay to government, that the government should consider updating the fee levels that notaries can charge the general public for their services.

The entire thrust of this Bill now before this House is to respond to that request. Mr. Speaker, the fee levels proposed by the Bill have been calculated on the basis of the movement in the consumer price index over the last 20 years. The increases are extremely nominal so as to keep it affordable. In some instances the increase is $3, in other instances, $5, and in two categories an increase of $15.

I now turn to the Bill itself, Mr. Speaker. The Bill is a very short one with two clauses. Its Memorandum of Objects and Reasons states that the purpose of the Bill is to increase certain fees imposed under the Notaries Public Law (2002 Revision). Clause 1 of the Bill provides the title of the intended Law. Clause 2 specifies the new fee levels for the Fifth Schedule and provides the various services offered by the notaries to the general public. I might just give notice that I will be proposing a Committee stage amendment to increase two amounts reflected in the Bill. I respectfully ask, therefore, that Members give this Bill their support.

The Speaker: Thank you. Does any other Member wish to speak? Does any other Member wish to speak? If no other Member wishes to speak does the Honourable Temporary Second Official Member wish to exercise his right of reply?

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker. Just to express my thanks to Honourable Members for their support in this Bill.

The Speaker: The question is that a Bill shortly entitled, The Notaries Public (Amendment) Bill 2003 be given a Second Reading.

All those in favour, please say Aye. Those against, No.

Ayes

The Speaker: The Ayes have it.

Agreed. The Notaries Public (Amendment) Bill 2003 given a Second Reading.

The Speaker: The Honourable Third Official Member.

The Cayman Islands Registered Stock (Amendment) Bill, 2003.

Hon. George A. McCarthy: Mr. Speaker, I beg to move the Second Reading of a Bill entitled, The Cayman Islands Registered Stock (Amendment) Bill, 2003.

The Speaker: The Bill has been duly moved. Does the Mover wish to speak thereto?

Hon. George A. McCarthy: Thank you, Mr. Speaker. Honourable Members of this House will recall that the Legislative Assembly passed the Cayman Islands Registered Stock Law, 2002, hereafter referred to as "the Law" in December of last year. This Law enables the Government to execute a debt issue upon the Legislative Assembly's approval of a Government Motion that specifies the size of the issue and how the proceeds of the issue are to be used. The government's legal counsel, Sidley Austin, Brown and Wood [LLP] on the planned US$163.2 million issue that is due to be finalised on the 31st of this month has advised that the wording used in the Law should be modernised to make its language and practices more in keeping with the current industry procedures. This need to update the Law to reflect the current financial practices and terminology is a foundation on which this Bill rests.

I now turn to the Bill itself Mr. Speaker. The Memorandum of Objects and Reasons states that the Bill is for a Law to be entitled The Cayman Islands Registered Stock (Amendment) Law, 2003, which is now before Honourable Members. The Bill has 26 clauses and its Memorandum of Objects and Reasons comments on the main clauses and makes it clear that the Bill is being presented as a result of an advice received by the Government that the Law should be updated as I said earlier. I will be concentrating on the key clauses of the Bill while offering some comments on other clauses. In this regard, the key clauses are clauses 2, 5, 8, 22 and 26 as set out in the Memorandum of Objects and Reasons of the Bill.

Clause 1 of the Bill provides the title of the intended Law.

Clause 2 of the Bill proposes that the name of the Law be changed to the Cayman Islands Government Securities Law, 2002 and provides that that word **"stock"** be replaced with the word "securities". The original title, as I mentioned a short while ago, stated that the title of the Law is the Cayman Islands Registered Stock Law. This is to be changed to the Cayman Islands Government Securities Law, 2002.

The word "securities" will be replacing the word **"stock"**. I wish to elaborate on two of the words used in the suggested name that I have just mentioned and these are "securities"' and "government". I am getting good help from the Honourable Member for North Side.

[Inaudible comments]

This is why I am expressing my gratitude for the help that I am receiving. You are welcome, Ma'am. Thank you very much. Let me say thanks to the Honourable Member for North Side.

The Bill provides for the word "securities" to replace the word **"stock"** as the Honourable Member for North Side has pointed out. Wherever the latter appears in the Law; that is the word **"stock"**, the term "stock" is normally applied to documents that entitle a holder of those documents to vote at meetings and elections held by the issuer of those documents. Stockholders are therefore able to influence the affairs of the entity issuing the stock and are in fact the owners of the entity. None of this is relevant in respect of holders of debt instruments that have been issued by national governments. The use of the word "stock" is less appropriate in such instances. In the case of national governments issuing debt instruments it is more appropriate to the word "securities".

Clause 2(b) repeals the word **"stock"** and substitutes the word "securities" in its place wherever the word "stock" appears in the Law.

As stated in clause 3, the term **"securities"** includes notes, bonds and debentures. If we were to look at the meaning of these terminologies we would find that a note is a written promise to repay the principal sum on certain specified dates over the life of the note, whereas in the case of a bond, principal repayment normally occurs on its maturity date. A debenture is an un-secure bond, meaning that the issuer of the debenture does not provide any specific security or collateral for the receipt of funds from the debenture holder.

The second word I wish to comment on in the suggested title for the Law is the word "government". The Cayman Islands has a Law called the Securities Investment Business Law. In order to avoid possible name confusion with this Law clause 2(a) inserts the word "government" into the suggested name change to make it clear that the Law refers exclusively to the Cayman Islands Government and not to legislation applicable to any other sector.

Clause 4 of the Bill amends section 6 of the Law by making certain minor changes to effect greater clarity to the various subsections contained within section 6 of the Law itself. Before moving on from section 6 of the Law, and clause 4, the First Elected Member from George Town raised the question as to why in 6(1) (d) the word **"rate**" was being amended to read "rates". The clarification being sought on this specific bond issue, the rate will be fixed for the life of the bond. However, it is possible at some time in the future that if the government engages in a further bond issue this could be entered into under the arrangements where variable rates could be a consideration. However,"rates" would encompass . . . anyway, I will continue.

Turning now to clause 5. The Government plans to issue notes subject to the Legislative Assembly approving a Government Motion that I mentioned previously. Those notes will be un-secured which means that none of the government's assets will be pledged as security or collateral in order to receive funds from the buyer of those notes. The note holders will therefore rely on the full faith and good credit of the Cayman Islands which effectively act as a substitute for specific collateral from the government. Clause 5 inserts language to the effect that the holders of securities issued by the government will know

that the full faith and credit of the Cayman Islands is pledged for the payment of principal and interest relating to those securities. This clause does not add any undue burden to the Cayman Islands. Our impeccable loan repayment track record demonstrates our good faith and credit worthiness. I should also point out that wording in clause 5 is common-place in legislation that pertains to a sovereign debt obligation.

Clause 6 amends section 8 of the Law by substituting the word ”may” for ”shall” where ”shall” appears in section 8. It can be seen with this amendment that the word ”shall”—I am not pretending to be a lawyer, I will leave this up to my colleague, the Honourable Second Official Member and the representative from the Legal Department who is here—allows no discretion where the word ”may” does. As I mentioned earlier, our lawyers were invited to look at the legislation itself to make sure that its construction at the end of the day was quite favourable to the Cayman Islands Government.

Clause 7 amends section 10(1) of the Law by effecting inclusion of items that may be required by terms of the securities to be entered into the register. Again this is a tidying up amendment, Mr. Speaker.

Clause 8 provides that the Governor in Council may appoint a fiscal agent to carry out any or all of the duties of the Registrar. The Law defines the Registrar to be the Cayman Islands Monetary Authority. The Registrar’s duty is to keep a register which records all securities issued by the government, transfer of those securities and all dealings in such securities. A fiscal agent appointed to carry out the Registrar’s task would normally be a commercial bank. Clause 8 means that the Governor in Council may appoint a fiscal agent to perform the task that would otherwise fall to the Monetary Authority. The government will seriously consider this route because it would relieve the Monetary Authority of these responsibilities. The government has received a price quotation from a leading bank in New York that it can perform the duties expected of the Registrar for an annual fee of $5000. The Bill, therefore, adds flexibility to the manner in which the requirements of the Law can be satisfied, either by the Monetary Authority or by the appointment of a fiscal agent.

Clauses 9 through 21 and 23 through 25 propose various amendments, the substance of which is to modernise the language of the Law and to give government greater flexibility in the manner in which it administers issues of securities with the aim of ensuring that this is performed efficiently. Looking at the various amendments it can be seen where some of the paragraphs or sections as were set out in the original legislation have been repealed and substituted with other new sections containing what is referred to as modern language. This again is based on the recommendations that have been made by our lawyers from overseas working in conjunction with the Attorney General’s office, or the Legal Drafting Department.

Clause 22 proposes the repeal of section 40 of the Law and the insertion of new wording to the effect that all documents and instruments made or used under the provisions of this Law shall be in a form as may be determined by the Financial Secretary and any documents which are required in order to issue securities under this Law shall be signed and executed by either the Governor or the Financial Secretary. The effect of this clause is to give greater flexibility to the manner in which government can carry out its obligations under the legislation.

Clauses 23 through 25 propose various amendments, the substance of which is to modernise the language of the Law and give the government greater flexibility in the manner in which it administers issues of securities with the aim of ensuring that this is performed efficiently and effectively.

Clause 26 provides that legal action may be taken against the Government of the Cayman Islands in the event that the government breaches any of its obligations under any agreement relating to an issue of securities. This clause should not strike Honourable Members as being a surprise because it is to be found in all modern pieces of legislation governing the issuing of securities.

In conclusion, I wish to make the following remarks: the sole purpose of this Bill is to ensure that our legislation reflects current practices and terminology used in the financial world and to give the government greater flexibility in the conduct of administrative tasks that are required in the connection with the issue of securities. Secondly, this updating is an ongoing exercise and it is likely that the legislation will have to be amended in the future to reflect changes occurring in the financial world and changes that are favourable to the government protecting its interest.

I commend this Bill to Honourable Members.

The Speaker: Thank you. Does any other Member wish to speak? Does any other Member wish to speak? The First Elected Member from the district of George Town.

Mr. D. Kurt Tibbetts: Thank you. Mr. Speaker, I have listened carefully to the Honourable Third Official Member in his justifying the Bill being brought to the Legislative Assembly. I think we all understand the motive for the Bill and the various amendments that have been brought. I just wish to make two observations. I would hope that either, if the thoughts expressed are not accepted, that there would be justification in the wind up as to why they are accepted or, if they are accepted, then perhaps something might be done by way of some amendment.

The first one is a simple one and perhaps it may just be how I interpret things because I certainly do not profess to have any legal background. The amendment in section 4 where the principal Law is amended in section 6 (1) in paragraph (d) – the Honourable Third Official Member did allude to it—by re-

pealing the word "rate" and substituting the word "rates". The way it reads in section 6(1) of the Law: **"The Financial Secretary shall, in respect of each issue of stock to be raised under this Law, specify by directions published in the Gazette-"** and then **(d) the rate of interest payable on the stock; . . ."**

Therefore, with what is being proposed, it would read: **" … specify by directions published in the Gazette the rates of interest payable on the stock;"**

My interpretation of that is that any stock at any time carries more than one rate of interest. That may not be how other people interpret it, but when I read it that is what it says to me. While he has explained that at some points in time some of the stocks will attract different rates of interest, during differing periods of time this stock, for instance, only attracts one specific rate of interest. I would suggest that it reads: "rate or rates". It is simple wording, but I am only suggesting it from a layperson's reading of the Law. That is only a suggestion.

The second observation I wish to make—and I will have to crave your indulgence, Mr. Speaker—is not based on any amendment that is being proposed, but, because of the amendments that are being proposed, it stuck out at me. In the original Bill, section 6(1) (f) reads and it is prefaced by: **"The Financial Secretary shall, in respect of each issue of stock to be raised under this Law, specify by directions published in the Gazette-"**

Section 6(1)(f) reads: **" … whether there shall be sinking fund for the redemption of the stock; … ".**

It goes on in section 24, part VI – Sinking Funds and Repayment of Loans: **"If by direction under 6(1) the Financial Secretary has specified that there shall be a sinking fund for the purpose of redeeming an issue of stock made under this Law, the Financial Secretary shall establish a sinking fund for that purpose … ".**

I note with keen interest section 30(2): **"If a sinking fund has not been established under section 24 for the redemption of an issue of stock"**—which will now read: "of securities" -, **"raised under this Law, the Governor in Council shall-**

a. at the date of redemption;

b. if an option has been reserved under section 6(3) to redeem the stock earlier that the date of redemption, [which should read "than the date of redemption"*,* so I hope the Honourable Third Official Member is making note of that too. That is a typo that can be corrected at the same time] **at any earlier date determined by the Governor in Council [**and here is where it is key] **pay out of the revenue and pay to the Registrar such sum as is required to redeem that stock."**

In the amendments there are several areas which refer to the fact that the payout has to come from the revenue of the country. How the Law reads and what obtains in the Law does not mandate that a sinking fund should be created whenever we have what is called a bond issue.

I remember when the Honourable Third Official Member and I talked about this originally some two years ago. His main concern at that time was whether or not a sinking fund was necessary. How this Law applies to this specific securities issue (that the Government Motion is coming to right after this) is that instead of it being retired at the end of the term, my understanding from the Honourable Third Official Member is that there will be half-yearly payments towards the principal. The interest will be paid on a recurring basis, but the payments over whatever the term is, will be paid in half-yearly equal instalments. That is my understanding.

The thought perhaps given there is that because you are not waiting until the end of the term to retire the debt and you are making half-yearly payments, there may be no need for a sinking fund. The mere fact that it is crystal clear that these funds come out of general revenue, I hold the view that even if it is short-term (where you are making six-monthly payments) and my colleagues on this side certainly agree with me because we have discussed the matter, that there should be a sinking fund.

One might wish to say that because of the way the Public Management and Finance Law will tailor the fiscal operations of Central Government there may be no need and that the discipline will be there. However, Mr. Speaker, I hold the firm belief and as we all know, and as has been espoused on several occasions by the same Honourable Third Official Member, the revenue that is collected by government is seasonal and there are certain times of the year when the vast percentage of the total percentage of the year is collected. Then there is a long dry season, and then it picks up again going into the next year. If we are making six-monthly payments while in every budgetary process, those payments will be accounted for in every annual budget. The situation that I speak of —these six-monthly payments are going to be with fixed dates and they must . . . for instance I do not know what the dates are but you would be speaking about something like 30 June and 31 December. If we do not employ the discipline of that sinking fund, and knowing how government works regardless, you never know what might come up.

The fact is that this obligation is one that is fixed. It is like your light bill. If you want electricity and you only have enough money to buy groceries, you decide whether you want to eat or you want to see. I do not think we should put ourselves in a position where we might find for one part of the year having the six-month payments to make and revenues are slow, even when you do your projections and prepare your budget as you do with your own income at home.

I hold the view that we are much safer if we have a sinking fund with a stipulated amount put into it on a continual basis to ensure that amount is there, even if the investments in that sinking fund are short-term investments.

I notice where the Law, as it is presently, did not allow for any investment to be made. In section 28(5) (a): **"The trustees shall not invest any moneys contained in a sinking fund- (a) by way of deposit at interest; . . ."**.

That is what we would call regular term deposits. I think that is being amended now if I am not mistaken.

How the Law reads now, it says you cannot do that. If the Law is amended and it allows you to do that, I believe that we will be better served with that sinking fund. My argument is that, instead of making the sinking fund one that is optional, it should be mandatory.

The truth is, if we examine it, it is all a question of policy and likes and dislikes, because to have it does nothing more to hinder the government. At the end of every six months they are going to have to find the money anyhow. If you speak about cash flow, what happens during the interim is that you cannot use this money. The truth of the matter is, if you do not have a sinking fund and you have to have that amount when the time comes to make the payment, you are going to have to put the money aside anyhow. You cannot depend on two days' receipts in the Treasury to make the payment.

I am just speaking it as I would look at it for myself if I were handling a situation on my own. I feel very strongly about this, Mr. Speaker, from a practical point of view. This has no bearing on which government it is. It does not matter. I speak about it as a Law that we might well engage in, in future when all of us are not here. What I would never like to see happen is that, because of the Law making a sinking fund optional, some smart—I am being cynical—government down the line which does not employ fiscal prudence and does not have a sinking fund and has a debt to be retired at the end of a period and the period comes and there is no money to pay it. My application to that is simply not because this one is having half-yearly payments and there may not be such a dire need to have a sinking fund, I still hold the view that there should be a sinking fund at all times. I say that as I explained before because I believe it is the safest way forward with this venture.

While that is not a part of the proposed amendments, I take this opportunity and I seriously ask the Government, through the Honourable Third Official Member, to consider the two points that I have just made. Perhaps in his wind-up we can hear the disposition, but I really would not like it to be left alone because if the government takes a different view the issue is not going to be left alone. The more I think about it, the more I am convinced it is the way to go. As I said, if they go that route it does not change anything from what they want to accomplish; it just tightens the situation a little bit more and makes it tidier.

I thank you.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? If no other Member wishes to speak, does the Honourable Third Official Member wish to exercise his right of reply?

Hon. George A. McCarthy: Thank you, Mr. Speaker. I have taken note of the observations that have been made by the Honourable First Elected Member for George Town. His suggestion against the amendment in section 6(1) (d) of the Law where he said "rate" or "rates", I have been made to understand by the Senior Legislative Counsel that that will not pose a problem. As I mentioned earlier, I was taking "rates" to embrace "rate" which would be the singular. In regards to the proposal for the setting up of a sinking fund, in this instance, I will differ with the First Elected Member from George Town and I will explain why. What the Honourable Member is suggesting makes a whole lot of sense in terms of how the bond issue was initially intended to be structured. It was proposed that the bond issue would have been for a discreet period of time and interest would be paid at intervals during the life of the bond issue and at the end of the life of the bond issue a single lump sum payment would have been paid out whether it was for x million or y million.

At this point in time, Mr. Speaker, the Honourable Member will recognise that the reason why this bond issue is being pursued by the Government is to reduce the annualised payments that will have to be made in respect of the Government's indebtedness. It will be significantly reduced. The Government relies on its annual budget in terms of quantifying its revenue for the year, projecting its revenue and quantifying its expenditure needs. The payments that are made at this time against the various loans to be repaid are paid at unfixed dates at varying intervals throughout the course of the year.

The Government in preparing its budget will budget for the two payments that will be made out covering both principal and interest against this bond issue on dates to be agreed. In the short-term, and as Honourable Members will appreciate, there is a build up of cash at the beginning of the calendar year. We are now changing over to a fiscal year and this reflects a declining balance through to the end of the year, but the cash flow is monitored in such a way whereby the worse situation that should occur at the end of any year is the Government experiencing a break-even position or if it is a deficit, a deficit that is projected, but one that is minimal.

The Honourable Member is quite correct when he used the analogy between food and light bills in terms of a decision having to be made, and in this instance we know that statutory obligations will have to be paid first before other charges are met. Mr. Speaker, in this instance the Government is not pro-

jecting its cash flow requirements simply on a two-day requirement. Just as how the sums of money are presently found during the course of a given year and they are budgeted for during the course of a given year and the Government has not reneged on any of its loan payments up to this point in time and will never hopefully do that, it is the same course that will be pursued in respect of the bond issue. Provision will have to be made as is being suggested.

The Government knows that it will have two payments to make: principal and interest. The Government will be budgeting. In the short-term the same type of attention to detail in terms of our prudential practice that would be observed in terms of operating a sinking fund on a short-term basis, it is the same that will have to be observed in terms of laying aside funds on a short-term basis to meet obligations that are due and payable. What we would do first of all, in setting up the sinking fund, there are certain administrative costs that will be incurred. I know what the Honourable Member is talking about is ring fencing a sum of money to be paid out at a given date.

The budget, when it takes place within the course of a year, will have to be regarded as ring fenced in terms of those obligations that will have to be made. If it were a question that it was going to be a single payment during the course of the year or the money was going to be paid out bi-annually or at the end of a 15-year period, I would be the first one to say yes, we agree. However, what I am saying to the Honourable Member is that we are not agreeing in terms of what has to be done. There is a need to make provision and it will have to be made by the Government to satisfy its obligations. What I am saying to him is the same type of protection he is seeking under a bond issue, knowing that we have monies that will be paid out at short intervals as is currently being done, the same can be achieved under the present management of the cash flow by the Government as against setting up a sinking fund. Thank you, Mr. Speaker.

Mr. Speaker, I cannot guarantee one minute from now.

The Speaker: The question is that a Bill shortly entitled, The Cayman Islands Registered Stock (Amendment) Bill, 2003 is given a Second Reading.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Cayman Islands Registered Stock (Amendment) Bill 2003 given a Second Reading.

The Speaker: The House will now go into Committee to consider the Bills.

House in Committee At 5.23 pm

COMMITTEE ON BILLS

The Chairman: The House is now in Committee. With the leave of the House may I assume that as usual we should authorise the Honourable Second Official Member to correct minor errors and such like in these Bills. Would the Clerk please state the Bills and read the clauses.

The Notaries Public (Amendment) Bill, 2003

Clause 1

The Clerk: Clause 1 Short title.

The Chairman: The question is that clause 1 do stand part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it

Agreed: Clause 1 passed.

Clause 2

The Clerk: Clause 2 Repeal of the Fifth Schedule to the Notaries Public Law 2002 Revision and substitution.

The Chairman: I have been given notice of an amendment to clause 2 and I have waived the requirement for two days' notice. The Honourable Temporary Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker. In accordance with the provision of Standing Order 52(1) and (2), I, the acting Honourable Second Official Member, give notice that I intend to move the following Committee stage amendments to the Notaries Public (Amendment) Bill 2003 that the Fifth Schedule as set out in clause 2 of the Bill be amended in items 12 and 21 by deleting "13" and substituting "15".

The Chairman: The amendment has been duly moved. Does any Member wish to speak thereto? If no Member wishes to speak the question is that the amendment stand part of the clause.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Amendment to Clause 2 passed.

The Chairman: The question is that clause 2 as amended stand part of the Bill. If no Member wishes to speak, the question is that clause 2 as amended stand part of the clause.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 2, as amended, passed.

The Clerk: A Bill for a Law to amend the Notaries Public Law 2003 Revision and for Incidental and Connected Purposes.

The Chairman: The question is that the Title do stand part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Title passed.

The Cayman Islands Registered Stock (Amendment) Bill, 2003

Clauses 1 through 3

The Clerk:

Clause 1	Short title.
Clause 2	Amendment of the Cayman Islands Registered Stock Law, 2002
Clause 3	Amendment of section 2 – Interpretation.

The Chairman: The question is that clauses 1 to 3 do stand part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 1 through 3 passed.

Clause 4

The Clerk: Clause 4 Amendment of section 6 – Financial Secretary to give directions as to name of stock and other matters.

Hon. George A. McCarthy: Mr. Chairman, under section 6(1) (d), I would like, with the support of Honourable Members and the Chair, to read where it presently states, following the amendment:

"The rate of interest payable on the stock;" taking on board the suggestion by the Honourable First Elected Member for George Town that it should read "the rate or rates of interest".

I am proposing that that amendment be allowed. Mr. Chairman, I seek your approval for the waiving of the relevant Standing Orders and also the time that is required for notice to be given.

The Chairman: The question is that clause 4 (c) of the Bill be amended by deleting paragraph (c) and substituting the following:-

"(c) in paragraph (d), by inserting after the word 'rate' the words 'or rates.'"

Hon. George A. McCarthy: Mr. Chairman, the proposed amendment in paragraph 4(c) should read: **"in paragraph (d), by inserting after the word "rate" the words 'or rates.'"**

The Chairman: The amendment is that clause 4(c) be deleted and substituted by the following—"in paragraph (d), by inserting after the word "rate" the words "or rates."

The amendment has been duly moved. Does any Member wish to speak thereto? If no Member wishes to speak the question is that the amendment stand part of the clause.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Amendment to Clause 4 passed.

The Chairman: The question is that clause 4 as amended stand part of the Bill. If no Member wishes to speak the question is that clause 4 as amended stand part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 4, as amended, passed.

Clauses 5 through 10

The Clerk:

Clause 5	Insertion of section 7A – nature, form, et cetera of securities.
Clause 6	Amendment of section 8 – the Registrar.
Clause 7	Amendment of section 10 – register of stock.
Clause 8	Insertion of section 11A – fiscal agents.
Clause 9	Repeal of section 14 – stock certificate.

Clause 10 Amendment of section 15 – transfer of registered stock.

The Chairman: The question is that clauses 5 to 10 do stand part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 5 through 10 passed.

Clauses 11 through 20

The Clerk:

Clause 11 Amendment of section 16 – registration of transfer stock
Clause 12 Repeal of section 17
Clause 13 Amendment of section 18 – registered to be conclusive evidence of facts entered therein.
Clause 14 Amendment of section 19 – liability of government in respect of issue of stock.
Clause 15 Repeal of section 20 and substitution— payment out of revenue for payment of interest.
Clause 16 Repeal of sections 21 and 22
Clause 17 Repeal of section 23 and substitution — payments
Clause 18 Amendment of section 28 – investment of sinking fund.
Clause 19 Repeal of section 34 and substitution issue of duplicates.
Clause 20 Amendment of section 36 – indemnity bonds.

The Chairman: The question is that clauses 11 to 20 do stand part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 11 through 20 passed.

Clauses 21 through 26

The Clerk:

Clause 21 Amendment of section 38 – signature of person authorised to sign stock certificate may be printed
Clause 22 Repeal of section 14 – substitution documents to be in the prescribed form
Clause 23 Amendment of section 44 – inspections of registers and documents.
Clause 24 Amendment of section 45 – regulations.
Clause 25 Amendment of section 46 – immunity.
Clause 26 Insertion of section 46A – waiver of sovereign immunity.

The Chairman: The question is that clauses 21 through 26 do stand part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 21 through 26 passed.

The Clerk: A Bill for a Law to amend the Cayman Islands Registered Stock Law and for Incidental and Connected Purposes.

The Chairman: The question is that the Title do stand part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Title passed.

The Chairman: The question is that the Bills be reported to the Honourable House.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. That the Bills be reported to the House.

House Resumed at 5.36 pm

REPORTS ON BILL

The Speaker: Please be seated. Proceedings are resumed.

The Notaries Public (Amendment) Bill, 2003

The Speaker: The Honourable Temporary Second Official Member.

Mr. Samuel Bulgin: Thank you, Mr. Speaker. I beg to report that a Bill entitled, The Notaries Public (Amendment) Bill, 2003 was considered by a Committee of the whole House and passed with two amendments.

The Speaker: The Bill has been duly reported by the Honourable Temporary Second Official Member and set down for Third Reading.

The Cayman Islands Registered Stock (Amendment) Bill, 2003

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I am to report that a Bill entitled, The Cayman Islands Registered Stock (Amendment) Bill, 2003 was considered by a Committee of the whole House and passed with one amendment.

The Speaker: The Bill has been duly reported and is set down for the Third Reading.

Suspension of Standing Order 47

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move the suspension of Standing Order 47 so that Third Readings of the Bills may be taken.

The Speaker: The question is that Standing Order 47 be suspended.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 47 suspended to allow the Bills to be read a third time.

THIRD READINGS

The Notaries Public (Amendment) Bill, 2003

The Speaker: The Honourable Temporary Second Official Member.

Mr. Samuel Bulgin: Mr. Speaker, I beg to move that a Bill entitled, The Notaries Public (Amendment) Bill 2003, be given a Third Reading and passed.

The Speaker: The question is that a Bill shortly entitled, The Notaries Public (Amendment) Bill 2003 be given a third reading and passed.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Notaries Public (Amendment) Bill 2003 given a Third Reading and passed.

The Cayman Islands Registered Stock (Amendment) Bill, 2003

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I beg to move that a Bill entitled, The Cayman Islands Registered Stock (Amendment) Bill, 2003 be given a Third Reading and passed.

The Speaker: The question is that a Bill shortly entitled, The Cayman Islands Registered Stock (Amendment) Bill, 2003 be given a Third Reading and passed.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Cayman Islands Registered Stock (Amendment) Bill, 2003 has been given a Third Reading and passed.

Suspension of Standing Order 24(5)

The Speaker: The Honourable Minister for Health.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move the suspension of Standing Order 24(5) so that the Government Motion may be taken.

The Speaker: The question is that Standing Order 24(5) be suspended.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Standing Order 24(5) suspended to allow the Government Motion to be taken.

GOVERNMENT BUSINESS

MOTIONS

GOVERNMENT MOTION NO. 1/03

The Cayman Islands Government Securities Law (Law 33 of 2002)

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I beg to move Government Motion No. 1/03, which reads as follows:-

"WHEREAS section 28(1) of the Public Finance and Audit Law (1997 Revision) provides that the Government shall not borrow money except in accordance with a law,

"AND WHEREAS section 4(1) of the Cayman Islands Government Securities Law, 2002 provides that whenever by any Law or resolution of the Legislative Assembly, authority is given to the Governor in Council to raise any money by way of loan or for any purpose mentioned in that Law or resolution, or whenever it is necessary to raise any sum of money for the purpose of repaying any loan raised by the Government under this or any other Law or a resolution of the Legislative Assembly, the Governor in Council may, from time to time, raise such sum or any part thereof under the provisions of this Law by the creation and issue of registered securities;

"AND WHEREAS it is proposed that the Governor in Council shall create and issue registered securities in the form of notes in the original principal amount of US$163.2 million for purposes which include the financing of capital expenditure, debt consolidation and the reimbursement of debt consolidation;

"BE IT THEREFORE RESOLVED THAT this Honourable House, acting in accordance with section 4(1) of the Cayman Islands Government Securities Law, 2002, as recently passed, authorises the Governor in Council to issue securities in the form of notes on behalf of the Government of the Cayman Islands in the principal amount not exceeding US$163.2 million for the aforementioned purposes."

The Speaker: The question is that this Honourable House, acting in accordance with section 4(1) of the Cayman Islands Government Securities Law 2002, authorises the Governor in Council to issue securities in the form of notes on behalf of the Government of the Cayman Islands in the principal amount not exceeding US$163.2 million for the aforementioned purposes.

The Motion is opened for debate. Does the Honourable Member wish to speak thereto?

Hon. George A. McCarthy: Thank you, Mr. Speaker. The Government's intention to issue a debt instrument is well known. It has been mentioned in this Honourable House on many occasions in the past and as recently as the amendment that was dealt with to the legislation a short while ago. Section 4(1) of the Government Securities Law, 2002 allows the government to make an issue of securities provided the government obtains a resolution from this Honourable House that authorises the issue of securities. This is how the Law is intended to operate: that on each occasion a bond is to be entered into, the approval of this Honourable House be sought. The Motion is therefore before this Honourable House because the Government requires the approval in order to carry out its intention of issuing the securities in the amount of $163.2 million as I have just mentioned.

The word "bond issue" has become well known to all Honourable Members of this House and I would like to explain why the language in the Motion moves away from those words and speaks of government issuing securities in the form of notes. When the Government first considered issuing that instrument it was envisioned that the debt would be offered in the public market. The public market uses the expression "bond issue" to cover an offering of debt instruments. This is the reason why the words "bond issue" became so closely associated with government's wish to make an issue of debt. Mr. Speaker, a small number of large investors in the private placement market have given their commitment to buy government's entire debt offering. The private placement market uses the term 'notes' to cover debt offerings as opposed to the term 'bond issues' in the public market. This explains why the Motion speaks of government issuing securities in the form of notes.

Mr. Speaker, there were several reasons why the Government decided to launch its debt offerings in the private placement market.

First, the minimum size of a debt offering in the public market is $250 million and typical deal size averages at least US$500 million. These amounts were larger than the Government needed to borrow.

Secondly, the private placement market resulted in lower legal and advisory costs than the public market, mainly because the government's debts offering does not have to be registered with the Security and Exchange Commission in the United States of America.

Thirdly, the public market is focused on bullet maturity bonds, which means that the principal amount owed in respect of the bond is repaid at the very end of its life by a single payment. The private placement market offered government the flexibility of being able to repay the principal throughout the life of the debt. Mr. Speaker, what I have just said addresses the concern that has been alluded to by the First Elected Member from George Town, which connects with the setting up of the sinking fund. It is for this reason that the Government felt it would be sufficiently safe to use the annualised budget in which provisions will be made for the two payments to be made during the course of the year, as against if it was going to be a bullet bond whereby interest would be paid at intervals during the life of the bond with a single payment made at the end or at the maturity of the bond. Then the most prudent and safest route to take would be the route of establishing a sinking fund. I just want to assure that Honourable Member that in terms of his concern they are very much in sync with mine, in terms of making sure that adequate arrangements are put in place so that Government is able to meet its obligations when due.

So, the fact that a specific provision has not been made in law for a sinking fund to be set to meet to provide for the two payments to be made during the course of the year the operation of the budget, the

management of the cash flow and the attention that will be paid to the yields that will be realised from monies that will be placed on deposits on short term and knowing the fact that the Government budgets to meet its obligation throughout the course of the year, and not only to budget but monitors that to make sure that sufficient cash is available to satisfy the obligations whenever they become due, I think should address the concern that has been raised earlier by that Honourable Member.

I will now outline the key features of the notes that the Government plans to issue. The size of the note issue that Government plans to make is US$163.2 million. This is the amount sufficient to repay the government's public debt loans and have $9.6 million for capital expenditure. The $9.6 million is equivalent to the $8 million that the Legislative Assembly approved on the 7 January 2002. Because of the fact that there was a need to delay the bond issue firstly to get the best rate and to make sure that the offering memorandum is approved bridge financing was sought in the interim through a local bank for this part of the $8 million. This, as Honourable Members will recall, was covered by a specific loans law that was put in place, but it was intended that that would be embraced within the bond issue. So, it was a 'belt and braces' approach to make sure that there was the necessary authority for the raising of the money during the course of the year 2002, and also that it would be factored into the bond issue.

The plan note issue has a 15-year life. Principal repayments will occur every six months over the 15-year's period and the note will be fully repaid by March 2018. Mr. Speaker, interest and principal repayment will occur on the 30 March and the 30 September each year with the first payments due on the 30 September 2003. I will now demonstrate the significance of Government making half-yearly repayments of principal over the life of the note. If the Government had chosen to repay the principal on the maturity date of the note total interest cost would have totalled $129.7 million. By making half-yearly repayments of principal interest cost will decline to US$67 million. The savings that will be made by the Government in making this decision to repay the principal half-yearly is therefore $62.7 million. This will be a considerable savings to the country at large. The interest rate payable on notes that the Government plans to issue is 5.3 per cent per annum. This rate is fixed for the 15-year life of the note and will not fluctuate when interest rate changes are announced. Government will therefore know its interest cost in respect of the note issue with absolute certainty for the next 15 years. At present Government's interest rate cost will change when rate changes are announced. These are against the existing loans to be paid off but we know that they will be paid off and locked in under the note to be issued. So, the interest rate will be known throughout the life of the bond. The interest rate of 5.3 per cent on the notes consists of two parts. The yield on the 8-year US treasury note plus a percentage for risk that buyers of the notes require. The notes were priced at 3 pm on Wednesday 29 January 2003. The yield on the 8-year US treasury at the time was 3.8 per cent and the percentage spread for risk that the buyers of the note requested was 1.5 per cent. With the Government repaying principal on the notes every six months the average life of the notes is approximately . . . Mr. Speaker, I will seek your indulgence in pausing for a minute.

[Pause]

Hon. George A. McCarthy: The government repaying principal on the notes every six months, the average life of the notes is approximately eight years. This establishes the link to the pricing against the eight-year treasury that I mentioned previously. The 1.5 per cent risk spread is very competitive to rates obtained in recent transactions of similar size in the private placement market. The low percentage requested by investors to compensate for the perceived risk attached to buying the notes reflect the very strong A-3 rating given by Moody's which is an international credit rating agency used by the Cayman Islands. The 5.3 per cent is therefore the result of combining the two separate components of 3.8 per cent and 1.5 per cent. The interest rate was competitively priced.

Those are the key features of the notes that the Government plans to issue. The Motion makes it clear how the proceeds of the note will be used. The proceeds will be used to finance the capital development expenditure of an amount of $9.6 million which equates to $8 million with the remainder of US$163.2 million being used in connection with the debt consolidation. Mr. Speaker, I should point out that at the time when the Government took the decision to issue the notes it was then quantified that the amount that would be required was $128 million. Because of the fact that the Government has been making repayments since that time up until now the amount to be repaid has been reduced. The Government therefore proposes that the differential between what the original amount, as specified in the bond issue was going to be and what the loans are at this time will be paid off, will be placed into the general reserve fund.

The bond issue is for a fixed amount. The offering document was drawn up as such. Honourable Members will recall in this House that the time could not have been specified in terms of when the bond issue would have matured. For example, in November of last year the government could have gone ahead and concluded arrangements for the draw down against the bond issue. But on the advice of the local bank that we are dealing with, plus the international bank that facilitated this offering it was suggested that if the Government waited until the early part of the New Year the rate would have been improved upon. By acting on that decision it put the government in a favourable position because it would have been in

excess of 6 per cent had the government locked in the rate in November of last year, as against waiting until the early part of this year to lock in the rate at 5.3 per cent.

[Inaudible comment]

Hon. George A. McCarthy: I have given the relevant details in support of the note issue and I think this information — the balance in this. . .

[Pause]

Hon. George A. McCarthy: I will have to undertake to give that Honourable Member the details that he is seeking, as it cannot be …

[Pause]

Hon. George A. McCarthy: In a perfect world everything is done perfectly, but given the fact, as I have outlined, the Government has pursued a course of action that, although it was envisioned over a year ago that this bond issue would have materialised, by waiting in excess of a year we have secured the funding at the best rate that could be available at this time at a significant cost to the Government. I also pointed out that instead of pursuing the bullet bond route, which would have resulted in an additional $67 million having to be paid out by making loans payments at half-yearly intervals during the course of the loan, the Government will be saving approximately $67 million. As I said earlier, it was envisioned that the amount that would have been required to liquidate the loans at the time when the bond issue was conceptualised, was CI$128 million. The sum that this amount has been reduced by during the period of time and what has been projected up through the end of this month, will be approximately CI$19.2 million. This means that the amount to be paid out will be approximately $108.8 million. This shows the excellent track record that the Government has in terms of meeting its obligation, because within that short interval the Government would have paid out approximately $19.2 million. This speaks for itself. Mr. Speaker, thank you very much.

The Speaker: The Second Elected Member for the district of George Town.

Point of Procedure

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I rise on a procedural point. I have listened with interest and increasing concern to the submission of the Honourable Third Official Member. I had hoped that in the course of his remarks he would have addressed what is clearly to us on this side a constitutional impediment to proceeding on this Motion this evening.

This Motion is premised on the passing and enactment of the Cayman Islands Registered Stock (Amendment) Law, 2003, upon which this Honourable House proceeded a short while ago. Among other things, Sir, that amendment, when it becomes law, will have the effect of changing the name of the Law to the Cayman Islands Securities Law. It will also have the effect of amending references to 'registered stock' to 'registered securities'. The Honourable Third Official Member made it very clear that on advice received from Sidley Austin and other overseas legal advisors to the government, it is absolutely critical that the somewhat antiquated references in the Cayman Islands Registered Stock Law be changed to reflect modern practice.

The fundamental constitutional impediment is section 39 of the Cayman Islands Constitution Order 1972, which says, **"A bill shall not become a Law until-**

(a) "the governor has assented to it in Her Majesty's name and on Her Majesty's behalf and has signed it in token of his assent".

It follows that simply because this Honourable House has passed the amendment to the Cayman Islands Registered Stock Law this afternoon does not bring into effect those amendments. This Motion that is before us, and to which the Honourable Third Official Member just spoke extensively, is premised on the basis that those amendments have become law. They have not become law. In the second recital it refers to the Cayman Islands Securities Law 2002. At this precise moment no such law exists. Also, in that second recital is a reference to registered securities as a matter of Cayman Islands Law. At this point no such creature exists. In the resolution section there is again reference to the Cayman Islands Securities Law and to the issuing of securities.

It is, therefore, my submission on behalf of the Members of the Opposition that this House cannot lawfully proceed on this Motion this afternoon. It cannot, Sir, until the amendments that were passed today have been assented to by His Excellency the Governor in accordance with section 39 of the Cayman Islands Constitution. If we proceed and purport to accept this Motion and pass a resolution to that effect, the resolution will be null and void. It will have no legal effect and it will not confer upon the government the ability to go ahead and issue these securities as is contemplated.

I caution this Honourable House for us to not rush into this, but to take the time to ensure that the Law which was passed this afternoon is assented to, which will confer upon this Honourable House the ability to proceed on this Motion. I thank you, Mr. Speaker.

The Speaker: Honourable Members, in light of the revelation that was just made by the Second Elected Member from George Town, I propose that we take a

short suspension for 10 to 15 minutes to allow myself to get further instructions.

Proceedings suspended at 6.10 pm

Proceedings resumed at 6.35 pm

The Speaker: Please be seated. Proceedings are resumed.

The Honourable Minister responsible for the Ministry of Health.

ADJOURNMENT

Hon. Gilbert A. McLean: Mr. Speaker, the Government, the Opposition and yourself having had occasion to take advice, I beg to move that the debate at this time be ceased, and I beg to move the adjournment of the House until tomorrow at 11 am.

The Speaker: The question is that this Honourable House be adjourned until tomorrow at 11 am.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 6.37 pm the House stood adjourned until Thursday, 27 March 2003, at 11 am.

OFFICIAL HANSARD REPORT
THURSDAY
27 MARCH 2003
11.28 AM

Nninth Sitting

[Deputy Speaker in the Chair]

The Speaker: I invite the Second Elected Member for George Town to grace us with prayers.

PRAYERS

Mr. Alden M. McLaughlin, Jr.: Let us pray.

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

Bless our Sovereign Lady Queen Elizabeth II, Philip Duke of Edinburgh, Charles Prince of Wales, and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Executive Council and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 11.32 am

The Speaker: Please be seated. Proceedings are resumed.

ADMINISTRATION OF OATHS OR AFFIRMATIONS

Oath of Allegiance
Mr. A. Joel Walton, JP
(Administered by the Clerk)

Mr. A. Joel Walton: I, A Joel Walton, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, her heirs and successors, according to law, so help me God.

The Speaker: Honourable Member on behalf of this House I welcome the Honourable Temporary Third Official Member and invite him to take his seat. Please be seated.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies from the Honourable Speaker who is still not feeling well.

QUESTIONS TO HONOURABLE MINISTERS AND OFFICIAL MEMBERS OF THE GOVERNMENT

Question No. 15

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

No. 15: Mr. Lyndon L. Martin asked the Honourable Minister responsible for the Ministry of Health Services, District Administration and Agriculture what is the status of the previously announced acquisition of a dialysis machine for Faith Hospital.

The Speaker: The Honourable Minister of Health.

Hon. Gilbert A. Mclean: The Ministry of Health Services was approached last year with respect to initiating a haemodialysis service within Faith Hospital. The Ministry in return requested the Health Services Department to explore the necessity and feasibility of implementing such a service on Cayman Brac.

In the meantime, funds were provided in the 2002 Budget for the purchase of two dialysis machines with the intention of purchasing one for the Brac if deemed necessary. However, after a review of the recommendation emanating from the study, a joint decision was made by the Health Services Department and the Ministry that a service of this nature should not be introduced at Faith Hospital (both for patient safety and service efficiency) at this time.

Supplementaries

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

Mr. Lyndon L. Martin: Thank you Mr. Speaker, I was hoping the Minister could indicate how many patients in the Brac are currently receiving dialysis and how that service is currently provided for.

The Speaker: The Honourable Minister of Health.

Hon. Gilbert A. Mclean: Mr. Speaker, to the best of my knowledge and that of the Health Service Authority, there is only one patient who is on dialysis from the Brac, who travels to Grand Cayman three times per week and all expenses are paid for him to do so including air travel expenses between the Islands.

The Speaker: If there are no further supplementaries, Madam Clerk, the next question.

Question No. 16

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

No. 16: Mr. Lyndon L. Martin: asked the Honourable First Official Member responsible for the Portfolio of Internal and External Affairs what is the current police complement on Cayman Brac and on Little Cayman.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: The answer is as follows –

Cayman Brac: 11 Constables
1 Sergeant
1 Chief Inspector

Little Cayman: 1 Constable.

Supplementaries

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

Mr. Lyndon L. Martin: Thank you Mr. Speaker, could the Honourable Member indicate whether these numbers are considered to be adequate based on the number of population and crime rate.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Mr. Speaker, it could be argued that police ratios may never be adequate but they are better than the police ratios for Grand Cayman.

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

Mr. Lyndon L. Martin: Thank you Mr. Speaker, it was detailed in this Honourable House that there was a proposal and possible implementation of a second Inspector for Cayman Brac Police Station and the possibility of an additional constable for Little Cayman. Could the Honourable First Official Member provide details as to the progress in this regard.

The Speaker: The Honourable First Official Member

Hon. James M. Ryan: Thank you Mr. Speaker. I am not aware of the proposal for the second Inspector in Cayman Brac. What did occur some time ago was that the complement of constables was increased by 50 per cent and I detailed a few minutes ago the total complement for Cayman Brac and Little Cayman.

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

Mr. Lyndon L. Martin: Thank you, Mr. Speaker. With only one constable on Little Cayman, could the Honourable First Official Member provide detail as to what is done during vacation time and days off to provide coverage for Little Cayman with only one constable?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Thank you, Mr. Speaker. The current position in Little Cayman is that when the constable is off for whatever reason, coverage is given from Cayman Brac. However, I can tell the House that the decision has been taken to appoint a second constable for Little Cayman. The post has been advertised and we expect to have a second constable in the post in due course.

The Speaker: If there are no further supplementaries, we will move on to the next question.

Question No. 17

The Speaker: The Elected Member for East End.

No. 17: Mr. V. Arden McLean: asked the Honourable Minister responsible for the Ministry of Health Services, District Administration and Agriculture if the Health Services Authority's ambulatory services is up to full staff and vehicle complement.

The Speaker: The Honourable Minister of Health.

Hon. Gilbert A. Mclean: I understand that the intent of the Member is to make an enquiry about the ambulance service and not the ambulatory service, which in terms of health care delivery is a very different thing.

The ambulance service currently has three vacant positions and the Health Services Authority is in the process of recruiting to fill these posts. The vehicles, however, are up to their full complement of four. Three are assigned to the various stations (West Bay, North Side and George Town) and one is being used as a spare.

The Speaker: If there is no further supplementary we will move on to the next item of business.

STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE GOVERNMENT

Update on Aviation Matters

The Speaker: I have been given notice of a statement by the Minister of Health.

Hon. Gilbert A. McLean: Thank you, Mr. Speaker.

This Honourable House has shown evidence of its interest in aviation matters in this very sitting, so I have no doubt they are supportive of our recent change of name in recognition as a Ministry of the need to demonstrate or focus on this subject area. Members will be aware that the new name of the Ministry is Health Services, Agriculture, Aviation and District Administration.

At this time there is considerable concern in the sphere of commercial aviation due to the war in Iraq. We, in the Cayman Islands, are obliged to monitor this closely for its potential economic impact. Similarly, the heightened security arrangements implemented at our airport since 11 September, 2001 are now being maintained with particular vigilance. Security arrangements at airports fall to the Director of Civil Aviation through His Excellency, the Governor. This is number one of four aviation matters I will speak on, the others being as follows:

1. the recent international health alert regarding the Severe Acute Respiratory Syndrome (SARS);
2. the proposed terminal expansion at Owen Roberts International Airport; and
3. the forecast work on airport facilities in Little Cayman.

1. Airport Security Arrangements

The Cayman Islands, through the Director of Civil Aviation (DCA), maintains international standards with regard to security. Current procedures follow the Cayman Islands National Aviation Security Programme issued by the United Kingdom Department for Transport (DfT) through His Excellency, which allows for varying protocols to be adopted as appropriate to changing threat levels.

Relevant training is provided from time to time through the Department for Transport's Regional Aviation Security Adviser (RASA), who is based in Miami for this region. The training he develops is based on directions issued from the DfT through the Governor from time to time. There is ongoing contact between the DCA and the RASA, and the latter visits at least once every two months, in pursuance of his principal function, which is to audit procedures in place in the field.

Owen Roberts International Airport on Grand Cayman

Specific improvements in security at our principal airport may be seen in the following:

(i) After some years the Civil Aviation Authority (CAA) now has a full complement of 24 Security Officers. I am advised that in general recent applicants for these jobs have been of a high calibre.

(ii) There is a uniformed police officer stationed at the screening point for outgoing passengers during critical hours (6 am to 6 pm). This is in keeping with the recommendation of the International Civil Aviation Organisation (ICAO).

(iii) The travelling public and their families have been very cooperative in assisting aviation authorities, in compliance with the current more exacting requirements. These have had to be worked around existing shortcomings in physical accommodations. Despite a certain amount of discomfort, with the cooperation of the public, the somewhat makeshift set-up has been made to work.

The arrangements have included the following list:

i) more thorough searching of passengers and their hand luggage;
ii) physical searches of check-in baggage;
iii) screening of cargo on passenger carrying aircraft;
iv) searching of aircraft;
v) tighter restrictions for persons gaining access to the restricted areas of the airport.

An additional walk-through detector and a baggage X-ray unit have been put into use. Further to a Direction issued by His Excellency the Governor regarding X-ray screening of hold baggage (that is hand-held), matters are well in hand towards commissioning of new state-of-the-art X-ray machines and associated conveyors and carousel systems. This entire facility is expected to be operational in the very near future.

Gerrard Smith International Airport

With regard to security, no physical changes were assessed to be necessary at Gerrard Smith International Airport in Cayman Brac. However, two Airport Security Officers have been added to the staff.

Perhaps this information will assure the travelling public that appropriate steps are being taken to ensure their safety and security, and that we are being good stewards of the revenues collected by way of the security tax levy on airline tickets.

2. International Health Alert Regarding Severe Acute Respiratory Syndrome (SARS)

Thankfully, no cases of SARS have been reported in the Cayman Islands to date.

Civil Aviation, Public Health and Immigration have devised co-operative arrangements aimed at effective monitoring of the situation. Public Health has taken the lead, with able support.

Health alert cards have been produced which are now being handed to arriving passengers by Immigration Officers. Airlines and travel agents have been briefed. Airport staff is to be advised of the symptoms and geared towards vigilance with regard to persons exhibiting known symptoms.

3. Owen Roberts International Airport Expansion

Under commission by the CAA, specialist firm JacobsGIBB produced a Master Plan in November 2002, for development of airport facilities at Owen Roberts International Airport, in keeping with forecasted growth for the next 15 to 20 years. Their report speaks to the requirements for future development of the airport including runway, taxiway, apron, commercial and general aviation terminal, ingress and egress corridors, and environmental issues. It must be noted that detailed studies are obviously necessary to take forward the development of each sector.

The report's findings identify the main commercial terminal as priority number one. This is an appropriate but not surprising response to the reality that the present terminal is now in use beyond its projected life. In fact, growth in throughput has, for some time, been well in excess of projections, so that the terminal has been accordingly stretched to accommodate demands. The security arrangements I spoke of earlier are a case in point.

While careful management has ensured that international requirements have been observed, the situation is no longer satisfactory in terms of the quality of travel experience for users of the terminal. Along with safety, comfort and convenience are key to the travelling public, and both of the latter are increasingly under threat, if not actually compromised, within the facilities of Owen Roberts International. We must also be mindful that, especially for visitors arriving for the first time, first impressions tend to be lasting impressions. The time for definitive action is fast approaching; without this, the situation will only deteriorate.

The JacobsGIBB report leaves open to our decision the choice between refurbishment and expansion of the current terminal building, and the building of a new terminal facility on a new footprint. I propose to table the report in this Honourable House in the very near future. Once in-principle commitments for project development have been secured, tender documents will be prepared as a first step towards development. All concerned are mindful of the need to carefully examine both technical capability and price, in the tendering processes.

4. Little Cayman Airport Facilities

As recently advised in this Honourable House, an airport master plan was completed for the CAA in July 2002. As I indicated to Honourable Members at the time, I intend to seek an Executive Council decision in the very near future on the development of airport facilities in Little Cayman. As we make every effort to remain compliant with international regulatory standards, the current position will need to be critically examined, given that the airstrip now in use does not meet such standards. We must, and will, as a Ministry and a Government, give top priority to the safety of air transport for users of the facility. Decisions for development will be guided by this and by the development objectives for Little Cayman and the Sister Islands taken together, including, but not limited to, reliability of service, impact on economic growth, and social and physical environmental effects. With regard to the latter, due care will be taken as to the presence, near the most likely site of a new development, of a United Nations listed RAMSAR site of international importance, in the form of a major Red-Footed Booby nesting site.

I thank Honourable Members of this House for their attention. I also hope that they, and the public we all serve, will find that the information contained in this statement is useful, and that it provides assurance that this important area of governance is receiving appropriate attention. I may just add that I hope when it is reported in the media, it will be as clear and as accurate as I think it is in this written statement which will be available to the media and anyone else. Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Minister. I have also received notice of a statement from the Leader of Government Business.

New Five-Year Tourism Policy

Hon. W. McKeeva Bush: Thank you very much, Mr. Speaker.

In November 2000 when I took over responsibility for tourism, I found the industry in decline and

lacking focus and vision. The previous Government had allowed the last 5-year plan to lapse in 1999, and there was no bridge or obvious intent to get a new Tourism Management Policy and Plan in place.

Having a comprehensive, guiding document was a priority of mine, and I promptly called on the Department of Tourism to initiate a process to get a new Tourism Management Policy and Plan in place. This Plan was prepared following extensive consultation and research.

While this has been the earliest possibility for my Ministry to present this new 5-year policy in this Honourable House, it must be noted that this document has been widely circulated for months now, including having been posted on the Department of Tourism's website for all to acquaint themselves with its content. Every effort has been given to full and wide public disclosure because, after all, "Tourism is everybody's business".

Why a Tourism Policy Framework?

Tourism research has overwhelmingly found that strong policy intervention is needed if tourism is to be a viable route to sustainability that avoids the environmentally incompatible growth process, especially in small island states.

- First, tourism is extremely important to the local economy. By some estimates, it contributes up to 50 per cent of Gross Domestic Product and supports around 30 per cent of all employment in the country.
- Second, tourism affects everyone whether they are in the industry or not; it supports the wide range of services that are available to all and it also impacts upon the local way of life.
- Third, tourism is a complex industry involving a wide variety of stakeholders, many of whom do not even realise that they influence and impact the industry. Individuals need to be coordinated and activities managed.
- And finally, a policy framework is needed to make sure that everyone involved is aware of the overall goals and is pulling in the same direction.

The Ministry's Goal

It is my goal to develop and have in place a new Five Year Tourism Management Policy for the Cayman Islands by early 2003, designed to provide a framework and clear vision for the sustainable development of the tourism sector. This new policy would be:

- Harmoniously integrated into overall development plans and strategies of Cayman
- Developed with maximum input from all stakeholders
- Simple but not simplistic, so that all stakeholders, be it an investor or a taxi driver can get a sense of the vision and strategy for developing the tourism industry

Conclusion and General Consensus of the Policy Framework

The conclusion and general consensus that came of the policy development process is that the way ahead lay in consolidation and sustainable growth and we need to focus on five (5) strategic aims:

- In market terms, positioning the Cayman Islands as a distinctive, quality Caribbean destination for the discerning visitor.
- In product terms, concentrating on improving the quality of the experience (for stay over and cruise passengers), to deliver a unique distinctive Caymanian experience for which people are willing to pay a premium.
- In development terms, the key recommendation is the need to review tourism zones and limit planning permissions for new hotel development until occupancy levels are restored to a more viable level.

That is the recommendation in development of new hotels, Mr. Speaker, but as I said in the Throne Speech debate we consider that we have to look at all sectors and how they relate to the industry and we do feel that there is room for quality 5-7 star hotels and that is what we are supporting.

- In management terms the key recommendation is to institute a provisional cap on the number of cruise ship passengers per day arriving on Grand Cayman.
- In target terms, we are working to restore stay over visitor numbers to pre-1999 levels of approximately 350,000 visitors per annum by 2007—that is by 4 per cent per annum. Thereafter, the Cayman Islands should assume only modest growth. It is suggested this might be in the order of 2 to 3 per cent, which would mean approximately 375,000 stay over visitors by the end of the decade.

I should say also, Mr. Speaker that giving our ideas for new upscale five to seven star hotels would not necessarily mean that you are going to have 500,000 visitors. Certainly it will not be in the short term, for to develop a hotel does not mean that it will happen overnight. However, we must plan and that is what the Government is saying.

Name of Final Document

This Policy framework has been called *Focus for the Future* because it is about re-positioning the Cayman Islands' product and approach to meet new demands and a new overall goal. This will require a new focus by all concerned with the industry.

Nine (9) Key Policy Objectives

To make this vision reality nine policy objectives have been identified and these are as follows:

- Policy objective 1 is to provide a high quality product for the visitor.
- Policy objective 2 is to present a distinctive Caymanian experience.
- Policy objective 3 is a sustainable approach to tourism development.
- Policy objective 4 is to protect and enhance the marine resource.
- Policy objective 5 is to attract a more discerning and higher spending visitor.
- Policy objective 6 is to develop a highly skilled Caymanian tourism workforce.
- Policy objective 7 is to develop ecotourism on the Sister Islands.
- Policy objective 8 is to organise tourism in Cayman more effectively.
- Policy objective 9 is to research and monitor tourism more effectively.

Implementation of the Recommendations

This document provides a consensual blueprint and charts a course for developing our tourism sector to the benefit of all. Unlike the way previous studies have been shelved, we are determined to act upon this report and not to allow it to be relegated to the bookshelves of a few persons for dust collection. The challenge now is implementation, and my Ministry and the Department of Tourism are therefore proposing the following mechanism for implementing the recommendations of the Tourism Policy Framework.

Implementation Committees

The Ministry and the Department of Tourism are proposing that committees comprised of a wide and diverse group of public and private sector representatives help drive this policy to ensure successful implementation. It is suggested that various sub-committees be appointed, with one steering committee that would be in charge of overseeing the implementation of the action items in the NTMP and the sub-committees that would deal with similar action point issues.

I have already spoken to the Chamber of Commerce and have asked them for recommendations for members for the various committees. Through this venue I ask the public that should they believe they can make a contribution, that they contact my Ministry and say, "I would like to serve on a committee". There are several committees which will, of course, get further publication.

The Steering Committee

This would be the overall coordinating body that will provide oversight for ensuring the implementation of the Management Policy. This body would guide the work of the sub-committees and they in turn would all report to this steering committee. It should be noted that in Section 6 of Tourism Law (1995 Revision), there is a provision for the annual appointment of a Tourism Advisory Council (TAC), whose terms of reference is to provide oversight and advice to the Minister of Tourism on tourism matters. This Council has not been convened for several years, and it is proposed to reactivate this body with a mandate to serve as the steering committee for the Tourism Management Policy. The Council will focus mainly on ensuring that the Management Policy recommendations are implemented, monitoring the progress of the committees and providing additional policy advice as required by the Minister.

Sub-Committees

Human Resources Committee

Providing information and creating awareness on a consistent basis on the importance of tourism to the Cayman Islands, the wide range of lucrative and exciting opportunities that exist in the sector, and dispelling the antiquated ideas of service equating servitude, are critical issues that need to be addressed to increase the involvement of Caymanians in the tourism sector. This sub-committee would comprise members in both the private and public sector. These members would be responsible for providing oversight and implementing all recommendations in the Management Policy relating to human resources development for tourism, including conducting a comprehensive needs assessment, as well as all tourism education, awareness and training. It should be noted that the 1992 Coopers & Lybrand's *Ten Year Tourism Development Plan for the Cayman Islands (1992-2002)* had recommended the establishment of a standing Human Resources Council, with a mandate along similar lines.

Our young people in particular should take an opportunity to study the aspects of tourism, how it relates to the country, what it means as a career and they would get the understanding that there is money to be made in the industry and that they should be qualified. We have talked about the hospitality training services. The Government is moving ahead with purchasing that property, but we will put the first programmes through the Community College, so that we will take time to implement a proper training facility. That is the plan.

Information and Research Committee

This sub-committee's overall purpose would be to improve the monitoring of tourism in the Cayman Islands and research capabilities, so that key decisions are founded on sound information and the outcomes measured rationally. Specifically, it would identify data requirements; review data gathering and analysis procedures; develop a tourism economic impact model for Cayman; and improve market research.

Transportation Committee

Ensuring adequate means of transportation and facilities that are of a high quality is key to the success of the tourism sector. This sub-committee will be responsible for action points in the Management Policy relating to facilities and services at the airports; ground transportation including taxi and bus operators; and public transportation issues. As a note, the Public Transportation Board (PTB) that currently exists and operates already deals with the majority of issues that this committee would need to oversee. However, there needs to be more oversight here.

George Town Port /Cruise Development Committee

In terms of a mandate, this committee would be responsible for matters and recommendations relating to cruise ship policy; cruise marketing plans; cruise facilities and services; and redevelopment plans for George Town. To a large extent this committee is already in existence in the form of the Port Improvement Beautification Committee (PIBC), which the Ministry of Tourism appointed in 2002. Their current terms of reference, as well as the standing members, can simply be extended to ensure that all action points covered in the Management Policy are adequately dealt with.

Environment Committee

With the tourism product in Cayman being primarily based around the natural environment, the role of this sub-committee takes on special importance. Matters and action points in the Management Policy relating to environmentally protected areas; marine conservation; management plans for Stingray City and other sites; impact assessments for large projects; creation and management of artificial reefs; enhancement of public beaches; creating a more environmentally friendly tourism sector; and developing an Agenda 21 strategy and seeking Green Globe certification for tourism products. It should be noted that the current Beach Erosion Committee appointed by the Ministry of Tourism is currently dealing with the specific issue of beach erosion and the body being proposed here can be an expansion of this existing committee.

Product & Infrastructure Enhancement Committee

This sub-committee would be responsible for items pertaining to the improvement of facilities and services at current land based attractions; the development of new attractions; development of an accreditation and award scheme for accommodations and attractions; development of a formal local design guide; the development and marketing of cultural resources; promotion of small scale eco-tourism type developments; and the improvement and standardization of signage.

The Ministry will appoint the Steering Committee and various sub-committees shortly and invites persons with a genuine interest in promoting sustainable tourism in these Islands to volunteer. I will reiterate the theme of last year's Annual Tourism Conference: "Tourism is everybody's business".

The action plans contained in the Management Policy will require the participation of numerous and diverse agencies – ranging from private tourism associations to various cultural, educational and environmental organisations to the Economics and Statistics offices. Managing this process will be no small task, but I understand how crucial it is to do this, Mr. Speaker, and I am committed to getting our public and private sector together to address our tourism challenges in a meaningful and effective manner. This new Tourism Management Policy will be a critical tool to preserving and building our tourism industry and I humbly request that this report not just be accepted, but be widely supported in the years ahead, understanding, Mr Speaker, the country's problems, the need for revenue and the need for a better tourism product.

Thank you very much, Mr. Speaker, and I lay the copy of the *Focus for the Future; A Tourism Policy Framework for the Cayman Islands*, on the Table of this Honourable House.

The Speaker: So ordered.

GOVERNMENT BUSINESS

MOTIONS

GOVERNMENT MOTION NO. 1/03

The Cayman Islands Government Securities Law (Law 33 of 2002)

(Continuation of Debate thereon)

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

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

In looking at this Government Motion 1/03 and listening to the Honourable Third Official Member presenting the Motion yesterday, I think that there are some questions that need to be answered to clarify the situation, especially for us on this side, for us to be able to carefully examine the Motion and be able to do justice when the vote takes place. In making a contribution to the debate on the Motion, I am going to be asking some questions which I trust the Honourable Temporary Third Official Member will be able to give clear answers to in his reply.

It was obvious yesterday that the Honourable Third Official Member did not have at his fingertips the exact breakdown of the disbursement of these funds for the securities issue and, while he made mention of some figures, I think perhaps it would serve us well if we were able to hear exactly what the breakdown is.

We know that the Motion calls for securities to be issued not exceeding US$163.2 million. The Honourable Third Official Member mentioned yesterday that when this amount was decided upon, that was apparently what the total was in US dollars that was being sought to be able to liquidate in loans. Since the process has been a bit drawn out, the Government has been making its regular payments on the loans, so that the total amount that needs to be paid out now, instead of being the $128 million that the Honourable Financial Secretary mentioned, (and seemingly some CI$19.2 million has been paid down on the principal).... However, his argument yesterday was that the amount that was decided upon had already been fixed in the preparations for this issue. That is basically all that he said to justify why the amount was not changed, since there is CI$19.2 million less which has to be paid out in loans at present or by 31 March.

I am certain, because I checked it out, that just because an amount is fixed at the beginning does not mean that all this time that money is being paid down, that once all the parties were aware of what was happening, that if there was a need or a desire to reduce the amount, that it could not have been done. It certainly could have been done. I do not know the exact name of the entity that is being dealt with at present, and perhaps I did not check with those people directly, but I have checked with others who are in the same business and they did not show me any reason why there should have been a difficulty I only say that based on what the Honourable Third Official Member said, and that was the only reason he gave why the amount was not changed. Now, Mr. Speaker, if we simply corral our thoughts to the basics, there is an amount of CI$19.2 million which is part and parcel of the total amount of the securities issue. So, at 5.3 per cent, (which is a very good rate, in our opinion, for today's market conditions), it means that we are borrowing CI$19.2 million, which is just under US$23 million, (US$22.85 or $22.86 million), to put into general reserves and we are going to be paying that back over fifteen years at 5.3 per cent. I do not know when we put that money into general reserves how it would be invested and I do not know if expectations can be that the returns from that amount can be more than 5.3 per cent. Thus, there are questions that need to be answered if justification is to be given to an action.

The other question that needs to be asked is, "Do we keep general reserves in foreign currencies or do we keep them in CI (Cayman Islands) dollars?" If we only keep them in CI dollars we are going to be borrowing US dollars and having to take those US dollars to purchase CI dollars to put in general reserves. I do not know. However, those questions need to be looked at because if we are looking at it in that manner then certainly we have to equate one against the other as to which one brings the best return and, therefore, what justifies borrowing a sum to place it in general reserves.

There are other questions that can be raised and perhaps there are thoughts that can be addressed to the situation. I do not know when funds are placed in general reserves whether those funds are at any point leveraged, for instance with the overdraft account that the Government has. If they are leveraged, does that give the Government a preferential interest rate for the overdraft account? I do not know, but the point that I circle this issue with is that it makes no sense to me to borrow CI$19.2 million to place on general reserves if it is going to cost us more to borrow it than we would get from having it. It is not like we are taking the money to do something, for example taking it to build a school; it is not like we are liquidating a debt that we are paying a higher interest rate for. That is the question that I ask and I do not know the answer to it. If this is a conscious decision because of due reasoning, then certainly we would like to hear that.

When you speak about this amount and about liquidating our debt, the immediate question that comes to mind in relation to what the Honourable Third Official Member said yesterday is, "Is this CI$108 million that he speaks of, the total public debt?" Are we liquidating the total public debt and are we only having this one securities issue at this time? That needs to be answered. We, on the Opposition, recognise that the big advantage of this securities issue, (and it is timely for us as a country), is that unlike many of the myriad loans that exist at present, (all borrowed at different times, some at different rates, for different terms, the majority of them short term), we will have a securities issue which will have a lifespan of 15 years, whereby we will be making two payments annually on principal and interest. So we are taking on a debt that will go on for 15 years which will liquidate much of our short term debt. The advantage that the country will have is that we would be paying about US$15.5 million per year on the repayment schedule for this securities issue compared to approximately $27 million a year on the short term loans including principal and interest.

What it does is it freezes up perhaps close to $10 million a year of general revenue which otherwise, in the short term, would have had to be paid on these loans. That in itself has to be an advantage. In these times when there is so much uncertainty, anything of that nature would work well for us, to give us that type of latitude in case revenues dip for reasons beyond our control and global conditions lean in that direction. At least it would not have us hamstrung for that amount, having to take that out of general revenues just to satisfy debt service.

The principle is not something that we disagree with at all. In fact, we think that now it makes

sense. We just have those questions with regards to the amount of money that is going in to general reserves and the advantages of borrowing that money to place that money in general reserves, and what the net reserves are going to be from the one side compared to what the cost is going to be of getting that money on the other side.

When I think of the other pressing needs for the country—and I do not know the Government's disposition, but perhaps they might wish to air the thought—if we are looking at certain types of capital expenditure that are absolutely necessary, if there is a commitment to priorities by the Government, for instance in the area of education and public school facilities, what is the plan with regards to those facilities if we going to have them open by September of 2004? Are we going to be looking at engaging in capital expenditure by way of the orthodox method of loans or how are we going to do it?

I was just handed an editorial in the *Cayman Net News* of 19 March which speaks about the Government's policy regarding education. If you would allow me just to read two quick paragraphs. It is referring to the Minister's statement and it says: "Mr. Bodden's announcement of the plans for the construction of a high school and two more primary schools in the Cayman Islands is to be applauded. Government is aiming to having all three schools up and running by next September [that would be September 2004] the total cost of about $28 million dollars."

While that point is not directly related to the Motion, I am using that as an example to try to get a clear picture as to which direction the Government would be leaning towards with regards to capital expenditure of that nature.

The other issue, which I spoke about yesterday, Mr. Speaker, and I would crave your indulgence not to be too repetitious, but I must admit that I feel very strongly about this and I want to be allowed to express the opinion again with regards to the securities issue and a sinking fund.

The Law as it stands speaks of a sinking fund and the ability to either have one or not have one when there is an issue of security. So there is latitude to make the decision. The Honourable Third Official Member went on yesterday and said the same thing over and over, that, since this securities issue was over a 15-year period and since there were two payments annually, the fact that the monies would be budgeted for every year in our Budget, does not make a sinking fund a requirement.

My position is that it is the safest way to go notwithstanding this securities issue, but for any security issue, whether it is this one or any other one in the future. I mentioned yesterday and I would like to mention again, my thoughts about this matter. How strongly I feel has nothing to do with us in this Legislative Assembly today, but we do not know what the future brings and that is my whole point. I believe even if you budget every year for whatever your obligations are with regards to paying down on this securities issue, if you have a sinking fund and the money is allocated to that fund, every time the payment comes due you know the money is there. Even if you have it budgeted otherwise and no matter how much monitoring is done—and the Third Official Member spoke to a statutory obligation, and there are many statutory obligations, depending on Government's cash flow—it is not impossible—and I speak not about anyone's ability to manage the affairs of the country or to manage the money of the country,—for something to come up and Government to find itself in a position with not having the ready cash available to make the payment when the payment is due.

If there is a sinking fund, and the fund exists, and the money is allocated there periodically, or using whatever mechanism is to be used, then there is no chance and that is my point. As I said, it does not directly relate to this Motion because the Motion does not address a sinking fund, but I think the issue is important. I implore the Government to think about the issue, not because I say so, but because I believe it is in the best interest of all of us to act in that manner and to be proactive by making the necessary amendment to the Law which would call for a sinking fund to be mandatory.

[Pause.]

My apologies Mr. Speaker. Getting back to the sinking fund. Yesterday when the Honourable Third Official Member spoke about statutory obligations, every Member who is here, and some who are not here any more, heard arguments about some type of statutory obligations. We speak about the past service liability regarding Public Service Pensions and we speak of that as a statutory obligation and some of us who have been in here long enough can remember the many battles we have had when previous Governments have brought forward budgets. If you do not remember right then and there about this obligation and you do not see it and you find out two months later that it is not accounted for in the Budget, but it is an obligation. I am only using that as an example to say that this obligation that we speak about, which is something that you cannot sit and wait on, and Government will have to honour the commitment, the safest way to deal with it is having a sinking fund. I am sorry the Honourable Third Official Member is not here today, but I would implore him and the Government to reconsider the position.

I reiterate that I remember distinctly when we first discussed this issue that the biggest problem the Third Official Member had was whether or not there was going to be a sinking fund. What convinced him that this was sensible and the way forward for dealing with the Government's debt, was the fact that there would be a sinking fund.

I would hope that the question that we have raised can be answered with clarity in the reply from the Acting Third Official Member. As I said, on principle we have no problems with the way forward that is

being proposed by this Government Motion. Certainly it makes sense. Once it is done in the proper manner then it bodes well for the Government regarding its ability to function. So I will await the reply to see if we can get the few little areas that are a little muddy in our minds cleared away and then perhaps we shall be able to go home.

Thank you.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak?

The Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, I think this is a good day for the country. We made history a short time ago when we presented the 30 June 2003 half year Budget and got it approved without a single figure being changed. Now, I can believe that we are at the brink once more when the Government Motion before the House is passed. It will be the first time that the Cayman Islands will obtain medium to long term funding by means of a note issue.

The Financial Secretary, the Honourable Third Official Member, provided detailed comments on the Motion yesterday. I will take a more stand back view and consider what it will achieve and also dispel any misconceptions about what it involves—or I would hope that I would dispel any misconceptions. I am not speaking to anybody in this House in particular, but to the wider public.

The note issue that the Government plans to execute will ease the annual cost of servicing our public debt portfolio. Government's numerous public debt loans would be fully repaid in 5-10 years if the Government were to maintain the repayment plan set out in the various loan agreements that underlie this debt. Whilst this may be seen as a good thing to have our public debt repaid in 10 years' time, it comes with a price to pay. That price equals or comes in the form of a considerable amount of the Islands' revenue being used to maintain such a stringent repayment schedule. For example, last year, Mr. Speaker, we paid some $27.1 million from revenue to make principle and interest payments on the Government's loan portfolio.

The planned note issue will result in us fully repaying the vast majority of our public debt loans in 2003. The Government will then repay the note holders the money they have lent the Government over a 15-year period. So, the effect of the note issue is to lengthen the period of time over which the Islands repay its debt. This, in turn, means that the annual debt repayment burden on Government lessens. For example, it is expected that from 1 July 2003 to 30 June 2004 the cost of servicing our public debt position—which is the planned note issue—will only be $16.1 million and for the year ending 30 June 2005 the repayments are expected to go down to $15.7 million. As we can see, both these amounts are much less than the $27 million paid in 2002. This means that more revenues can be freed up to finance capital acquisition and capital development. Where necessary, this also means reduced borrowing which means less public debt repayment and more of revenues being put towards building up reserves.

The note issue will also provide the Government with a fixed rate of interest for 15 years, I believe at something like 5.2 per cent. The interest rates charged on Government's existing loans are variable or floating rates and this means that as the interest rates in the market changes then Government's interest costs also change. Interest rates are now at very low level and a note issue enables the Government to take advantage of these very low rates for the duration of the 15-year life of the note.

Currently the Government has 17 loans, all of which have different repayment schedules. This means that a considerable amount of time is spent by the Treasury administering the public debt programme to ensure that all payments are made on time and so on. The effect of the note issue then is to reduce the number of public debt loans to two small loans, which will coexist alongside the note issue itself. I have asked for these. I do not know whether the Acting Third Official Member will have the total of those loans with him. I asked for them, but I do not know what the exact nature of those loans is.

The Cayman Islands Registered Stock Amendment Bill 2003 that was passed into Law earlier allows the Governor in Council to obtain funding by means of a note issue, but, as normal, the Government must first obtain the approval of the Legislative Assembly for any funds to be borrowed. If the House approves this Motion this gives the Government an additional choice of getting these funds by means of this note issue. This option was not open to Government before.

Prior to the previous Bill being passed into Law Government relied heavily upon borrowings from local commercial banks.

Those are the main achievements that will emerge if this Motion is passed.

The Motion and the Bill that was passed into Law earlier by the House are befitting the Islands' maturity and it will undoubtedly enhance and spread its well-known reputation for responsible financial management in the international arena.

I want to dispel any possible misconceptions about what this Motion entails. The passage of the Motion will not give Government unfettered power in the future to execute note issues without reference to the Legislature for approval. Each time the Government wishes to issue securities it must return to the Legislative Assembly and seek its permission to do so. So the Government will not stand to be accused of trying to circumvent the powers of the Legislative Assembly.

There is nothing in this Motion that contradicts or supersedes any provisions of the Public Manage-

ment and Finance Law 2001. Mr. Speaker, this means that all the provisions in the Public Management and Finance Law relating to responsible financial management remain intact. Thus the requirements in that Law of maintaining a debt service ratio that does not exceed 10 per cent of revenues, revenues having to be greater than expenses, assets having to be greater than liabilities and cash reserves eventually being at levels that can support 90 days of expenditures. These must all continue to be met and this Motion does not alter those requirements.

It is also important to point out, Mr. Speaker, that Government is not going overboard in the amount of funds that it plans to obtain from the note issue. In fact, the size of the planned note issue is in respect of items that the Legislative Assembly has already approved. So the size of the note issue will pay off debts that the Legislative Assembly has approved in previous years plus obtain the $8 million that the House approved on the 7 January 2002 for capital development expenditure. That has been in the Budget for everyone to see since November and has been quite publicised, so I repeat that the FCO (Foreign and Commonwealth Office) approves of the note issue size. On the 25 June 2002 Baroness Amos wrote me a letter on this matter. The fourth paragraph of that letter states, and I quote: "Therefore I would be content for you to go ahead with a note issue of $136 million, the amount required to refinance your existing public debt and to meet your capital expenditure plans."

The CI$136 million mentioned in that letter is equivalent to the US$163.2 million that is mentioned in the Motion.

The First Elected Member for George Town raised a matter of pressing needs and what I can say to him is what I said the other day: the Government is not going to spend more than we have. Government will be bringing a budget in June. We have said all along that we will prioritize the sectors that are in the most need. Education is a priority of the Government.

I heard the Member also mention the sinking fund and, as the Financial Secretary said, there is a statutory obligation, meaning that it is by law that we meet the necessary need. So we are not merely saying that it is an obligation that can be changed; it is a statutory obligation, meaning it is a regulation in place somewhere. So, I believe that, in his absence, the Honourable Financial Secretary is correct.

This is a good Motion and, to reiterate, I think that the country is showing its maturity.

The Speaker: Thank you. Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? The Second Elected Member for the district of Cayman Brac and Little Cayman.

Mr. Lyndon L. Martin: Thank you, Mr. Speaker.

I rise only to make a few comments on a Motion that I think has great merit and, I agree with the Leader of Government Business, is making history for this country.

The ability to match the financing period to the life of a project that is being financed, is a time tested financial principle. Debts incurred—such as hospitals that are expected to contribute to the development capacity of this country for 20 years—should be financed with long-term debt. The country should not have to bear the excessive burden of financing them over a very short period, so, in principle, I give my whole-hearted support to the Motion before the House to pursue the issuance of notes as a method of financing.

In the first contribution that I made in this Honourable House, I talked of an amount greater than the $163 million and I am pleased to see that this Motion has come before this House to give reality to what many of us have looked forward to.

I feel obligated, Mr. Speaker, to address two issues that have been raised so far. The issue regarding the difference between what the bond will be issued for and what will be used to refinance existing debt, some estimated $19 million.

The comments mentioned by the First Elected Member for George Town—under normal circumstances I would agree that it is not financially advisable to be borrowing at one rate to be using the funds that are not generating a rate in excess of what you are borrowing. However, these are not normal circumstances. Your general reserves are at a level that cannot sustain this country for any given period of time—a couple of days. Mr. Speaker, to take this money at a time in which we are able to secure a low long-term rate, to put it aside for emergencies (because that is what your general reserve is about) and in this day and age where we are seeing a world that is in more turmoil, is more prone to events that require the flexibility and ability to respond quickly, we need to have these funds. I will not try to attach a rate of return on having that ability to respond to the needs of this country in the event of an emergency, to have a cushion to rest on, to have something to stand on to say that we can deliver to this country a financial position, that in the event of an emergency and in the event of a need, we have these funds available.

It is my opinion that the internal rate of return of having that ability far exceeds the cost of borrowing. So, under these circumstances, it is prudent and good management to take these excess funds, this residual balance from this issue out of a debt at a time that is very advantageous to secure it, to ensure our ability to respond to whatever need may arise—be it a national disaster or a crisis, we will have the ability to respond because the Government will have some $20 million extra put away to deal with such circumstances.

I applaud the Government for taking this initiative, for taking this decision in a day and age where

we are being told that our borrowing ability is being limited so that one of the avenues of responding to a crisis is limited. Our financial position and cash flow is becoming tighter and tighter. The ability of having a cushion has a rate of return that far exceeds what is going to be paid on this proposed debt issue.

I was also stunned at the mention by the First Elected Member for George Town that when you go out and borrow funds such as 19 to be put into a general reserve rather than being put in to things, I think he used the example of building schools, that could have a return, I have to say it stunned me that it came-

Point of Order

Mr. D. Kurt Tibbetts: Mr. Speaker, on a point of order.

The Speaker: State your point of order.

Mr. D. Kurt Tibbetts: The Member is misleading the House because I did not say what the Member is saying. If you want to take a suspension and get the *Hansard*, I only drew an example about these capital projects. I did not suggest at any point that the money should have been taken and put towards schools. I did not say that, Sir.

Mr. Lyndon L. Martin: Mr. Speaker, I fully agree with the Member that what he used was an example and that is exactly what I would like to clarify. He stated it as an example, that to compare the analysis, he compared that if money was being borrowed to put into things such as schools that had a rate of return.

The Speaker: Honourable Member, since your intent has been made could you withdraw what you earlier said?

Mr. Lyndon L. Martin: Mr. Speaker, I withdraw what was earlier said. I will clarify it. I withdraw any reference that the Member stated that that is what the money should have been used for.

The Speaker: Honourable Member, are you satisfied?

Mr. Lyndon L. Martin: The Member made an illustration to demonstrate that money borrowed that has a rate of interest to be paid on it, that if it is not being used for purposes—be it in general reserves that has a return through investments or other forms, or through investment into other projects that had tangible returns—that you had to weigh off the difference between what you were gaining on those funds versus what you were paying on those funds. That was my understanding of what the Member said and if that is not accurate I ask him to correct me at this time.

I am saying that it stunned me to hear that particular Member talk about that when in the year 2001 when his Government went out, when he was the Leader of Government Business and borrowed US$66.6 million of which approximately half of that was being used for recurrent expenditure. I ask him, and I ask anyone else, to tell me how that weighing off then between what you were paying, which was at libor, versus what you were getting back, what was the return? How did that weigh off? Why did he not put that analogy, which is a sensible and a prudent analogy, a proven balance, then? Why did he not use that method of thinking then? Because I heard a whisper of "Why did I convert it to US dollars". Because that is what we are talking about—a Government bond issue of $163.2 is in US dollars and I would like to say that of that US$163.2 bond issue we must recall that $66.6 million of that is to refinance debt that was borrowed in 2001.

I am sure there were repayments since then that went to that debt. The point that I am making is one that I am sure that everyone in this House can get, including the Members of the Opposition.

The other point mentioned that I would like to articulate on is that of the sinking fund. Mr. Speaker, I am the first to say that in a bond issue with a 15-year term there should be a sinking fund. The ability is in the Law for there to be a sinking fund to allow for accumulation, so that when that balloon payment comes at the end you will have the funds available. However, in the situation of this bond issue, I was happy to learn yesterday that the Financial Secretary, under the option provided to him under this Law, has chosen an alternative route, a route to ring fence annual payments two times a year on the principle, which will be created as a statutory obligation, which does not have to be voted on in this House; it will be automatic; it will be the first claim on Government's revenue.

As a result of that prudent decision, the Financial Secretary detailed yesterday that there will be savings over the term of the loan of some US$67 million. Mr. Speaker, with that option being in place of having money put aside to pay two times a year—similar to how the payments are done now on your existing debt, which I think is quarterly—but allocated in one budget where you are going to have principle and interest repaid during a given year. That is the same format that this Government has chosen to pursue so we are going to have annual allocations in the Budget to cover the repayments and these repayments are going to be statutory based.

I fully appreciate the value of a sinking fund, but there is also administrative cost in maintaining and managing a sinking fund because you would not simply put these funds to one side and allow them to sit. They would have to be administered and invested, so we must also consider that when we are talking about creating a sinking fund for a period of six months, because that is the period you are talking about between your loan repayments.

I only make these comments in the interest of adding some light to an issue that I think is very im-

portant to this country. I think it creates a basis from which future capital development in this country should be looked at. It offers us a new avenue of financing for this country. I give the Government my support and the support of the Back Bench Members of the Government for this Motion.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? If no other Member wishes to speak, does the Honourable Temporary Third Official Member wish to exercise his right of reply?

Hon. A. Joel Walton: Yes, Mr. Speaker.

All figures that I have referred to in my presentation where I do not say US dollars it means CI dollars. I will try my best to stick to CI dollars and try to keep the differences in interpretation as much as possible. I will also be reading from some charts which will be difficult so I will try to take my time and reiterate it where possible to explain some of the questions that have been raised from the Members of the Opposition on this particular issue.

There was a question in respect of what was the break down of the proceeds of the note and I do have that information here and perhaps at this point it would be best for me to go back to what it was initially because it is a further question later on that asks, why did we get from where we were to where we are now. Initially, we planned to borrow CI$136 million rounded. $128 million was slated to pay off the majority of public debt loans that were outstanding at that time which was 31 December 2001 amounting to $128 million. The difference between CI$128 million to pay off loans that were outstanding at that date, and the $136 was the $8 million which we had planned to use to finance capital projects in 2002. So when you take those two figures together the $128 million to pay off the majority of the debt plus the $8 million towards 2002 capital projects, that gave us the total of $136 million which is the CI equivalent of the US issue.

Time passed and as expected due to the requirements of the respective statutory instruments that underpin these loans which we were paying, we made payments of both principle and interest so, by the date which we fixed to be Monday 31 March, we expect that we would owe $109 million rounded instead of the $128 million. That then left us with a difference of approximately $19 million or thereabouts. The point that has been discussed is why put that $19 million in general reserve as opposed to simply not taking up that amount. The Leader of Government Business and others have talked about why not to do that. The Financial Secretary yesterday also spoke to that point.

I would just like to add to that we have gone through a process whereby we have fixed this amount. Yes, you can change your mind, but we all know that by putting this money into general reserve we are protecting it. It is there, it is more easily available than having a situation where you need money and you have to go through the whole process of what we are going through right now to get that money. The general reserve fund is a fund that you use in the event of emergencies and emergencies occur very quickly. So I would say to Members—and I do understand their concerns about that defence—that I think we should look at it in the context of the situation we are faced with now internationally and knowing that this money is not going to be used for anything other than this House approves it for. In saying that, I would suggest that it is a wise and safe thing to do at this point.

There is a question about whether we should use the general reserve fund to leverage the Government's position in respect of other loans or in respect of the overdraft limit. I am not aware of any formal arrangements to do that. General reserves stand on their own in a separate fund, be it in the form of cash or securities. They are usually mostly held in US securities. They are usually held in US dollar denominations in investments, which we put through investment managers and they are not used as leverage to support other debts or the overdraft limit, which can go up from time to time.

I answered the question on that as to whether or not we hold general reserves in US and CI dollars. Yes we do. We hold them in US securities, we hold them in CI dollars and cash locally; we may hold them in Canadian as well. It depends on what is available at the time and what is the wisest investment at that time.

There was a question as well about the annual repayments on these notes and I do have some information on that here. Just remember that they have already been given.

There were some questions on the sinking fund issue. We have already had intervention on that. I read the Financial Secretary's notes on it and we spoke about it last night, just to say that this particular structure where we actually pay principle once every six months is exactly what you would want in situations where you have concerns about protecting your payments in the future.

Sinking funds are usually used in situations where you are not making your payments on your principle on a regular basis, that is why the Honourable Temporary Second Official Member asked me why call it a sinking fund, it sounds like you are sinking the money somewhere and when you need it you can go and find it and it is safe. In this situation we are doing exactly that. Every six months by law, we are paying this debt as opposed to waiting 15 years and paying it all at one time. That is what a sinking fund is used for and in those situations where you are not on a regular basis paying your principle amounts therefore you do not want to get caught out some 15 years down the road or whatever the case may be where you have to all of a sudden find $130 plus million.

My contribution is in respect of this particular issue.

I think I have just about covered all the questions. There was one smaller one. The question was how many loans will be left behind after we have done this consolidation. There are actually going to be two small loans of which I do not have the exact figures. There was some stuff that has been in existence for many years, some of them were 4% interest fixed; it did not make sense to do those. The repayment term on those was so short that we did not do that. For example, one of those small ones was one that was taken out in 1977 and it was repayable over 18 years, that was actually the interest fee so at the end of 2001 we still owed $44,000 on it and again because it is interest-free it did not make sense to refinance that so we just left it. It is a small loan and does not cost much in terms of administration so we just left that one. There is another one also which I do not see offhand but those were two similar loans.

I think I have covered those points where there were questions. I hope it helps the Members to be more comfortable with the issue. It really only leads me to say thanks to all Members who contributed on this particular Motion and the piece of legislation yesterday. It brings us to the end of a very long road and, before closing I would like to take particular note of our Assistant Financial Secretary to Mr. Ken Jefferson who had been working in this particular project now for over a year. I would like to thank him on behalf of the House and also on behalf of the Portfolio of Finance and Economics. Thank you, Mr. Speaker.

The Speaker: Thank you Honourable Member.

The question is that this Honourable House acting in accordance with section 4(1) of the Cayman Islands Government Securities Law 2002 authorises the Governor in Council to issue securities in the form of notes on behalf of the Government of the Cayman Islands in the principle amount not exceeding US$163.2 million for the after mentioned purposes.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Government Motion No. 1/03 passed.

ADJOURNMENT

Motion to carry outstanding business forward to the Second Meeting of the 2003 Session

The Speaker: Since we have reached the completion of business could I have the motion?

Mr. D. Kurt Tibbetts: Mr. Speaker, if I may.

The Speaker: Yes, Sir.

Mr. D. Kurt Tibbetts: There are some questions left outstanding and I think there is also two Private Member's Motions that are left outstanding and I am just inquiring of the Chair if there is a methodology that needs to be employed to make sure that it is carried forward.

The Speaker: Honourable Leader of Government Business I think the Member is asking if we can have a Motion as well.

Hon. W. McKeeva Bush: Any business on the order paper would carry over. Once we agree that it is it will carry over. If you want a specific motion Mr. Speaker, I move that the business on the business papers not completed, be carried over until the meeting in June.

The Speaker: The question is that all business that is left outstanding be carried forward to the next meeting, which will be in June.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: That outstanding business remaining of the Business Papers be carried forward to the Second Meeting of the 2003 Session.

The Speaker: May I now have the motion for the adjournment.

Hon. W. McKeeva Bush: Mr. Speaker, I move the adjournment of this Honourable House until a date is named.

The Speaker: The question is that this Honourable House do adjourn until a date to be decided.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 1.23 pm the House stood adjourned for a date to be decided.

OFFICIAL HANSARD REPORT
WEDNESDAY
11 JUNE 2003
10.06 AM

First Sitting

The Speaker: I will call upon the Member for the district of North Side to grace us with prayers.

PRAYERS

Ms. Edna M. Moyle: Let us pray.

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

Bless our Sovereign Lady Queen Elizabeth II, Philip Duke of Edinburgh, Charles Prince of Wales, and all the Royal family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Executive Council and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together*: Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 10.09 am

The Speaker: Please be seated. Proceedings are resumed.

ADMINISTRATION OF OATHS OR AFFIRMATIONS

Oath of Allegiance

(Administered by the Clerk)

The Speaker: The Honourable Member has not yet arrived and I would ask the Leader of Government Business if he would perhaps move a motion for the appointment to be done at a later stage during today's Sitting.

Hon. W. McKeeva Bush: Madam Speaker, I move that . . . Madam Speaker, the Member just arrived.

The Speaker: Thank you, Honourable Minister for your willingness to accommodate the Parliament.

Please stand.

Mr. Donovan W. F. Ebanks: I, Donovan Ebanks, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, her heirs and successors, according to law, so help me God.

The Speaker: On behalf of this Honourable House I welcome the Temporary Honourable First Official Member and we trust that he will have a brief and enjoyable sitting.

Mr. Donovan W. F. Ebanks: Madam Speaker, thank you, and my apologies for being late.

The Speaker: Accepted.

Be seated.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies
House Visitors

The Speaker: I have received written apologies from the Honourable First Official Member who is off on official duties, and as you have seen, we have just sworn in the Temporary Honourable First Official Member.

I should also wish to take this opportunity to welcome teachers, Mr. Smith and Miss Campbell, from the Catholic school (St. Ignatius Preparatory School) and their respective classes, year 4S and 4C. I trust that as you peruse and listen carefully to today's proceedings your Social Studies class learning about how your government works will come alive and will be forever etched on your memories.

I understand that the Honourable Minister responsible for Planning, who is to lay a paper on the Table of the House, is on his way.

Having spoken to Year 4 class yesterday, I know that they are quite interested in meeting the Members of Parliament including the Official Mem-

bers, as their examinations are quite important to them. So, at this time I propose, with the leave of the House, to take five minutes suspension so that Members can take this opportunity to meet and mingle with the Year 4 class, their teachers and parents, if necessary. If there are no objections we will suspend for five minutes.

Proceedings suspended at 10.12 am

Proceedings resumed at 10.30 am

PRESENTATION OF PAPERS AND OF REPORTS

Cayman Brac Report 2003-2007

The Speaker: I acknowledge the Deputy Leader, the Honourable Minister responsible for Planning.

Hon. Linford A. Pierson: Thank you, Madam Speaker.

I beg to lay on the Table of this Honourable House the Cayman Brac Report 2003-2007 prepared by the Sister Islands Ad-Hoc Committee for Sustainable Development dated 22 January 2003.

The Speaker: So ordered.

Would the Honourable Minister wish to speak thereto?

Hon. Linford A. Pierson: Thank you, Madam Speaker.

The Speaker: Please proceed.

Hon. Linford A. Pierson: Madam Speaker, Cayman Brac and Little Cayman have generally developed economically at a much slower pace than Grand Cayman. In particular, Cayman Brac has suffered from a declining population and successive governments have tried to look at ways of encouraging and promoting economic growth there. While various economic and incentive packages are on going to help provide investments stimulus in Cayman Brac and Little Cayman it is clear that much more still needs to be done. In June 2002 Executive Council established the Sister Islands Ad-Hoc Committee for Sustainable Development.

The approved terms of reference for the committee called for the preparation of implementation plans in the following areas requiring development:- Physical (Development Plan guidelines and infrastructure); Socio-cultural; Natural Environment; and Economic.

The chairman of the Development Control Board chaired the Committee and membership was drawn from both public and private sector. The Director of Planning and Cayman Brac and Little Cayman planning staff served as Secretariat for the Committee.

Madam Speaker, it is important to note that while the Committee was established under the Ministry of Planning, the reports considered overall sustainable development and called for a broad range of actions that are spread across other Ministries of Government as well.

The Committee decided due to the short time frame and the more urgent economic situation on the Brac that the initial work and focus would be in the Island of Cayman Brac. The plans for Little Cayman will be undertaken at a date to be fixed by the Steering Committee.

The key recommendations of the report are:

- That a steering committee be formed to oversee the implementation of the policies and strategies;
- That Cayman Brac be provided with efficient, cost effective and suitably scheduled air service that is capable of responding to and meeting the current and future needs of the Island. (This would involve some changes to the Gerrard Smith terminal to bring it up to international standards);
- That Government lead the decentralization initiative by locating some of it's Grand Cayman services to the Brac;
- That the Brac be marketed as a secure and safe location for e-commerce and support services;
- That 'X' per cent of Cayman Islands Development Bank (CIDB) funds be earmarked for the development on the Brac to make financing available to qualified businesses and business persons for start-up and/or expansion;
- That healthcare facilities and quality of services at Faith Hospital be reviewed considering the unique situation (90 miles separation) of the Brac (from Grand Cayman);
- That there be greater security of tenure for those persons who are deemed suitable of being part of the Caymanian community;
- That a Land Use Management System (LUMS), which enables investors and applicants to predict the likely outcome of development applications and designed specifically for the Brac, be adopted by the end of planning period (2007);
- That piped water be available throughout the most populated neighbourhoods of the Brac by the end of planning period (2007);
- The quality of the natural environment be protected through incorporation of best development practices;
- That future developments be designed to replicate and emulate that nostalgic island setting of the Brac;
- That the Bluff be developed sensitively as a premiere upscale residential and safe business area;
- That the Development Control Board's policy as contained in the Development Plan 1997, be replaced by these guidelines instead;

- Adequate road access through the whole length of the Bluff with strategic connections to the ring road should (in due course) be provided for development purposes;
- That land around Creek Harbour should be earmarked for industry so as to avoid any conflicts with potential residential development in this area;
- That the existing landfill site at the foot of the Bluff (Block 97C Parcel 14/1) should be discontinued and the new site on the Bluff (Block 101A Parcel 22 REM 2) opened as a matter of priority;
- That there should be a set of performance standards to mitigate the affects of non-conforming land uses;
- That some historical and cultural buildings and sites be conserved /preserved;
- That eco/nature, diving and health tourism be adopted as the Brac's tourism niche;
- That there be an increased range of educational opportunities to equip the Brackers to participate in the new economy;
- That critical environmental areas be designated for protection.

Madam Speaker, I would like to take this opportunity to sincerely thank the hard-working members of the Sister Islands Ad-hoc Committee for Sustainable Development and to congratulate them on producing this comprehensive and thorough report in such a relatively short period of time.

The Ministry of Planning, Communications, Works and Information Technology is currently addressing several of the recommendations, namely:-

- the recent gazettement of a new road (Songbird Drive) on the Bluff to encourage development and provide access to lands formerly without road access;
- The opening of a new landfill facility and closing of the old site on the south coast is a priority. And I will be making a separate statement on this matter. I can say, Madam Speaker, that I am presently seeking Capital funds in the Budget for the development of the new landfill.
- The proposals to amend the Development Plan 1997 is also being considered as part of the ongoing Development Plan Review and I will also be giving a progress report on this in due course to this Honourable House;
- Government has recognized the unique opportunity provided by our strategic geographic location as well as our current main industries and has been working with the private sector to position ourselves to diversify our economy.
- As a major financial centre in the 21st Century, the need for sophisticated information technology services has joined the traditional requirements for financial and legal professional services. The availability of a sister island, 90 miles away with high-speed fibre optic transmission links and the protection of a 140ft bluff give Grand Cayman a competitive edge. It provides a much-needed service for businesses in Grand Cayman that require off-island secure backup that is still within the Cayman Islands legal jurisdiction. It also gives our business community one additional competitive advantage for attracting new businesses.

Madam Speaker, the Brac Informatics Centre (BIC) has embraced this opportunity identified by Government and serves as a foundation for growing Cayman Brac's potential as a secure and safe location for e-business and e-commerce. Brac Informatics Centre is licensed and regulated as both a Disaster Recovery Centre and Data Centre. From their world-class hardened facility in the Brac they are currently servicing clients throughout the Caribbean as well as North America. BIC services range from the provisioning of private and shared media vaults to 24X7 managed mini data centres for their clients. This is an important step in providing an infrastructure that gives the Cayman Islands an opportunity to compete in this new industry. The Government will continue to support the private sector by taking additional steps such as the development of needed legislation.

Madam Speaker, I am also pleased to report that the Brac has already experienced an influx of business travellers visiting Brac Informatics and has also brought the excitement of potential new technology based careers to its youth. BIC recently sponsored Cayman Brac High School Students so they could participate in the recent Technology Expo and the students spent time in the BIC facility where some will be interning this summer for additional experience. Cayman Brac is also receiving recognition as an e-business location as Brac Informatics presents their Cayman Islands based services at conferences throughout the Caribbean and the North America.

As I have said before, Madam Speaker, the issues facing Cayman Brac and Little Cayman and covered in the Report relate to a wide range of issues and Government as a whole will be involved with the implementation of its recommendations.

In March 2003, Executive Council approved the Brac Report 2003-2007 of the Sister Islands Ad-Hoc Committee for Sustainable Development and at that time directed that it be laid on the Table of this Honourable House.

Madam Speaker, Executive Council further directed that a steering committee be established to oversee the implementation of the recommended policies and strategies contained in the report. The District Commissioner was invited to convene this committee in consultation with representatives from each Ministry and the private sector within Cayman Brac and Little Cayman. The Committee is expected to forward discussion on how best to implement the recommendations and is expected to report back to the Honourable Minister of Health Services, Agriculture, Aviation and District Administration.

The District Commissioner is in the process of assembling the Steering Committee and is expected to provide a progress report in the near future.

Madam Speaker, in closing I wish to assure the people of Cayman Brac and Little Cayman that my Ministry and indeed the entire Government is cognizant of the unique situation that exists in Cayman Brac and Little Cayman and pledge to continue to do everything possible to facilitate improvement in the quality of life in Cayman Brac and Little Cayman.

Thank you, Madam Speaker.

The Speaker: Thank you, Honourable Minister.

QUESTIONS TO HONOURABLE MINISTERS AND OFFICIAL MEMBERS

The Speaker: I acknowledge the Second Elected Member for the district of Cayman Brac and Little Cayman.

Question No. 18

No. 18: Mr. Lyndon L. Martin asked the Honourable Minister responsible for the Ministry of Planning, Communications, Works and Information Technology if Cayman Brac and Little Cayman are covered under the ambit of the currently proposed National Road Plan and, if so, does the Plan call for the resurfacing of the main roads on Cayman Brac that are now 22 plus years old.

The Speaker: I recognise the Honourable Minister responsible for Planning.

Perhaps I could ask the Minister to give Mr. Connolly just a second to distribute the response.

Honourable Minister you may now proceed.

Hon. Linford A. Pierson: Madam Speaker, Cayman Brac and Little Cayman are not covered under the ambit of the National Road Plan that is currently being prepared. The National Road Plan will address transportation infrastructure on Grand Cayman, and while resurfacing of roads will be addressed as an aspect of management of the road network, this is not the main focus of the National Road Plan. The National Road Plan is being carried out in Grand Cayman for two main reasons, firstly to improve performance of the existing road network with particular emphasis on reducing severe traffic congestion; and secondly to plan and implement future expansions to the network to accommodate future growth of the Island.

For the Brac's future, it is highly unlikely that traffic levels on Cayman Brac and Little Cayman will increase to levels of that in Grand Cayman. Therefore, as the National Road Plan is envisaged to continue in perpetuity, management and planning of a comprehensive road network for Cayman Brac and Little Cayman will be addressed in a subsequent phase and as the demand so justifies.

Most of the main roads on Cayman Brac are sand sealed, which is an older method that was also used in Grand Cayman. While the pavements may be considered old (some 15-20 years), the useful pavement life cycle has not been exceeded, primarily because traffic flows are relatively light. Cayman Brac PWD also carries out routine maintenance and this has helped to prevent rapid deterioration of the road surfaces.

The Speaker: Are there any supplementaries? Second Elected Member for Cayman Brac and Little Cayman.

Supplementaries

Mr. Lyndon L. Martin: Thank you, Madam Speaker. I would like to thank the Honourable Minister for his answer. In the answer it was stated that the road system is considered old, however, the useful pavement life cycle has not been exceeded. I would simply like to bring to the Minister's attention that the road that was originally paved was paved with a very thin layer, not the regular recommended thickness so that would consequently contribute to the life cycle and ask that . . . I have not had the opportunity to go through the report that was just tabled but I notice that in the report it recommended some new road systems. So, I ask that the Cayman Brac's report 2003-2007 and its recommended road corridors, in fact, the road around the Bluff be implemented into the second phase of the . . .

The Speaker: Honourable Member, may I ask you to convert it into a question shortly?

Mr. Lyndon L. Martin: Yes, Madam Speaker, I am asking for the Minister to give a commitment to draw a connection between the Cayman Brac report that was just tabled that has particular road corridors proposed, into the future phase of the National Road Plans.

The Speaker: Honourable Minister of Planning.

Hon. Linford A. Pierson: Madam Speaker, it is quite a convoluted question but I will try to answer it. The Honourable Member stated that the road is sealed with a thin layer. Might I suggest to him that he discusses this matter with the Public Works engineers in the Brac who are better able to assess the quality of the road than him or me. My information is that the roads are still in pretty good shape and I am leaning toward the information I have received from the roads engineers at the Public Works but it is my intention to do a visit in the not too distant future to the Brac, as in Grand Cayman, to examine the roads.

With regards to the report I just laid on the Table of the House he might recall that I mentioned that the new corridors are not intended for the present road development plan but will be looked at as a future ex-

ercise and as the demand merits. As a fact, Madam Speaker, the Honourable Member has a private members motion dealing with the situation at the Brac and he can debate it at that time. I would be happy to reply to it.

The Speaker: Supplementaries? If not we will move on to the next question. I recognise the Second Elected Member for Cayman Brac and Little Cayman.

Question No. 19

No. 19:Mr. Lyndon L. Martin asked the Honourable Minister responsible for the Ministry of Planning, Communications, Works and Information Technology if the current licence for CITN includes any implicit or explicit agreement to broadcast to Cayman Brac and Little Cayman.

The Speaker: Honourable Minister responsible for Planning.

Hon. Linford A. Pierson: Madam Speaker, there are currently a total of 24 channels available to Cayman Brac and Little Cayman and one free over the air channel. Twelve (12) are provided by Cayman International Television (Cayman) Network Ltd. (CITN) and 12 by Cayman Television Service (CTS); this compares to Grand Cayman with a total of 36 channels available; 18 provided by CITN and 18 by CTS, with two free over the air channels.

The Cayman Islands Government issued CITN's most current Broadcast Licence on the 27th of April 2000. The Licence was granted under the provisions of Section 10 of the Broadcasting Law (1997 Revision).

The current Broadcast Licence does not explicitly require CITN to provide services to Cayman Brac and Little Cayman. The licence gives CITN the authority to establish, maintain and operate a broadcasting station for the purpose of reception and transmission of telecommunications radiated within or outside the Licensed Area. In the definitions of Schedule A of the Broadcast Licence the "Licensed Area" means the Cayman Islands.

It is the Ministry's understanding that there are plans for upgrading the cable service to Cayman Brac in the near future. At that time Cayman Brac and Little Cayman will receive the full range of channels that is currently available in Grand Cayman.

Supplementaries

The Speaker: Are there any supplementaries? The Second Elected Member for Cayman Brac and Little Cayman.

Mr. Lyndon L. Martin: Thank you, Madam Speaker. In the answer given it was stated that 24 channels are available to Cayman Brac and Little Cayman; one free over the air channel. It is the free over the air channel – and I refer to things like the CITN news. As a person who lives in Cayman Brac, that is currently not available in the Brac. For those who do not have cable, I am asking the Minister to recheck through his Ministry to see if that is currently . . . It was the case but currently it has been suspended. And when it was there it was a rebroadcast, it was taped – not a live broadcast. So, I am simply asking for that to be clarified that the free channel, including news and current day affairs in the Cayman Islands, the CITN broadcast, is available currently in Cayman Brac.

The Speaker: Honourable Minister of Planning.

Hon. Linford A. Pierson: Madam Speaker, I believe that the last paragraph of my answer might have answered some of the Honourable Member's concerns and I will read it again: "It is the Ministry's understanding that there are plans for upgrading the cable service to Cayman Brac in the near future. At that time Cayman Brac and Little Cayman will receive the full range of channels that is currently available in Grand Cayman".

The Speaker: Are there any further supplementaries? If not we will move on to the next question.

Honourable Minister we have now reached the hour of 11. Perhaps I can call on you to suspend Standing Orders 23 (7) and (8) to allow Question Time to continue beyond 11 am.

Suspension of Standing Order 23(7) and (8)

Hon. Linford A. Pierson: Madam Speaker, I beg to move that the relevant Standing Orders be suspended to allow for Question Time to continue.

The Speaker: Thank you. The question is that Standing Order 23 (7) and (8) be hereby suspended to allow Question Time to continue beyond 11 am.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Standing Order 23(7) and (8) be suspended to allow Question Time to continue beyond 11 am.

The Speaker: I recognise the Second Elected Member for Cayman Brac and Little Cayman.

Question No. 20

No. 20: Mr. Lyndon L. Martin asked the Honourable Minister responsible for the Ministry of Planning, Communications, Works and Information Technology

if the Ministry has reviewed and adjusted the policy which limits the work carried out by the Government surveyors in Cayman Brac and Little Cayman for jobs valued under $3,000.

Hon. Linford A. Pierson: Madam Speaker, for the past two decades Government has maintained a ceiling on surveys undertaken by Lands & Survey for the private sector on Cayman Brac and Little Cayman. This ceiling currently stands at $3,000 and will be increased to $3,500 at the beginning of the new financial year in July. It has always been Government's policy not to compete directly with private sector surveyors on Cayman Brac and Little Cayman and to undertake partitions of family lands and small family subdivisions only. In the case of commercial subdivisions, private sector surveyors are available to clients in all three Islands.

I would also add that we do receive the occasional query regarding Government surveyors doing private survey work in Grand Cayman. As I indicated earlier, Government does not wish to compete with private sector surveyors. At the moment, there are five (5) private sector survey companies operating in these Islands, all of which are based in Grand Cayman. In addition, the existing Government volume of survey work on Grand Cayman is such that there are no spare resources to allocate to private survey work. Most Government survey work is devoted to roads schemes on behalf of the Public Works Department and development of this country's infrastructure must take priority.

In summary, Government will maintain its policy to assist with private survey work on Cayman Brac and Little Cayman and will increase the ceiling for job values from $3,000 to $3,500. In the very near future, I expect to make a formal announcement in this regard.

Supplementaries

The Speaker: Are there are any supplementaries? The Member for North Side.

Ms. Edna M. Moyle: Thank you, Madam Speaker. In the answer the last paragraph says, "In summary, Government will maintain its policy to assist with private survey work on Cayman Brac and Little Cayman and will increase the ceiling for job values from $3,000 to $3,500".

My question is, does this policy extend to persons in Grand Cayman who cannot afford the high surveyor fees?

The Speaker: Honourable of Planning.

Hon. Linford A. Pierson: Madam Speaker, as I said I intend to make a formal announcement and I will certainly take into account the query made by the Honourable Member.

The Speaker: The Third Elected Member for the district of Bodden Town.

Mr. Anthony S. Eden: Thank you, Madam Speaker. In the first paragraph it says, " . . . undertake partitions of family lands and small family subdivisions only".

Is that service extended to Grand Cayman also?

The Speaker: Honourable Minister responsible for Planning.

Hon. Linford A. Pierson: Madam Speaker, in the absence of my backup administrative staff my understanding is that this applies now to Cayman Brac and Little Cayman. But I will certainly look into the matter further.

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

Mr. Lyndon L. Martin: Thank you, Madam Speaker. My question deals with the increase in the ceiling from $3000 to $3500. Is the $3500 based on some kind of historical average of what the current survey work costs for the type of projects on the Brac residential developments and small family sub-divisions?

The Speaker: Honourable Minister responsible for Planning.

Hon. Linford A. Pierson: Madam Speaker, this recommendation came from the Lands and Survey Department and they have carried out a study and determined that this was the appropriate fee to be charged.

The Speaker: Are there any further supplementaries? If not we will move on to the next question.

Before I call on the questioner I am going to ask my deputy to deputise for about 10 to 15 minutes so that I can assist with the Year 4 and their teachers continuing their tour of the building and meeting of the staff.

Proceedings suspended at 11.05 am

Proceedings resumed at 11.06 am

[Deputy Speaker in the Chair]

The Speaker: Please be seated. Proceedings are resumed.

The First Elected Member for the district of George Town.

Question No. 21

No. 21: Mr. D. Kurt Tibbetts asked the Honourable Minister responsible for the Ministry of Health Ser-

vices, Agriculture, Aviation and District Administration what is Government's policy regarding enforcement of the National Health Insurance and Pension Laws.

Hon. Gilbert A. McLean: Madam Speaker, the Government's policy is that enforcement of the National Health Insurance Law, 1997 and the Health Insurance Regulations (2002 Revision) must be carried out to the fullest extent possible.

To date, the authority for such enforcement is given in the Regulations which in section 16 permits the Cayman Islands Monetary Authority to appoint inspectors for the purposes of the Health Insurance Law.

Regulation 17 (I) sets out the powers of the inspector and Regulation 17 (2) sets out the grounds for such inspection to be made. The powers of the inspector and the grounds for inspection are as follows:-

Regulation 17. (1) An inspector shall, for the purpose of performing his functions under these regulations, have power-

(a) to enter, without previous notice, at all reasonable times, any premises or place liable to inspection under the regulations and the Law;

(b) to examine the records maintained under regulation 18 and to make such examination and inquiry as may be necessary for ascertaining whether the provisions of the Law are being or have been complied with;

(c) to examine, with respect to any matter under the Law or these regulations on which he may reasonably require information, every person whom he finds in any such premises or place; and

(d) to exercise such other power as may be necessary for carrying the Law into effect.

Regulation 17. (2) The premises and places liable to inspection under this regulation are any premises or place where the Authority has reasonable grounds to suspect that any person who is or ought to be insured under the Law is employed.

Furthermore, Mr. Speaker, section 17 of the Health Insurance Law provides for the Cayman Islands Monetary Authority to determine any disputed claim to a health benefit or a question arising in connection with a standard health insurance contract. In Section 18 of the Law, a person aggrieved by a decision of the Authority in such cases may appeal to the Grand Court.

Mr. Speaker, regarding the Pensions Law, that subject does not fall within my assigned responsibilities therefore I am unable to provide an answer.

Supplementaries

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you. I am so sorry that, as I would have deemed to be customary, the second part of the question was not passed on so that I would have been able to get an answer to it. But I will make it a substantive question on another occasion. So, that is not a problem.

Mr. Speaker, can the Minister state where in his answer it says, "To date, the authority for such enforcement is given in the Regulations which in Section 16 permits the Cayman Islands Monetary Authority to appoint inspectors for the purposes of the Health Insurance Law". Can the Minister state how many inspectors have been appointed by the Monetary Authority?

The Speaker: The Honourable Minister of Health.

Hon. Gilbert A. McLean: Mr. Speaker, no inspectors were appointed. The superintendent of Health insurance sought to accomplish compliance under the Law and Regulations in an indirect manner. He obtained the agreement of the Immigration Board to link the granting and renewal of work permits with the requirement that health insurance coverage be provided. The Board does not verify this but there is a penalty for false declaration made on the application form.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I will turn it into a question but I think there is a clarification. First of all I think it is obvious that not every employee in the Cayman Islands has a work permit. In fact, while there may be many work permits in the Cayman Islands there are many employees who do not require a work permit, therefore the answer that has just been given, although it does not even satisfy that end of it, does not capture at all employees who are not with work permits. My question to the Minister then is – as he said the Immigration Board does not verify this – can he state if there has actually been any inspections done or any complaints received and dealt with regarding the National Health Insurance Law?

The Speaker: The Honourable Minister of Health.

Hon. Gilbert A. McLean: Mr. Speaker, the observations made by the Member I think are very correct. Indeed the present situation does not provide the inspectorate service for persons who are not on work permit at all under the present arrangement. The way it is handled goes a small way in carrying out this function. To the best of my knowledge there have not been any inspectors since the Law has been in effect appointed. The superintendent for Health Insurance has taken the attitude, while he was there to inspect the information to look at the information sent to him from the health insurance companies but to the best

of my knowledge and information available there have been no inspections carried out in the premises of employers. So, to answer the Member I suppose in summary this part of the requirement of health insurance has not been very well carried out.

Mr. Speaker, I would just like to mention at this time that I expect in this Session of the House to bring a Bill forward which will set up a health insurance commission whose duty it will be to do these inspections and that persons will be appointed to carry out these duties once the House accepts and approves the Law to deal with this matter. The post of superintendent of health insurance, in fact was actually made redundant in the Monetary Authority and this post has been set up under the Ministry of Health. And it is the one that Mr. Mervyn Connolly will be taking up duties in the very near future.

This unit will function as an inspectorate with the full powers that I hope it will get through the passage of a law setting up an insurance commission.

Mr. Speaker, the Member also asked if there have been complaints made and if any has been resolved. I have inquired of the Monetary Authority and apparently there have been many and varied complaints made about the way health insurance is functioning but I am happy to say from that information as well there have been some complaints that have been reconciled.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you. In the Minister's answer very early he said, "The Government's policy is that enforcement of the National Health Insurance Law, 1997 and the Health Insurance Regulations (2002 Revision) must be carried out to the fullest extent possible". So, the Minister has stated that is Government's policy. What is the Minister's disposition having explained that while there is this policy it certainly has not been carried out? Is it that this policy is a new policy or is this a policy that the Minister inherited when he took over the Ministry and if so, how are we now in the position that we are in when actually enforcement is to be fair, non-existent.

The Speaker: The Honourable Minister of Health.

Hon. Gilbert A. McLean: Mr. Speaker, this is a situation that I inherited. The largest number of complaints coming into the Ministry come from this area of responsibility.

Since I have been in the Ministry I have been doing my best to get certain amendments to the Law and to the Regulations and to bring into play this situation as it should be. I must state that it has not been the easiest task in the world and the appointments of inspectors has not taken place upon until now. There are two persons within the Monetary Authority as far as I am aware who look after these matters generally. But the inspectors who should be there on daily basis do not at this time exist, sorry to say, and in fact never existed.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. It is apparent from this example that the mere passage of legislation is insufficient to ensure that either government policy or indeed the proper enforcement of legislation, is going to take place.

My question to the Honourable Minister is this: With the creation of the proposed new health insurance commission is he satisfied that that new commission is going to be sufficiently staffed and resourced to enable it to carry out the important function of inspection of employers or businesses to ensure that they comply with the National Health Insurance Law in terms of the provision of adequate health insurance to their employees?

If we get a new health services commission but it is created devoid of adequate resources and staff I believe the Minister will agree we will be no better off than we are now.

The Speaker: Honourable Minister of Health.

Hon. Gilbert A. McLean: Mr. Speaker, I should make clear what I am attempting to do and that is to remove that whole inspectorate process out of the Monetary Authority. It is my belief that the business of the Monetary Authority should be to look at health insurance companies and to satisfy itself that they comply with the Law and they have the right capitalisation, et cetera.

But the function as the Member has highlighted, that of action inspected in the work place and dealing with complaints, I see that as being a very specialised area. I am attempting to set up a commission solely for that purpose and move it in to the Ministry. At some point when staff has been taken on – which I would wish to happen as quickly as possible – we will have to find location for the office and the rest of the staff to function from. But I believe that as long as health insurance continues to be mandatory in this country, for there to be reasonable and just administration of it we have to have an inspectorate that really functions. And I can assure the Member that it is my intention, once it is set up, to see that it does exactly that.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. The Minister has in responding to an earlier question from my colleague, the First Elected Member for George Town, said that he had received reports from the Monetary Authority that there had been many

complaints about the administration about the National Health Insurance Law generally. I wonder if the Minister could indicate whether or not he is aware that there have been (and there continues to be) a myriad of complaints about employers not providing adequate health insurance coverage to employees in the Cayman Islands, and that that is causing a major problem generally.

[The Speaker in the Chair]

The Speaker: The Honourable Minister responsible for Health.

Hon. Gilbert A. McLean: The answer is yes, I am aware of it and it seems to be constantly increasing. It is a major challenge at this time, but it is a challenge which can be met. I can assure the Member and other Honourable Members of this House that if I am given the means of setting up a commission, as I have outlined, the matter will be dealt with.

Right now to the best of my understanding there are two officers in the Monetary Authority who are attempting to handle this along with the regulatory side of things. So it is absolutely unsatisfactory. The health insurance, like with the Health Services – they go hand in hand and they are receiving top priority attention right now.

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. I know the Minister spoke of a time frame as early as possible to get the inspectors in place and the regulatory body up and going, that is the health insurance inspector who I think he indicated will be Mr. Mervyn Connolly. I am wondering if the Minister would venture to give us a more definite time as to how he sees this going.

The Speaker: Honourable Minister of Health.

Hon. Gilbert A. McLean: Madam Speaker, I would not attempt to put any definite time line but if I can have the amendments to the Law and the Health Insurance Regulations and the Law to establish a commission done during this Session I would venture to say that by November there will be a functioning unit in place. I will certainly shoot for that. I see no reason why it cannot be done, in that, the way I perceive the commission to be set up it will be able to function like an authority to hire and so on. That would also give opportunity of speeding up the process.

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. I thank the Minister for that undertaking providing we can get somewhere with the Law.

I am wondering if the Minister can tell us if his Ministry has received complaints in recent times regarding insurance companies cancelling health insurance or downgrading them to the minimum requirement.

The Speaker: The Honourable Minister of Health.

Hon. Gilbert A. McLean: Madam Speaker, I cannot say that the Ministry has received those complaints. It might be possible that such a complaint came in; there is one of the staff who deals directly with that area. But certainly from the information given to me from the Monetary Authority, they have received such complaints made by the public.

The Speaker: I will allow one more supplementary as I understand from the Clerk that a number have already been allowed.

The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. Can the Minister give this Honourable House an undertaking that he will look into that situation because that too, is much rumoured in this community – not much rumoured, it is written from many health care providers to the insured that they will be downgrading to the minimum requirement. And it is possibly in anticipation of a new law.

The Speaker: Honourable Minister of Health.

Hon. Gilbert A. McLean: Madam Speaker, I can certainly give an undertaking because these are the things that need to be investigated, verified and corrected.

The Speaker: Moving on to the next question. I recognise the Elected Member for the district of East End.

Question No. 22

No. 22: Mr. V. Arden McLean asked the Honourable Minister responsible for the Ministry of Planning, Communications, Works and Information Technology to give a progress report on the liberalisation of telecommunication in the Cayman Islands.

The Speaker: The Honourable Minister.

Hon. Linford A. Pierson: Madam Speaker, I made a comprehensive report in this House before answering this question but I am sure the Honourable Member for East End would agree with me that the question might have been overtaken by events. I can say to the Honourable Member that liberalisation is on schedule. As a matter of fact, it is three months better than scheduled. It was initially planned for full liberalisation by July 2004 when the announcement was made by

me in 2001. So, by April, instead of July, hopefully liberalisation will be kicking in.

I would further inform the Honourable Member that the Cayman Islands will have the distinction of having created some amount of history in the Caribbean, in that, the Cayman Islands have completed this phase of their liberalisation faster than any other island in the region.

The Speaker: Honourable Minister, before you sit perhaps you could read into the record the written response.

Hon. Linford A. Pierson: Madam Speaker, the response that I have here which I mentioned is not applicable and that I have not yet laid the progress report. It states: "Having recently made a comprehensive progress report in this Honourable House on the liberalisation of telecommunications in the Cayman Islands, perhaps the Member for East End would consider that this adequately answers his question on this subject. If not, Madam Speaker, I would be pleased to again read this report in answer to this question".

Madam Speaker, the report that I referred to is pretty much what I have just explained to the Honourable Member for East End. If he still wishes to have me read this – I think it is about three or four pages – I would be most happy to ask that this question be deferred so that I can do that.

Supplementaries

The Speaker: Thank you, Honourable Minister. Member for East End.

Mr. V. Arden McLean: Madam Speaker, that progress report was made some time ago; I am talking about now. This question was submitted ten days prior to the legislature opening which was then postponed another week. So, I am talking about a progress up until today that the Legislative Assembly opens because I know there has been developments which were announced yesterday on the liberalisation of telecommunications in this country. That is what I was trying to seek from this answer.

The Speaker: Honourable Minister, is it my understanding that you would wish to defer under Standing Order 23(5)? Please proceed with your response.

Hon. Linford A. Pierson: Madam Speaker, I have been dealing with this subject for so long that I know it pretty much by heart. Any answer that I would bring in writing I know in my mind what the answer is. To specifically refer to what the Member spoke on (the progress report) I am sure he well aware that as it says, the progress report is not just one for all reports; there are several progress reports. I have given various progress reports on this very important matter and I do not think that he can get a better progress report than what was given yesterday. If he wants a more recent than yesterday I am not able to give it to him but yesterday's progress report states that we have advanced thus far that the heads of agreement have now been signed which is the first step in liberalisation and within one month of the signing of these heads of agreement the main agreement will be signed hopefully by the 10th July. Once that is signed, Madam Speaker, liberalisation kicks in for four major areas: ISP by November 2003, Mobile by February 2004 and International by April 2004.

The Speaker: The Member for East End.

Mr. V. Arden McLean: Madam Speaker, certainly it would be in the interest of this Honourable House if that report was laid on the Table, that is, in reply to my question. The report that the Minister refers to having been made yesterday was done through the media. The media does not cover all in any report; it covers what they consider the important parts. The details of that are certainly not covered in a media report. I believe that it is only fair that this Honourable House sees what that report contains in general terms be it through the reply to this written question in writing. And I would respectfully request that that is how my question should be answered.

The Speaker: Honourable Minister.

Hon. Linford A. Pierson: Madam Speaker, with all due respect to that Member when I am answering a question in here I provide an answer. His question is asking me to give a progress report on the liberalisation of telecommunications in the Islands. Whether that progress report is given verbally or in writing, it goes into the Hansard as a progress report. I do not know what section of the Standing Order he is referring to that says that I have to lay on the Table of this House. I referred to it in my answer but I told the Honourable Member that that would have been over come by events and I proceeded to give him a verbal report which is also recorded in the Hansard. He needs no further report, Madam Speaker. And I am not undertaking to provide any further.

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: Madam Speaker, can the Minister then tell us the situation with Cable and Wireless and what other recommendations were discussed other than the one that has been arrived at between Cable and Wireless and Government in the liberalisation process.

The Speaker: Member for East End would you be so kind as to repeat that for me please. I just took cognizance of the last part of what you said.

Mr. V. Arden McLean: Madam Speaker, the Minister has said that just yesterday he gave a progress report

to the country through the media. I am asking him now, what recommendations other than the one that was reached with Government on liberalisation of the service were discussed?

The Speaker: So, that I can understand: are you asking what or if there were other discussions?

Mr. V. Arden McLean: If there were and what were they, other than the rebalancing attempt that was made yesterday.

The Speaker: Thank you. The Honourable Minister responsible for Telecommunications.

Hon. Linford A. Pierson: Madam Speaker, there were a multitude of negotiations that went into this whole process prior to us reaching this stage, much of which are still confidential in nature until we have signed the main agreement. When the main agreement is signed on the 10 July a full report and the main agreement will be made available to the public and the document laid upon the Table in this House.

At this point in time I have provided the Honourable Member with all of the information that I feel I am able to give him on this matter. If he has any further queries on this I would be happy to write them down and listen to them but as far as I am concerned I am not able to provide any further information on this matter at this time.

The Speaker: Final supplementary. The Member for East End.

Mr. V. Arden McLean: Madam Speaker, may I then ask the Minister, in the process of liberalisation that was announced yesterday, there were numbers given out by the Press, that is, the rates for residential in particular. Would the Minister say if that represents an increase to the residential users in this country by some 20 to 25 percent?

The Speaker: The Honourable Minister responsible of Telecommunications.

Hon. Linford A. Pierson: Madam Speaker, I am not really sure where the Member is going with these queries but the answer to that is no. I am a bit surprised with some of these questions because rather than being put on the grill in this matter I should be congratulated for getting this concluded to date, within three months of the timetable that I had given.

[Inaudible interjections.]

The Speaker: Order!

Hon. Linford A. Pierson: Now I have also said to the Honourable Member that I will be making further progress report but he is wasting his time if he is expecting that I am going to do other than the commitment I have already given. He is also wasting the time of this Honourable House.

The Speaker: I acknowledge the Leader of the Opposition. It appears he is giving way to the Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, I would just like to make this observation before I ask the question. The Honourable Minister has apparently become quite rankled by the line of questioning but I believe that Parliament, the Legislative Assembly and the Members are entitled to know what it is the Government is doing about any matter. We should not have to rely on the media for the report and then come in here and be faced with responses to questions: "You should have read about it in the paper." That is not appropriate at all.

My question to the Honourable Minister is, when is he or is he going to provide this Honourable House with an appropriate progress report so the Members of this House can have the information first hand and ask appropriate questions in due course?

The Speaker: The Honourable Minister of Telecommunications.

Hon. Linford A. Pierson: Madam Speaker, the answer is the progress report will be provided in due course.

The Speaker: Leader of the Opposition, did you still have a question? I did say to the Member for East End it was the last supplementary but I have caught the eye of the Leader of the Opposition hence the reason for me permitting extra supplementaries.

Mr. D. Kurt Tibbetts: Thank you, Madam Speaker. In the Minister's answer he stated that he recently made a comprehensive progress report in this Honourable House on the liberalisation of telecommunications in the Cayman Islands. The substantive question is obviously asking for a progress report since that one, as time has elapsed. If I understand correctly, the Minister has stated that there was a press conference yesterday and also that a main agreement is to be signed in July and at that point he will bring everyone up to date. I want to ask the Minister if in his view his answer has brought Parliament up to date between his last report and right now, which is what the question was asking. And the certainly the substantive answer does not do that.

The Speaker: Honourable Minister I believe any response would be speculative as you are not in a position to assess the cognizance level of each Member but by all means if you wish to oblige the Member, please proceed.

Mr. D. Kurt Tibbetts: Madam Speaker, if I may.

The Speaker: Certainly

Mr. D. Kurt Tibbetts: To make it absolutely clear, I am saying this question asked by the Member for East End is asking for a progress report. The Minister states in his answer that he recently gave one to this Legislative Assembly. Obviously time has passed since that one which was in another meeting to this meeting. The question is relating to the time between that last progress report and today. I am not asking an opinion but the substantive answer gives nothing of what has transpired during that period. I am asking the Minister if he can state by way of a progress report what has transpired since that period.

The Speaker: Honourable Member for George Town, the Leader of Opposition, I appreciate the clarification of that because I think it now rises above the level of speculation.

Honourable Minister of Telecommunications.

Hon. Linford A. Pierson: Madam Speaker, with due respect also to that Honourable Member I provided all the information that I intend to do today on this question. I will in due course provide further information but I do not intend to comment further at this time.

The Speaker: Are there any other Supplementaries? The Leader of the Opposition.

Mr. D. Kurt Tibbetts: Madam Speaker, may I ask you a question. We just need to understand this because certainly I do not.

The Speaker: Please proceed.

Mr. D. Kurt Tibbetts: If a question is asked in this Honourable House do Ministers have a responsibility to answer the question as it is asked or can Ministers say they will answer what they please?

The Speaker: Is that the extent of your question? Leader of the Opposition Standing Order 23(4) says: **"A Member of Government may decline to answer a question if an answer would, in the opinion of the Government, be contrary to the public interest"**. I therefore ask the Minister of Planning if it is the Government's position that an answer at this time would be contrary to the public's interest.

Hon. Linford A. Pierson: The answer to that Madam Speaker, is yes, for the reasons I gave earlier on the confidentiality of the matter at this point. But I have to comment further: I think the Honourable First Elected Member for George Town knows me well enough to know that I am not going to try to in any way bend the rules in this House. I am not going to do what I think should be done and ignore the Standing Orders in this House. To suggest that as a Minister I will do as I please, I think is an insult to me and to this Honourable House. Nothing could be further from the truth. What I do not intend to do is to answer to questions that I do not have the full information on and to matters that are still in a confidential stage. I have provided the information that I think is necessary at this time and I will not be probed into providing any confidential information or anything that could jeopardize the further negotiations in this matter.

The Speaker: Leader of the Opposition.

Mr. D. Kurt Tibbetts: Madam Speaker, the Minister must understand that no one was expecting him to provide information that would not be in the best interest of the negotiations at present. Also, the Minister must hear very clearly that I simply asked a question; I made absolutely no suggestion as to his behaviour. So when he says for me to *suggest,* I suggested nothing. And he must understand that absolutely clear.

The Speaker: Moving on to the next question, Madam Clerk.

I recognise the Elected Member for the district of East End.

Question No. 23

No. 23: Mr. V. Arden McLean asked the Honourable Minister responsible for the Ministry of Planning, Communications, Works and Information Technology what is the timetable for the completion of the Linford Pierson Highway.

The Speaker: The Honourable Minister responsible for Planning.

Hon. Linford A. Pierson: Madam Speaker, the portion of the Linford Pierson Highway, as stressed by the Member, extending from the roundabout at Bobby Thompson Way to Walkers Road will be constructed in a phased manner, commencing in this current half year. It has been agreed to start this next phase from Walkers Road, as it would provide a greater immediate benefit to the schools in the area. During the 2003/2004 Financial Year the section from Walkers Road, including a connector to the Community College will be built. Construction of the final phase of the project is projected for the 2004/2005 Financial Year.

The estimated cost of phase two from Bobby Thompson Way to Walkers Road (total length is approximately 1 mile) is $5 million. This is a budget estimate developed from the actual costs of Phase One of the Linford Pierson Highway and costs of other similar projects. Madam Speaker, I want to repeat that it is a budget estimate. As per our normal procedures, the detailed cost estimate will be prepared after completion of the topographic survey currently being carried out by Lands and Survey.

Total cost to date for the Linford Pierson Highway including the Silver Oaks Roundabout, wid-

ening and improvements near the Lions Centre, and the small roundabout at Bobby Thompson Way is approximately $8.9 million.

Supplementaries

The Speaker: The Elected Member for East End

Mr. V. Arden McLean: Thank you, Madam Speaker. It looks like this one is overloaded. But since the Minister has given us the cost of the existing section of the Linford Pierson Highway, I wonder if he can tell us how many miles of the existing section.

The Speaker: The Honourable Minister of Planning.

Hon. Linford A. Pierson: Madam Speaker, it seems that you never win: if you give too little you get complaints, if you give too much you get complaints. Madam Speaker, I do not have that specific information available but I would be happy to provide it to the Honourable Member.

The Speaker: The Leader of the Opposition.

Mr. D. Kurt Tibbetts: Thank you. Madam Speaker, in the substantive answer the Minister reports that the estimated cost of phase two from Bobby Thompson Way to Walkers Road which is approximately 1 mile is $5 million. In relation to the other parts of his substantive answer does this $5 million include the land purchases that may have to be involved in that process?

The Speaker: Honourable Minister of Planning.

Hon. Linford A. Pierson: Madam Speaker, the answer is yes.

The Speaker: Are there any further supplementaries? The Leader of the Opposition.

Mr. D. Kurt Tibbetts: Thank you. Madam Speaker, the Minister also refers to the small roundabout at Bobby Thompson Way, which as we understood prior to this, was a temporary measure. Is it that once this other phase is completed that the right-sized roundabout will be built on the necessary improvements at that juncture.

The Speaker: Honourable Minister of Planning.

Hon. Linford A. Pierson: Madam Speaker, the Honourable Member is quite correct. This roundabout is temporary. I am sorry to inform him though that the two small ones in town will remain as they are.

The Speaker: Leader of the Opposition, did you have a continuing supplementary? The Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. The Minister in his substantive answer says that ". . . including a connector to the Community College will be built". I am wondering if that is continuing through Fern Gardens or is it a connector from the extension right into the Community College. Initially there were plans to go through Fern Gardens up to the high schools. Is that still in the plans for the development of that area?

The Speaker: Honourable Minister of Planning.

Hon. Linford A. Pierson: Madam Speaker, there have been some revisions to the plan. The road corridor now intends to go through part of Windsor Park and then connect on to Walkers Road and go behind the Community College. There will be a roundabout there so as to be able to disperse traffic properly. However, I would suggest to the Honourable Member that if he so wishes he could visit my office and I will show him exactly on the map the road corridor and the connection that is being made.

The Speaker: Are there any other supplementaries? If not we will move on to the next question. The Elected Member for the district of East End.

Question No. 24

No. 24: Mr. V. Arden McLean asked the Honourable Minister responsible for the Ministry of Planning, Communications, Works and Information Technology to give a progress report on the work of the Transport Development Unit including terms of reference and time line.

The Speaker: The Honourable Minister responsible for Planning.

Hon. Linford A. Pierson: Madam Speaker, I would ask patience of the House because this is a very important question and I have accordingly given he respect to it by providing some details.

Madam Speaker the Transportation Planning Unit has been established to address the future transportation needs of the Cayman Islands. Housed at Public Works, the Transportation Planning Unit presently consists of Mr. Edward Howard, Traffic & Transportation Engineer of the Roads Division at PWD and Mr. Denis Thibeault, Transportation/Urban Planner who has been seconded from the Policy Development section (formerly known as the Long Range Planning) of the Planning Department.

In the coming weeks and months, the unit will focus its effort on finalizing the overall structure and time line of work activities for the development and implementation of the National Road Plan, the Long Range Comprehensive Plan for ground transportation infrastructure and strategies to improve the performance of the road network. At the forefront of the Na-

tional Road Plan is the development of a Master Trafficways Plan. This Master Trafficways Plan corresponds to the Proposed Road Corridors identified in the Development Plan, currently under review by the Central Planning Authority. This new plan will address the road network and other related issues such as the social, economic and development impacts.

Madam Speaker a National Roads Plan Advisory Committee has also been formed with a Terms of Reference as follows:

1. Act as the overall steering committee in the consideration and selection of appropriate and cost-effective solutions to plan for ground transportation infrastructure and strategies to improve the performance of the existing road network and its future expansion.

2. Define and finalize the parameters of a National Roads Plan for a 25 year planning horizon having regard to the following goals:

ACCESS AND MOBILITY - Provide an integrated transportation system that maximises accessibility and includes a variety of mobility options that serve the needs of residents, visitors and businesses island-wide.

TRANSPORTATION AND LAND DEVELOPMENT - Establish guidelines for creating land development and land use patterns that support public transit.

TRANSPORTATION EFFICIENCY - Preserve the Island's transportation system efficiency by creating a roadway network that reduces congestion, vehicle miles travelled, travel times, and improve levels of service.

SUSTAINABILITY - Provide an optimised transportation network that fosters the unhindered movement of goods and services island-wide through the implementation of a street hierarchy system which separates local traffic from island-wide traffic while minimising and mitigating impact on the natural ecosystems wherever feasible. A key element will be appropriate Stormwater Management Principles to be incorporated within the implemented transportation network.

3. Identify and define the barriers (institutional, legislative, physical and economical) which lead to inefficiencies of the existing infrastructure network.

4. Review and assess the current inventory of transportation infrastructure network (e.g. roadways, signage and traffic control devices, parking supply, et cetera) and identify levels of traffic demands and conditions.

5. Analyze the existing population, socioeconomic conditions and land use trends, and develop future growth scenarios for the planning horizon of the Plan.

6. Forecast future traffic growth, considering the effect of changes in population, socioeconomic conditions and land use.

7. Develop and analyze future transportation network and infrastructure alternatives and evaluate each individual alternative against a cost/benefit analysis approach.

8. Design and develop a framework for the implementation of a National Roads Plan divided into a number of smaller Transportation Improvement Plans, namely Master Trafficways Plan, Access Management Plans, District Corridor Plans, and a Central Business District Traffic Circulation Plan.

9. Develop and recommend a framework for project prioritization based on sound transportation planning and engineering principles as well as economics.

10. Identify sources of funding and recommend a Financial Plan for the implementation and management of the Plan.

11. Facilitate a Public Involvement Programme that fosters community understanding and support of the Plan.

Madam Speaker, the timeline for the National Roads Plan to be prepared is June 2004.

Supplementaries

The Speaker: Are there any Supplementaries? The Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. I thank the Minister for this lengthy progress report. This is what I really call a progress report. However, I wonder if the Minister can tell us if members of this unit are Caymanian engineers.

The Speaker: The Honourable Minister of Planning.

Hon. Linford A. Pierson: The answer to the question is yes. Mr. Edward Howard is Caymanian. Mr. Denis Thibeault is married to a Caymanian since 1994, and the other lady is also married to a Caymanian.

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: Madam Speaker, recently there was an announcement that a roundabout expert had been brought in. What part does this roundabout expert play in this development unit?

The Speaker: The Honourable Minister responsible for Planning.

Hon. Linford A. Pierson: Madam Speaker, my understanding is that the roundabout expert, as described by the Honourable Member, has given a report to the Transportation Planning Unit but that he has already left the Island. I would go on to say that roundabouts are not things to joke about, they are serious road improvement systems used in very developed countries, particularly in the UK. They are used very widely and since the Cayman Islands is not as knowledgeable on this system as we would wish to be we therefore needed to get consultation in the matter. But that gentleman has already left.

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: Madam Speaker, certainly I do not joke about roundabouts; I think they perform their function. Particularly, I have seen PWD build them in Industrial Park and I am very pleased because they have relieved a lot of congestion in that area. Since we are talking about roundabouts I wonder if the Minister would wish to comment on those two little ones that were recently placed in the middle of George Town. How well are they are working?

The Speaker: The Honourable Minister responsible for Works.

Hon. Linford A. Pierson: Madam Speaker, I do know that initially those two roundabouts caused some concern, but I am also aware that the PWD has been working very hard to educate the public in the use of the roundabouts. The small roundabouts are not unique to the Cayman Islands. They are used in other countries and we hope that very soon the public will be quite educated in the use of these roundabouts. As I said, the PWD is doing its very best to educate the public on the use of these two small roundabouts.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker. I wish to say to the Minister that I regard this as an entirely laudable exercise – the development of this unit. But in saying that, it seems to demonstrate a government policy which has accepted, if not, is intended to promote the continued growth of vehicular traffic in these Islands. I wonder if the Honourable Minister can say what consideration is being given by the Government to the development of an effective and comprehensive public transport/transit system for the Cayman Islands. I see in the answer that part of the remit of this Unit is to

"establish guidelines for creating land development and land use patterns that support public transit."

I am not sure if what they have in mind is public transportation or if they simply mean use of the roads by the public in terms of private vehicles. My question is: Is consideration being given by the Government to the promotion of the development of adequate, effective, comprehensive public transportation system for these Islands, thereby minimising the need for significant outlays of money on a continual basis to upgrade the public transit system of these Islands – the road system of these roads.

The Speaker: The Honourable Minister responsible for Planning.

Hon. Linford A. Pierson: Madam Speaker, firstly I would like to thank the Honourable Second Elected Member for George Town for his congratulations on this being a laudable exercise. As he rightly alluded, the additional road network and works done on existing roads is necessary to keep pace with our growth in development. As regards to the Progress report that I just gave the Honourable Member will note that the transportation planning unit has been established to address the future transportation needs of the Cayman Islands which will also involve the ground transportation needs.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, I thank the Minister but I do not think he really responded to my question as to whether or not Government is giving consideration to the development of a public transportation, that is, a system by which the public can park their vehicles and be transported in a train or whatever . . .

[Interjection]

Mr. Alden M. McLaughlin, Jr.: I am trying to determine whether Government is giving consideration to the development of a public transportation system, whatever form that might take.

The Speaker: The Honourable Minister of Planning.

Hon. Linford A. Pierson: Madam Speaker, the answer is yes, that is a part of the terms of reference of the Committee but I would matter to get the Caymanian public to use public transportation. I recall that in times past in discussion it was suggested that perhaps carpooling and other means – may be one car per family and so on – or even reducing the wheelbase of cars to reduce the transportation problem and congestion. So, many issues have been considered. But to directly answer the Member, yes, the terms of reference will include a public transportation system for the Cayman Islands.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Anthony S. Eden: Thank you, Madam Speaker. This is a bit outside the ambit of transportation, but in bullet point under 'Sustainability' I got excited when I saw Stormwater Management Principles. I wonder if any consideration is being given to the perennial flooding and the major inconvenience that occur in residential areas like Randyke Gardens, the East, Windsor Park and Industrial Park.

The Speaker: The Honourable Minister of Planning.

Hon. Linford A. Pierson: Madam Speaker, as that Honourable Member knows, this is not a recent occurrence; this flooding has been there for many years and has spanned a number of past administrations

including his. This Government has already made progress with the flooding problem. As we all know the situation in Randyke Gardens has improved tremendously since the culverts were put under the roads; a lot of the water is now pumping into the sea. And it is nothing like the problem that we had there at one stage.

The situation in the East as we call it, that is, behind the Funky Tang area, is a situation that has been worsened by the development in the perimeter of that area. What has happened is that those developments have left that area as a sort of a valley and a lot of the water is now pouring into that area. I do know that the Honourable First Elected Member for George Town has a Motion on that and it is of concern to a number of us. We are looking at ways and means now of being able to deal with that problem.

In the last flooding PWD did a fantastic job for which they are to be congratulated. They helped the water to recede in a very short period of time, in the Windsor Park and the central area of George Town, by pumping out the deep wells and cleaning them. We are in the process of adding more deep wells in the area to try to alleviate that problem of flooding when we have rains.

On the larger side of it, however, we are looking at ways and means of doing something similar in the Randyke Gardens area so that we can substantially reduce the problem of flooding in the East and also in the Windsor Park area, off Watlers Road, the Swamp and other areas around the Islands.

The Speaker: Are there any other supplementaries? If not we will move on to the next question.

Question No. 25

The Speaker: I recognise the Fourth Elected Member for West Bay.

No. 25: Mr. Cline A. Glidden, Jr. asked the Honourable Minister responsible for the Ministry of Planning, Communications, Works and Information Technology if there has been any considerable increase in construction activity following the introduction of the legislation that was passed to encourage development.

The Speaker: The Honourable Minister responsible for Planning.

Hon. Linford A. Pierson: Madam Speaker, the answer is yes. There was a considerable increase in construction activity following the introduction of the legislation to encourage development. The legislation enacted to encourage development, which I will refer to as the "incentive package" consisted of the following amendments:

1. Increasing building heights to seven storeys along the Seven Mile Beach peninsula and Central George Town, and
2. Reducing Infrastructure and building permit fees by 50 per cent.
3. Reducing Stamp Duty fees from 9 to 5 per cent in the Seven Mile Beach area and 7½ per cent to 5 per cent in all other areas.

The answer provided is based on statistical data for the period November 2001-November 2002, the first year of the concessions. This is evidenced by:

(a) A 48 per cent increase in planning approvals from $168.0 million in 2001 to $248.5 million in 2002;

(b) A 78 per cent increase in value of building permits (excluding Ritz-Carlton) from $128.7 million in 2001 to $229.6 million in 2002, and

(c) Of the 199 owners and agents who were surveyed during the period, 111 or 56 per cent stated that the concessions influenced their decision to build.

Madam Speaker, 111 (or 55.8 per cent of the 199 responses) stated that their applications were a direct result of the incentive fees. This translates into an approved development value of $72.3 million or 57 per cent of the $126.8 million during the survey period as detailed in Table 1 below.

	Owners		Agents		Total			
	No.	Value	No.	Value	No.	% of Total No.	Value	% of Total Value
Influenced	51	$37,332,922	60	$38,974,746	111	55.8%	$72,307,668	57.03%
Not Influenced	38	$11,082,095	29	$38,607,766	67	33.7%	$49,689,861	39.20%
Did not Know	6	$931,000	15	$5,823,963	21	10.6%	$6,754,963	5.75%
Total	95	$45,346,017	104	$81,406,469	199	100%	$126,752,486	100%

Table 1: Influence of Concessions on Applications Made, (Owners and Agents) *[Please see enlargement on page 214]*

Madam Speaker, since the introduction of Heights of Buildings amendment to the Planning Regulations in May 2002, there have been applications to redevelop two sites along West Bay Road. Both developments took advantage of the increased height. These two projects will have a combined total of 69 units valued at approximately $47 million.

There have also been three major commercial developments approved and having taken advantage of the incentives, namely:

- Parc Place - a 77,000 sq ft retail centre along West Bay Road valued at $1O million,
- Bay Shore Properties - a 66,000 sq ft retail centre in Central George Town valued at $8 million, and

- C&W - a new 37,000 sq ft exchange on Shedden Road, valued at $5.7 million.

All of these commercial projects with the exception of Parc Place have commenced construction.

Madam Speaker, overall construction activity in the Islands improved significantly in 2002 compared to 2001. The number of approvals increased by 5 per cent to 1,061 and the value by 50 per cent to $243.9 million.

A total of 224 planning approvals were issued in the first quarter of 2003, an 8 per cent increase from the 208 that were granted in the same quarter last year. This boost also resulted in a 37 per cent rise in value from CI$32,476,188 in 2002 to CI$44,632,603 in 2003.

Approvals for residential development, including houses and apartments, increased noticeably and represented a 27 per cent increase in value from CI$23,656,369 to CI$30,865,820.

Commercial development approvals increased by 57 per cent with the value rising by 14 per cent from CI$5,299,500 to CI$6,021,300.

The Speaker: Are there any Supplementaries? If not, that concludes Question Time.

STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE GOVERNMENT

The Speaker: I have not received notice of statements
for today's Sitting.

Suspension of Standing Order 46(1) and (2)

The Speaker: The Honourable Minister of Planning, could I ask you to move the suspension of Standing Orders 46(1) and (2)?

Hon. Linford A. Pierson: Madam Speaker, I beg to move the suspension of Standing Orders 46(1) and (2) to allow for the First Reading of two Bills.

The Speaker: The question is that Standing Orders 46 (1) and (2) be suspended.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 46(1) and (2) suspended to allow the Bills to be given a First Reading.

GOVERNMENT BUSINESS

BILLS

FIRST READINGS

The Registered Land (Amendment) Bill 2003

The Speaker: The Bill is deemed to have been read a first time and is set down for Second Reading.

The Development and Planning (Amendment) Bill 2003

The Speaker: The Bill is deemed to have been read a first time and is set down for Second Reading.

SECOND READING

The Registered Land (Amendment) Bill 2003
(Deferred)

The Speaker: Honourable Minister, I believe you have an expressed intention.

Hon. Linford A. Pierson: Yes, Madam Speaker. I wish to defer the Second Reading debate on these Bills to allow more time for public scrutiny of the Bill mindful of the notice period that should be given on the Bills. So it is my intention to ask for the Second Reading at a later date.

The Speaker: Is that intention also to The Development and Planning (Amendment) Bill 2003? Perhaps we should deal with at the same time.

Hon. Linford A. Pierson: Yes, Madam Speaker, for The Registered Land (Amendment) Bill 2003 and The Development and Planning (Amendment) Bill 2003 and I so move.

The Speaker: The question is that Second Readings of The Registered Land (Amendment) Bill 2003 and The Development and Planning (Amendment) Bill 2003 be deferred to allow additional time for consultation.

All those in favour please Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Second Readings of The Registered Land (Amendment) Bill, 2003, and The Development and Planning (Amendment) Bill 2003, deferred.

The Speaker: I now call on the Deputy Leader of Government Business to move the adjournment for today's sitting.

ADJOURNMENT

Hon. Linford A. Pierson: Madam Speaker, I move the adjournment of this Honourable House until tomorrow, Thursday, 12 June 2003 at 10 am.

The Speaker: The question is that the Honourable House do now adjourn until tomorrow, Thursday 12 June 2003 at 10 am.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 12.32 pm the House stood adjourned until Thursday 12 June 2003 at 10 am.

Parliamentary Question No. 25
Table 1: Influence of Concessions on Applications Made (Owners and Agents)
[enlarged from page 211]

	Owners		Agents		Total			
	No.	Value	No.	Value	No.	% of Total No.	Value	% of Total Value
Influenced	51	$33,332,922	60	$38,974,746	111	55.8%	$72,307,668	57.05%
Not Influenced	38	$11,082,095	29	$38,607,760	67	33.7%	$49,689,855	39.20%
Did not Know	6	$931,000	15	$3,823,963	21	10.6%	$4,754,963	3.75%
Total	95	$45,346,017	104	$81,406,469	199	100%	$126,752,486	100%

OFFICIAL HANSARD REPORT
THURSDAY
12 JUNE 2003
10.17 PM

Second Sitting

The Speaker: I call upon the Third Elected Member from the district of West Bay to grace us with prayers.

PRAYERS

Mr. Rolston M. Anglin: Let us pray.

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

Bless our Sovereign Lady Queen Elizabeth II, Philip Duke of Edinburgh, Charles Prince of Wales, and all the Royal family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together:

Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen

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

Proceedings resumed at 10.20 am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies for the late attendance of the Honourable Minister responsible for Community Development.

PRESENTATION OF PAPERS AND OF REPORTS

The Speaker: Madam Clerk, I will go to the Deputy Leader of Government Business in the interest of time.

2002 Annual Report of the Central Planning Authority and Development Control Board

Hon. Linford A. Pierson: I beg to lay on the Table of this Honourable House the 2002 Annual Report of the Central Planning Authority and Development Control Board.

The Speaker: So ordered. Would you wish to speak thereto?

Hon. Linford A. Pierson: Thank you, Madam Speaker.

The Speaker: Please proceed.

Hon. Linford A. Pierson: Madam Speaker, Section 53 of the Development and Planning Law (1999 Revision) requires that the Central Planning Authority submit a report to the Governor-in-Council for the information of the Legislative Assembly, which contains an account of activities during the twelve months ending on the 31st December of the previous year.

While the Report speaks for itself and will no doubt be of use to all Members of this Honourable House, I would like to take a few minutes today to summarize the Report's highlights, in particular the following issues:

1. Development activity;
2. Development Plan review;
3. Regulations amending seaside setbacks and building heights;
4. Sister Islands Ad-hoc Committee on Sustainable Development; and
5. Planning Department website.

First, regarding development activity, under the guidance of the CPA Chairman, Mr. Gordon McLaughlin (at the time), and the DCB Chairman Mr. Ernie Hurlstone, the year 2002 was very productive with a substantial increase in revenue collection over 2001.

In 2002, a total of $5.3 million in fees was collected by the Planning Department compared to $1.7 million in 2001. This represents an increase of 391%.

Madam Speaker, Members may recall that to help boost our development industry, in November 2001 this Honourable House approved the following fee reductions:

- Stamp Duty was reduced by half, from 10% to 5%.
- Infrastructure Fund fees, normally ranging from between $0.50 and $2.50 per sq. ft., were reduced by half to $0.25 and $1.25 per sq. ft.; and
- All Building Permit fees, which vary depending on the type of development, were also reduced by half.

I am pleased to state that in 2002, as expected, we witnessed the very positive results of these fee reductions. Not only did we see a rebound in development applications and building starts, but revenues also increased quite dramatically.

Let me illustrate this with a few examples:

1) In total, 1061 applications were approved. Of those, 612 were approved by the CPA, 336 were administrative (in-house) approvals while the remaining 113 applications were approved by the DCB (Development Control Board). The CPA (Central Planning Authority) participated in Grand Cayman's economic rebound in 2002 as the number of approvals was 6% over the 2001 figure. In addition, the dollar value of these approved projects was 58% higher than 2001.

A typical indicator of actual development activity is the issuance of Building Permits. I am happy to say that a total of 605 building permits valued at $242.9 million were issued in 2002, representing an increase of 11% over the 546 permits issued in 2001 and a significant increase of 108% over the permits valued at $116.5 million in 2001.

(2) The Development and Planning Law mandates that a review of the Development Plan takes place every five (5) years.

Since the last full review occurred in 1997, 2002 marked the year for next review. In 2002, Special Issue Committees (SICs) addressed many issues including the following: Coastal Zone Management, Education, Affordable Housing, Historic Sites and Areas, Community and Economic Development, Immigration and Population Growth, Infrastructure and Tourism/Recreation/Culture.

In addition, the CPA conducted a series of public meetings in each district, at which some "popular" issues were discussed in the context of the Development Plan Review, among them the following: seaside setbacks, beach erosion and public access to the beach.

(3) On 6th May 2002, this Honourable House approved an amendment to the Development and Planning Regulations, which increased seaside setbacks. Whereas previous Regulations measured setbacks from Low Water Mark, the amendments now measure setbacks from the High Water Mark. For example, the amended Regulations provide for the following:

- In Hotel/Tourism zones (including Seven Mile Beach), minimum seaside setbacks are now 130 feet from High Water Mark for the first three (3) floors, with an additional 15 feet for each additional storey; the previous minimum setback was 100 feet from Low Water Mark.
- In Low, Medium and High Residential zones, minimum seaside setbacks are now 75 feet from High Water Mark where the shoreline is beach or mangrove or 50 feet from High Water Mark where the coast is ironshore; the previous minimum setback was 75 feet from Low Water Mark for beach front and 50 feet from Low Water Mark for ironshore.
- In Beach Resort/Residential zones, minimum seaside setbacks are now 75 feet from High Water Mark, whereas previously the minimum setback was 75 feet from Low Water Mark.
- In Marine Commercial and Neighbourhood Commercial zones, revised Regulations require 50 feet from the High Water Mark (ironshore and non-ironshore) for the first two (2) storeys and an additional 15 feet for a third storey; previous Regulations required 50 feet and 75 feet from Low Water Mark in cases of ironshore and non-ironshore respectively.

Madam Speaker, all Members and indeed the public, are aware that beach erosion has been the subject of much discussion. The CPA's Annual Report indicates that the revised minimum setbacks I just listed are intended to prevent problems of beach erosion resulting from any future development. It should also be noted, however, that some previous developments were advised at the time of their approval of the proper setback requirements, which some apparently chose to ignore, to their chagrin.

Other 2002 amendments to the Development and Planning Regulations saw building heights increased to seven (7) storeys in parts of George Town's General Commercial areas and Seven Mile Beach's Hotel/Tourism areas. The maximum height in Low, Medium, High and Beach Resort residential zones was increased to three (3) storeys. These changes were to compensate for the increased setbacks to the sea.

(4) In June 2002 the Sister Islands Ad-Hoc Committee for Sustainable Development was established with the approval of Executive Council. The Committee has been charged with making recommendations on the future sustainable development of Cayman Brac and Little Cayman. The Committee, comprised of the CPA's Executive Secretary, DCB Chairman and others, met sixteen (16) times in 2002 and examined four (4) broad areas, namely: physical development, socio-cultural development, the natural environment and economic development. The Committee concentrated its 2002 activities on Cayman Brac noting that improved sustainable economic conditions and preserving cultural identities are paramount concerns on Cayman Brac.

In March 2003, Executive Council accepted the Brac Report 2003-2007 of the Sister Islands Ad-Hoc Committee for Sustainable Development and directed that it be tabled as soon as possible in this Honourable House. Therefore, I will be making a separate full statement on this report during this meeting of the House – which, Madam Speaker, as you are aware, I made yesterday.

At this point, I would simply note that Executive Council has directed that a steering committee, convened by the District Commissioner, be established to oversee the implementation of the recommendations contained in the report. I am confident that, under the guidance of the District Commissioner and supervision of the Ministry responsible for District Administration and Government as a whole, this Committee will make great strides toward ensuring the sustainable development of our Sister Islands. I look forward to the Committee's next report.

(5) The Planning Department's website continues to assist the public with development and planning matters such as providing downloadable application forms, listing development requirements and displaying Development Plan Maps and related documents. In 2002, the site received 73,074 hits; the site was particularly active in October with the release of the Proposed Development Plan. For those Honourable Members who have not yet had the opportunity, I would invite you to visit the Planning Department's web-site at www.planning.gov.ky.

Madam Speaker, in closing I would like to take this opportunity to thank the Members of the Central Planning Authority and Development Control Board as well as the Planning Department for their efforts toward encouraging quality physical development and the sustainable economic growth in the Cayman Islands during the year ended 2002.

I would also like to say that we look forward to another exciting year under the new Chairmanship of the CPA, Mr. Al Thompson Jr. Already the first quarter results for 2003 have surpassed the corresponding period for 2002. As of 31st March 2003, a total of 224 planning approvals valued at CI$44.6 million were granted, which is an 8% increase over 2002 first quarter approvals and a 37% increase in value. These results are very encouraging and we look forward to these trends continuing throughout the remainder of 2003.

Thank You, Madam Speaker.

Standing Business Committee Report for the State Opening Meeting of the 2003 Session

The Speaker: The Honourable Leader of Government.

Hon. W. McKeeva Bush: Thank you, Madam Speaker.

I beg to lay on the Honourable Table of this House the Report of the Standing Business Committee for the State Opening and first meeting of the 2003 Session of the Legislative Assembly.

The Speaker: So ordered. Does the Honourable Leader wish to speak thereto?

Hon. W. McKeeva Bush: No, Madam Speaker.

The Speaker: Thank you.

I will recognise the Honourable Leader of Government Business for the movement of the suspension of Standing Order 23(6).

Suspension of Standing Order 23(6)

Hon. W. McKeeva Bush: Madam Speaker, I move for the suspension of Standing Order 23(6) to allow more than three questions in the name of the same Member.

The Speaker: The question is that Standing Order 23(6) be duly suspended. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Standing Order 23(6) suspended to allow more than three questions in the name of the same Member.

The Speaker: I recognise the Second Elected Member for Cayman Brac and Little Cayman.

QUESTIONS TO HONOURABLE MINISTERS AND OFFICIAL MEMBERS

Question No. 26

No. 26: Mr. Lyndon L. Martin asked the Honourable Minister responsible for the Ministry of Education, Human Resources and Culture if the Education Council or Ministry of Education has identified any educational fields of priority and are there any incentives offered in these fields.

The Speaker: The Honourable Minister for Education.

Hon. Roy Bodden: The Education Council continues to recognise the need to emphasise education and health as priority areas for scholarships. Students entering these fields with passes of a minimum of 7 subjects in the international high school examinations at grades 1 or 2 or the equivalent, or students with an SAT score of at least 1250, may become eligible for additional funding.

Supplementaries

The Speaker: Are there any supplementaries? The Member for North Side.

Ms. Edna M. Moyle: Thank you, Madam Speaker. I wonder if the Honourable Minister would say if there is any priority for scholarships for those students who are not in the top 20%, to pursue Education and Health on scholarships.

The Speaker: The Honourable Minister responsible for Education.

Hon. Roy Bodden: Madam Speaker, I do not understand what the Honourable Member means when she says, " . . . students who are not in the top 20%."

The Speaker: The Member for North Side. Would you care to expound on your question?

Ms. Edna M. Moyle: Madam Speaker, I am referring to their academic results when they graduate from the John Gray High School. I am certain that the 350 who graduate do not have all of the qualifications to seek scholarships in Education and Health. That is what I am referring to.

The Speaker: Honourable Minister for Education.

Hon. Roy Bodden: Madam Speaker, scholarships fall into two categories: local scholarships in which students are rewarded scholarships to study for Associate degrees at the Community College or scholarships to tertiary level institutions abroad.

Most recently the Education Council and the Minister arrived at a policy position, which has been outlined to the Executive Council to Members of the Legislative Assembly in which we are streamlining the process. Currently no student who is eligible for a scholarship is denied. That eligibility depends upon their matriculation level and their acceptance at the Community College, or their acceptance at a tertiary level institution outside of the Cayman Islands.

The Speaker: Are there any further supplementaries? The Leader of Opposition.

Mr. D. Kurt Tibbetts: Thank you, Madam Speaker. Just for purposes of clarity: In the substantive answer where the Minister states: " . . . or students with an SAT score of at least 1250, may become eligible for additional funding." May become eligible for additional funding – that is where I am going. I heard what the Minister just explained regarding the levels of students receiving scholarships. But I am wondering when he speaks to additional funding, what does that relate to? I just want to make sure that we are clear with what it is speaking to.

The Speaker: Honourable Minister for Education.

Hon. Roy Bodden: Madam Speaker, as a result of the report of the Committee which was set up to study the lack of Caymanian teachers and the inability to attract young Caymanians into the teaching profession, the Education Council has implemented a system in which students studying in the field of Education and Teaching, are eligible for an additional cash incentive, which is intended to serve as an enticement so that they can come into this profession. And in some instances this incentive can also apply to students in the Health field as well.

The Speaker: Are there any further supplementaries? If not we will move on to the next question.

Question No. 27

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

No. 27: Mr. Lyndon L. Martin asked the Honourable Minister responsible for the Ministry of Education, Human Resources and Culture if the Ministry or the Employment Services Centre has undertaken or caused to be undertaken a labour demand survey as to guide training, vocational studies, tertiary educational sponsorship, Caymanisation policies, Immigration policies and the like.

The Speaker: Honourable Minister for Education.

Hon. Roy Bodden: The Department of Employment Relations has undertaken a skills assessment survey, which has the multiple aims of:

1. Establishing the employment/training needs of local businesses;
2. Identifying the specific academic programs and/or occupational areas that are in strong demand by employers and for which they have not been able to recruit sufficient applicants for job openings.
3. Identifying the critical skill shortage areas by industry
4. Identifying the training programs needed by the various industries.
5. Providing accurate and timely labour market related information to satisfy the needs of all agents of the labour market, namely employers, job seekers, career planners, trainers/educators, and policy makers.

It is anticipated that this project will be completed by September 2003 and the collected information will be structured into a database.

Supplementaries

The Speaker: Are there any supplementaries? The Leader of Opposition.

Mr. D. Kurt Tibbetts: Thank you, Madam Speaker. In the Minister's answer he has said that the Department of Employment Relations has undertaken a skills assessment survey, which has multiple aims. Could the Minister explain exactly how this survey is being done? What terms of reference would cause the survey to be undertaken? Is it being undertaken by staff from within that department, or have any specialists been pulled together to do so?

The Speaker: Honourable Minister for Education.

Hon. Roy Bodden: Madam Speaker, the Employment Relations Department in conjunction with the International Labour Organisation (ILO) Regional Office and with modern labour trends is setting up a Labour Management Information System (LMIS), which has as its basis the establishment of a data bank containing this kind of information.

The survey that is being undertaken is being done with entirely local resources, with some consultation, and as a result of training and consultation by and with the ILO Regional Office. Information is being collected from a number of sources including employers and employers' organisations such as the organisations which form the membership of the Chamber of Commerce as well as the high schools and the two colleges, Community College and ICCI and other training institutions locally. When this information has been completed and collated, it is anticipated that it will be stored in the database at the Employment Relations Department and will be available online for all persons who have access to that database – employers and employees as well as any other individual who may have reason to tap in to the database.

The Speaker: The Leader of Opposition.

Mr. D. Kurt Tibbetts: Thank you, Madam Speaker. Could the Minister then state what the next step is after having all of the information put in to the database?

The Speaker: Honourable Minister for Education.

Hon. Roy Bodden: The Employment Relations Department will then inform the Ministry of those areas in which it would seem that the empirical evidence shows that we need to encourage more Caymanians to opt for training into. At which time these could be put into scholarship awarding policies and other kinds of incentives to encourage Caymanians to avail themselves of the opportunities to train in these areas.

The Speaker: Leader of the Opposition.

Mr. D. Kurt Tibbetts: Thank you. Could the Minister then state if this would have a bearing on what type of educational opportunities become available locally. Perhaps before completion of secondary level education along the lines of the then known labour needs for the job market.

The Speaker: Honourable Minister of Education.

Hon. Roy Bodden: Most assuredly so and concomitant and as a corollary to this exercise. The Employment Relations Department, which has assigned responsibility for the development of technical and vocational studies will be with the Education Department mounting a technical and vocational trade fair to promote an awareness and to establish a formalised structure where those students interested in these areas can access them at the secondary level and higher.

The Speaker: Leader of the Opposition.

Mr. D. Kurt Tibbetts: Thank you, Madam Speaker. What the Honourable Minister has just stated will take the interest to the students. But what else I would like to find out from the Ministry is: Is it planned then to ensure that whatever the courses are that we speak to at that time, are available in the public institutions as they may well not be at this point in time.

The Speaker: The Honourable Minister for Education.

Hon. Roy Bodden: Madam Speaker, a number of initiatives have been discussed and we have been exploring the possibilities to enable our students to avail themselves of this kind of training even when such a training involves training which is not available in this jurisdiction. For example, Madam Speaker, as a result of a visit we made to the Samuel Jackman Prescod Polytechnic Institute, we were promised some scholarships for Caymanians to take up at that institution if and when they become interested.

What we would like to do in the interim, because we believe that this is the greatest effort and this will be most productive, most effective and most easily sustainable, is to redesign the curriculum of the high schools so that a significant number of our students can have access to these courses which are organised in such a way as to maintain their interest even up to the post secondary level.

The Speaker: Leader of the Opposition.

Mr. D. Kurt Tibbetts: Thank you Madam Speaker, and I wish to thank the Minister for his answer.

Now in the substantive answer the Minister has listed 5 different objectives for the survey to achieve. And when he speaks to establishing the training and employment needs of local businesses I am presuming that it is assumed that such situations are fluid and will change from time to time. The Minister speaks to this particular survey ending in September. Is there a plan to revisit on a regular basis – even

if it is at a smaller level—to get a picture of any movement in those demands, which may well be the case as time goes on?

The Speaker: Honourable Minister for Education.

Hon. Roy Bodden: Madam Speaker, the Member is absolutely spot on in his assumption. I am happy to say that for the first time in the History of this country we have a thoroughly modern and effective Employment Relations Department in which much of the information we need are at the fingertips and are on a computer database.

The staff at the Employment Relations Department are in regular contact with employers and we know fairly accurately what the training needs and occupational needs are. Of course to be effective the information collected from the survey has to be under constant review. The database allows for it to be under constant review and for adjustments to be made in the various vocations. That is the undertaking that we are going to do so that it will be easy for us to keep abreast.

In addition to that, we now have the capability of persons being able to access information from the Department without physically coming to the Department, simply by using the intranet and going online and tapping into the database and databank at the Employment Relations Centre. So we perceive that this is going to improve and increase the efficiency and the accessibility of the Employment Relations Department significantly.

The Speaker: The Second Elected Member from George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker. In response to a supplementary from my colleague, the First Elected Member for George Town, the Honourable Minister spoke about the results of the survey influencing Government policy in relation to the redesign of the curricula of the two high schools.

Recognising, as I think we all do, the need for additional training opportunities within the context of the high schools, I wonder if the Honourable Minister could say what, if any, steps have been taken over the course of the last three years to improve access by the less academically-inclined students to vocational training programmes.

The Speaker: The Honourable Minister for Education.

Hon. Roy Bodden: Madam Speaker, one of the challenges that we have encountered is the fact that we have not been successful in attracting significant numbers of our students and that includes those students whose aptitude, abilities and interest would suggest that they would benfit tremendously from the pursuit of technical and vocational studies because our teaching methodology and teaching techniques have been antiquated and really obsolescent.

We hope that the ITALIC programme will enable us to offer more effective training to our students, because when we visited the Samuel Jackman Prescod Polytechnic Institute in Barbados, for example, all of the studies are conducted with analysers and the latest in computer assisted instruction which removes any stigma of it being purely manual, of it being dirty and of the studies being done by those students who are less intellectual. And so we realise that is the route to go. I have been saying for years that is what we should do.

As a result of that, we are re-examining the curriculum and trying to access this kind of technology so that when we start and we recognise that we will have to start small because this technology is very expensive but we will have to start small and get this so effectively organised that the students once their appetites are whetted and they have embarked on these courses can pursue them to the fullest, even up to the Community College level.

When we were talking and discussing of converting the George Hicks High School into a fully-fledged high school, this was one of the challenges that we came up against. The advice of the school's inspectorate was that we should hasten slowly because the curriculum of the three high schools must be identical. It was in the area of technical and vocational studies that we had the greatest challenge, hence we decided to slow the process down until we could really come to grips with getting the proper equipment that we need to push the curriculum to its maximum so that the students could benefit.

The Speaker: Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker. I thank the Minister for that very comprehensive response and I would like to ask him when, he has acknowledged that the ITALIC programme when it starts will have to take small steps because it is an expensive program. I wonder if he could give us an indication as to when that program is likely to be implemented and to become actually functional.

Secondly, am I understanding him correctly as saying that over the course of the last three years other than the ITALIC program, nothing has been done in relation to the redevelopment of the curricular at the high schools to ensure access by less academically inclined students to vocational programmes and training.

The Speaker: The Honourable Minister for Education.

Hon. Roy Bodden: No, Madam Speaker, that is not what I said and that is not what was intended to have been conveyed. We have continued to try to improve

the traditional ways that we have been teaching these subjects. But we understand and we appreciate that the traditional ways of imparting and teaching these subjects are no longer acceptable and good enough. Hence we have to find a way of using the latest information technology to get across these concepts and to continue to attract the students in the numbers that we believe makes it justifiable for us to service the needs of the working community.

The ITALIC programme has already started but we are in the phase of training the trainers. It is a five-year programme and we anticipate that when it becomes fully mature, probably in about three years from now, we expect that this technology will be available to students who are studying these disciplines. But it is going to take the better part of two years for us to complete the circle of training the trainers, setting up the portals, getting our intranet system in place and making sure we have the correct classroom space wireless technology so that we can move on a large scale basis throughout our school system.

Suspension of Standing Order 23(7) and (8)

The Speaker: We have reached the hour of 11 am. May I have a motion for the suspension of Standing Orders 23(7) and (8). The Deputy Leader.

Hon. Linford A. Pierson: Madam Speaker, I beg to move that the relevant Standing Orders be suspended to allow for Question Time.

The Speaker: The question is that Standing Orders 23(7) and (8) be suspended. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Standing Order 23(7) and (8) suspended to allow Question Time to continue beyond 11 am.

The Speaker: Are there any further supplementaries? If not, we will move on to the next question.

The First Elected Member for George Town.

Question No. 28

No. 28: Hon. D. Kurt Tibbetts asked the Honourable Minister responsible for the Ministry of Health Services, Agriculture, Aviation and District Administration;

(a) What was the number of staff employed in the Health Services Department when management changed to the Health Services Authority;
(b) What was the number as at 30 April 2003; and
(c) Would the Honourable Minister list the positions, which were cut and categorise them by department.

The Speaker: The Honourable Minister of Health.

Hon. Gilbert A. Mclean: Madam Speaker, on 1st July 2002, when the Health Services Department became an Authority:

(a) the total number of employees transferred were 666. Of this number 596 persons were employed in Grand Cayman and 70 at Faith hospital.

(b) On 30th April 2003, the total number of staff employed by the Health Services Authority was 582. Of this number 518 were employed in Grand Cayman and 64 at Faith Hospital.

(c) Please see attached list of the positions categorised by department that were cut.

[List circulated to Members (but not read into the record) attached as appendix]

Supplementaries

The Speaker: Are there any supplementaries? The Leader of Opposition.

Mr. D. Kurt Tibbetts: Thank you, Madam Speaker. The Minister will note that the question asked for 30th April simply because I was not sure whether to extend it to end of May if the Minister would have been able to have the information available. I just wonder if there is any information available for the additional month since 30th April.

The Speaker: Honourable Minister for Health.

Hon. Gilbert A. Mclean: Madam Speaker, there is no prepared information that I could offer this Honourable House or the Member, other than the announced latest situation that the present CEO would be taking up the position of the superintendent of Health Insurance.

The Speaker: The Leader of the Opposition.

Mr. D. Kurt Tibbetts: Thank you. I only asked that question, Madam Speaker, because 'marl road' has it that somewhere between 20 and 30 staff have vacated their positions between 1st May and end of May. I do not know if it is true so that is why I am asking the Minister.

Madam Speaker, can the Minister, in relation to his answer, speak to the difference in the numbers? And would he be able to say if the numbers that are at present, based on the various departments and the numbers that are in those departments, if those numbers are considered to be the optimum number of staff for the quality service that is expected to be provided?

The Speaker: Honourable Minister for Health.

Hon. Gilbert A. Mclean: Madam Speaker, this answer is to the last part of the question posed by the Honourable Member: We continue to review the staff levels in the Health Services Authority and we recruit as necessary. In fact right now there are approximately about twenty odd positions that are vacant, that advertisements have been sent out for. And on the second part as to the 'marl road', the 'marl road' has a way of making dead people live and live people dead so the Honourable Member will be aware of that.

The Speaker: Leader of the Opposition.

Mr. D. Kurt Tibbetts: That is exactly why I asked the Minister the question to see if I could get verification rather than to grab rumour and walk with it.

Madam Speaker, could the Minister then say if there are some 20 vacancies at present and whether those vacancies are a result of the downsizing and a reassessment? If that is the case, then where is the relationship to the individuals who were made to leave and the posts are then being asked to be filled again?

The Speaker: The Honourable Minister for Health.

Hon. Gilbert A. Mclean: Madam Speaker, the 20 odd posts that I referred to are posts that exist in the staff complement, but decisions have been taken not to fill them. It was felt that they do not have to be filled. Those vacancies presently being advertised are for staff considered necessary for the operation to be at the required level in those specific posts. There are a few to the best of my knowledge that are new posts – some additional staff in areas such as IT and so on.

The Speaker: Leader of Opposition.

Mr. D. Kurt Tibbetts: Thank you.

Madam Speaker, it is obvious from the answer that the Minister gave that there was a fair reduction in staff from July 2002 to April 2003. In Grand Cayman the number is some 78. Is the Honourable Minister satisfied, based on what obtains at present with regards to the operation of the Health Services Authority, that there needs to be no independent assessment to ensure that staff levels are at their optimum? And that the quality of service, which I am absolutely certain both the Minister and his Government wish to ensure is provided, can be provided with the number of staff that it has at present?

The Speaker: Honourable Minister for Health.

Hon. Gilbert A. Mclean: I was just consulting with management from the Hospital.

Madam Speaker, there are some vacancies which are being filled now and recruited. And those are being recruited because it is felt that there is a need for staff there. The filling of these vacancies will create greater efficiency in the particular area for which they are being recruited. But, generally, the staffing levels now at the Hospital are carrying out sufficiently the day-to-day requirements within the organisation.

As for an independent review, it is my position as Minister, at the time, that at some point in the near and foreseeable future I will request and require the Board to get an independent assessment of staffing levels and general efficiencies in the Hospital.

The Speaker: I will allow two more supplementaries. The Leader of Opposition.

Mr. D. Kurt Tibbetts: Madam Speaker, perhaps you would be kind to allow me my final supplementary and then you could allow two more so that my colleagues do not feel that I am taking up too many questions in the supplementary period.

The Speaker: They will see it as leadership.

Mr. D. Kurt Tibbetts: Madam Speaker, my final supplementary—just for clarity. The Minister, I am sure, will understand where I am coming from and understand that the intention is not to cause any discomfort. But based on the questions and answers that we have just gone through, is it fair to extrapolate that it is the considered opinion that as at July 2002 the Health Services Authority in Grand Cayman—I am separating the 6 from Cayman Brac—was overstaffed by 78 members?

The Speaker: The Honourable Minister responsible for Health.

Hon. Gilbert A. Mclean: Madam Speaker, that is the general accepted belief that it was and that there was need for staff reductions in the areas where these were made.

The Speaker: The Member from East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. The Minister has said that is the accepted level of required staff. My understanding from all of his answers seems to indicate that there will be no need for additional staff except the twenty who are currently in new and different areas.

Now I am wondering if the Minister can tell us, even though we spoke of the 'marl road', how many staff members of those remaining have tendered their resignations or have opted not to renew contracts within the last two months—particularly in Grand Cayman?

The Speaker: The Honourable Minister for Health.

Hon. Gilbert A. Mclean: Madam Speaker, I do not have those statistics that the Member has asked

about but I would repeat that generally the staffing level is to a functional and accepted level except where it is necessary to recruit persons.

For example, there are about fourteen persons who had to be employed, or will be employed, to assist for at least 6 months with the implementation of the CERNER information system. This is simply because the people who will be manning the system at the various points are now going through thousands of tests to see whether this works *before it goes live,* as it is called. Persons have had to be taken on because they have to do the day to day requirements, while the persons who are there full time are completely deployed in different sections. So employment is taking place in different areas.

As for resignations, as recently as last night before I left the office, I heard of an individual who tendered his resignation. I know this person and I am sorry to hear that he has done this.

Resignations in the Health Services Authority have come about for various reasons: Persons have accepted that they do not wish to continue or renew their contracts; some contracts have not been renewed by Government, or the Health Services Authority (HSA) Board, the management of the Hospital. And there are other instances where perhaps for personal reasons people feel disgruntled or unhappy—the usual way in any organisation—and they have chosen to resign and move on to other jobs. I would not want it to be taken that the Health Services Authority is any different from the other organisations in the country, except that it deals with the very specialised area of the delivery of health care.

The Speaker: The Member for North Side.

Ms. Edna M. Moyle: Thank you, Madam Speaker.

I wonder if the Honourable Minister is in a position to say what were the financial savings with the reduction of the staff.

The Speaker: The Honourable Minister for Health.

Hon. Gilbert A. Mclean: Madam Speaker, I am advised that it is a savings of $4 million per annum.

The Speaker: Second Elected Member from Cayman Brac and Little Cayman.

Mr. Lyndon L. Martin: Thank you, Madam Speaker. Could the Minister give a rough estimate as to what percentage of those laid off were Caymanians?

An honourable Member: You see? Even we would not go there! They think it is small, you see.

The Speaker: The Honourable Minister for Health.

Hon. Gilbert A. Mclean: Madam Speaker, of the total reductions 35-40% were Caymanians; some had reached the point of retirement and various factors came into play during the time of the reduction in staffing.

The Speaker: We will move on to the next question.

The First Elected Member for George Town.

Question No. 29

No. 29: Mr. D. Kurt Tibbetts asked the Honourable Minister responsible for the Ministry of Health Services, Agriculture, Aviation and District Administration to give an update on the Nurse Training Programme mentioned in the 2003 Throne Speech.

The Speaker: The Honourable Minister of Health.

Hon. Gilbert A. Mclean: Madam Speaker, the Licensed Practical Nurse course administered by the Health Services Authority, started on May 5, 2003. Twelve students started the course - eight were Caymanian. One Caymanian student has already left the program. Seven of the remaining students are Caymanian.

The duration of the course (which is approved by the Florida State Board of Nursing and the Health Practitioner Board) is twenty-two months after which students will be able to work as practical nurses here in the Cayman Islands.

This course will assist the Health Services Authority in securing a reliable source of Practical Nurses. Since there is a shortage of nurses worldwide, the reinstatement of such a program was deemed vital to meeting the Authority's nursing requirements.

Supplementaries

The Speaker: Are there any further supplementaries? The Leader of Opposition.

Mr. D. Kurt Tibbetts: Thank you, Madam Speaker. First of all, can the Honourable Minister state whether the number 12 indicated in the answer is the maximum able to be dealt with, or whether more students can enter the programme at one time? And can he say what type of methodology is employed to ensure that Caymanians know that the programme is available and when it is available?

The Speaker: The Honourable Minister responsible for Health Services.

Hon. Gilbert A. Mclean: Madam Speaker, 12-15 is considered to be the number that can be managed most effectively and out of those that applied the 12 were selected as being the most capable and qualified to do the course.

The Speaker: Leader of the Opposition.

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

Hon. Gilbert A. Mclean: Madam Speaker, may I just add that the Member also enquired about the methodology used to get out the information that this course was available. It was done on the Government intranet, it appeared in the press and it was also on the radio stations.

The Speaker: Leader of the Opposition.

Mr. D. Kurt Tibbetts: Thank you. Obviously then, Madam Speaker, since the number 12-15 is considered the best number to work with, that is working since they had ample applicants that could fill the spots.

The course is 22 months, so my next question is: Does the course begin every 22 months, or is it possible that a course is beginning now and before 22 months are up, another course starts? I am just asking how that works.

The Speaker: The Honourable Minister for Health.

Hon. Gilbert A. Mclean: Madam Speaker, I am advised that it would run on a 22 months' basis for the technical reason that there is not sufficient bed capacity because part of the training is that these nurses-in-training, need to have a certain capacity for them to train in the process of this course.

The Speaker: Leader of the Opposition.

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

Based on the previous question that was asked of the Minister regarding staffing levels, and understanding that in the substantive answer to this question: "Since there is a shortage of nurses worldwide, the reinstatement of such a program was deemed vital to meeting the Authority's nursing requirements."

Can the Minister state if it is considered at this point in time that there is satisfactory staff levels, if it is anticipated that within the time this course is finished that the needs would be such that those who complete the course would be automatically hired within the Health Services Authority?

The Speaker: Honourable Minister for Health Services.

Hon. Gilbert A. Mclean: Madam Speaker, I am advised that the Hospital expects that some of the nurses will go on to higher training such as the RN (Registered Nurses) level and also some of the persons once trained will replace expatriate staff now in those positions. That is of practical nursing and vice versa from the registered nurse perspective as well.

The Speaker: The Leader of Opposition.

Mr. D. Kurt Tibbetts: Thank you, Madam Speaker. Is it the policy that once Caymanians afford themselves the necessary training in this area, whether they cease their training after 22 months or whether they go on to further training and qualifications in the nursing field, that individuals who are hired on contract at those levels, would then be replaced by Caymanians whenever contracts expire?

The Speaker: Honourable Minister for Health Services.

Hon. Gilbert A. Mclean: Madam Speaker, that is correct and the intention.

The Speaker: If there are no further supplementaries we will move to the next question.

The First Elected Member for George Town.

Question No. 30

No. 30: Mr. D. Kurt Tibbetts asked the Honourable Minister responsible for the Ministry of Health Services, Agriculture, Aviation and District Administration, to give an update on the statement made in the 2003 Throne Speech, under the heading "Civil Aviation Authority" about the structure for management of aviation throughout the Cayman Islands being realized in two separate autonomous bodies/organizations.

The Speaker: The Honourable Minister responsible for Health.

Hon. Gilbert A. Mclean: Madam Speaker, the Civil Aviation Authority (CAA) is a statutory authority incorporated in 1987, with both operational and regulatory responsibilities for all aviation services in the Cayman Islands. The International Civil Aviation Organisation (ICAO) has advocated the separation of operational and regulatory responsibilities in aviation. Failure to implement this recommendation has contributed to the publication of unfavourable reports on civil aviation authorities by ICAO inspection teams in a number of countries. Ultimately such reports can and do negatively affect public perception, and in turn the level of commercial aviation in a country, with consequences for that economy. This provides the principal rationale for restructuring of the current CAA.

Our economic success as a country derives partly from the fact that Cayman has established itself as a leader in aviation standards in the region, and among UK Overseas Territories (OTs) more generally. This has earned us a significant degree of operational autonomy in the field, even though the UK Government continues to have ultimate responsibility for ensuring that aviation services in its OTs are provided in accordance with ICAO standards. In keeping with this responsibility, the UK Government has recently established a new organisation, Air Safety Support Interna-

tional (ASSI), which is designed to provide aviation regulatory oversight in the OTs.

This may be described as the proximate cause for the course of action, which has been undertaken by this government. The fact is that if we do not act to attain the ICAO standard, the powers of the Governor of the Cayman Islands as defined by the Air Navigation (Overseas Territories) Order could be delegated to ASSI, thus removing regulatory responsibility from our CAA. We should avoid this by redefining the structure and responsibilities of the CAA to comply, as far as practicable, with the relevant ICAO recommendations.

On 9th April 2003 the Executive Council accordingly granted approval for the restructuring of the CAA into two entities: a Civil Aviation Authority (CAA) and a Cayman Islands Airports Authority (ClAA), with the view of -having the necessary legislative instruments prepared for Legislative Assembly approval at its September meeting. Under the proposed regime, all regulatory activities will be the responsibility of the CAA, while airport operations, air traffic and meteorological services, will be provided by the ClAA, thereby conforming to the separation of responsibilities recommended by ICAO.

Madam Speaker, I will just add that for years there has been a recommendation from the British authorities that this separation should take place and it has never been done until now.

The Speaker: Are there any supplementaries? If not we will move on to the next. Do you have a supplementary, Leader of the Opposition?

Hon. Gilbert A. Mclean: I thought I had read it all, Madam Speaker, so I think that if I understand the Member across the floor, he is indicating that there is some additional information that may be helpful to Honourable Members to have the handling of the matter set out in the form of a time line as follows:

Executive Council granted approval on 9th April 2003, to establish a Cayman Islands Airports Authority and a restructured CAA.

1. On 29th April 2003 the Ministry issued a general drafting brief to Senior Legislative Counsel. Detailed drafting instructions are to be made available based on the work of a specialist consultant in the field.
2. On 20 May 2003 the CAA approved a resolution for the appointment of a consultant to assist the Authority and the Ministry for Aviation through this process. The Ministry has confirmed support for this approach to implementation.
3. A consultant has been identified and arrangements are being made for the process to begin in earnest by mid-June 2003.
4. It is the Ministry's intention to lay the necessary statutory legislative changes before the Legislative Assembly during the September sitting.
5. It is envisioned that the physical separation of regulatory and operational functions will be accomplished by the end of 2003.

Supplementaries

The Speaker: The Leader of Opposition.

Mr. D. Kurt Tibbetts: Thank you Madam Speaker, and now that the Minister has said it all, I think that I have to say thanks because the answer is fairly comprehensive.

Just a couple of supplementary questions: Can the Minister say where it is stated that: “It is envisioned that the physical separation of regulatory and operational functions will be accomplished by the end of 2003.” As the Civil Aviation Authority is now, there is one body which deals with what these two bodies will be dealing with when the separation is completed, therefore it is staffed at present to deal with both areas. Can the Minister state then, if at this point in time it is envisaged that when the separation takes place likewise will be the situation with staff? And there should be no disruption with regards to staff now presently employed by the Civil Aviation Authority.

The Speaker: The Honourable Minister for Health.

Hon. Gilbert A. Mclean: Madam Speaker, the Member in the last part of his question is correct. There should be very little need for additional staff. As it presently exists, some staff perform more operational stuff, if you will, and other staff perform the regulatory.

We are fortunate that we have at least three Caymanian staff extremely well-qualified, respected, and indeed even carry out inspections and regulatory work in other countries. So it is no question as to their ability to do that. But that staff will be broken out to do the regulatory part of it and then the operational will be set up. Perhaps the only difference is that maybe the operational people will have to find some housing within the main terminal building as that will be more their area of work and the regulatory will continue in the fashion that it does now.

The Speaker: The Leader of Opposition.

Mr. D. Kurt Tibbetts: Thank you, Madam Speaker, and I did get a nod from the Minister that no displacements are expected.

My final supplementary question: Is it safe to assume that as the Civil Aviation Authority is now headed by Caymanian staff that both of these entities will then be headed by Caymanian staff when the separation is complete?

The Speaker: The Honourable Minister responsible for Health.

Hon. Gilbert A. Mclean: Madam Speaker, as long as it lies within my authority to see that it remains within Caymanian management, it certainly will. I think that we have people presently employed who can continue to do this and that would certainly be my intention.

The Speaker: The Leader of Opposition.

Mr. D. Kurt Tibbetts: Madam Speaker, I crave your indulgence, I did say it was the final supplementary but something else has come to mind. Again for purposes of clarity, we know that the Authorities are treated a bit differently than regular public servants although many of the terms and conditions are very similar of their employment. If I remember correctly, the Civil Aviation Authority for some reason or other is still dealt with as Permanent Pensionable Establishment (PPE) unlike the other Authorities. When this separation is done–

[Inaudible interjections]

The Speaker: Order!

Mr. D. Kurt Tibbetts: When this separation is completed, those who move or are hived off to the other area, will that still remain as is, or will that be under different circumstances?

The Speaker: The Honourable Minister for Health.

Hon. Gilbert A. Mclean: Madam Speaker, the Member is correct that the staff that presently manages the Civil Aviation Authority is seen as permanent and pensionable staff and the Civil Service rules apply.

I can say to the Member that once the separation has come about, there will have to be the sameness of terms and responsibilities of service. And personally, I believe that there should be one country and one Labour Law. I will certainly be recommending that the Labour Law which my colleague Minister for Labour is working on (perhaps it will be in place by that time), it would be that that applies with whatever amount of conditions and necessary for it being a Government body, overall, to be in place.

The Speaker: If there are no further supplementaries we will move on to the next question.

The Second Elected Member for Cayman Brac and Little Cayman.

Question No. 31 *(Withdrawn)*

No. 31: Mr. Lyndon L. Martin asked the Honourable Minister responsible for the Ministry of Planning, Communications, Works and Information Technology if the ad hoc committee on Sustainable Economic Development has produced any findings to date and, if so, when will these findings be acted upon.

Mr. Lyndon L. Martin: Madam Speaker, although no Standing Orders provide for the withdrawal of a question, I beg the leave of the House to withdraw this question because it has been dealt with yesterday through the Tabling of the Brac Report 2003-2007.

The Speaker: Do you have a seconder, Member from Cayman Brac, since it is a Private Member's Motion?

Mr. Rolston M. Anglin: Madam Speaker, I beg to second the Motion.

The Speaker: Accepted. The question is that Question No. 31 be withdrawn. All those in favour please say Aye. Those against, no.

Ayes.

The Speaker: The Ayes have it.

Agreed: Question No. 31 withdrawn.

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

Question No. 32

No. 32: Mr. Lyndon L. Martin asked the Honourable Minister responsible for the Ministry of Planning, Communications, Works and Information Technology what is the status of securing owners' permission and/or property acquisition to facilitate the straightening and improvement of Spot Bay Road, Little Cayman.

The Speaker: The Honourable Minister responsible for Planning.

Hon. Linford A. Pierson: Madam Speaker, I have no knowledge of efforts currently being made to secure owners' permission and/or acquisition of property to facilitate the straightening and improvement of Spot Bay Road, Little Cayman. Brief discussions were held in this regard during a previous roads visit, which I made to Little Cayman, however, no immediate action was proposed.

The Speaker: Are there any further supplementaries?

If there are no further supplementaries, I will move to the next question. The Fourth Elected Member for West Bay.

Question No. 33 *(Withdrawn)*

No. 33: Mr. Cline A. Glidden, Jr. asked the Honourable Minister responsible for the Ministry of Planning, Communications, Works and Information Technology

what are the current setback requirements for building on the beach and how does this compare with previous regulations.

Mr. Cline A. Glidden, Jr: Thank you, Madam Speaker.

Madam Speaker, even though no Standing Order is provided for the withdrawal of a question, I too would like to ask the leave of the House to have my Question No. 33 withdrawn in light of the fact that the Minister gave such a comprehensive report this morning detailing the answers to my question.

The Speaker: Do you have a seconder?

Mr. Rolston M. Anglin: Madam Speaker, I beg to second the Motion.

The Speaker: Thank you. The question is that Question No. 33 be withdrawn from today's Order Paper. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Question No. 33 withdrawn.

The Speaker: That concludes Question Time. Is it the intention of the House to take a morning break, or would you wish to proceed? We will take the morning break and I should wish to be back in by 12 pm.

Proceedings suspended at 11.49 am

Proceedings resumed at 12.09 pm

The Speaker: Proceedings are resumed. Madam Clerk.

STATEMENTS BY HONOURABLE MINISTERS AND MEMBERS OF THE GOVERNMENT

Progress Report on the Liberalisation and Regulation of the ICT Sector in the Cayman Islands

The Speaker: The Honourable Minister responsible for Planning.

Hon. Linford A. Pierson: Thank you, Madam Speaker.

I have two Statements one is a Progress Report on the Liberalisation and Regulation of the Information and Communications Technology (ICT) sector in the Cayman Islands and the other one on Caribbean Utilities Company Limited.

Madam Speaker, I last formally updated this Honourable House on the progress of the telecommunications liberalisation as part of my response to a parliamentary question asked in June 2002 by the Elected Member for East End.

Much has transpired since that time. The staff of the ICT Authority now number six, following the recruitment of Mr Philip Brazeau, a very experienced telecommunications attorney from Canada, as Head of Licensing and Compliance and Miss Elaine Lueng, a highly qualified economist with many years experience with the Canadian Telecommunications Regulator, as Head of Economics and Regulation. Mrs. Ramona Ritch, previously the Assistant Secretary responsible for ICT matters in my Ministry, has also moved across to the Authority as Human Resource and Office Manager. The Authority moved into their new offices in Alissta Towers in April of this year.

The ICT Authority has assumed responsibility for all radio licensing. In addition to all hand-held and mobile radios, this covers the radios in all vessels throughout the world registered with the Cayman Islands Shipping Registry; radios in all aircraft registered with the Civil Aviation Authority; all Amateur Radios and all coastal marine radios. A new computerised licensing system has been introduced, and a previous backlog of several months has been cleared. Licences are now being turned round within 3 working days. The licensing and regulation of radio and television broadcasting will fall under the Authority with effect from 1 July 2003.

The Authority has also been responsible for the management of the .ky Internet domain for about a year. And, Madam Speaker, I am very pleased to inform the Members of this Honourable House that earlier this month the Board of the Internet Corporation for Assigned Names and Numbers (ICANN) voted to support our application for the official re-delegation of the management of the domain to the Authority. This decision has yet to be ratified by the United States Department of Commerce. But I am confident that by the end of this month this Honourable House will be informed that this long saga will have been brought to a most satisfactory conclusion.

On the legislative front, planned amendments to the ICTA Law include a provision to allow the Board to take into account when considering ICT licence applications the degree of Caymanian participation in an applicant's company, and a provision stipulating that the monitoring or interception of an ICT service requires a court order signed by a Judge.

In the longer term, we are still examining the need for stand-alone Data Protection legislation, both to protect the rights of the individual and to meet the standards required by the European Union States for the transfer of personal data. In addition, the whole issue of Intellectual Property Rights – particularly in the digital world – is being reviewed as this is one of a number of niche areas that might be developed to give the Cayman Islands competitive advantage as an offshore e-business centre.

Madam Speaker, intense negotiations with Cable & Wireless have continued throughout this period. I was delighted to announce on last Tuesday that Executive Council had agreed that I should sign the resulting Heads of Agreement on behalf of Government, and this I did shortly thereafter.

This Heads of Agreement records the main commercial and regulatory principles that will be incorporated into a Main Agreement that both parties are now committed to signing within one month, that is, by 10 July 2003 at the latest.

Because the Heads of Agreement are preliminary, with the details yet to be fleshed out, it would be inappropriate and counter-productive to make the entire document public at this stage. Rest assured, however, that once all the details are finalised in suitable legal format, the Main Agreement will be available for public scrutiny. In the meantime, I am pleased to provide this Honourable House with the following summary of the main points that have been agreed:

On the signing of the Main Agreement (10 July, 2003 or earlier):

a. Applications for all types of telecommunications licences may be issued, including the resale of Cable & Wireless international services.

b. Competition for the provision of domestic telecommunications may commence.

c. New entrants, licensed to provide other services such as Mobile, may begin to construct their networks.

On 1 November 2003 (i.e. 4 months after the Main Agreement is signed)

a. Alternative Internet Service Providers may begin operation.

b. Cable and Wireless will standardise their Local (and inter-island) call charges to fixed lines at 9c for the first minute and 2c per minute thereafter.

On 1 December 2003 (i.e. 5 months after the Main Agreement is signed)

a. Cable & Wireless' Business Line Rental will increase to $30 per month.

b. At the same time, all international call charges will be reduced on average by at least 40% for residential and business subscribers.

On 1 January 2004 (i.e. 6 months after the Main Agreement is signed)

a. Cable & Wireless' Residential Line Rental will increase from $6.25 to $9 per month.

b. Cable & Wireless will introduce a Light User Scheme with a line rental charge of $8 per month and a rebate of up to $3 per month on the cost of local fixed-to-fixed telephone calls. This will be a restricted telephone service package that permits access to the telephone network and emergency services. It therefore will be available only to residential customers with a single line and will not include enhanced features such as "call-waiting" and Internet access. The cost of calls in excess of the $3 rebate will be charged at the normal rate. Full details of the Light User Scheme will be contained in the Main Agreement.

On 1 February 2004 (i.e. 7 months after the Main Agreement is signed)

a. Alternative domestic mobile telecommunications providers may commence commercial operations, and resell Cable & Wireless international services.

On 1 April 2004 (i.e. 9 months after the Main Agreement is signed)

a. Competition in International telecommunications may commence. The liberalisation process will be complete, with competition possible in all areas.

b. Cable & Wireless' Residential Monthly Line Rental will increase from $9 to $12.

In addition, the ICT Authority believes that the regulatory framework contained in the Heads of Agreement, provides a sound basis for the ongoing regulation of the ICT sector, and that there will be sufficient provisions in place to protect consumers, prevent anti-competitive practices, and encourage the introduction of competition.

Madam Speaker, I am sure that Members will note that the agreement includes provision for an increase in business line rental, a staged increase in residential line rental and a restructuring of local call charges. As you may be aware, most of these charges have not increased since the late 1970s, and therefore have been heavily cross-subsidised from other, more profitable services such as international calling. If the charges for these services are not more closely aligned with cost, they would act as a significant barrier to the introduction of competition in domestic telecommunication services. Potential new entrants would see that such services could not be provided profitably, and might therefore decline to enter the market.

Such "rebalancing" has been addressed during the liberalisation process in most jurisdictions throughout the world, including the Caribbean region. To ease the effect upon individual consumers, the reductions in international rates will become effective one month prior to the first residential line rental increase, the residential line rental increase will be in 2 parts with the second coinciding with the completion of liberalisation, and the Light User Scheme will be introduced.

Madam Speaker, I would like to record my thanks to Cable & Wireless, and to those involved in the negotiations on both sides, for the tremendous effort that has been made to bring the negotiations to this point. I am confident that we will have a successful conclusion by 10 July 2003 at the latest.

Madam Speaker, Honourable Members will be aware that until negotiations with Cable & Wireless have been finalised, the ICT Authority is not in a position to accept or consider applications for licences for ICT networks and services that are currently covered

by the existing agreement with Cable & Wireless. Nevertheless, it may be helpful for me to state that Government and the Authority have received expressions of interest from over 10 organisations. These range from full-service telephony providers to companies interested only in a particular ICT service or ICT network. As these companies cannot make firm commitments until details of the commercial terms and conditions, including licensing, are available, it would be inappropriate to give further details at this time.

Madam Speaker, I believe that the liberalisation and effective regulation of the ICT sector is vital for the future economic and social development of the Cayman Islands. And that signing of the Heads of Agreement with Cable & Wireless is a major milestone in achieving that goal. I am also pleased to point out that the liberalisation process will be completed within 9 months of the signing of the Main Agreement that is by 1 April 2004. This will be the shortest transition period agreed in the Caribbean, and is three months earlier than the tentative date I forecast back in July 2001. There is, of course, much work to be done to convert these key principles into the Main Agreement. The mutually agreed timescale of one month is challenging, but given continuing goodwill on both sides, is certainly achievable.

Thank you, Madam Speaker.

Caribbean Utilities Company Ltd. Interim Return for Year Ending 30 April 203

The Speaker: I believe that you had a second statement Honourable Minister. Please proceed.

Hon. Linford A. Pierson: Madam Speaker, the next Statement is on Caribbean Utilities Company Ltd.

Caribbean Utilities Company Ltd. (CUC) recently presented to Government its Interim Return for the financial year ending 30 April 2003.According to CUC, this Interim Return indicates that an upward adjustment in electricity rates of 3% is due effective 1 August 2003 to allow the company to earn the allowable 15% return on capital employed, provided for under its exclusive franchise with the Cayman Islands Government.

Honourable Members of this House and the listening public as well, will recall that Caribbean Utilities Company Ltd. also raised rates in August 2002 by a similar 3%.

Both of these increases have been strongly objected to by Government, largely due to the global economic conditions and the negative effects on the Cayman Islands. The Leader of Government Business, the Honourable McKeeva Bush, recently wrote to the CUC president, Mr. Peter Thomson, outlining in no uncertain terms Government serious concern with the proposed rate hike.

As the Minister with responsibility for CUC, I advised CUC in early 2002 that Government wished to move away from any form of allowable or guaranteed rate of return in their licence. In response to this, CUC submitted a proposal for the extension of their licence based on Government agreeing to 12 conditions. One of these conditions was the freezing of basic electricity rates until July 2005, following the implementation of the 1 August 2002 rate increase.

The matter of the CUC proposal and the framing of a new agreement will involve detailed research and complex negotiations and as can be expected, will take a certain amount of time.

My Ministry initiated a number of strategies aimed at moving the matter forward, the first of which was the commissioning of a Special Audit Review of CUC's operations by the Auditor General. This audit is an essential first step and should provide the basis in furthering discussions with CUC in regards to any new licence agreement. Independent utility specialists also assisted the Auditor General on this operational review. The Auditor General has advised that the final report is due very shortly.

In addition to the above, the Ministry also engaged consultants to provide preliminary advice on the proposal from Caribbean Utilities Company Ltd. and this information has been submitted.

Government also established a Steering Committee to advise me as Minister in matters relating to CUC including the proposal for a new licence. This committee is chaired by the Permanent Secretary for my Ministry and includes both Government and private sector expertise.

The Ministry is also in the process of selecting a reputable and recognised company with comprehensive expertise in utility regulation and pricing mechanisms to provide detailed recommendations to the Ministry with regard to the CUC proposal as well as alternatives to the existing rate of return formula used in the CUC licence.

While these complex discussions are ongoing, and as CUC had implemented the 3% rate increase on 1 August 2002, I wrote to CUC on the 25 February 2003 requesting that they freeze electricity rates until July 2005 as they had indicated in their proposal. On the 22 April 2003, the president of CUC advised that the rate freeze formed part of the July 2002 proposal and was conditional on the successful completion of a new definitive agreement and an extension to CUC's licence. The letter also stated that CUC intended to proceed with a rate increase of 2.5-3% in August 2003.

CUC's Board of Directors' decision to raise rates again effective 1 August 2003 in light of these ongoing complex discussions and despite the fact that the rate freeze until 2005 was included in their own proposal, shows a lack of good faith on the part of the company as no one could have expected that such a major change in the regulatory regime or indeed a completely new licence could have been executed in less than one year. Indeed several of the conditions (12 in all) put forward by CUC cannot be met by Government.

It is also noteworthy to mention here, that CUC as a lead up to their rate increase has stepped-up their public relations efforts to promote electricity conservation and their "energy smart" campaign. This is indeed an ironic situation, as it can be argued that any shortfall or reduction in electricity consumption by consumers is made up the following year in rate increases to bring the company returns back to the guaranteed 15%! If CUC Ltd. seriously wanted to assist the people of Grand Cayman they would have deferred the 3% increase they are now threatening to impose.

Madam Speaker over the past twenty two (22) years, that is between 1981 and 2002, CUC has reached their 15% return on capital only once, back in 1983; Madam Speaker, one has to seriously question why this is the case.

In 1981 Madam Speaker, the rate of return was 6.8%, the change in electricity rate was 9%.

In 1982 it was 11.4% with a rate of return change or an increase of 3.5%.

In 1983, as I said, that was the only year where they had a 15.44%.

In 1984 they had a 11.02% return and had to get an adjustment of 4%.

In 1985 they had an 11.76% return and had to get a 3.5%.

In 1986 they had 13.18% return and had to get a 2% increase.

In 1987 they had an 11.57% and had to get a 3% increase.

In 1988 they had an 11.13% return and had to get a 3.5% increase.

In 1989 they had 11.57% and had to get an adjustment of 3%.

In 1990 they had a 13.02% return and had to get an adjustment of 1.5%.

I could go on and on but it shows that within 22 years of the statistic that I have available to me that they have not but one time reached their 15%. Though I must quickly add that in 1994 when they had a 14.55% return they did not ask for an increase in that year. And in 1998 when they had the same 14.55 return, they did not ask but all other years, Madam Speaker, with the exception of 1983 they had to get an adjustment.

One has to ask the question why? And I think that most of us know the answer. Then again this year, Madam Speaker, they are seeking another 3% increase, it is ridiculous.

History of Ratebase and Return on Capital Employed (on Ratebase)

Fiscal year end April 30th	Ratebase	Profit	ROCE %	Excess/ Short-fall	Change in Elec-tricity Rates	Permit-ted ROR
1981	6,693,606	406,971	6.08	(8.92)	(9.0)	15.00
1982	8,354,483	952,228	11.40	(3.60)	(3.5)	15.00
1983	10,309,196	1,591,875	15.44	0.44	0.5	15.00
1984	12,508,462	1,378,634	11.02	(3.98)	(4.0)	15.00
1985	14,691,563	1,727,136	11.76	(3.24)	(3.5)	15.00
1986	16,577,645	2,185,200	13.18	(1.82)	(2.0)	15.00
1987	19,985,494	2,313,302	11.57	(3.43)	(3.0)	15.00
1988	26,828,938	2,987,343	11.13	(3.87)	(3.5)	15.00
1989	31,793,534	3,679,838	11.57	(3.43)	(3.0)	15.00
1990	35,500,674	4,620,711	13.02	(1.98)	(1.5)	15.00
1991	40,451,959	5,329,458	13.17	(1.83)	(1.5)	15.00
1992	51,755,222	6,033,774	11.66	(3.34)	(3.0)	15.00
1993	59,321,737	7,304,606	12.31	(2.69)	(2.5)	15.00
1994	64,428,591	9,373,844	14.55	(0.45)	0.0	15.00
1995	68,043,990	9,392,378	13.80	(1.20)	(1.0)	15.00
1996	73,426,958	10,195,431	13.89	(1.11)	(1.0)	15.00
1997	82,155,833	10,501,854	12.78	(2.22)	(2.0)	15.00
1998	92,800,228	13,505,537	14.55	(0.45)	0.0	15.00
1999	108,629,095	15,097,810	13.90	(1.10)	(1.0)	15.00
2000	133,718,749	17,469,847	13.06	(1.94)	(1.5)	15.00
2001	157,622,754	19,741,779	12.52	(2.48)	(2.0)	15.00
2002	175,796,495	20,934,941	11.91	(3.09)	(3.0)	15.00

Madam Speaker, perhaps the time may be drawing closer to where we should consider opening up the provision of electricity supplies and services to competition as we are doing this year with the telecommunications sector We are already seeing the direct and positive results of liberalisation in telecommunications, which are lower prices to consumers. And we can expect more diverse and better services to follow as well.

Madam Speaker, no one can deny that CUC provides a reliable service on Grand Cayman. However, the company's profits/returns are determined by the value of their asset base and therefore, quite understandable, the company has a healthy capital investment programme. The greater the value of assets on their books, directly translates into higher returns for the company, as the 15% is calculated on that investment. Madam Speaker, under the present arrangement, we have every right to be expecting great service from CUC.

Madam Speaker, essentially the new CUC proposals call for electricity prices to be tied directly to inflation rates or the Consumer Price Index (CPI). CUC has gone on record saying that electricity rates increases since 1995 have only amounted to 8.8% compared to a 26.4% increase in the general cost of living based on the (CPI) for the same period. While this may be true, we need to examine the other side of the equation to gain a sense of balance. CUC's earnings per share were 95% higher in 2003 than in 1995, and the dividend per share for 2003 was 137% higher than 1995. The share price also increased significantly over the same period.

In my opinion, Madam Speaker, this illustrates that it is not CUC's customers who are the real beneficiaries, but the shareholders of the company. Does this mean that this new proposal from CUC to link electricity rates to the CPI could mean even higher guaranteed rates every year? Obviously, as would be expected, the CUC proposal was put together in the interests of the company shareholders and Government must carefully consider the options before committing to a new licence extending the term to 25

years as proposed by CUC. The current CUC franchise will expire in January 2011.

Madam Speaker, CUC has also recently submitted to Government a Full Allocated Cost of Service Study report from their consultants (R.W. Beck Inc. of Florida, USA), which proposes certain rebalancing of electricity rates, based on the cost of providing service. This comprehensive report also needs to be analysed in detail by Government and its expert advisors. CUC will no doubt expect rate rebalancing to form part of the pricing structure on any new licence agreement.

Madam Speaker, Honourable Members of the Legislative Assembly will be aware of the many issues that have to be considered in this matter, as well as the need for outside expert advice in these important deliberations. I can assure Members that while my Ministry has been concentrating efforts on the liberalisation of the telecommunications sector, our focus and attention can now be turned more directly to the electricity supply monopoly of CUC.

Government will continue to deal with this matter and any negotiations, with careful forethought and deliberate action and at all times with the best interests of the public, paramount in our minds.

Thank you Madam Speaker.

The Speaker: Thank you, Honourable Minister.

OTHER BUSINESS

PRIVATE MEMBERS' MOTIONS

PRIVATE MEMBER'S MOTION NO. 2/03

Cayman Brac's Economic Stagnation
Withdrawn
Standing Order 24(14)

The Speaker: I recognise the Second Elected Member from Cayman Brac and Little Cayman.

Mr. Lyndon L. Martin: Madam Speaker, yesterday, 11 June 2003 the Honourable Minister of Planning, Communications, Works and Information Technology tabled Cayman Brac Report 2003/2007 prepared by the Sister Islands Ad Hoc Committee for Sustainable Development.

It would be nonsensical for me to attempt to intellectually debate and expect other Members to debate a motion that seeks for the Government to take note of the stagnation of Cayman Brac's economy without having an opportunity to first review this thorough and very comprehensive attempt to address the same.

Madam Speaker, consequently I invoke the leave of this Honourable House as allowed under Standing Order 24(14) to withdraw this Motion until another Meeting of this Honourable Legislative Assembly.

The Speaker: Is there a seconder?

Mr. Cline A. Glidden, Jr: Madam Speaker, I second the motion.

The Speaker: The Member from North Side.

Point of Order

Ms. Edna M. Moyle: On a point of order, Madam Speaker, to assist the Member. If he withdraws it he cannot bring it at another Meeting; I would think that it would be deferred, if I am correct.

The Speaker: Standing Order 24(14) reads as follows **"A motion may be withdrawn with the leave of the House; but if so withdrawn it may be made again at another meeting of the House, after notice has been given as required by paragraph (5)."**

I now put the question that Private Member's Motion No. 2/03 be withdrawn by virtue of Standing Order 24(14). All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Private Member's Motion No. 2/03 withdrawn.

GOVERNMENT BUSINESS

BILLS

SECOND READING

The Children Bill 2003

The Speaker: Honourable Minister may I ask you to move the Bill prior to commencing your substantive debate please.

Dr. the Hon. Frank S. McField: Madam Speaker, I beg permission to move a Bill entitled The Children Bill, 2003. Second Reading.

The Speaker: The Bill has been duly moved; does the Minister wish to speak thereto?

Dr. the Hon. Frank S. McField: Yes, Madam Speaker.

The Speaker: Please proceed.

Dr. the Hon. Frank S. McField: *Wha unnah find so sweet over there again? I na take my tablets? Boy—*

[Members' laughter]

The Speaker: Order!

Dr. the Hon. Frank S. McField: Madam Speaker and Members of the Legislative Assembly, I wish to present to this Honourable House the Children Bill, 2003.

This Bill will repeal the Children Law passed by the Legislative Assembly in 1995. That Law was based to some extent on the Children Act, 1989 of the UK and it is said that it was found shortly after its enactment to be administratively unworkable.

This Bill is the result of a lengthy but comprehensive review of the need for legislation to protect children and to promote their welfare. In reviewing the legislation the Ministry consulted with the Ministry of Education, the Immigration Department, the Police Force and other government agencies that would have functions under the Law.

Part I of the Bill provides for the short title, commencement and definitions. It affirms the principle that the welfare of the child is the paramount consideration for a Court when deciding any question with respect to the upbringing of a child. This is reflected for instance in clause 3 which provides that where the Court is considering whether to make certain orders under the Law it shall have regard in particular to-

(a) the ascertainable wishes and feelings of the child concerned (considered in the light of his age and understanding);
(b) his physical, educational and emotional needs;
(c) the likely effect on him or any change in his circumstances;
(d) his age,–

Madam Speaker, could I just ask the Member for North Side to give me a bit of possibility to concentrate on reading this information so that she can digest it and so that she does not make any mistakes when it comes to the debate.

The Speaker: The Member from North Side.

Ms. Edna M. Moyle: Madam Speaker, would the Honourable Minister point out what the Member for North Side is doing? I mean, if he is reading his speech and he thinks that I am going to get up and stop him . . . I am not. Let him go ahead.

The Speaker: Honourable Minister for Community Affairs would you care to be specific?

Dr. the Hon. Frank S. McField: Madam Speaker, the Member is again off microphone indulging with her colleague from the district of East End in the psychological game called distraction and I can hear them from here and she knows it is a fact.

Mr. V. Arden McLean: Madam Speaker.

The Speaker: One minute, please. Before I take the Member from East End, I would just remind Members to endeavour to keep as quite as possible because we are in new surroundings and even from here without the microphones on I am able to hear various conversations. The Minister in his own subjective analysis finds it distracting. I am unable to say whether that is so or not, except but to take his word.

So in order to accommodate the debate I would ask both sides to try to be as quiet as possible and for that to be reciprocal whenever any other Member is speaking as well.

Member from North Side, I have said that trying to be as careful as possible without accusing anyone because I did not find it distracting. But I am not the one speaking. So I am just making a general rule and asking all Members to try to be as quiet as possible because the one who is speaking is the only one who can make that assessment.

The Member from East End.

Point of Order

Mr. V. Arden McLean: Thank you, Madam Speaker, evidently the Minister has–

The Speaker: Is this a point of order?

Mr. V. Arden McLean: Yes, Madam Speaker.

The Speaker: Please proceed.

Mr. V. Arden McLean: Evidently the Minister has taken me into this and the acoustics in this place are very poor. Now there is nothing that says that side conversations cannot go on—

The Speaker: Please state your point of order Member.

Mr. V. Arden McLean: Madam Speaker, the Minister said that we were deliberately trying to distract him—engaged in the deliberate attempt to distract him—and that is not true.

The Speaker: Is it a misleading point of order?

Mr. V. Arden McLean: It is misleading, and he must withdraw it.

The Speaker: Honourable Member from East End the Honourable Minister would only be positively guilty of that accusation if you did not expressly state that it was not by intent. The Chair takes it that there was no intention to distract and therefore I find no need for withdrawal.

Is there another point of order? The Honourable Minister for Community Affairs.

Dr. the Hon. Frank S. McField: Madam Speaker, I shall go back to Part 1 of the Bill, which provides for the short title, commencement and definitions. It affirms the principle that the welfare of the child is the paramount consideration for a court when deciding any question with respect to the upbringing of a child. This is reflected for instance in clause 3 which provides that where the court is considering whether to make certain orders under the Law it shall have regard in particular to-

(a) the wishes and feelings of the child concerned (considered in the light of his age and understanding);

(b) his physical, educational and emotional needs;

(c) the likely effect on him or any change in his circumstances;

(d) his age, sex, religious persuasion, background and any characteristic of his which the court considers relevant;

(e) any harm which he has suffered or is at risk of suffering; and

(f) how capable each of his parents, and any other person in relation to whom the court considers the question to be relevant, is of meeting his needs.

Part II of the Bill, and Schedule 1, provides for a wide range of court orders in relation to civil proceedings affecting the welfare or upbringing of children. The purpose is to provide an effective means of providing help and support for children where there is a breakdown of the family or the children are otherwise in need of help and support. In deciding whether to make any of these orders the Bill provides that a court must have regard to the welfare of the child in the context of the family, but should take account of all the relevant circumstances. The kinds of orders, which may be made by a court, include the following-

(a) "a contact order" which is an order requiring the person with whom a child lives, or is to live, to allow the child to visit or stay with the person named in the order, or for that person and the child otherwise to have contact with each other;

(b) "a prohibited steps order" which is an order that no step which could be taken by a parent in meeting his parental responsibility for a child, and which is of a kind specified in the order, shall be taken by any person without the consent of the court;

(c) "a residence order" which is an order settling the arrangements to be made as to the person with whom a child is to live; and

(d) "a specific issue order" which is an order giving directions for the purpose of determining a specific question which has arisen, or which may arise, in connection with any aspect of parental responsibility for a child.

The court may also issue family assistance orders under clause 18. Such an order will require that the Department of Social Services make a social worker or other officer of the Department available to advise, assist and (where appropriate) befriend any person named in the order.

The persons who may be named in an order under clause 18 are-

(a) any parent or guardian of the child;

(b) any person with whom the child is living or in whose favour a contact order is in force with respect to the child; and

(c) the child himself.

No court may make a family assistance order unless it is satisfied that the circumstances of the case are exceptional and it has obtained the consent of every person to be named in the order other than the child.

Part III of the Bill, and Schedule 2, specifies the duties of the Department of Social Services to safeguard and promote the welfare of children in the Islands. When exercising any of these duties the Department must always be aware that its role is to offer help to parents and children in the context of the family. The main duty of Social Services is to promote and safeguard the upbringing of children by their families. Any assistance given by the Department may be unconditional or subject to conditions as to the repayment of the assistance or of its value in whole or in part.

The Department will, in accordance with clause 20, provide day care for children in need who are aged 5 or under and not yet attending school or as is appropriate.

Clause 22 provides that the Department will provide accommodation for any child in need who appears to the Department to require accommodation as a result of -

(a) there being no person who has parental responsibility for him;

(b) his being lost or having been abandoned; or

(c) the person who has been caring for him being prevented (whether or not permanently, and for whatever reason) from providing him with suitable accommodation or care.

The Department may also provide accommodation for any child in need who has reached the age of 16 and whose welfare the Department considers is likely to be seriously prejudiced if it does not provide him with accommodation.

Part IV of the Bill, and Schedule 3, deals with the care and supervision of children and give powers for the Department of Social Services to protect children suffering significant harm.

A court may make care orders or supervision orders to safeguard and promote the welfare of these children. Where a care order is made with respect to a child it shall be the duty of the Department to receive the child into its care and to keep him in its care while the order remains in force. It is proposed that while a care order is in force, with respect to a child the De-

partment shall have parental responsibility for the child and have the power to determine the extent to which a parent or guardian of the child may meet his parental responsibility for him.

Under this Part, education supervision orders may be made by a court where a child is not being properly educated. This will allow the Education Department to offer the appropriate support services to ensure the child will be properly educated.

It is also provided that for the purpose of specified proceedings a court may appoint a guardian ad litem for a child. The guardian ad litem shall be appointed in accordance with rules of court and shall be under a duty to safeguard the interests of the child in the manner prescribed by such rules. The types of proceedings in which a guardian ad litem may be appointed, include proceedings dealing with an application for a care order or a supervision order; proceedings dealing with the protection of a child and proceedings in which the court is considering whether to make a residence order.

Part V of the Bill provides powers for a court to make orders protecting the welfare of children in emergencies.

The court may make child assessment orders under clause 45. Where the Department applies to the court for an order to be made under this section with respect to a child, the court may only make the order if, it is satisfied that-

(a) the Department has reasonable cause to suspect that the child is suffering, or is likely to suffer, significant harm;

(b) an assessment of the state of the child's health or development, or of the way in which he has been treated, is required to enable the Department to determine whether or not the child is suffering, or is likely to suffer, significant harm; and

(c) it is unlikely that such an assessment will be made, or be satisfactory, in the absence of an order under this section.

An emergency protection order may be made where a child is likely to suffer significant harm if the order is not made or enquiries about the welfare of a child at risk have been obstructed. An order will authorise the temporary care of the child at risk by the Department as a last resort. There are detailed provisions to ensure that no action under this Part of the Law can be taken without proof that a child is at risk of significant harm.

Part VI of the Bill provides for the establishment and operation of community homes. A community home may be a home provided, equipped and maintained by the Department or by a voluntary organisation. Schedule 4 provides the details of how such homes should be managed and conducted.

Part VII, and Schedule 5, provides for the regulation of voluntary homes and voluntary organisations. A voluntary home means any home or other institution providing care and accommodation for children, which is operated by a voluntary organisation.

Part VIII of the Bill, and Schedule 6, provides for new registration rules and procedures to ensure that children's homes safeguard and promote the welfare of the children they look after. "Children's Homes" are defined as certain institutions where children are looked after outside of the family home. Schedule 7 sets out the circumstances in which a person may foster more than 3 children without being compelled to register as children's home.

Part IX, and Schedule 8, sets out provisions, which deal with the private fostering of children. It shall be the duty of the Department to satisfy itself that the welfare of children who are privately fostered within the Islands is being safeguarded and promoted.

Part X of the Bill, and Schedule 9, makes provision for the registration of child minders and people providing day care for pre-school children. These provisions build on the existing duties of the Department of Education under the Education Law (1999 Revision) to register private pre-schools. They reflect the Government's concern to ensure that adequate arrangements for the care and education of pre-school age children promote the welfare and education of children when they reach school age. A commitment to the care and education of pre-school age children is seen as vital to help reduce the youth problems associated with poor educational achievement and anti-social behaviour by older children.

Part XI of the Bill sets out the Governor's supervisory functions and responsibilities under the Law.

Part XII of the Bill, and Schedule 10, contains necessary provisions to ensure the new Law comes into force smoothly, without disruption to children who are the subject of existing legislation. It supplements the provisions in the rest of the Bill to ensure that this fundamental reform of children's legislation is given the procedural arrangements to make it operate effectively. Amendments and transitional provisions will ensure that the reform of the civil law relating to children can be effectively carried out.

The Speaker: Honourable Minister, it is now 1.05 pm. Would you wish to continue with your introductory remarks or would you wish to break now for lunch?

Dr. the Hon. Frank S. McField: Madam Speaker, before seeking approval of this Honourable House in passing the Children's Bill 2003, I need to give notice of a few Committee Stage amendments. They are very short; we could then conclude this introductory period.

The Speaker: Sorry, Honourable Minister, please proceed.

Dr. the Hon. Frank S. McField: Madam Speaker, in accordance with the provisions of Standing Order 52(1) and (2), I the Honourable Minister responsible for Community Services, Youth, Sports and Gender Affairs give notice that I intend to move the following

Committee Stage amendments to the Children Bill 2003.

The Speaker: Honourable Minister, I accept that notice for the amendments. Perhaps on the luncheon break you could organise with the staff for circulation through the Clerk and for the appropriate leave.

Dr. the Hon. Frank S. McField: Madam Speaker, I think we should take the break now.

The Speaker: We will now break for the luncheon suspension and recommence at 2.30 pm.

Proceedings suspended at 1.07 pm

Proceedings resumed at 2.46 pm

The Speaker: Proceedings are resumed. I recognise the Honourable Minister of Community Affairs to continue his debate.

Dr. the Hon. Frank S. McField: Thank you, Madam Speaker. Before we took the break for lunch I was basically at the end of my short presentation of this Bill and I will now seek the approval of this Honourable House in passing the Children Bill 2003.

The Speaker: Thank you. Does any other Member wish to speak? The Leader of Opposition.

Mr. D. Kurt Tibbetts: Madam Speaker, before I speak, if I may just get clearly: these committee stage amendments will be addressed wholly at Committee Stage so we do not need to have any discussions about that until committee stage. I just wish to make absolutely certain of that.

Thank you very much, Madam Speaker. This Bill is a pretty large one; I have not seen one with so many pages in a long time. It is a very comprehensive effort most certainly; it is 188 pages. I noticed earlier when looking through it under the Memorandum of Objects and Reasons, where it explains that the Bill seeks to reform the Law passed by the Legislative Assembly back in 1995. An explanation was also given about the Law being based to some extent on the Children Act 1989 of the United Kingdom but was found to be administratively unworkable here in the Cayman Islands. So this Bill, we are told, is the result of a comprehensive review of the need for legislation to protect children and to promote their welfare.

Madam Speaker, in looking through it I see where that 1995 Law will be repealed, on passage of this Law, as this Law seeks to reform the existing Law. And when we look at the very end of the Bill where it refers to Repeals, it will also repeal the Guardianship and Custody of Children Law (1996 Revision). Paragraph (a) of Section 6(1) of the Education Law (1999 Revision) shall be repealed and also the Juveniles Law, (1990)..

So by that, we understand clearly that this effort is to bring all of these together into one piece of legislation in a clear attempt to relate each facet to the other so that when both the Courts and the Social Services Department have to have dealings with children, whether it is a situation of custody or guardianship or abuse or whatever the like, this piece of legislation is able to be looked at and worked accordingly in law.

Madam Speaker, this we find as a sensible approach. Certainly it is not going to take one of us to be able to extensively look at the entire piece of legislation as you will find going through it that you will always have to reference one section to another. And it is fine for it to be in one piece of legislation, but even that gets a little bit tedious at times. So perhaps you will find Members dealing with various sections in contributing to the debate.

I have a few questions which I am certain can be clarified and maybe there is something that my eye did not catch in some of the questions that I may ask. But I think that it is good if we go through this exercise in that manner so that in case something is not captured, we will be able to deal with it.

Madam Speaker, on page 14 of the Bill under the definition section, we see where the definition of "child" means, subject to paragraph 16(1) of Schedule 1, a person under the age of 18".

And then if we go to page 25 of the Bill, Madam Speaker, section 11 under part 2 orders, with respect to children and family proceedings, Section 11(5) speaks to– **"11 (5) No court shall make any section 10 order which is to have effect for a period which will end after the child has reached the age of 16 unless it is satisfied that the circumstances of the case are exceptional."**

Now I take that to mean that in relation to section 10 the authors of the legislation are saying that after age 16, no court shall make any section 10 order which is to have effect that will go beyond the age of 16 of the child—and the definition of 'child' is an individual under 18 years of age. I only want to make sure then in so doing whereby the definition takes a child up to 18 (and any section 10 order only relates to the child up to age 16), that the other two years are considered to be not the right thing to deal with it under section 10. It is just a question to clearly understand. I am not suggesting that it is not intentionally done I just do not have a clear understanding exactly as to what that relates to with regards to the definition of a child being 18 and any order under section 10 not going beyond the child's age of 16.

In looking at that, Madam Speaker, I want to refer to section 6 – and this is not a question but just to make a comment – and I am certain that perhaps at least one of my colleagues will go into this in more detail. I think that it is good that section 6 is in there where it gives clarity to the child's status and it does not limit all of the responsibilities and benefits to le-

gitimacy which has always been a question. I am certain that will relate in other areas also.

The Member for North Side, especially, has always championed that there should be no differentiation with regards to the care or the responsibilities of a child whether that child is legitimate or not and also the definition of a child when it speaks to a marriage because the fact is, a child, as we all know, does not decide how he or she comes into this world whether it is from the institution of marriage or not. So the child definitely, I think we all agree, should not be penalised in any way because that child is not from within the institution of marriage.

Now, Madam Speaker, as we go on there are a couple more questions that I would wish to ask and perhaps get clarified. If we look on section 15 of the Bill page 29 and it speaks to a residence order; **"15 (1) Where a residence order is in force with respect to a child, no person may-**

(a) cause the child to be known by a new surname; or

(b) remove him permanently from the Islands . . . "

Then in subsection (2) it speaks to subsection (1)(b) which is referring to remove the child permanently from the Islands; **"15(2) Subsection (1)(b) does not prevent the removal of a child, for a period of less than 1 month, by the person in whose favour the residence order is made."**

So we have two situations here: (1) where when a residence order is in force, no person can remove a child permanently from the Islands (2) but the person is not prevented from removing the child for a period of less than one month. That is the person in whose favour the residence order is made.

Now I only wish to speak to this from a practical perspective and subsection (1)(b) is quite understandable that because an individual has a residence order in favour of them with regards to the child, then that does not give that person the right, permission or authority to take the child away and leave the country permanently. But summer holidays are 2 months, the child may be sick and the only point I wish to make is: Is there somewhere in the Law which gives someone the discretion to be able to deal with a situation that is more than a month but is not permanent? And I am not suggesting there is not; I just did not see it.

I see where there could be problems in certain individual cases if someone does not have the discretion to be able to grant that permission. I am not suggesting that this be changed to more than a month. All I am saying is that if this remains like this, there must be some other mechanism which allows for it, because if we do as the old time people would say, 'If we go by the letter of the Law – and only these two applications can be made – then there is no room for anything in between. So perhaps it is something they might wish to examine.

Madam Speaker, if I go to section 72 and we hold section 72, which is page 88, with one hand and go back to our definition section, which is at the introduction. There are two definitions which I wish to look at: One is a child minder and it says, **"child minder" has the meaning given by section 72".** The next one is 'nanny' and that says, the same thing – **"nanny" has the meaning given by section 72".** There are a couple of questions, Madam Speaker, in section 72(1) and this whole section 72 speaks to a register and registration of certain types of individuals.

"72(1) A register shall be kept-

(a) by the Department, of persons who act as child minders on domestic premises;

(b) by the Education Department of persons who provide day care for children under the age of 8 on premises other than domestic premises."

So I think under these two subsections would refer to a child minder at a home and a child minder perhaps in a commercial setting that is a day care centre with many children involved.

"72(2) For the purposes of this Part-

(a) a person acts as a child minder if–

(i) he looks after one or more children under the age of 8, for reward; and"

That I would take to mean what we would call our helpers at home while the parents are at work the helpers are at home minding the children whether the child goes to preschool or is not of that age but up to the age of 8.

"(ii) the period, or the total of the periods, which he [that is the way the Law reads but it means he or she] **spends so looking after children in any day exceeds 2 hours; and**

(b) a person does not provide day care for children unless the period, or the total of the periods, during which children are looked after exceeds 2 hours in any day."

So I think this is simply to clarify that if anyone is just stepping in for an interim period that is very short, you would not say that person has to be registered. You are not considering that person a child minder because the length of time is not warranted for that person to be classified and needing to be registered. Now subsection (3) reads, **"72(3) Where a person provides day care for children under the age of 8 on different premises that person shall be separately registered with respect to each of those premises."**

I understand from that, that during the course of one day that person may provide day care on several premises but the time is more than 2 hours on each of the premises. So we are following it all right up to there.

Subsection (4) speaks to –**"(4) A person who-**

a) is the parent, or a relative, of a child;

b) has parental responsibility for a child; or

c) is a foster parent of a child,

does not act as a child minder for the purposes of this Part when looking after that child."

That means the parent, the relative who has parental responsibility or a foster parent is not required to be registered. That is what that is there for.

Subsection (5) then speaks to – **"(5) Where a person is employed as a nanny for a child, she . . ."** It is kind of funny in this Law though, Madam Speaker: before it spoke to 'he' now it speaks to 'she'. I guess what it is saying is that all nannies are 'she' **" . . . does not act as a child minder when looking after that child wholly or mainly in the home of the person so employing her."**

Therefore, it seems that there is an obvious distinction that a child minder and a nanny are in two different categories and I have to assume by the explanation in subsection (5), Madam Speaker, that where a nanny is categorised as not acting as a child minder is because it is saying that a nanny does not have to be registered in the same manner as what has been described as a child minder above. Which would either be someone working in a day care facility at a commercial premises or someone working in a family home whereas we would basically call them a helper.

So there may be something in here but I do not see it and I ask the question then: Are we then saying that these other individuals do not have to be registered, that is the nannies, but the other ones should be registered? I just wish to have clarity in that.

Subsection (6) speaks to, **"(6) Where a person is so employed by 2 different employers, she does not act as a child minder when looking after any of the children concerned wholly or mainly in the home of either of her employers."**

Madam Speaker, I am unsure whether subsection (6) refers to a nanny who works in two different homes, although it just says 'a person' because if we single out subsection (6) and relate it back up to the above while I am not 100 per cent sure that I am with exact clear understanding. It seems a bit contradictory to me unless subsection (6) is specifically referring to a person who is going to be defined as a nanny. And while it follows subsection (5) it really does not say so and I do not know whether we are to assume that or not.

So section 72, Madam Speaker, it would be good when the Minister is replying if we could just get clarity with regards to whom, and what type of individual will need to be registered once there is passage of this Law.

I do understand from the Law that there will be certain sections: the date of coming into operation will vary and we will know exactly what comes into operation when. But it also will beg the question with this registration, whether it is from the day the law is passed and any new hiring is involved, or whether it is going to be anyone who has a person in such a category employed; whether they are going to be expected to be registered or if it is from here on in. I do not see where that is specified in the Law, so I think we need to get that fairly clear. And the question of registration as to who should be registered and who is exempt from registration, I would wish for us to get that also cleared up.

Madam Speaker, there are other sections to be looked at, but we have decided that each of us will deal with certain sections where we may have questions. As I said, by and large and generally from our side, there is support for the Bill. There are just a few question marks. Let me say very clearly that in a Bill of this magnitude with nearly 200 pages it is obvious that it is difficult putting it all together no matter how closely you look at it; no matter how well you try to cross your t's and dot your i's.

I guess we are just taking up our role as sort of scrutineers before passage of the Bill. We will try to be as conscientious as we can with it and if there is anything that needs to be cleared up, perhaps it can be dealt with at committee stage rather than having to be dealing with amendments further on down the line. Although we may well have to do that, because I am not suggesting that we will capture everything at one point in time.

However, I think if we all look at the Bill in that light and work it through its various stages perhaps we will end up with as good a Bill as we can get. And while it might come as a surprise, I truly commend all the efforts that have gone in to the creation of this Bill – notwithstanding the fact that we had a 1995 Law and we were not starting from scratch. I think it is well that that was looked at and the changes have been made to try to make it more workable with all of the problems that they have been having.

The final thing that I would like to say is, it would seem from the manner in which the Bill is crafted that there are going to be some direct legal responsibilities on the part of the Social Services Department – not just parents and everybody else, but the Social Services Department. I see heads nodding so I am certain that they are conscious of it. But I would just like perhaps to hear some comments from the Minister with regards to exactly how it is planned for the Department to be able to grab this piece of legislation once it is passed and be able to fit it in with all of their workings.

Is there going to be any special training needed for staff? Is that in the works? Has it been taken care of? That is just a matter for our information. Perhaps we could get some sort of views on that and when the Minister is winding up he can deal with that.

I certainly wish to commend those who have worked so hard to create this piece of legislation; it is a very vital piece of legislation. Children are near and dear to us and we certainly hope that the laws of our land are doing what they should with regards to the care of these children in one form or fashion in whatever way it is deemed necessary to deal with them for their best benefit. Thank you, Madam Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? The Member from East End.

Mr. V. Arden McLean: Thank you, Madam Speaker.

Continuing where the First Elected Member from George Town left off, I would just like to say that I lend my support to the Children Bill that is before us. However, like the First Elected Member from George Town, I have a few areas that I think need some clarification and I offer them as constructive criticisms. Maybe it is just a matter of explanation on the part of the crafters of this Bill: I shall go on and point out those areas and perhaps in the Minister's reply he will give us the explanations.

Madam Speaker, under section (6)(1) of this Bill it says– **"6(1) Where a child's father and mother were not married to each other at the time of his birth-**

(a) the court may, on the application of the father, order that he shall have parental responsibility for the child; or

(b) the father and mother may by agreement ("a parental responsibility greement") provide for the father to have parental responsibility for the child."

Now, Madam Speaker, that is all well and good and I understand those two provisions. But we are here trying to protect our children and many of them will not fall in the ambit of those two provisions. I am very concerned because just a few weeks ago I had a situation where a young lady called me and told me that at the time of registration for her child (who was born out of wedlock) the father was not available to sign the register. When he was available to go to the Registrar, he was unable to put his name on the child's register. Madam Speaker, that is frightening, because we all know that there is no one in this wide world without a father.

While trying to get some information, I was informed that the Births and Deaths Registration Law needs to be revised to allow for that person, a father of a child born out of wedlock, to add his name to the Register or to allow the courts to make an order that the child's father be added to the Register.

Now, Madam Speaker, I said all of that to say that these two provisions here in section 6, while they cover certain aspects and it is voluntarily done, I believe somewhere, whether it is in this Law or it is in the Births and Deaths Registration Law, it needs to be addressed.

I think it is the Affiliation Law whereby if an order is made in court in the first year of that child's life, for support from the father then the father will be held parentally responsible. But we know there are many fathers who do not take up that responsibility and provisions need to be made available to allow the courts to ensure that those children's fathers are registered in a recognised way.

So, I am wondering if another provision should not be placed in here, or wherever the Minister of his Department of Social Services will sponsor it to be put in place. We have to hold these fathers who do not want to be held responsible. We really have to hold them responsible for their children. This is an equal partnership: no one human being can make a child.

Madam Speaker, the other area I want to go on to is section 7(8) and it reads-**"7(8) Where on the death of any person making an appointment under subsection (3) or (4)** [which is:] **'(3) A parent who has parental responsibility for his child may appoint another individual to be the child's guardian in the event of his death. (4) a guardian of a child may appoint another individual to take his place as the child's guardian in the event of his death.'"**

When we look at subsection (8)(a) – **"(8) (a) the child concerned has a parent with parental responsibility for him;"** and **"(b) subsection (7)(b) does not apply** [which is] **'(7)(b) immediately before the death of any person making such an appointment, a residence order in his favour was in force with respect to the child, the appointment shall take effect on the death of that person.'"**

That, in my common layman's term, seems somewhat convoluted when **"7(8) Where on the death of any person making an appointment under subsection (3) . . .**

(a) the child concerned has a parent with parental responsibility for him; **and**

(b) . . . **the appointment shall take effect when the child no longer has a parent who has parental responsibility for him."**

Madam Speaker, what happens to the child who was taken? In a lot of instances the Social Services Department takes children form their parents and do not necessarily appoint a guardian. What happens to that child? Or in the instance where the Social Services Department takes the child because of abuse and the likes and then they appoint a guardian? Does that guardian have the responsibility or the authority to appoint someone else? Because if the parents are alive and there is no parental responsibility on those parents; there is something wrong.

That goes back to what I spoke about earlier in section (6). The parents are there with no responsibility on them. Somehow we need to tie this in to ensure that if those parents . . . And in most instances those parents are alive and Social Services Department has taken over. Somebody has to take responsibility for that child and in most instances Government takes that responsibility. I would like, Madam Speaker, for the Minister to explain how we would get to that point.

Another area, Madam Speaker, is section 8 (5): **"8(5) A person who is appointed as a guardian**

under section 7(3) or (4) may disclaim his appointment by an instrument in writing signed by him and made within a reasonable time of his first knowing that the appointment has taken effect."

Now, Madam Speaker, when we look at section 8(7) it says- **"8 (7) "Any appointment of a guardian under section 7 may be brought to an end at any time by order of the court-**

(a) on the application of any person who has parental responsibility for the child;
(b) on the application of the child concerned, with leave of the court; or
(c) in any family proceedings, if the court considers that it should be brought to an end even though no application has been made."

Madam Speaker, my question there is: Is there any way after a reasonable time that the guardian can bring it to an end? And I may be missing something but there does not seem to be any provision for the guardian who was appointed 5 years ago. A reasonable time under subsection 5 I would think is within months or thereabouts. But I am wondering: Five years ago the guardian accepted and something happened along the way which required that he would like to change that situation. I do not see any provisions there to allow that. Maybe it is elsewhere and I have not seen it.

Madam Speaker, I also take note that under part 2 orders with respect to children and family proceedings. I take 'family proceedings' to mean family court which the Adoption Affiliation Law and Age of Majority Law and the likes. But I know we have talked about a family court for a very long time and I am wondering if this is made in anticipation of the soon to be family court which would be quite refreshing and I am sure that we are all looking forward to it. , Madam Speaker, too many things are happening in our country with our children and the time has arrived for us to protect them – thus my reason for supporting this Bill the way I am.

Every day we hear and see through the media the abuse of our children by fathers, friends, foe and strangers. And we hear of them being in prison and still having contact with their victims. Maybe we need to go even a little further than we are doing here. B that is for another debate. I trust that the Minister and his Department who have the responsibility and have witnessed so many of these situations, will soon be sponsoring much more in the area of protection of our children.

Madam Speaker, there are a number of other things that I think my colleague will address in the form of questioning and bringing to the attention of the Minister and his departments in order that we all work together to put something in place even, like the First Elected Member for George Town said, if we need to amend it at times, something will be in place.

And as much as the Minister does not believe that I am capable of doing this, I am going to commend him for his brave efforts, also his staff, and the staff of the Drafting Department, for being prepared to stand up and do something about putting the Children's Law in place in this country. It is long overdue. We have too many little pieces all over the place and we need to bring them together.

Madam Speaker, I give the Bill my support and I look forward to some explanation to my queries when the Minister replies.

I thank you.

The Speaker: Does any other Member wish to speak? The Second Elected Member from the district of George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker. I also thank the Minister and this Honourable House for the opportunity to offer a few comments on this important piece of legislation.

Madam Speaker, this is a Bill for a Law to reform the Law relating to children and effectively to replace the Children Law 1995, which to the best of my knowledge is yet to be brought into effect. It is my understanding that the principle reasoning for that is that it was deemed by those who would have to operate within its constraints and to apply its provisions that it was administratively unworkable.

That, Madam Speaker, I think is something of a travesty and speaks to some fundamental problems in the system of creating legislation clearly either without consultation or without regard to the views expressed during the consultation process. And so some 8 years hence and after no doubt many, many man hours employed in the process we are still at a point where we are debating one of the most critical and most necessary pieces of legislation in this country. A Law that when passed will hopefully have the effect of protecting and nurturing and assisting in the upbringing of the children of this country.

Madam Speaker, for many, many years now we have operated with just the basics of the sort of provisions and authority that is necessary to give the Department of Social Services and the Courts and those who look after our young people and look after their best interest the kind of responsibility and authority that is necessary for them to be able to function properly. We have had a Juveniles Law, which existed for many years until it was amended in 1990 and even in that instance the amendments fell far short of what was generally regarded as being necessary to enable the various authorities within this jurisdiction to administer the affairs of the young people and particularly those who get themselves into problems with the law or who need care, supervision and control.

There is also the question of Guardianship and Custody of Children Law, again a fairly ancient piece of legislation which was revised I believe somewhere around 1996, but again in many instances fell

short of what is actually necessary to deal with those questions of custody and guardianship.

What we need and have needed for a long time now, is a comprehensive piece of legislation that is capable of dealing with the myriad of issues that those who deal with family situations and young people in particular, need to be able to effectively deal with the many problems and issues that arise in these relationships and the authority to take action when it is necessary to protect the children, their families, their parents and society generally. That is what I understand to be the general intent and philosophy behind this particular piece of legislation. And that, Madam Speaker, I regard as commendable. Whether or not it is going to be able to sufficiently and adequately address all of these concerns is yet to be seen. I suspect as has been the case with most major legislation that those who have to actually apply and administer the Law and operate within its provisions will find that there are proposals or provisions which do not quite work that would need some adjustments/amendments in due course. But that is to be expected when one attempts as monumental a task as this and where there is no local precedent for such a comprehensive piece of legislation governing the whole question of children and young people.

So, I am not going to attempt to criticize the drafting or to say that I do not think this or that provision would work unless it is something that appears to me to be blatant. I am going to try to address this more on a philosophical basis and to examine as best I can some of the provisions and what they seek to achieve.

Madam Speaker, the first point I want to make – and although the Minister did not actually speak to the philosophy to any extent there are some fundamental shifts in the philosophy behind this legislation relating to young people, their rights and to the consequences of accident of birth in many cases which are contained in this draft legislation. I must say that I am pleased to see them.

I think the First Elected Member for George Town and the Member for East End alluded to the situation in relation to children born out of wedlock. I know that the Elected Member for North Side has long championed this particular cause; it is one that I, myself, have felt strongly about and has championed in another forum for a long time. The whole question of what rights and even what nomenclature should be applied to a young person/child who is born outside the bonds of matrimony. And that stemmed largely from the fact that the Common Law recognised as a child only a child born within wedlock, only a legitimate child. Even that term is one that I dislike to use. Because as the First Elected Member for George Town has said "when a child comes into this world it has absolutely no control over the circumstances under which it was conceived and born. The fact that certain rights and privileges flow from that accident of birth is something that I believe we in this jurisdiction have to look carefully at and decide that a child is a child of God and that should be the only criteria, description, definition that is properly applicable to that individual. This legislation now defines 'child' as simply being a person who is under the age of 18 years and I believe that is quite appropriate and something that should have come into effect a long time ago.

Arising from that, Madam Speaker, is also the whole question of parental responsibility in two respects: one is that under the present legislation, or perhaps lack of actual legislation, the father of a child who is born out of wedlock has no parental responsibility or rights to guardianship of that child unless he has successfully made an application to the court and has been appointed as a guardian of a child under the Guardianship and Custody of Children Law. Now, at the same time if that father has been adjudged as a putative father under the Affiliation Law he will have the responsibility of making financial provision for that child. I am not for a moment suggesting that he should not have the financial responsibility for the upbringing of the child, indeed he should. But he should also have, I believe if he is so inclined and/or if the mother and he are in agreement that he should have the parental responsibility for the upbringing of that child

Under this proposed legislation section 6, provides that- **"6. (I) Where a child's father and mother were not married to each other at the time of his birth-**

(a) the court may, on the application of the father, order that he shall have parental responsibility for the child; or

(b) the father and mother may by agreement ("a parental responsibility agreement") provide for the father to have parental responsibility for the child."

Madam Speaker, in both this particular office that I now hold, and previously as an attorney-at-law, I have had to tell fathers on many occasions that they did not have a right to access to their children who were born out of wedlock. They could not insist that the child went to this school or that school; they could not insist that the child go away on vacation with them unless the mother was prepared to agree to it. Or, unless they made an application to the Court successfully to gain guardianship of the child. In the majority of the cases those applications would not succeed unless they could satisfy the court that there was a good reason why responsibility/guardianship of the child should be removed from the mother and vested in them as the unwed father of the child.

Under this provision, as I understand it, those sorts of problems will be less of a problem because it is not a question of having to satisfy the court of the unfitness of the mother but simply of your willingness to accept the responsibility for the parental functions as an unwed father who has a vested interest in the upbringing and the welfare of your child.

In many instances of course the mother will agree because she wants to see her child having a father figure in his life and to be able to relate to his father as his father. And so this, I think is the kind of provision that has long been needed and I am pleased to see that it is within the proposed Bill.

Madam Speaker, also in the Bill is the provision that whether it is the court or the Department of Social Services or whoever it is that is responsible for dealing with the particular issue in relation to the child or children, the paramount consideration in whatever determination is necessary is the welfare of the child. That is important. It is a well known and understood provision that appears in English legislation and is applied in our courts generally in any event when they are taking into account the issues involving the children particularly in the context of divorces.

Before I leave this particular point and turn to the duties of the Department of Social Services I would like to deal with one point which was raised by my colleague, the Elected Member for East End, in relation to the Affiliation Law and the provision in that Law which entitles a single woman who is delivered of a child to make an application to the Court essentially within 12 months of the birth of the child for an affiliation order to be made seeking that the person that she alleges to be the father of her child, be adjudged the putative father of the child and ordered to pay a certain contribution by way of financial support for that child.

One of the consequences of that particular provision is that if the mother fails to make the application within the 12-month period and the father has not supported the child during that period, or if she is unable to satisfy the court that in fact he has that child, can be and often is deprived of the financial support from it natural father for its entire life, certainly for the period while it is still a minor. Now that can have rather grave consequences and I recall having to make an application to defend an application brought by a mother who was in these circumstances some years ago when I was practicing and of course in the provision you do your job. he application failed because the mother had failed to make the application within the 12 month period and could not demonstrate that the natural father had actually supported the child during that 12 month period.

Now in this day and age, when it is quite easy to determine by DNA who the natural father of the child is, provisions like this need to be repealed because it is unfair in the extreme and of great prejudice to many children in this country that the courts are unable to compel the natural fathers to contribute to their upbringing in financial terms if not otherwise.

And so those sort of anachronisms that remain notwithstanding the passage of this particular Bill that is before the House today really I believe needs to be addressed and I would urge the Honourable Minister to use his good office and resources to prepare the necessary drafting brief to the Legal Department to ensure that we address that as we are seeking to modernise the Law generally relating to the welfare of young people.

Now, Madam Speaker, as I understand it – and if I am wrong I am sure somebody will in due course correct my error – this piece of legislation that is before the House for the first time gives statutory recognition to the Department of Social Services and the myriad of functions which it undertakes on a day to day basis. It proposes a formidable range and number of responsibilities for that Department. Now it might well be that most, if not all of these functions and responsibilities, are already carried out by that office. I think for the first time there is statutory responsibility imposed on that Department for the execution of the functions that are provided for in this Bill and I am going to go through some of them.

However, the question which the Honourable Minister did not address in the introduction of the Bill, which I would ask him to address when he winds up, is whether or not the Department of Social Services is adequately equipped; has within its current staffing and other resources and plant the kind of resources that are necessary for them to effectively carry out the responsibilities, functions and duties imposed on that Department by virtue of this proposed Bill.

That is going to be critical. The Honourable Minister has not said either when it is that the provisions of this Draft Bill are going to come into effect. I see, having looked at it, that there is provision to be able to bring in all or some sections/parts of it – to bring them into effect separately. Perhaps that is part of the plan, although I think there may be some difficulty, certainly with some, of not bringing in most of them at one time because the functions and responsibilities are interrelated and the authority is interrelated as I understand it.

Madam Speaker, the duties of the Department are set out under section 19 to safeguard and promote the welfare of children- **"19(1) It shall be the duty of the Department (in addition to the other duties imposed on the Department by this Part)-**

(a) to safeguard and promote the welfare of children who are in need; and

(b) so far as consistent with that duty, to promote the upbringing of such children by their families, by providing a range and level of services appropriate to those children's needs."

Under section 18, the section before it there is the responsibility pursuant to a court order for the Department to make available a social worker or other officer to advise and assist and befriend any person named in the order including the children and parents.

Under section 22 the Department is required and authorised to make provision for the accommodation of children. It is bound to make accommodation for children in circumstances where it has been determined that there is no other person who has parental responsibility for the child, or the child is lost or

abandoned, or the person who has been caring for him is prevented for one reason or another from being able to do so.

There is also provision in the Bill requiring in certain circumstances the authority to provide secure accommodations for children who are at risk for one reason or another. There is provision requiring them to provide community homes in appropriate circumstances.

And there is a requirement for them to deal with registered children's homes and voluntary homes for children and provisions requiring them to also be responsible for monitoring child-minding and day care for young children.

I am not seeking to pretend that the long list that I have shortly provided is exhaustive of the responsibilities placed on the Department by virtue of this particular piece of legislation, neither do I pretend to know a great deal about what sort of resources they have. But my short dealings with them in the time that I have been elected, has led me to the impression certainly that that Department is under considerable stress to cope with the responsibilities that it now carries out, notwithstanding the lack of this type of legislation.

And so I would ask the Honourable Minister in his winding up if he could address that issue and to say if the Government is satisfied that the Department is adequately staffed and resourced. If it is not, what proposals are there, either in the upcoming budget or otherwise, to make provisions for these and also to indicate to us when does he believe that the Law will come into full force and effect.

The last point I want to make about this, Madam Speaker, before I close, is to say that many of the supervisory functions that are proposed in here are currently carried out by the Grand Court and in lesser instances, by the Summary Court. There has been a long-standing proposal to establish a family court, which would have jurisdiction and resources to deal with the plethora of family issues that are often before these courts and which confront the Department of Social Services and other individuals on a regular basis.

I wonder if the Honourable Minister can say what is Government's disposition in relation to that proposal and how advanced that proposal is. I believe the country as a whole would be better suited and the welfare of the children would be better promoted – the whole environment in terms of dealing with young people. Their issues and family matters are better suited to a *stand alone* completely dedicated court staffed by people who are on a regular basis in contact with these young people with these issues within the families. They are, otherwise, in an environment which lends itself more to the resolution to these sorts of problems rather than the much more sort of adversarial context, which is present most times when one is in a court, in the Grand, Summary or Juvenile Court.

So I would ask the Honourable Minister if he would address those concerns which I have raised in addition to those raised by my colleagues and I say to him that while none of us expects the Bill to be perfect – we know that there are going to be problems with it – we support the philosophy and we believe it is a substantial advance over what we have now and hopefully over time we can resolve whatever problems there are with it and it will go a long way we hope in addressing the significant social problems and particular problems with young people and their welfare which all of us are aware of in this country.

I thank you, Madam Speaker.

The Speaker: Thank you. Does any other Member wish to speak? Does any other Member wish to speak? Last call, does any other Member wish to speak?

If not I will call upon the Honourable Minister responsible for Community Affairs to exercise his right of reply, unless it is the intention of the House to take an afternoon break instead. We shall now take the afternoon break.

Proceedings suspended at 4.03 pm

Proceedings resumed at 4.10 pm

The Speaker: We will take the adjournment at this time. I will therefore call upon the Leader of Government to so do.

ADJOURNMENT

Hon. W. McKeeva Bush: Madam Speaker, before I move the adjournment I would like to intimate to Members that we intend to commence proceedings tomorrow morning at 11 am.

So, Madam Speaker, I move the adjournment of this Honourable House until 11 am tomorrow, Friday, 13 June 2003.

The Speaker: The question is that this House be adjourned until tomorrow, Friday, 13 June 2003 at 11 am. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 4.12 pm the House stood adjourned until Friday, 13 June 2003 at 11 am.

Appendix to Parliamentary Question No. 28 (12 June 2003)

****REPRODUCED****

(Please see original overleaf)

Variation in Posts 1st July 2002—30th April 2003

Faith Hospital		Reduction
Section	**Post**	**Number**
Ambulance	EMT	1
Ward	RN	2
Emergency	RN	1
Pharmacy	Pharmacy	1
Ancillary	[ ]	1
		6

Faith Hospital
July 2002 = 70
April 2003 = 64
Reduction = 6

Grand Cayman
July 2002 = 596
April 2003 = 518
Reduction = 78

Admin	Research Officer	1	
A&E	Registered Nurse	1	
	Nurse Manager	1	
	A&E Doctor		1
	Ward Clerk	1	
Ambulance	EMT	1	
Ancillary	Med Social Worker	1	
	Nutritionist	1	
	EO	1	
Maternity	RN Midwife	1	
	Reg [ ] Nurse	1	
	Nurse Manager	1	
Medical Director	Librarian	1	
	Secretary	1	
	Radiologist	1	
	Internist	1	
	Reg Therapist	1	
	SHO	1	
	Medical secretary	1	
Medical Records	Medical Records Clerk	2	
Med/Surg	Nurse Manager	1	
	Reg MHN		6
CSU	Nurse asst.	2	
Dental	Dental Aux	1	
	Dental nurse	1	
	Dentist	2	
Dietary	Cook	1	
	Asst. Cook	1	
	Stores Clerk	1	
ECU	Nurse Asst.	7	
	PN	5	
Forensics	Forensic Scientist	1	
General Practice	GP	1	
	Nurse Asst.	1	
HR	Asst. Mngr	1	
	Reg Officer	1	
Housekeeping	Team leader	1	
	Housekeeper	2	
ICU	Nurse Asst	2	
	RN	2	
	Nurse Manager	1	
IT	IT Tech		1
	Asst. IT Manager		1
	Business Analyst		1
Lab	Med Tech	1	
	Acc Clerk	1	
	Med Tech Trainee	1	
Maintenance	Groundsman	1	
	Mntce Coordinator	1	
Operating Room	Nurse Manager	1	
	RN	1	
Overseas	Accts 04	1	
Patient Accounting	Accts 02	1	
	Accts 03	4	
	Reg Officer	1	
Paediatrics	Nurse Assst	2	
	PN	1	
	RN	1	
Pharmacy	Clinical Pharmacist	1	
	Pharmacy Student	1	
	Pharmacy Asst	1	
Public Health	PHN		1
Radiology	CO	1	
Security	Security Officer		1
Surgical Dept	Consultant Orthopaedic	1	
	Nurse Asst	3	
	RN	4	
	Ward Clerk	1	
Nursing Admin	CO	1	
	SNO	1	
	Tng Officer	1	
		90	12

Grand Cayman		Reduction	Addition
Section	Post	Number	Number

Variation in posts 1st July 2002 - 30th April 2003

J. Seffer

(12 June

Faith Hospital		Reduction
Section	Post	Number
Ambulance	EMT	1
Ward	RN	2
Emergency	RN	1
Pharmacy	Pharmacy	1
Ancillary	Porter	1
		6

Grand Cayman		Reduction	Addition
Section	Post	Number	Number
Admin	Research Officer	1	
A&E	Registered Nurse	1	
	Nurse Manager	1	
	A&E Doctor		1
	Ward Clerk	1	
Ambulance	EMT	1	
Ancillary	Med Social Worker	1	
	Nutritionist	1	
	EO	1	
Maternity	RN Midwife	1	
	Reg. Neonatal Nurse	1	
	Nurse Manager	1	
Medical Director	Librarian	1	
	Secretary	1	
	Radiologist	1	
	Internist	1	
	Resp Therapist	1	
	SHO	1	
	Med Officer	1	
	Med Secretary	1	
Medical Records	Med Records Clerk	2	
Med/Surg	Nurse Manager	1	
	Reg. MHN		6
CSU	Nurse Asst.	2	
Dental	Dental Aux	1	
	Dental Nurse	1	
	Dentist	2	
Dietary	Cook	1	
	Asst. Cook	1	
	Stores Clerk	1	
ECU	Nurse Asst	7	
	RN	5	
Forensics	Forensic Scientist	1	
General Practice	GP	1	
	Nurse Asst	1	
HR	Asst Mngr	1	
	Rec Officer	1	
Housekeeping	Team Leader	1	
	Housekeeper	2	
ICU	Nurse Asst.	2	
	RN	2	
	Nurse Manager	1	
IT	IT Tech		1
	Asst. IT Manager		1
	Business Analyst		1
Lab	Med Tech	1	
	Accessioning Clerk	1	
	Med Tech Trainee	1	
Maintenance	Groundsman	1	
	Mntce Co-ordinator	1	
Operating Room	Nurse Manager	1	
	RN	1	
Overseas	Accts 04	1	
Patient Accounting	Accts 02	1	
	Accts 03	4	
	Reg Officer	1	
Paediatrics	Nurse Asst	2	
	PN	1	
	RN	1	
Pharmacy	Clinical Pharmacist	1	
	Pharmacy Student	1	
	Pharmacy Asst	1	
Public Health	PHN		1
Radiology	CO	1	
Security	Security Officer		1
Surgical Dept	Consultant Orthopaed	1	
	Nurse Asst	3	
	RN	4	
	Ward Clerk	1	
Nursing Admin	CO	1	
	SNO	1	
	Trng Officer	1	
		90	12

Faith Hospital July 2002 = 70 April 2003 = 68 Reduction 6
Grand Cayman July 2002 = 586 April 2003 = 518 Reduction 76

OFFICIAL HANSARD REPORT
FRIDAY
13 JUNE 2003
11.39 AM
Third Sitting

The Speaker: I invite the Elected Member for the district of East End to grace us with prayers.

PRAYERS

Mr. V. Arden McLean: Let us pray.

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

Bless our Sovereign Lady Queen Elizabeth II, Philip Duke of Edinburgh, Charles Prince of Wales, and all the Royal family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 11.42 am

The Speaker: Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apology

The Speaker: I have received apologies for absence from the Third Elected Member for the district of Bodden Town.

QUESTIONS TO HONOURABLE MINISTERS AND OFFICIAL MEMBERS

The Speaker: I recognise the Second Elected Member from the district of Cayman Brac and Little Cayman.

Question No. 34
(Deferred)

No. 34:Mr. Lyndon L. Martin asked the Honourable Minister responsible for the Ministry of Community Services, Gender Affairs, Youth and Sports if there has been a bid or interest expressed in the purchase of Cayman Brac Water Authority by any private entity.

The Speaker: The Honourable Minister responsible for Community Affairs.

Dr. the Hon. Frank S. McField: Madam Speaker, under section 23(5) of Standing Orders, I beg to have this deferred until a later date.

The Speaker: The question is that question no. 34 in accordance with Standing Order 23(5) be hereby deferred until a further date. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Question No. 34 deferred.

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

Question No. 35
(Deferred)

No. 35: Mr. Lyndon L. Martin asked the Honourable Minister responsible for the Ministry of Community Services, Gender Affairs, Youth and Sports if all applicants and past recipients of seaman ex-gratia, veterans pay and permanent financial assistance have been assessed or re-assessed under the new qualifying criteria.

The Speaker: The Honourable Minister responsible for Community Services.

Dr. the Hon. Frank S. McField: Madam Speaker, under section 23(5) of Standing Orders, I beg to have this question deferred until a later date.

The Speaker: The question is that question no. 35 be deferred until a later date. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Question No. 35 deferred.

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

Question No. 36
(Deferred)

No. 36: Mr. Lyndon L. Martin asked the Honourable Minister responsible for the Ministry of Community Services, Gender Affairs, Youth and Sports if the Water Authority Board or Department has undertaken any feasibility assessment for the incremental extension of piped water supply on Cayman Brac.

The Speaker: Honourable Minister for Community Services.

Dr. the Hon. Frank S. McField: Madam Speaker, again, under Standing Order 23(5), I beg to have this question deferred until a later date.

The Speaker: The question is that question no. 36 be hereby deferred. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Question No. 36 deferred.

STATEMENTS BY HONOURABLE MINISTERS / MEMBERS OF THE GOVERNMENT

Private Finance Initiative

The Speaker: I recognise the Deputy Leader, the Minister responsible for Planning.

Hon. Linford A. Pierson: Thank you, Madam Speaker.

The Speaker: Honourable Minister, sorry to interrupt you but I have just received notice that the Honourable Minister for Health has sent his apologies for his late arrival. Thanks for the indulgence.

Hon. Linford A. Pierson: Madam Speaker, I take this opportunity to provide a brief overview of public/private partnerships namely the Private Finance Initiative (PFI). Specifically, I would like to address the following topics:

- The concept of public/private partnerships.
- The principles of public/private partnerships.
- The definition of private finance initiatives.
- The advantages of private finance initiatives.
- The experiences of other countries that have undertaken private finance initiative projects.
- The establishment of Cayman's private finance initiative steering committee.
- The status of Cayman's first private finance initiative project.

Public/Private Partnership

Public/private partnerships are defined as partnerships between public sector organisations and private sector investors and businesses. For the purposes of designing, planning, constructing, operating and financing infrastructure projects that would normally have been provided through traditional procurement mechanisms of the state. Whereas traditional procurement suffers from delay, contractual claims, cost overruns and compromise on plan designs and standards. Public/private partnerships offer solution to these dilemmas.

Public/private partnerships arrangements have advantages for both sectors because such arrangements encourage the shared resolutions of problems rather than the adversarial approach of traditional deliveries. Risk sharing is a fundamental part of the system and allows partners to concentrate efforts on mutual problem solving rather than disputes. Public/private partnerships can take several forms including service contracts, management contracts, leasing, joint ventures and private finance initiatives.

The Principles of Public/Private Partnerships

The basic principles of public/private partnerships are as follows: public sector purchases services, not assets. Public sector specifies service outputs required. Private sector provides the design, build, operation and possibly finance. Risks are identified and placed with the party(ies) best able to manage. Private sector is paid according to performance. Improved value for money.

Private Finance Initiatives (PFI)

Private Finance Initiatives (PFI) are just one form of public/private partnership. The private finance initiative system is fundamentally about the private sector delivering services to the specification and re-

quirements set out by the public sector. Typically, accommodation projects based on private finance initiative schemes involve a contract period of 25 to 30 years with the assets reverting to the purchaser at the end of the contract for nil payment. The private finance initiative contractor will expect to fully recover their capital and financing costs during the operating lease period.

Advantages of Private Finance Initiatives

Private Finance Initiatives have several advantages, among them the following: acceleration of infrastructure provision and implementation. Although the initial procurement period of a private finance initiative project is extended compared to traditional procurement, private finance initiative projects are generally delivered on schedule or ahead of schedule compared to traditional projects. This is due to the fact that once the agreement is signed the private sector concentrates its efforts using fast track design and build technology to get the project completed. The private sector receives no payments until the project is completed. So, this acts as a major incentive that drives early or on-time completion.

Reduce Whole-Life Cost

In many cases private finance initiative projects produce built quality and design which is better than the traditional public sector standards resulting in increased social benefits and more efficient and predictable running cost.

Transfer of development and financing risk to private sector

Risk transfer is a fundamental part of the private finance initiative process where most of the risk is transferred to the private sector. The contractor assumes not only construction risks but also a 25-year maintenance risk.

Assets Handled Off Balance Sheet

Under private finance initiative schemes the public sector purchases services, not assets. Therefore, larger capital projects can be handled off balance sheet. This would allow government to concentrate on providing services without its debts being consumed by large capital expenditures and assets. The off balance sheet decision depends on the extent to which parties bear the majority of property related risks and rewards of ownership. The idea is that the private finance initiative contractor assumes these risks and rewards during the operating lease lifetime of the project. In other words if government were to lease the building for 25 years, at the end of which it had the option to move out of the building with no financial commitment, then the item would be off balance sheet.

Better Incentives to Perform

In assuming ongoing maintenance risks the contractor has the incentive to consider the whole life cost of the project. For example, as the contractor must also include the utilities cost over the life of the building in his bid price the contractor will likely ensure that the building is extremely energy efficient. The performance regimes and payment mechanisms which form a fundamental part of the operation's phases of private finance initiative project therefore provide commercial incentives for the private sector and value for money results for the public sector. The result is a higher quality project that might otherwise be expected in a traditional procurement technique.

Improved Quality of Public Services and Value for Money

Private finance initiatives aim to promote efficiency, improve services and stimulate fresh flows of investment. It offers governments the opportunity to buy services in circumstances where they would previously have purchased capital assets. In so doing the public sector has an opportunity to maximise value for money. Private finance initiative projects offer the public sector the opportunity to become more efficient and economical by learning private sector skills such as management, entrepreneurial flair and capital investment. In working alongside the private sector, private finance initiative projects can help the public sector develop a more disciplined, commercial and innovative approach to its business.

The system also allows government to concentrate its resources on providing services without its debt being consumed by large capital expenditures. The private finance initiative procurement process requires more rigorous analysis and transparency. The private sector benefits from private finance initiatives include increased business and profit which in turn stimulates the economy.

International Experience with Private Finance Initiatives

The private finance initiative is one format for public/private partnerships that has found favour in the UK and other locations in all areas of infrastructure provisions: namely, roads, transport, water, waste, health, education, justice, offices, defence, and technology. The following is a list of countries that have undertaken private finance initiative projects: Australia, Canada, France, Germany, Holland, Ireland, Italy, Portugal, South Africa, and United Kingdom. The United Kingdom alone has completed in excess of 500 private finance initiative deals across all areas of infrastructure provision. Canada and France each

have completed over 100 private finance initiative agreements.

Specific examples of these private finance initiative projects include the following: Cold Fox school accommodation project endorsed at UK where in 1997 the agreement was signed to provide 1060 space schools over 30 years. Highway 407 project in Toronto, Canada where private finance initiative include instruction, maintenance, collection of tools and policing of the new highway as well as future extension of the highway. Waste management facilities and plan for Dublin Ireland where the agreement includes strict requirement for long-term waste reduction and recycling and strict adherence to performance standards. Melbourne City links roads and bridges in Australia where virtually all risks were allocated to the private sector.

Appointment of Cayman's Private Finance Initiative Steering Committee

In March of this year Executive Council appointed a private finance initiative steering committee chaired by the Chief Finance Officer of the Ministry of Planning, Communication, Works and Information Technology. The Members of the Committee are as follows: Permanent Secretary for the Ministry of Planning, Communication, Works and Information Technology, Mr Kearney Gomez; Director of Budget Management Unit, Mr. Peter Gough; Assistant Financial Secretary, Mr. Kenneth Jefferson; Deputy Chief Engineer, Mr. Max Jones; Senior Crown Counsel Civil, Mr. Steven Hall Jones; Accountant General, Mrs. Sonia McLaughlin; Economics Unit representative, Dr. Elizabeth Parsan, Office accommodation projects manager, Mr. Jim Scott.

The Committee's terms of reference include determining whether capital projects being considered by Government are suitable for private finance initiative financing. The Committee will also consider and determine accounting treatment methods for private finance initiative projects. The private finance initiative steering committee is working in consultation with the Central Tenders Committee and the public sector investment committee.

Status Report on New Government Office Accommodation Project

Regarding Cayman's first private finance initiative project I would like to highlight some of the key milestones that we have reached on the new government office accommodation project. As of 26 May 2003 I can report as follows:-

The project is on schedule and we are happy about the amount of work that has been completed in such a short period of time. The private finance initiative process commenced with the preparation of a feasibility study and the assembly of a project management team with three full-time staff and one part-time staff namely the following: senior project manager, Mr. Jim Scott; the project architect and manager, Mr. Peter Riley; project architect/manager Mr. Nicholas Johnson; project quantity surveyor, part-time, Mr. Gary Clarke.

The team is awaiting the appointment of an administrator to provide clerical and other support functions. Proponent teams, that is, contractors from the private sector have been identified and after careful analysis the selection committee has identified a short list of four proponents. Technical information that is required to be inserted into the output specification is well underway. This includes survey information and the initial architectural plans that will be used for testing the user-brief and getting planning approval. In addition, the technical advisor consultants have been selected.

An education seminar was held March 3-8 and attended by the public sector and the potential proponent companies from the private sector. Financial and legal advisory consultants have been selected. A team member has already been sent by Ernst & Young to Cayman to commence work on the project. Masons have been appointed as legal advisor and a member of their team arrived in Cayman on 12 May. At the moment these advisors are preparing a public sector comparator and affordability study including an off balance sheet analysis.

They have also commenced work on the invitation to negotiate ITN document. We expect to issue ITN document to the proponents on the 31 July 2003. On 19 May 2003 my Ministry hosted a presentation at the Grand Pavilion where various Members of this House, government agencies and the private sector heard about the principles of private finance initiative as well as an update on the office accommodation project.

Preliminary site clearing and demolitions is scheduled to take place over the summer months pending relocation of existing occupants. The Police club canteen was vacated on the 30 April and the Racket Club will be vacant at the end of June.

Madam Speaker, the next phase is preparing the contract agreement and output specifications so that bids can be sought for the work. This work is well under way and the target is to get the invitation to negotiate sent out to the proponents in July 2003.

- Feasibility study has been completed;
- project team is 85% complete;
- pre-qualification of bidders, completed;
- user-brief information, a survey work topographical office, complete;
- survey work geo-technical office, complete;
- survey work, topographical roads, complete;
- survey work geo-technical roads, underway;
- road work design work, 75% complete;
- road work acquisitions, 90% complete;
- road gazetting 50%, complete;
- initial architectural solutions 90%, complete;
- information technology brief, not commenced;

- security brief, not commenced;
- departmental surveys, 90% complete;
- appointment of advisor consultants, mechanical electrical plumbing, awaiting the CTC approval;
- structural, awaiting CTC approval;
- interior designs, fixture fittings and equipment bids have been received;
- quantity surveyor consultant, appointed;
- financial consultant, appointed;
- legal consultant, appointed;
- output specification, commenced;
- assembly of technical information, ongoing;
- educational seminar, as mentioned, was held between the 3 to 8 March, completed;
- presentation to MLAs, public and private sector, on 19 May, completed.

Madam Speaker, there are 14 stages in the private finance initiative delivery process, in particular, government office accommodation project. We are at the point 8 of those 14 stages.

- Step 1: establish the business case – 100% complete in 2002.
- Step 2: identification of proponent groups – 100% complete in 2002.
- Step 3: assemble project management team – 90% complete on 1 May 2003.
- Step 4: development of user requirements and referent projects – 90% complete on 1 May 2003
- Step 5: to identify advisor consultants – 90% complete on 11 April 2003.
- Step 6: pre-qualification of proponent groups – 95% complete on 1 May 2003.
- Step 7: financial models outputs specification and contact teams – 5% complete on 14 July 2003, hopefully.
- Step 8: invitation to negotiate ITN – 5% complete by 14 July 2003.
- Step 9: to receive the bids by 14 September this year, to be completed.
- Step 10: select preferred bidder and negotiations by 1 February next year (2004).
- Step 11: the contract-close is awarded by the 1 March next year (2004).
- Step 12: the design, construct period, phase one is expected to be completed by 1 March 2006.
- Step 13: the design, construct period, phase two, which includes the Glass House, by 1 March 2007
- Step 14 as mentioned, is the ongoing monitoring and evaluation which will go the full length of the period of the financing process.

In concluding, Madam Speaker, I would like to note that the concept of forming partnership between the public and private sectors is not new. In the last ten years these types of projects have been undertaken in many countries around the world and this trend is increasing. The bottom line is that these partnerships do work and the benefits are being realised by the public and private sectors alike.

To sum up the advantages of the PFI system over traditional methods of delivery they are: faster and accelerated provision of infrastructure; reduced whole-life cost of the project; transfer of risks – that is, development financing and maintenance to the private sector; potential for project to be handled off balance sheet; better incentives for private sector partners to perform; improved quality of public services and value for money.

In the case of the new government office project, the government is contracting for serviced office accommodation over an extended period of not less than 25 years. Among the many general benefits that I have already discussed by entering into a PFI arrangement, this government and indeed the public service, can better concentrate its resources on the delivery of public services instead of being caught up in development, construction and maintenance issues.

Finally, Madam Speaker, I am pleased with the progress to date on our new government office accommodation project and I look forward to this exciting opportunity to partner with the private sector in providing a high quality development as well as giving our economy a much needed boost.

Thank you, Madam Speaker.

The Speaker: Thank you, Honourable Minister.

GOVERNMENT BUSINESS

BILLS

SECOND READING

The Children Bill 2003

(Continuation of debate thereon)

The Speaker: Does the Honourable Minister responsible for Community Services wish to exercise his right of reply?

Dr. the Hon. Frank S. McField: Madam Speaker, in dealing with the Children Bill 2003, I concentrated on very legalistic issues so as not to confuse or inflame the Opposition while exploring the Government's philosophy with regards to the protection of children and the improvement of the welfare of families. But of course I intended to give a lecture, which might have to be today regarding why I believe that this particular Bill is coming at this particular time.

Madam Speaker, before I begin to deal with what I consider as the division for the children and families of this country, which this Bill assists with, I would like to deal with a few points that were raised by

the Opposition which were very helpful in terms of giving us a possibility to look at some of the legal languages and perhaps some of the interpretations.

Madam Speaker, the first point I will deal with is the concern of the Leader of the Opposition with section 72(1) of the Bill. I assume that the red flags went up on this. Also, Members of the Government Back Bench have brought this to my attention and we had the possibility to discuss this with the Department of Social Services. Therefore, I am prepared at this point to offer an explanation as was asked for.

Section 72(1) says: **"A register shall be kept-**

(a) by the Department, of persons who act as child minders on domestic premises;

(b) by the Education Department, of persons who provide day care for children under the age of 8 on premises other than domestic premises".

Section 72(2) (a) says that- **"A person acts as a child minder if he looks after one or more children under the age of 8 for reward."**

Madam Speaker, I think what happens with this entire section is that there seems to be some confusion in terms of the definition. What was intended was to make a separation between persons employed in domestic premises in homes, and persons who were hiring their services independently of any kind of permanent job in the home. So, I would be considered a childminder if I said *I will mind your child for a fee* and *I will mind your child in* – what I might call – *a business or in my home.* And it was therefore the desire of the Department to see that persons that offered these types of services to the community were registered by the Department of Social Services.

The word "nanny" – which is because we are dealing with a Bill that emulates one from England – is brought into it in section 72(5) where it says, **"Where a person is employed as a nanny for a child she does not act as a child minder when looking after the child wholly or mainly in the home of the person so employing her."**

So, it is not discrimination here; it is the introduction of a terminology from Britain into the Cayman Islands that in itself flags up some type of concern. However, what we would do is change the word "nanny" to the word "helper"' and if we were to do that, we would see that the Law does not attempt to say that helpers need to be registered.

In any case, this clarification that I am giving at this point will be difficult for us to correct at the moment; it is possible that we will be seeking for this part of the Law not to be brought into force until we have had time to reconsider and restructure the point.

So, to the Leader of the Opposition, we understand exactly where his concerns come from. They are quite legitimate. It is, again, the attempt to introduce a child-minding concept which in fact is a little bit new. And what we are trying to say is that a child minder is someone who pursues the business of minding children as a commercial enterprise, be it in the home or a business place. Someone I employ directly in my home to take care of my child would be a nanny or a helper. Therefore, those would not, under the Law, be required to be registered.

Madam Speaker, the Leader of the Opposition also had a concern with regards to the definition of "child" in the Children Bill. It says in paragraph 16(1) of Schedule 1 that a child is **"a person under the age of 18."**

Once the Law defines a child as someone under the age of 18, it then says in section 11(5) that, **"No court shall make any section 10 order which is to have effect for a period which will end after the child has reached the age of 16 unless it is satisfied that the circumstances of the case are exceptional."**

The question is asked: If a child is 18, why are special considerations being given at 16 years of age? Special considerations are being given simply because at age 16 years the child is being prepared for transition into young adulthood and should, therefore, have a more active part in decisions surrounding his or her welfare. The Law is accepting the fact that although the child is legally not an adult, he is mature enough at 16 to be consulted with regards to decisions that are being made by the Court concerning him.

Madam Speaker, the Leader of the Opposition was also concerned with section 15(1)(b) and (2). Section 15(1) says, **"Where a residence order is in force with respect to a child, no person may (a) cause the child to be known by a new surname; or (b) remove him permanently from the Islands without either the written consent of every person who has parental responsibility for the child or the leave of the court."**

Subsection 2(1)(b) does not prevent the removal of a child for a period of less than one month by the person in whose favour the resident order is made.

The question would be: Well what happens if the child is on vacation that extends beyond the period of a month? What would happen here? In this regard, Madam Speaker, the *Law* sees the *Court* in the position to determine the extent of the time that the child should be allowed to be away. There is no restriction on the Court; the restriction is on the Department to give permission, or for the person with the responsibility to give permission. The Court can give permission.

So, in this case the person would make the application to the Department and they in turn would bring it to the Court's attention. The Court would view the evidence and make the decisions accordingly. So, it would be possible for the child to have that extended time outside the country even under that particular order.

Madam Speaker, the Member from East End brought up some issues and he was looking, I think, at section 6(1) that says, **"Where a child's father and mother were not married to each other at the time of his birth and that the court may on the application of the father order that he shall have parental responsibility for the child; or (b) the father and the mother may by agreement . . . ."**

He commended this section but raised the points in regards to the Affiliation Law, which needs to come in line with this particular current philosophy regarding illegitimacy. We are at least working on this issue at the moment with regards to the Succession Law and therefore, I would like to give my undertaking ensure that this issue is brought before the House in this Sitting.

Section 8(5) was also a concern of the Honourable Member from East End and the query was surrounding the guardian's ability to after five years, or whatever period, to petition the Court to terminate the guardianship as section 8(5) only refers to the person disclaiming his appointment within a reasonable time period after first knowing his appointment. Guardians do have the liberty to apply to the Court to bring to an end their appointment as guardians under section 8(7) as the guardian is a person with parental responsibility by virtue of section 7(6).

In regards to the query from the Elected Member from East End concerning the linkages with the establishment of a family court, this is a matter to be pursued with the Honourable Chief Justice and I give my commitment to continue to pursue this matter as well.

Madam Speaker, the last speaker from the Opposition, the Second Elected Member from George Town, dealt primarily, I believe, with philosophical issues about training, resources and the implementation of the Law. I do believe that in the beginning of his debate there was a suggestion that there were some problems in the system why the 1995 Law did not come into administration; why it was not implemented, why it proved to be administratively unworkable. And I think a criticism was implied of the past Minister who was responsible for that particular subject.

I would just like to say that I have not been presented with any evidence that proves in fact that the Law was administratively unworkable. I do not know where that saying comes from. I read it and I was very careful not to repeat it—because if the Law was administratively unworkable, why did it come as far as it has? At some point there must have been some reason, or people must have been reasonable enough to have been able to discuss it. There might have been issues where people thought the Law was administratively unworkable, I do not know what happened. However, to suggest somehow that the blame should go on the past Minister, namely the Leader of Government Business at this particular point, I take offence to it and therefore I rise to his defence and say that there has been no proof given to me as the new Minister responsible, that this Law was administratively unworkable.

Madam Speaker, I still find it very strange that it took us until 1995 to get a law that would be in keeping with the United Nations Conventions on the rights of the child. We are in 2003 and I am still here trying today to get a Bill passed into law that would put us now in keeping with that particular Convention.

It is important to note that this law does have implications with regards to how resources are allocated in our country. And there are important decisions being made, because at the end of the day the families that normally come in contact with Social Services are people who are of the poorer classes in our society. Therefore, if Government is going to spend money on improving the lot of families it will be concentrating a big part of its revenue and resources on trying to rehabilitate and enable a particular class in the society.

And obviously you need a particular type of government to be committed to this, because not everyone is committed. There are people who will say 'yes we should help poor people' because they realise they are the majority and they need their votes. However, when it comes down to practising the philosophy, or walking the walk, there are very few of them who will do so.

I think it is no coincidence that I am the Minister who is bringing a Bill to protect children and to look after the welfare of children and their families. Madam Speaker, as you will note in part of our amendment that will come in the Committee stage, we will not be talking any longer after the 1 July about the Department of Social Services. We will be talking about the Department of Children and Family Services.

So, when I am asked very politely by the Opposition about whether or not there is training that has been made available for members of the Department to be able to deal with the implementation of this law, I have to answer and say that for the last year and a half we have spent our time restructuring the Department of Social Services in such a way that the family will be the main focus, that the system of care will be family driven. That has not always worked easily and it is not completed but it is started and it will be completed and it will assist the implementation of this law.

So the restructuring of the Social Services Department to a department where the system of care will be family driven was a necessary part of the movement towards this Bill. This Bill would really be impotent if there had not been an attempt made since I became the Minister responsible for the Department of Social Services to reform and restructure that Department in such a way that it made the family and children the focus of the services which it delivers.

So, the answer to the question asked by the Member of the Opposition with regards to resources is, the resources are there. The organisational structure needs to be there to make sure that those resources impact the family and children at the points

where we need to be impacting them. We need to be thinking about prevention and intervention.

The basic philosophy that drives this exercise . . . I do not want anyone to go away thinking somehow that yes, this is just legislation. It was drafted by legal individuals; we had the involvement of the Immigration Department, the Police Department and all other departments. What a legislation has to have in it in order for it to have meaning is vision, it has to have purpose, it has to be able at the end of the day when it is passed into law to demand commitment. This legislation does so because it is a legislation that is filled with sense: unless we protect the rights of the child we cannot protect the rights of a nation. And I am privileged to move that this Honourable House accept this Children Bill 2003.

The Speaker: Thank you, Honourable Minister. The question is that a Bill shortly entitled, The Children Bill 2003 be given a second reading. All those in favour please say Aye; those against, No.

Before I announce the results I will ask Mr. Connolly to ensure that there is a quorum so that there will be no subsequent questions as to the legality of the vote.

[Pause.]

The Speaker: Now that Parliament is quorate I shall put the question that the Bill shortly entitled, The Children Bill 2003 be given a second reading. All those in favour please say Aye, those against, No.

The Speaker: The Ayes have it.

Agreed: The Children Bill 2003 given a Second Reading.

The Speaker: The House will now go into Committee to consider the Bill.

HOUSE IN COMMITTEE AT 12.41 PM

COMMITTEE ON BILL

The Children Bill 2003

The Chairman: Please be seated. The House is now in Committee.

With the leave of the House may I assume as usual that we should authorise the Honourable Second Official Member to make minor corrections and errors as such as may appear in this Bill?

Will the Clerk state each Bill and read its respective clauses?

Clause 1

The Clerk: Clause 1 Short title and commencement.

The Chairman: The question is that Clause 1 do stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 1 passed.

Clause 2

The Clerk: Clause 2 Interpretation.

Amendment

The Chairman: I recognise the Honourable Minister, as I believe there is an intention for an amendment to clause 2. I have already waived the requisite two days' notice.

Dr. the Hon. Frank S. McField: Madam Speaker, I move that clause 2 be amended by deleting the definition "Department" and substituting the following, *"the Department of Children and Family Services".*

The Chairman: The amendment has been duly moved. Does any Member wish to speak thereto? If no Member wishes to speak does the Mover wish to add anything by way of reply?

Dr. the Hon. Frank S. McField: No, Madam Chairman.

The Chairman: Thank you. I will now put the question that the amendment stand part of the clause. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 2 amended.

[**The Chairman:** The question is that Clause 2 as amended stands part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 2 as amended passed.]

Clause 3

The Clerk: Clause 3 Welfare of the child.

The Chairman: Is there any debate by any Member? If no debate, I will put the question that clause 3

stands part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 3 passed.

Clause 4

The Clerk: Clause 4 Parental responsibility for children.

Amendment

The Chairman: Is there an amendment Honourable Minister? Please proceed.

[Pause]

Dr. the Hon. Frank S. McField: Madam Speaker, I move that clause 4 (2) be amended by deleting the word "not" from paragraph (b).

[Pause]

The Chairman: Honourable Minister, perhaps if the Chair can assist, [please] read the entire amendment as circulated for the purposes of the record. Clause 4(2)(b).

Dr. the Hon. Frank S. McField: Madam Speaker, that clause 4(2) be amended by deleting paragraph (b) and substituting the following:-

"(b) the father shall also have parental responsibility for the child where he acquires it in accordance with the provisions of this Law."

The Chairman: Thank you, Honourable Minister. The amendment has been duly moved. Does any Member wish to speak to it?

Hon. Samuel S. Bulgin: Madam Chairman, with your leave, I think the intention here is that the Bill as currently worded conveys a negative connotation that the father shall not have responsibility, and it was thought that some fathers might just read and stop at "not have responsibility."

In order to express it in a more positive way it was reworded to say that he does have responsibility pursuant to the Law, that there is an agreement or an order. So it is a positive way of expressing the father's responsibility where the parents are not married.

The Chairman: Thank you. The Chair is grateful for your explanation.

I will put the question that the amendment stands part of the clause. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 4 amended.

[**The Chairman:** The question is that Clause 4 as amended stands part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 4 as amended passed.]

Clauses 5 through 9

The Clerk:

Clause 5	Meaning of parental responsibility.
Clause 6	Acquisition of parental responsibility by father.
Clause 7	Appointment of guardians.
Clause 8	Guardians - Revocation and disclaimer.
Clause 9	Welfare reports.

The Chairman: The question is that clauses 5 through 9 stand part of the Bill. If there is no debate I will put the question that clauses 5 through 9 stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 5 through 9 passed.

Clause 10

The Clerk:

Clause 10	Residence, contact and other orders with respect to children.
Clause 11	Restrictions on making section 10 orders.
Clause 12	Power of court to make section 10 . . .

Dr. the Hon. Frank S. McField: Madam Speaker, we have an amendment to clause 11.

The Chairman: Honourable Minister, perhaps we will stop then at clause 10 since you have an amendment at clause 11 so that it could be quickly circulated and we could move on – yes?

The Clerk: Clause 10 Residence, contact and other orders with respect to children.

The Chairman: The question is that clause 10 stand part of the Bill. If there is no debate I shall put the question that clause10 stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 10 passed.

Clause 11

The Clerk: Clause 11 Restrictions on making section 10 orders.

Amendment

Dr. the Hon. Frank S. McField: Madam Chairman.

The Chairman: Yes, Honourable Minister.

Dr. the Hon. Frank S. McField: I beg to make a motion to remove clause 11(2) from the Bill.

The Chairman: The required notice has been waived at the Minister's request and I shall put the question that clause 11(2) be deleted. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 11 amended.

[**The Chairman:** The question is that Clause 11 as amended stands part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 11 as amended passed.]

Clauses 12 through 16

The Clerk:

Clause 12	Power of court to make section 10 orders.
Clause 13	General principles and supplementary provisions.
Clause 14	Residence orders and parental responsibility.
Clause 15	Change of child's name or removal from jurisdiction.
Clause 16	Enforcement of residence orders.

The Chairman: The question is that clauses 12 through 16 stand part of the Bill. If there is no debate I put the question that clauses 12 through 16 stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 12 through 16 passed.

Clauses 17 through 21

The Clerk:

Clause 17	Orders for financial relief with respect to children.
Clause 18	Family assistance orders.
Clause 19	Provision of services for children in need, their families and others.
Clause 20	Day care for pre-school and other children.
Clause 21	Review of provision for day care, child minding, et cetera.

The Chairman: The question is that clauses 17 through 21 stand part of the Bill. If no debate I will put the question that clauses 17 through 21 stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 17 through 21 passed.

Clauses 22 through 32

The Clerk:

Clause 22	Provision of accommodation for children: general.
Clause 23	Provision of accommodation for children and cease protection or detention or on remand, et cetera.
Clause 24	General duty of department in relation to children it looks after.
Clause 25	Provision of accommodation and maintenance by department for children whom it is looking after.
Clause 26	Advice and assistance for certain children.
Clause 27	Use of accommodation for restricting liberty.
Clause 28	Review of cases.
Clause 29	Inquiries into representations.
Clause 30	Co-operation between departments.
Clause 31	Recoupment of cost of providing services, et cetera.
Clause 32	Miscellaneous.

The Chairman: The question is that clauses 22 to 32 stand part of the Bill. If no debate I will put the question that clauses 22 to 32 stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 22 through 32 passed.

Clauses 33 through 44

The Clerk:

Clause 33	Care and supervision orders.
Clause 34	Period within which application for order under this Part must be disposed of.
Clause 35	Effect of care order.
Clause 36	Parental contact, et cetera, with children in care.
Clause 37	Supervision orders.
Clause 38	Education supervision orders.
Clause 39	Powers of court in certain family proceedings.
Clause 40	Interim orders.
Clause 41	Discharge and variation, et cetera, of care orders and supervision orders.
Clause 42	Orders pending appeals in cases about care of supervision orders.
Clause 43	Representation of child and of his interests in certain proceedings.
Clause 44	Right of guardian ad litem to have access to departmental records.

The Chairman: The question is that clauses 33 through 44 stand part of the Bill. If there is no debate I will put the question that clauses 33 through 44 stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 33 through 44 passed.

Clauses 45 through 54

The Clerk:

Clause 45	Child assessment orders.
Clause 46	Orders for emergency protection of children.
Clause 47	Directions of the court in relation to emergency protection orders.
Clause 48	Duration of emergency protection orders and other supplemental provisions.
Clause 49	Removal and accommodation of children by police in cases of emergency.
Clause 50	Duty of Department to investigate.
Clause 51	Powers to assist in the discovery of children who may be in need of emergency protection.
Clause 52	Abduction of children in care, et cetera.
Clause 53	Recovery of abducted children, et cetera.
Clause 54	Refuges for children at risk.

The Chairman: The question is that clauses 45 through 54 stand part of the Bill. If no debate I will put the question that clauses 45 through 54 stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 45 through 54 passed.

Clauses 55 through 60

The Clerk:

Clause 55	Provision of community homes by Department.
Clause 56	Directions that premises be no longer used for community home.
Clause 57	Determination of disputes relating to controlled and assisted community homes.
Clause 58	Discontinuance by voluntary organisation of controlled or assisted community home.
Clause 59	Closure by Department of controlled or assisted community home.
Clause 60	Financial provisions applicable on cessation of controlled or assisted community home or disposal, et cetera, of premises.

The Chairman: The question is that clauses 55 through 60 stand part of the Bill. If no debate I will put the question that clauses 55 to 60 stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 55 through 60 passed.

Clauses 61 through 66

The Clerk:

Clause 61	Registration and regulation of voluntary home.
Clause 62	Duties of voluntary organisations.
Clause 63	Duties of Department.
Clause 64	Children not go be cared for and accommodated in unregistered children's homes.
Clause 65	Welfare of children in children's homes.
Clause 66	Persons disqualified from carrying on, or being employed in, children's homes.

The Chairman: The question is that clauses 61 through 66 stand part of the Bill. If there is no debate I will put the question that clauses 61 through 66 stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 61 through 66 passed.

Clauses 67 through 83

The Clerk:

Clause 67	Privately fostered children.
Clause 68	Welfare of privately fostered children.
Clause 69	Persons disqualified from being private foster parents.

Clause 70	Power to prohibit private fostering.
Clause 71	Offences.
Clause 72	Registration.
Clause 73	Requirements to be complied with by child minders.
Clause 74	Requirements to be complied with by persons providing day care for young children.
Clause 75	Cancellation of registration.
Clause 76	Protection of children in an emergency.
Clause 77	Inspection.
Clause 78	Appeals.
Clause 79	Offences.
Clause 80	Inspection of children's homes, et cetera, by persons authorised by the Governor in Council.
Clause 81	Inquiries.
Clause 82	Research and returns of information.
Clause 83	Departmental failure to comply with statutory duty: default power of the Governor.

The Chairman: Honourable Second Official Member, or perhaps the Honourable Minister, could you clarify whether the intention for that is "Governor" or "Governor in Council".

The Clerk: Clause 83 Departmental failure to comply with statutory duty: default power of Governor in Council.

The Chairman: Honourable Second Official Member I think why I made a query is because section 80, the marginal note says, "Governor-in-Council". Now, this section says, "Governor" so we need clarity as to what it is. I understand the administrative duty being that of Governor.

[Inaudible interjections.]

Hon. Samuel S. Bulgin: The point I was making, Madam Chairman, is . . . subject to any amendment at the revision stage where the word "Governor" appears my understanding is that it is deliberate. That is, "Governor" as opposed to "Governor in Council."

[Pause.]

The Chairman: Some Members are making an inquiry as to what is transpiring for the benefit of information. The Chair has queried the marginal note on page 98 which says, **"Inspection of children's homes, et cetera, by persons authorised by the Governor in Council"**. On page 10, part 11, **"Inspection of children's homes et cetera, by persons authorised by the Governor"**. I am trying to clarify whether it is the intention for that to be in Council.

[Interjection: "That has to be in Council".]

The Chairman: That is what I am trying to ascertain, but obviously I cannot make the amendments so I am seeking for direction.

[Inaudible interjection.]

The Clerk:
Clause 83 Departmental failure to comply with statutory duty: default power of the Governor.

[Pause.]

The Chairman: Thank you for your indulgence. Also on page 98 where it refers to the Governor's supervisory functions and responsibilities, could we have the leave of Members by way of a consequential amendment for the Honourable Second Official Member to insert the words "Governor in Council" and "Governor's Supervisory Function." Because as Members will note there are specific provisions that are administrative which would only be within the ambit of the Governor. Would that be satisfactory?

Dr. the Hon. Frank S. McField: Yes, Madam Speaker.

The Chairman: Thanks, Honourable Minister. The question is that clauses 67 through 83 stand part of the Bill. If there is no debate I put the question that clauses 67 through 83 stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 67 through 83 passed.

Clause 84

The Clerk: Clause 84 Effect and duration of orders, et cetera.

The Chairman: The question is that Clause 84 stand part of the Bill. If there is no debate I put the question that clause 84 stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 84 passed.

Clause 85

The Clerk: Clause 85 Jurisdiction of the courts

Amendment

Dr. the Hon. Frank S. McField: Madam Speaker, I beg that clause 85 be amended as follows:(a) by deleting subclause (4) and substituting the following:

"(4) The Chief Justice may make orders with respect to the allocation of proceedings to the courts and justices of the peace notwithstanding any other provision of this Law."

And by deleting subclause (5).

The Chairman: The amendment has been duly moved. If there is no debate I will put the question that the amendment stand part of the clause. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Amendment passed.

The Chairman: Clause 85 as amended stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 85 as amended passed.

Clause 86

The Clerk: Clause 86 Rules of court

The Chairman: The question is that clause 86 stands part of the Bill. If no debate I put the question that clause 86 stands part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 86 passed.

Clause 87

The Clerk: Clause 87 Appeals.

Dr. the Hon. Frank S. McField: Madam Speaker, I move that clause 87 (10) be amended by deleting the words "paragraph 2 of Schedule 11" and substituting the words "section 85 (4)".

The Chairman: The amendment has been duly moved. Does any Member wish to speak? If not I will put the question that the amendment stand part of the clause. All those in favour please say Aye. Those against, No.
Ayes.

The Chairman: The Ayes have it.

Agreed: Amendment passed.

The Chairman: I put the question that the clause as amended stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it

Agreed: Clause 87 as amended passed.

Clause 88 to 91

The Clerk:

Clause 88	Attendance of child at hearing under Part IV or V.
Clause 89	Evidence given by, or with respect to, children.
Clause 90	Privacy for children involved in certain proceedings.
Clause 91	Self-incrimination.

The Chairman: The question is that clauses 88 through 91 stand part of the Bill. If no debate I put the question that clauses 88 through 91 stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 88 through 91 passed.

Clause 92

The Clerk: Clause 92 Restrictions on use of wardship jurisdiction.

The Chairman: I believe there is an amendment.

Dr. the Hon. Frank S. McField: Madam Speaker, I move that clause 92 be amended as follows:- (a) by deleting subclause (1); and (b) by deleting subclauses (2) to (4) and substituting the following:

(1) No application for any exercise of the Grand Court's inherent jurisdiction with respect to children may be made by the Department unless the Department has obtained the leave of that court.

(2) The Grand Court may only grant leave if it is satisfied that-

(a) the result which the Department wishes to achieve could not be achieved through the making of any order of a kind to which subsection (3) applies; and

(b) there is reasonable cause to believe that if the Grand Court's inherent jurisdiction is not exercised with respect to the child he is likely to suffer significant harm.

(3) This subsection applies to any order -

(a) made otherwise than in the exercise of the Grand Court's inherent jurisdiction; and

(b) which the Department is entitled to apply for (assuming, in the case of any application which may only be made with leave, that leave is granted)."

The Chairman: The amendment has been duly moved. Does any Member wish to speak? If not I will put the question that the amendment stands part of the clause. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Amendment passed.

The Chairman: I will put the question that the clause as amended now stands part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 92 as amended passed.

Clause 93

The Clerk: Clause 93 Power of constable to assist in exercise of certain powers to search for children or inspect premises.

Dr. the Hon. Frank S. McField: Madam Chairman, I move that clause 93 be amended as follows:- by deleting subclause (1) and substituting the following:

"(1) Where, on an application made by any person for a warrant under this section, it appears to the court-

(a) that a person attempting to exercise powers under any provision mentioned in subsection (6) has been prevented from doing so by being refused entry to the premises concerned or refused access to the child concerned; or

(b) that any such person is likely to be so prevented from exercising any such powers, it may issue a warrant authorising any constable to exercise any of those powers, using reasonable force if necessary."

In subclause (6) by deleting the word "enactment" and substituting the word "provisions".

The Chairman: The amendment has been duly moved. Does any Member wish to speak? If not I put the question that the amendment stands part of the clause. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Amendment passed.

The Chairman: I will put the question that the clause as amended stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 93 as amended passed.

Clause 94

The Clerk: Clause 94 Offences by bodies corporate.

The Chairman: I put the question that clause 94 stands part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 94 passed.

Clause 95

The Clerk: Clause 95 Regulations and orders.

The Chairman: Honourable Minister.

Dr. the Hon. Frank S. McField: Madam Chairman, I move that clause 95(1) be amended by deleting the words "the Chief Justice or".

The Chairman: The amendment has been duly moved. Does any Member wish to speak? If not, I put the question that the amendment stands part of the

clause. All those in favour please say Aye; those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Amendment passed.

The Chairman: I will now put the question that the clause as amended stands part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it

Agreed: Clause 95 as amended passed.

Clauses 96 through 98

The Clerk:

Clause 96	Financial provisions
Clause 97	Notices
Clause 98	Amendments transitional provisions, savings and repeals.

The Chairman: I will put the question that clauses 96 through 98 stand part of the Bill. If no debate I put the question that 96 through 98 stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 96 through 98 passed.

Clause 99

The Clerk: Clause 99 Repeal of the Children Law, 1995.

The Chairman: The question is that clause 99 stand part of the Bill. If no debate I put the question that clause 99 stands part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 99 passed.

Schedule 1

The Clerk: Schedule 1 Financial provision for children.

The Chairman: Honourable Minister.

Dr. the Hon. Frank S. McField: Madam Speaker, I move that schedule 1 be amended in paragraph 12 as follows:- (a) in subparagraph (3) by deleting the words "Chief Clerk of the summary courts" and substituting the words "Court's Fund Office"; (b) by deleting sub-paragraph (4) and substituting the following-

"(4) Where-

(a) periodical payments under such an order are required to be paid to or through the Court's Fund Office; and

(b) any sum payable under the order is in arrears, the Clerk of the Courts shall, if the person for whose benefit the payment should have been made so requests in writing, proceed in his own name for the recovery of that sum."

In subparagraph (5) by deleting the words "Chief Clerk" wherever it appears and substituting the words "Clerk of the Courts".

The Chairman: The amendment has been duly moved. Does any Member wish to speak? If not I will put the question that the amendment stands part of the clause. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Amendment passed.

The Chairman: I will put the question that the clause as amended stand part of the Bill. All those in favour please say Aye. Those against, No.
Ayes.

The Chairman: The Ayes have it.

Agreed: Schedule 1 as amended passed.

Schedules 2 to 10

The Clerk:

Schedule 2	Department's support children and families.
Schedule 3	Supervision orders.
Schedule 4	Management and conduct of community homes.
Schedule 5	Voluntary homes and voluntary organisations.
Schedule 6	Registered children's homes.
Schedule 7	Foster parents: limits on numbers of foster children.
Schedule 8	Privately fostered children.
Schedule 9	Child minding and day care for young children.
Schedule 10	Amendments, transitional provisions, savings and repeals.

The Chairman: The question is that schedules 2 through 10 stand part of the Bill. If there is no debate I will put the question that schedules 2 through 10 stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Schedules 2 through 10 passed.

The Clerk: A Bill For A Law To Reform The Law Relating To Children; To Provide For Government Services For Children And Others In Need; To Make Provision For Children's Homes, Community Homes, Voluntary Homes And Voluntary Organisations; To Make Provision With Respect To Fostering, Child Minding And Day Care For Young Children And Adoption; And For Connected Purposes.

The Chairman: The question is that the Title stands part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Title passed.

The Chairman: This concludes Committee stage. We will now assemble in the House. The question is that the Bill be now reported to the House. All those in favour please say Aye. Those against, No.

Ayes.
The Chairman: The Ayes have it.

Agreed: That the Bill be reported to the House.

HOUSE RESUMED AT 1.24 PM

The Speaker: Please be seated. The House is now resumed.

REPORT ON BILL

The Children Bill 2003

The Speaker: The Honourable Minister responsible for Community Services.

Dr. the Hon. Frank S. McField: Madam Speaker, I have to report to this Honourable House that a Bill entitled, The Children Law 2003 was given due consideration by a committee of the whole House and approved with amendments.

The Speaker: The Bill has been duly reported and is set down for the third reading.

THIRD READING

The Children Bill 2003

The Speaker: The Honourable Minister.

Dr. the Hon. Frank S. McField: Madam Speaker, a Bill entitled The Children Law 2003 has been given a third reading and passed.

The Speaker: The question is that the Bill entitled The Children Law 2003 be given a third reading and passed. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: The Children Bill 2003 given a Third Reading and passed.

The Speaker: May I have a motion for the adjournment, Honourable Leader?

ADJOURNMENT

Hon. W. McKeeva Bush: Madam Speaker, I move the adjournment of this Honourable House until Tuesday, 17 June 2003 at 10 am. In doing so, let me advise Honourable Members that Tuesday morning the Budget will be presented and as I indicated, the House will then adjourn until Thursday, 19 June 2003 at 10 am when the debate on the Budget will begin.

Before you take the vote, Madam Speaker, may I take this opportunity to congratulate the Minister of Community Services in this very important Bill and passage thereof today to provide for government services for children and others in need, to make provisions for a children's home, community homes, voluntary homes and voluntary organisations, to make provisions with respect to fostering, child minding and day care for young children and for adoption, for care, protection and the general welfare of our children.

This is important, Madam Speaker. It has been long in the works and I want to congratulate the Minister, his senior staff of course and all those who were involved in the making of the Bill, those in the Legal Department. I also thank the Opposition for their cooperation in this very important legislation.

Madam Speaker, I now move the adjournment.

The Speaker: The question is that the Honourable House do now adjourn until Tuesday, 17 June 2003 at

10 am. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 1.27 pm the House stood adjourned until Tuesday, 17 June 2003 at 10 am.

OFFICIAL HANSARD REPORT
TUESDAY
17 JUNE 2003
10.20 AM

Fourth Sitting

The Speaker: I will now invite the Honourable Second Official Member to grace us with prayers.

PRAYERS

Hon. Samuel S. Bulgin: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members, Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.

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

Proceedings resumed at 10.23 am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies for the absence of the Second Elected Member from Cayman Brac and Little Cayman.

PRESENTATION OF PAPERS AND OF REPORTS

The Annual Plan and Estimates for the Government of the Cayman Islands for the Financial Year ending 30 June 2004

Together With

The Annual Budget Statements for Ministries and Portfolios for the Financial Year ending 30 June 2004

Purchase Agreements for Statutory Authorities, Government Companies and Non-Governmental Output Suppliers for the Year ending 30 June 2004, and

Ownership Agreements for Statutory Authorities and Government Companies for the Year ending 30 June 2004

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Madam Speaker, I beg to lay on the Table of this Honourable House the Annual Plan and Estimates for the Government of the Cayman Islands for the Financial Year ending 30 June 2004 together with the Annual Budget Statements for Ministries and Portfolios for the Financial Year ending 30 June 2004, Purchase Agreements for Statutory Authorities, Government Companies and Non-Governmental Output Suppliers for the Year ending 30 June 2004, and Ownership Agreements for Statutory Authorities and Government Companies for the Year ending 30 June 2004.

The Speaker: So ordered. Does the Honourable Member wish to speak thereon?

Hon. George A. McCarthy: No, Madam Speaker, I will offer comments on the Second Reading of the Appropriation Bill.

The Speaker: Thank you.

GOVERNMENT BUSINESS

BILLS

FIRST READING

The Appropriation (July 2003 to June 2004) Bill 2003

The Speaker: The Bill is deemed to have been read a first time and is now set down for Second Reading.

SECOND READING

The Appropriation (July 2003 to June 2004) Bill 2003

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Madam Speaker, I beg to move the Second Reading of The Appropriation (July 2003 to June 2004) Bill 2003.

The Speaker: The Bill has been duly moved. I will invite the Honourable Member to deliver the Budget Address.

THE BUDGET ADDRESS

Hon. George A. McCarthy: Madam Speaker, it is my privilege to present the Budget for the Year 2003-2004 Financial year on behalf of the Government. In keeping with the practice adopted last year I will share this responsibility with the Leader of Government Business who will move the Budget Debate. In line with the new system of Public Management now used in these Islands the Budget document presented to this Honourable House today is called the Annual Plan and Estimates. This is much more than a name and the document is much more than a budget.

What the Leader of Government Business and I will be presenting today is the Government's plan of action for the next 12 months.

It is a plan designed to support the local economy and create employment opportunities for Caymanians and residents.

It is a plan designed to increase the educational opportunities available for our young people.

It is a plan designed to ensure that health care and social support are available to those in need.

It is a plan designed to improve the efficiency and effectiveness of Government and its agencies.

And most important of all, Madam Speaker, it is a plan that actively pursues our economic and social interest in an increasing complex international environment. The Government knows that we need to influence our own future. We need to chart our own course and be at the helm of our future, not in the cargo hold.

This will require sustained commitment, foresight and effort and the ability to engage constructively and successfully with our international partners including the United Kingdom. It also requires a clear idea of where we want to go and a plan to get there.

That plan is outlined in the 2003-2004 Annual Plan and Estimates. It is a plan designed to set the foundation for the future of our country. It is a plan which as the Leader of Government Business said in the debate on the Throne Speech, "charts a course to achieve our national aspirations".

The Government's Strategy and Key Policy Actions

Madam Speaker, the plan contained in the 2003-2004 Budget is a coherent set of policy actions designed to achieve pre-determined outcomes.

Those outcomes were set out in the 2003-2004 Strategic Policy Statement which Honourable Members are aware established the policy on fiscal parameters on which today's Budget has been based.

The Government's outcome goals reflect the aspirations of the people of the Cayman Islands as documented in Vision 2008. The Government's initial seven goals have been expanded to eleven this year to better reflect the vision documents. The eleven goals are as follows:

1. A strong economy that generates employment, income and a high standard of living
2. A healthy resident population
3. A socially supported resident population
4. A strong Caymanian community and culture
5. An environment protected for use of both current and future generations
6. A well educated and vocationally trained resident population
7. A safe and secure country for resident and visitors,
8. An open, efficient and accountable Government,
9. Young persons positively involved in the community
10. Strong family units; and
11. Economically and socially vibrant Sister Islands.

These outcomes reflect the sort of country the Government is striving to achieve. They also provide the direction for the course the Government has charted and the rationale for the various policy initiatives contained in the Annual Plan and Estimates.

The Government has a strategy for progressing each of these outcomes and the Budget contains a wide range of initiatives to support those strategies. The Annual Plan and Estimates make provision for 43 pieces of legislation, 231 output groups, 13 transfer payment categories, 26 other executive expense

categories, 18 equity investments, one sale of government assets, 11 capital acquisitions and 84 capital development projects. In total there are 423 separate policy actions provided for in the Budget.

Over the course of the Budget debate, the Ministers of Government will provide the House with a comprehensive explanation of these various policy actions so I do not intend to cover them all in detail now. However, I would like to provide Honourable Members with a summary of the Government's policy strategies and specific initiatives in some key areas.

Strategies and Key Policy Actions: Economic Development

I will begin with outcome 1: a strong economy.

Of all the Government's outcome goals this is perhaps the most important. As a country we can only achieve the other outcomes – such as good levels of health, education, and social support - if our economy is strong enough to support it. Consequently, economic development is a key policy priority for the Government.

The Government recognises that it is the private sector, not the public sector that is the engine for economic growth. The Government's overall economic development strategy is therefore to establish an environment that encourages and supports private business.

There are three aspects to this enabling strategy: First, creating and maintaining a competitive commercial environment. Second, encouraging new investment and business development. And third, actively supporting and promoting key economic sectors, particularly financial services and tourism sectors.

Let me speak briefly about each one of these strategies.

Business Competitiveness

The Government recognises that in order for the Cayman Islands to be a good place to do business, the cost of doing business here needs to be competitive. A key economic development strategy is therefore to control, and where possible, reduce the operating costs faced by the private sector.

Controlling the Government's own fiscal position is an important part of this strategy and the 2003/2004 Budget is again a fiscally responsible one. It has been balanced without the need for new revenue measures or increasing the level of public debt.

In addition, as previously announced, the Government has decided not to proceed with some fees increases announced in the 2002 Budget – most notably the increase in garbage collection fees. This means that the Government is leaving more money in the people's pocket. This is good for residents and it is good for business!

What's more, while the overall level of government revenue remains steady, operating revenue, as a percentage of Gross Domestic Product, is forecast to decline by 2 per cent compared to 2002. As the level of operating revenue determines the level of operating expenditure, this means the overall size of government is forecast to shrink in 2003/2004 compared to previous years.

The Government recognises that the quality of infrastructural services has a big impact on our Country's competitiveness. Therefore, improving the country's road infrastructure is another key economic development strategy.

We are all aware of the traffic congestion problems in Grand Cayman and its potentially negative impact on business competitiveness. Quite a lot has been done in this area over the last three years, particularly with the development of the Linford Pierson Highway, the Galleria Roundabout and, more recently, the Louise Llewellyn Way. However, much is still to be done.

To provide greater focus on road development the Government has decided to establish a National Roads Authority. The legislation to give effect to this change will be introduced to the House in the early part of the financial year and the Budget makes provision for the purchase of $3.7 million of outputs from the Roads Authority. During 2003/2004, the Authority will construct $13.38 million of roads. This will include $7 million for phase 3 of the Esterley Tibbetts Highway from Galleria to Indies Suites. This is a major initiative to reduce traffic congestion to and from West Bay.

Also planned is $800,000 to extend the Linford Pierson Highway from Bobby Thompson Way to Walkers Road, and $1.3 million for the District Roads programme.

The finance for these projects will be organised by the National Roads Authority in conjunction with private sector partners. This approach reflects the fact that a good road infrastructure is in the interests of both the public and private sectors.

Encouraging New Investment and Business Development

Madam Speaker, the Government's second economic development strategy involves encouraging new investment and business development in Cayman.

A key part of this involves promoting new international investment and business opportunities in Cayman to overseas investors. The Cayman Islands Investment Bureau is undertaking this work, and the Budget makes provision for an additional $1.5 million to fund expanded international promotional outputs from the Bureau. In addition, the Marketing and Promotion Unit is being transferred from the Portfolio of Finance and Economics to the Ministry of Tourism, Environment, Development and Commerce to provide an integrated business promotion capacity.

The Bureau and the Cayman Islands Development Bank are also involved in encouraging and supporting the establishment of new local businesses. The Development Bank will increase its loan portfolio for small and micro businesses by $350,000 over the 2003/4 fiscal year.

The promotion of new investment is being done with the assistance of the Growth Management Board, which is a joint venture with the private sector. This is to ensure that new business proposals are sound and focused in a way that reflects Cayman's competitive strengths.

Supporting Key Sectors: the Financial Services Sector

Madam Speaker, the Government's third economic development strategy involves supporting key economic sectors.

The first of these is the Financial Services Sector, which is heavily impacted by the challenging international environment. The international financial services industry is becoming increasingly subjected to rules and standards that are being established and enforced by external blocs of interest groups such as the European Union (EU), the Organisation for Economic Cooperation and Development (OECD), and the International Monetary Fund (IMF).

In addition to these global rules, changes to domestic legislation by one country – such as changes to tax rates or rules in the United States - can have a significant impact on the international market environment for cross-border financial services. This makes the international financial services environment very fluid and constantly changing.

The financial services industry is also becoming increasingly globalised. This means that while Cayman's market is potentially expanding, it is facing increasing competition from other countries that are replicating our service offerings, both in the Caribbean and elsewhere.

The Government accepts the reality of this often externally dictated, fluid and competitive financial services environment. We cannot put our heads in the sand and pretend that it is not so. However, the Government also recognises that Cayman is a major player in the global financial services market. We have the people and skills - in both the private and public sectors - capable of operating in this complex landscape.

The Government's financial services sector strategy is focused on responding pro-actively to the international environment. It is a strategy based on charting the course we want to take, and deliberately navigating our way to it. This means that we need to be active in the international arena and take strong, but measured actions to protect our position.

The Government will continue to pursue a policy of constructive engagement on matters affecting our financial services sector. This includes the application of due process and rule of law test as well as the protection of the Cayman Islands' legitimate economic interests.

As an example of this, the Government recently took a matter regarding the processes surrounding the European Union's Savings Directive to the Court of First Instance in Luxembourg. In doing so we succeeded in establishing that as a matter of EU Law, the Savings Directive cannot apply to the associated or dependent territories of EU member states, and, secondly, that any political commitments to apply the directive are unenforceable.

This policy of constructive engagement also involves the pursuit of negotiated bilateral arrangements with other countries in order to open new markets for our financial services sector. The Budget contains funding for a new output to negotiate up to 15 Tax Information Exchange Agreements with other countries as part of this process. The Government will also continue to ensure that the domestic regulatory framework for financial services remains aligned with legitimate international standards that support a clean, secure and commercial financial services sector.

As outlined in Section 4 of the Annual Plan and Estimates, the Government will be introducing two new Bills to the House in 2003/2004 to enhance the sector's regulatory framework. These are a terrorism Bill and a Bill to provide statutory backing for the body that will replace the Financial Reporting Unit.

The Government will also be introducing new legislation to enhance product offerings. These include an Exchange of Information and Data Protection laws and amendments to the Patents and Trademarks Law.

Overall, the Budget provides $14.8 million for new and existing initiatives related to developing, promoting and regulating the financial services sector. This includes $1.97 million for media and public relations outputs to ensure that our position and interests are actively represented internationally by regular contact with relevant persons in Washington, London and Brussels.

Supporting Key Sectors: the Tourism Sector

Madam Speaker, the Annual Plan and Estimates also contains a range of initiatives to support our other key sector – tourism.

As we all know, the tourism sector is heavily influenced by the external economic and security environment. This creates an ongoing challenge for this vital sector of our economy. However, the market is also hugely diverse and competitive. The Government's strategy involves identifying in partnership with the industry, our market niche and developing a unique tourism product that encourages tourists to come to Cayman.

With this in mind the Government has developed a Tourism Management Policy and Plan. The key elements of this plan are to:

1. Provide a high quality product for visitors
2. Present a distinctive Caymanian experience
3. Adopt a sustainable approach to tourism development
4. Protect and enhance the marine resource
5. Attract a more discerning and higher spending visitor
6. Develop a highly skilled Caymanian tourism workforce
7. Develop eco-tourism on the Sister Islands
8. Organise tourism more effectively, and
9. Research and monitor tourism more effectively.

The Budget contains new and existing policy actions designed to support this strategy, including the cruise conversion programme called "Welcome Back Cayman". It also includes a greater emphasis on Department of Tourism outputs related to travel trade shows, and the continuing development of nature tourism in Cayman Brac and Little Cayman.

Overall, the Budget provides $23.3 million for tourism related initiatives. In addition, provision has been made in the capital development programme for the development of a tourism hospitality training centre.

A number of important tourism related initiatives are also being undertaken by statutory authorities. These are outlined in the relevant ownership agreements that have been tabled with the Budget today.

These include the $30 million redevelopment of the Turtle Farm. The first phase of this project is worth $13 million and will start during the next financial year. The funding for this project will not come from the Government, nor will the Government have to provide a guarantee. These are funds that are being secured by the Turtle Farm through negotiations with private sector partners.

The Port Authority is undertaking new docks and cruise-tourism facility developments. These include the George Town Port redevelopment and West Bay cruise facility and involve a US$26 million investment. The funding for this project is being provided by the Florida Caribbean Cruise Association and the work is to be completed in 2004.

Although not funded through the core Government's budget, these are important tourism development initiatives supported by the Government.

Development of an Economic Plan

In addition to the economic development initiatives I have already outlined, the Government recognises that a longer-term economic development plan is needed for the country. The Government also recognises that this needs to be done in conjunction with the private sector and has commissioned a local firm to assist with this process. The Budget makes provision for this work.

Strategies and Key Policy Actions: Human Capital Development

Madam Speaker, economic development is closely related to another of the Government's outcome goals – goal number 6; a well educated and vocationally trained population.

Human capital development is important not only in terms of the development of the economy as a whole, but also to the future of our young people. In the increasingly globalised economy that exists today, good jobs are directly linked to the level of one's education. Skills are vital and education is the key to success!

The Government's human capital development strategy is six-fold:

1. Promote and support improvement in school facilities.
2. Strengthen local teacher education.
3. Improve information, communication, and technology amongst students and teachers.
4. Enhance technical and vocational education.
5. Establish citizenship education as part of schools' curricula.
6. Expand tertiary education opportunities and facilities.

The Government has agreed a number of important initiatives related to this strategy.

Key amongst these are plans for three new schools: the new secondary school at Frank Sound, and new primary schools at Spotts and West Bay. The Budget includes $600,000 to complete the purchase of land for the new high school. The new primary school at Spotts is to be completed by September 2004, and the high school and West Bay primary school by September 2005. The funding for these projects will be done through private sector partnerships.

The Government recognises that overcrowded classrooms diminish the quality of education and that school accommodation problems are pressing now. The Budget therefore allocates $420,000 for 5 temporary classrooms at George Hick's High School and 2 temporary classrooms at Bodden Town Primary School. These will be completed in time for the 2003/2004 school year.

In addition, a further $1.4 million has been provided for various maintenance, renovation and

design projects relating to George Hicks, John Gray and Cayman Brac High Schools; Lighthouse School; and Savannah, George Town, West End and East End Primary Schools.

Madam Speaker, the Budget makes specific provision for a number of new initiatives specifically aimed at enhancing skills. This includes an expansion of curriculum development outputs and a further $1 million to support teachers' computer literacy training and $800,000 for computer software and hardware for schools. These expenditures are part of the ITALIC

project designed to improve the information, communication, and technology skills of students and teachers.

The Budget also provides $235,000 additional funding for the Community College to develop a four-year degree programme. This Baccalaureate Degree will be developed in time for the 2004/5 academic year.

Significant resources have also been allocated to provide increased financial support to tertiary students. This includes $1 million for additional Education Council scholarships, additional 15-20 scholarships for Caymanian students attending ICCI, an additional $180,000 in CIDB loans for tertiary study, and $42,000 for two new Quincentennial scholarships.

In total, the Budget allocates $45.8 million in operating expenditure for new and existing initiatives relating to education and human capital development. This represents approximately 15 per cent of total government operating expenditure.

An important legislative measure is also planned. This is the new Education Law, which will provide a major legislative overhaul of the national educational system.

Strategies and Key Policy Actions: Other Outcome Areas

Madam Speaker, in case Honourable Members get the wrong impression from my comments thus far, the Government is concerned with more than just the economy, important though it is.

The Annual Plan and Estimates makes provision for some important initiatives related to other outcomes goals and I would like to touch on one or two of these briefly.

The Government's social support strategy is based around protecting vulnerable groups in society, most notably the elderly, those who fall into the category of least affluent, the youth and families at risk.

The Budget makes provision for $14.88 million of services and financial support for these vulnerable groups, including a $400,000 increase in funding for youth rehabilitation outputs provided by the Children and Youth Services Foundation, an additional $300,000 for prisoner rehabilitation, a $100,000 increase in housing repair and construction support for indigents, an additional $100,000 in financial assistance to students in the Young Parents Programme, and a $50,000 increase in youth aftercare assistance.

In relation to housing needs, in 2003/2004 the Government will continue with the construction of low-cost houses. Two hundred houses will be built over the life of the project and the Government is establishing a new statutory authority called the National Community Housing and Development Trust to oversee the project and administer the low-cost housing loans scheme.

In addition to these housing initiatives, the Cayman Islands Development Bank loans portfolio for low and middle income housing purposes will be increased by $1.2 million.

The Government is also part way through a major restructuring of the Department of Social Services. This involves moving some responsibilities to the Children and Youth Services Foundation and the creation of a new unit to focus on probation and aftercare services.

In relation to public order and safety, the Budget makes provision for a number of increased outputs. These include an extra $800,000 for additional community policing, an additional $100,000 for criminal investigation work, and a further $300,000 for additional occupational and recreational safety inspections.

Provision has also been made for capital expenditure for new emergency radio communications equipment worth $1.8 million, a new airport fire truck worth a further $500,000, and $28,000 for the purchase of land for a Bodden Town Fire Station.

In relation to environmental outcomes, the Budget allocates resources for several important projects. These include $300,000 for a visitors centre at Barkers Environmental Park, $750,000 for the Seven Mile Beach re-nourishment project, and $550,000 for the Boggy Sand Road beach erosion project. These projects, while forming part of the Government's overall capital expenditure programme, will be funded from the Environmental Protection Fund.

The Annual Plan and Estimates also includes a number of initiatives designed to recognise, support and develop our own unique culture and community identity. In total $10.2 million has been allocated to various outputs related to this outcome. These include $765,000 for further Quincentennial events, ongoing support for arts and heritage activities and a small amount of financial support for the craft market.

In addition a wide range of community and sports organisations will once again receive funding to produce outputs. $5.6 million has been budgeted for this purpose.

Capital expenditure has also been allocated for the construction of a first floor for the George Town Library.

Strategies and Key Policy Actions: Improving Government Performance

Madam Speaker, before I conclude this portion of my address I would like to mention a number of actions included in the Annual Plan and Estimates designed to improve government performance. These are related to outcome goal 8 – an open, efficient and accountable government.

Madam Speaker, as I said in my budget speech last year, the Government recognises that one of the most important things it can do to support the development of this country is to get its own house in order. For this reason the Government has embarked on a comprehensive programme of public manage-

ment reform. In many respects this reform programme is more advanced than those in other parts of the Caribbean or indeed in the United Kingdom. This is yet another area where the Government is charting its own course.

A key element of these reforms is the Financial Management Initiative, about which I spoke extensively at the time of the last budget. Since then the reporting element of the reform has been implemented with the first quarterly reports recently being tabled in this House.

Early gains from the financial management reforms are already apparent. The appointment of chief financial officers in each ministry and portfolio is rapidly improving the quality of financial decision-making at the operational level. Improvements at the whole of government level are also evident. The more strategic and performance oriented budgeting system is focusing attention on the outcomes the government is seeking to achieve and the goods and services it funds to achieve those outcomes. This is an infinitely better approach than the one used in the past.

The new budgetary approach is providing much greater policy as well as fiscal control. It is allowing the Government to develop a budget that achieves exactly the fiscal and policy results it wants. The new systems and processes are also improving the Government's ability to monitor and control both expenditure and policy implementation during the year. In addition, the publication of comprehensive quarterly and annual reports allows Members of this House, and indeed individual members of the public to monitor independently the performance of the government during and at the end of each financial year.

Financial Management Initiative (FMI) will be further progressed during 2003/2004, with the introduction of accrual accounting and the development of new performance management systems in Ministries and Portfolios. The next budget that is delivered to this House will be prepared using accrual accounting and in accordance with Generally Accepted Accounting Practice (GAAP). This will be yet another milestone and will give all readers confidence that the numbers are reliable and that the Government has not manipulated the accounting rules to achieve desired results.

During 2003/4 the Government plans to extend its public sector reform programme into two new areas that will complement FMI. These are Personnel Reform and Statutory Authority Reform.

The personnel reform will introduce a modern decentralised system of personnel management to Government with chief officers having authority over personnel matters relating to their ministry within defined limits. The reform will also create a new performance management system for the civil service involving performance agreements, performance assessments, and performance-related remuneration. A set of public service values and a public servant's code of conduct will also be established.

The statutory authority reform will establish an overarching framework for governance and accountability in the statutory authority and government company sector. Among other things it will bring individual statutory authority laws into line with the Public Management and Finance Law.

Bills for a Public Service Law and a Public Authorities Law will be introduced during the fiscal year to provide the legislative mandate for these reforms. In addition the Government is taking action to improve its policy development and co-ordination capability.

The Budget makes provision for the establishment of a new ministry called the Cabinet Office. That Office will be responsible for co-ordinating the development of policy advice across government and monitoring its implementation, as well as providing administrative support to Executive Council and the Leader of Government Business.

Other initiatives underway to improve government performance include creating statutory authorities for Radio Cayman and the Department of Tourism. Work is also in progress to separate the regulatory and airport management functions of the Civil Aviation Authority into two organisations.

The Government is continuing to advance the construction of a new Government accommodation building. The Budget includes $800,000 to cover legal and consulting costs relating to the development of the Public Finance Initiative specification and contract for the building. This project will not only support the local construction industry and save rental costs, it will also significantly improve the efficiency of the civil service by having them all located in a single building.

These public sector reforms are designed to ensure ongoing improvements in the efficiency and effectiveness of the public sector. Over time they will result not only in better decision-making and improved efficiency, but also a more customer focused delivery of public services.

The Economic Environment and the Fiscal Position

Madam Speaker I would now like to turn to the economic and fiscal position.

Economic Position

Madam Speaker, in putting together the Budget the Government had to take account of state of the economy and ensure that, from a macro-economic perspective, the budget supports the achievement of the Government's three key economic management objectives, namely economic growth at or above 3 per cent per annum, inflation at or below 3.2 per cent per annum, and thirdly, unemployment at or below 4 per cent per annum.

Achieving these economic management objectives over the medium term are important to ensuring that the Cayman Islands offers a competitive

commercial environment for business. They are also important to achieving the Government's wider goal of generating employment, income and a high standard of living.

For the benefit of Honourable Members and the public, I would now like to summarise the current economic environment and the actions in the budget to achieve the Government's economic growth, inflation, and unemployment objectives.

The global economy expanded by 3.0 percent in 2002 following a growth rate of 2.3 per cent in 2001. Current projections show a modest acceleration in economic activity to 3.2 per cent in 2003. However, uncertainties still remain even after the war in Iraq and subsequent events in that region. Terrorism continues to be a major geopolitical concern. The Severe Acute Respiratory Syndrome (SARS) epidemic is having a negative impact on China and other Asian economies. There is yet to be a sustained increase in business spending. With continuing weakness in Japan and the Euro zone, the world is looking for strength in the US economy, which is projected to grow by 2.2 per cent in 2003.

Despite these volatile times, the Cayman Islands domestic economy achieved a higher level of economic growth and a lower rate of unemployment in 2002 compared to the previous year.

Preliminary results from the National Income Survey showed economic growth at 1.7 per cent for 2002. This rate represents an encouraging rebound from the estimated 0.6 per cent attained in 2001. The unemployment rate declined considerably from 7.5 percent in October 2001 to 5.7 per cent in April 2002. The Labour Force survey recorded a further reduction in this rate to 5.4 per cent in October 2002.

Consumer inflation increased to 2.4 per cent in 2002, up from 1.1 per cent from 2001. This rate is very modest and an increase is to be expected as the economy strengthens.

The major industries showed considerable resilience in 2002, in spite of the challenging economic environment.

In 2002, the financial services industry recorded healthy growth in key areas:

The Mutual Funds sector continued its strong growth of 17.5 per cent in 2002, with registrations increasing from 3,648 in 2001 to 4,285 in 2002.

The number of insurance licences increased by 10 per cent, from 572 in 2001 to 629 in 2002.

The total number listed issues at the Cayman Islands Stock Exchange reached 710 in 2002, compared to 418 in 2001.

On the other hand, company registrations, bank licences and stock market capitalisation declined. New company registrations for 2002 amounted to 7,016, a decline of 1,440 compared to the previous year. Nevertheless, the net position was still one of growth. There were 65,259 companies on the Register in December of 2002. This represented an increase of 1.2 percent over 2001.

The total number of bank and trust licences fell by 37, from 545 in 2001 to 508 in 2002. This decline largely Class 'B' banks, which were affected by the statutory requirement to establish a physical presence. Despite this fall in the number of licences, total assets in the banking sector rose from US$811.7 billion in September 2001 to US$945.4 billion in September 2002.

Stock market capitalisation declined by around 4.8 per cent to US$36.3 billion in 2002, from US$38.1 billion in 2001. This decrease was mainly due to a fall in the value of the stocks contained in the mutual funds listed on the exchange.

The tourism industry experienced a 21 per cent increase in total visitor arrivals, which rose to 1,877,547 in 2002. This increase was due to cruise arrivals, which rose by 29.6 per cent from 1,214,757 in 2001, to 1,574,750 in 2002. The number of stay-over visitors declined by 9.4 per cent, from 334,071 in 2001 to 302,797 in 2002.

The performance of the real estate industry was noticeably better in 2002 compared to 2001. The total value of real estate transfers increased by a remarkable 57.9 per cent; from $173.5 million to $274.0 million.

The construction industry also showed clear improvements in 2002. Total planning approvals for all three Islands increased by 52.3 percent, from $162.7 million in 2001 to $247.8 million in 2002. This rebound mainly reflected the Ritz Carlton hotel and condominium project, other condominium projects such as Water's Edge and the Meridian, and a small number of commercial buildings.

Looking forward, the forecasts for economic growth for the next three years project gradual improvement; providing for the achievement of Government's target growth of 3 per cent by 2005/2006. While growth is forecast to be a modest 2.3 per cent in 2003/2004, and then 2.8 per cent in 2004/2005, this level is still around double what it was in 2001/2002, when it was 1.2 per cent, and around three times what it was in 2000/2001, when it was only 0.6 per cent. So overall the forecast growth levels represent a significant improvement over recent years.

Despite this, ensuring good levels of economic growth is a key government objective and the economic development measures that I outlined earlier are designed to support this resurgence in growth.

The forecasts for inflation are 2.8 per cent in 2003/2004, 2.9 per cent in 2004/2005 and 3 per cent in 2005/6. Although inflationary pressures are forecast to increase as economic growth improves, the overall position is consistent with the objective of keeping inflation at or below 3.2 per cent per annum. The Government is comfortable with the current policy settings in this regard.

The forecasts for unemployment show a level of 5.6 per cent in 2003/2004, decreasing to 5.3 per cent by 2005/2006. This is a significant reduction from the high of 7.5 per cent in 2001. Nevertheless this

forecast level is still higher than the target level of 4 per cent, which hasn't been achieved since 1999.

With this in mind, the Government recently abated stamp duty to support and stimulate real estate and construction activity. This initiative, combined with the economic development initiatives outlined earlier, and the Government's own capital development programme, are all expected to have a positive impact on employment over the next three years.

The Government recognises that our domestic economic performance is highly dependent on the international economic environment, particularly the US economy. There are significant downside risks to the economic growth forecasts and the Government will continue to keep a close watch on the domestic economy and take additional actions as necessary. However, as I said earlier, the private sector, not the public sector, is the main engine for growth. The Government's role is to create an enabling environment.

A very important part of doing this involves running a responsible fiscal policy. In times of lower growth, and therefore lower revenue, it is vital that the Government controls its aggregate expenditure and prioritises competing expenditure proposals accordingly. The country therefore needs to be realistic about what the Government can actually do to influence economic performance.

Fiscal Position

Madam Speaker this brings me to the fiscal position for 2003/2004. The Government has worked hard to ensure that the Budget is fiscally responsible, supportive of economic growth and complies with the principles of responsible financial management. Madam Speaker I am pleased to report that this goal been achieved.

The key features of the 2003/2004 Budget position can be summarised as follows. First, no new revenue measures have been included. Second, an operating surplus of $5.7 million has been achieved. Third, new borrowing has been restricted to $8 million, which is less than the level of debt repayments, and results in a $1.067 million net reduction in the overall level of public debt. Fourth, a debt-servicing ratio of 5.3 per cent has been achieved. This is well below the 10 per cent limit established by the Principles of Responsible Financial Management. Fifth, capital development expenditure has been limited to around $12 million, and restricted to essential projects with long-term benefits. Sixth, cash reserves have been maintained at a level equal to 60 days of operating expenditure, which is two-thirds of the level required by the Principles of Responsible Financial Management and a significant improvement on the past.

Madam Speaker, in terms of specific numbers, the Government expects to collect approximately $309.408 million in operating receipts in the 2003/4 financial year. In absolute terms, this forecasted revenue for 2003/4 is similar to the revenue collected in 2002. As in the past, approximately 70 per cent of operating revenue is forecast to come from two sources: duties and fees.

Total operating expenditure is forecast to be $303.697 million in 2003/4. In accordance with the Strategic Policy Statement, the forecasts include provision for a 2.6 per cent cost of living increase in wage and salary levels for civil servants, together with the commensurate increase in employee and employer pension contributions. This is the first such adjustment since the year 2000.

In nominal terms, the forecast for 2003/2004 expenditure is a little more than the aggregate operating expenditure for 2002. This was anticipated when the aggregate target was established in the Strategic Policy Statement.

Around 86 per cent of operating expenditure is to be spent on funding outputs. This is consistent with the use of expenditure in 2003 (Half) and reflects the fact that the government's dominant activity is the provision of goods and services used by the public.

The net asset activity for 2003/4 is forecast to be a net outflow of $27.409 million. The two largest components, which account for the majority of asset activity, are capital development expenditure and equity investments. These comprise $12 million and $10.6 million respectively.

Equity investments are the additional capital being contributed to organisations owned by the government. The forecast amount of this transaction mostly relates to subsidies for Cayman Airways Ltd and the Health Services Authority to maintain their liquidity in light of anticipated operating losses during 2003/2004.

The net amount of the forecast cash operating surplus and the forecast asset activity is the net deficit before financing. This deficit is the amount that needs to be financed and this financing can come from two sources: either from existing cash holdings or from borrowing. In 2003/4 the Government plans to use both sources of financing.

In line with the Strategic Policy Statement, the Government plans to borrow an additional $8 million in 2003/2004. This is less than the $9.067 million of borrowing repayments that will be made in 2003/4. This means that the overall level of Public Debt is forecast to decrease in 2003/4 by $1.067 million. The remaining $22.765 million will be financed from existing cash and fund balances.

This fiscal position reflects the fiscal strategy outlined in the Strategic Policy Statement, except that the operating surplus is less than planned.

The achievement of a responsible budget position is not just an academic exercise. It is necessary if we are to be self-supporting as a Country. It is a vital part of charting our own course for the future.

Conclusion

Madam Speaker, this Quincentennial Year provides us all with a wonderful opportunity to reflect on our past and the rich history that we have as a country. All of us in this House are enjoying this occasion and the many events that mark it.

It is also important, Madam Speaker, that we look forward and actively plan for the future. The forthcoming constitutional changes are a key part of that process. They will provide us with the framework for a more modern system of government and the ability to have greater control over our own destiny.

However, merely having the opportunity to control our own destiny is not enough. We have to grasp that opportunity. As our seafaring forbears did before us, we need to work out where we want to go and then chart the course to get there. And we need to take account of the currents and winds in doing so.

The Annual Plan and Estimates that the Government is presenting today is designed to set the foundation for the future of this country. It is a plan of action that is based on a clear and deliberate set of strategies. It is a plan of action that sets our own

course to achieve the national aspirations reflected in Vision 2008. It is a plan that takes account of the winds of the international environment, but which recognises that we must actively pursue our own economic and social interests in the increasingly globalised international environment. It is a plan that is fiscally responsible and that supports economic growth.

It is a plan that positions the Cayman Islands to chart its own course in the 21st Century.

Finally, Madam Speaker, I would like to say thanks to Peter Goffe and Tony Dale for the exceptional hours spent together with their staff in putting together the Budget documents. I want to say thanks to Mr. Joel Walton, Mr. Kenneth Jefferson, and Ms. Drummond for their input in the Budget Address. I also want to say thanks to Mr. Dale for his input in the Budget Address. I want to say thanks to the Leader of Government Business and Ministers of Council and Members for their input in scrutinising the Budget documents to ensure that they are in a state of completeness as presented today. I want to say thanks to all civil servants whatever their input has been in contributing to the development of the Budget as presented to this Honourable House for the fiscal year 2003/2004.

May God continue to bless the Cayman Islands.

The Speaker: Thank you. I now recognise the Leader of Government for a motion to defer the debate on the Budget Address.

Hon. W. McKeeva Bush: Madam Speaker, I move that the Second Reading debate on The Appropriation (July 2003 to June 2004) Bill 2003 be deferred until Thursday 19 June 2003.

The Speaker: The question is that the debate on the Budget Address be deferred until Thursday 19 June 2003. All those in favour please say Aye. Those against, No.

Ayes and Noes.

The Speaker: I believe the Ayes have it.

Agreed by majority: Debate on Second Reading of the Appropriation (July 2003 to June 2004) Bill, 2003 deferred until Thursday 19 June 2003.

STATEMENTS BY HONOURABLE MINISTERS / MEMBERS OF THE GOVERNMENT

Major Strategies and Programmes Emerging In Tandem with the Budget

The Speaker: I recognise the Leader of the Government.

Hon. W. McKeeva Bush: Thank you, Madam Speaker.

I wish to be the first to thank the Honourable Financial Secretary and his team for their demonstrated commitment and success in making financial reform a reality within the public service. Driving change is never an easy task but we are now at the stage of reaping the fruit of our combined efforts. The new budget process is focused on achieving policy and managing finances. It is governed on making the best use of scarce resources and it encourages innovation and addressing needs expressed within our community. This is a considerable achievement not just for the sake of the public service but by extension it benefits the businesses and households whose activities generate the income, which funds government services.

My Honourable colleague, the Financial Secretary, has just outlined the broad framework of policies, which the Government proposes for the 2003-2004 Financial Year. I will now expand on some of the major strategies and programmes which are emerging in tandem with this Budget ranging from a strategy to promote and defend our financial services industry to a strategy to combat, beat erosion and preserve the natural assets which underpin our tourism industry.

Financial Services

Madam Speaker and Honourable Members, I am sure we all realise that the challenges are diverse and complex but I can report that Government has not

flinched in facing these critical issues – financial services.

As Honourable Members will be aware, the Government has boldly and staunchly defended the Cayman Islands right to operate an international financial centre within the context of a level playing field. We have insisted that our competitiveness not be impaired by the imposition of unilateral rules which benefit onshore territories at the cost of smaller territories and without, if I may add, any benefit to strengthening any regulatory regimes.

While, the Cayman Islands benefits from being positioned on the side of what is good, what is fair and reasonable and what we know are both legally and morally correct.

Matters in relation to the various international initiatives are continuing to evolve. I would like to address two inter-related areas: Firstly, the European Union's now approved directive on the Taxation of Savings Income. Secondly, the OECD's Harmful Tax Competition Initiative.

On the subject of the European Union, the European Union Finance Ministers approved the European Union's tax package the 3 June. Despite this development I wish to reiterate that Government's resolve and commitment to continuing to closely monitor events.

The Government continues to meet with representatives of the private sector, in fact, there have been numerous meetings over the past 20 months in relation to the various international initiatives. The Government has utilised the feedback, obtained from the private sector in its ongoing efforts to secure a level playing field and to advance the interest of the Cayman Islands.

The process being utilised by the Government in dealing with both the OECD's initiative and the European Union's initiative has a number of components including:

1. Ongoing local consultation
2. Obtaining expert advice from the most knowledgeable overseas advisors which are available
3. Dialogue with other countries.

In relation to local consultation one aspect of the information which has been sought and continues to be sought by the Government is broad feedback from all segments of the private sector relating to,

a) the types and volumes of business currently done in the Cayman Islands which originate in any of the OECD member states and the 10 European states which are likely to become part of the OECD in the foreseeable future which might be sensitive to a tax information exchange agreement; and,

b) the types of business not currently done in the Cayman Islands which but for black list or other legal or regulatory restrictions enacted by any OECD member state might potentially be available to financial and other services providers in the Cayman Islands.

The objective in relation to identifying current obstacles to business is not simply to compile a list of desired one-time changes to other countries legislation which could be used in negotiations but to also compile base-line information to complement general safeguards which are also being designed.

The Government is well aware of the commercial sensitivity of non-discrimination and the need to secure non-discrimination as one element in any negotiations in relation to tax information exchange. During the meetings with the OECD which occurred here in the Cayman Islands in November 2002, the Government demanded and obtained written assurances regarding both the principles of a level playing field and non-discrimination. The language which the Cayman Islands insisted should go into the model which has now been accepted by the OECD in relation to non-discrimination, specifies: "The requested Party may decline a request for information if the information is requested by the applicant Party to administer or enforce a provision of the tax law of the applicant party or any requirement connected therewith, which discriminates against a national of the requested Party as compared with a national of the applicant Party in the same circumstances".

Madam Speaker, in regard to expert advice the Government has acted in previous private sector recommendations and has already taken advice from highly reputed and internationally recognised legal experts in relation to the structuring of tax information exchange protocols and the Government continues to gather individual advice from other internationally recognised taxation law experts in this regard. It is also the Government's intention to retain further expert legal advisors knowledgeable in relation to international aspects of taxation, finance and financial services in any jurisdictions with which any tax information exchange agreement is contemplated.

On another aspect of process the Cayman Islands has for the past two and one-half years been working with like minded countries including the other members of the international trade and investment organisation, the other UK overseas territories, the Crown dependencies and others involved in the OECD and the European initiatives and has no intention of isolation itself in relation to the basic frameworks which are being developed in relation to the tax information exchange process. That being said, Madam Speaker, it is being recognised by all of the countries with which we are co-operating in this process, that model conventions containing tax information exchange protocols, information exchange legislation and over-riding considerations such as non-discrimination are matters that we can work with together, whereas the timing and sought after benefits and bilateral negotiations with other countries are areas in which each country is on its own.

The emerging international ground rules relating to non-retrospective application requirements, for confidentiality requirements for due process, and so

on, are all matters that the Cayman Islands have fought hard for and will undoubtedly form part of any tax information exchange agreement.

Draft legislation relating to the actual tax information exchange process which will be required to give effect to the US tax information agreement and which includes safeguards for privacy is currently being developed and it is anticipated that this will be made available for public consultation in the near future.

The final form of this legislation once adopted locally is intended to be offered as a framework which would be available to other jurisdictions to adopt. Similarly, a draft protocol for bilateral negotiations is being developed with the assistance of internally recognised experts and will also be made available for public comment in the near future.

Madam Speaker, the Government's resolve has not changed. We do not intend to support the European Tax and Savings Directive in its current form because it will be detrimental to the financial services industry in this country, it will cause lay-offs and unemployment, it will cause the country to lose revenue and we ask that the United Kingdom Government understand this. For the same way the United Kingdom Government wants to protect their bond market we must protect we must protect our financial services industry. If they move to impose the directive on us we shall pursue all legal options to protect this country from such wonton disregard for our survival and viability as an international business centre in good standing.

Madam Speaker, Government continues to commit necessary resources to ensure the law enforcement agency is fully equipped to meet the unfortunate rise in crimes in recent times. We have confidence that the police will continue to meet the challenge. As a Government we do not intend to tolerate the incidences of crime in our country. The continued prosperity of these Islands is heavily dependent on a safe and secure environment, therefore, the resolution to this rising problem must be everyone's business. If the public has information we would urge them to by all means assist the process.

Madam Speaker, the only remaining punishment for crime, and furthermore serious ones, is incarceration at Northward Prison since the United Kingdom removed corporal punishment and capital punishment for hard crimes. No one can say that this has proved beneficial to these Islands. The Government stands committed to doing everything in our power to preserve the peace, safety and security of these Islands.

Ministry of Tourism
Tourism

Madam Speaker, we are all aware of the significant challenges facing global tourism. This started prior to the 11 September with the decline in the US economy, our most important source market. The US economic decline was followed by the unfortunate events of the 11 September 2001 which was followed by the US led war with Iraq. At the onset of the war with Iraq early this year domestic travel within the United States declined by 20 per cent and international travel from the US fell by 40 per cent. These challenges were compounded by the outbreak of Severe Acute Respiratory Syndrome, or SARS, as it is commonly known.

While our tourism industry like others around the world continues to struggle for recovery from these unfortunate events our statistics continue to fluctuate over the past year with moderate and gradual increases in stay over visitors anticipated. The Ministry is taking advantage of this opportunity to restructure our operations and improve our product so that when the expected recovery of global tourism and our tourism industry occurs we will be well positioned to manage that growth. In the meantime, we are doing everything possible to increase stay over visitors including television advertising, which has been nonexistence in recent years and new marketing and public relations strategies.

In 2002 the Ministry commissioned a study on the feasibility of establishing a tourism authority. The first phase of the study examining the feasibility of transitioning the Department of Tourism (DoT) into a statutory authority has been completed. It is clear from the study that a tourism authority is desired and will be the most effective structure to ensure collaboration of the public and private tourism sectors. We are therefore, moving ahead shortly with phase two of the plan which will address the organisational structure of the new authority. This phase will involve significant cohesion between the Ministry and the DoT and the industry stakeholders, and there are budgetary provisions to support this project.

Madam Speaker, in March of this year I tabled the new five-year national tourism Management Policy, a policy designed to provide a framework and a clear vision for the sustainable development of the tourism sector. This Management Policy has determined the budgetary provisions with respect to the tourism industry and activities.

Conclusion
And General Consensus Of The Policy Framework

The conclusion on general consensus that came from the policy development process is that the way ahead, laying consolidation and sustainable growth and the need to focus on five strategic aims.

1. In market terms, positioning the Cayman Islands as a distinctive quality Caribbean destination for the discerning visitor.
2. In product terms, concentrating on improving the quality of the experience for stay over and cruise passengers, to deliver a unique distinctive Caymanian

experience for which people are willing to pay a premium.

3. In development terms the key recommendation is the need to review tourism zones.

4. In management terms the key recommendation is to institute a provisional cap on the number of cruise ship passengers per day arriving on Grand Cayman.

5. In target terms we are working to restore visitor stay over visitor numbers to pre-1998 levels.

This Management Policy has been called *Focus for the Future* because it is about repositioning the Cayman Islands' product and approach to meet new demands and a new overall goal. This will require a new focus by all concerned with the industry.

Implementation Of The Recommendations

The National Tourism Management Policy (NTMP) provides a consensual blueprint and charts a course for development of our tourism sector to the benefit of everyone. Unlike the way previous studies have been shelved, we are determined to act upon this report and not to allow it to be relegated to the bookshelves of a few persons for dust collection. The challenge is now implementation and my Ministry and the DoT are therefore preparing to implement the recommendations in the National Tourism Management Policy by establishing certain mechanisms:

NTMP Steering Committee

This would be the overall coordinating body that will provide oversight for ensuring the implementation of the Policy. This body would guide the work of the subcommittees and they in turn would all report to the steering committee. A number of subcommittees will be established: a Human Resources Committee, an Information and Research Committee, Transportation Committee, George Town Port/Cruise Development Committee, Environment Committee, Product and Structure Enhancement Committee.

Madam Speaker, work has already begun on many of the issues raised in the Management Policy and the various sub committees will draw on much of the proprietary work that has been executed by the Ministry and DoT.

In addition to the implementation of the Management Policy for the Cayman Islands the DoT is continuing work on other key objectives such as the recently launched cruise convergent programme which is encouraging cruise ship visitors to return to the Cayman Islands overnight. This programme is designed to take advantage of a golden opportunity. The thousands of cruise ship guests who arrive at our shores monthly and to convert an elite portion of them to return to the Cayman Islands as land-based stay over visitors.

Madam Speaker, the action plans contained in the Management Policy will require the participation of numerous and diverse agencies ranging from tourism association to various cultural educational and environmental organisations to the economics and statistics offices. Managing this process will be no small task but we understand how crucial it is to do this and we are committed to getting our public and private sector together to address our tourism challenges in a meaningful and effective manner. This new Management Policy will be a critical took to preserving and building our tourism industry and I humbly request that this policy be given the support it deserves, not from the public but from within the House.

Cayman Airways

Madam Speaker, it has been one year since we last had an opportunity to talk about the challenges and opportunities which lay ahead for Cayman Airways, the shareholders' perspective. When the new board was appointed I said that if Cayman Airways (CAL) continued business as usual then Cayman Airways would not have the shareholders support. At that time the Government confirmed its support for the CAL 2002 business plan and indicated that there must be significant reductions in expenditure if the national carrier were to survive. The Government also stated that it was not in a position to fund Cayman Airways at that time beyond the budgeted equity investment of $4 million.

Madam Speaker, I addressed the CAL Board of Directors at a meeting in February of this year. I thank the Directors and the Chairman of Cayman Airways for their commitment and dedication to our national carrier especially at this when the Aviation industry is facing unprecedented challenges. They have all worked assiduously without compensation and I commend and thank them all on behalf of the Government and people of the Cayman Islands for their commitment to ensuring that this national asset has an opportunity to succeed. I believe that their professionalism, their expertise and their commitment are now positively reflected throughout the organisation. They took very seriously the mandate that was given to them last year and it is evident that they have managed Cayman Airways on behalf of the country as if it were their own business with as much passion, charisma and sacrifice.

Madam Speaker, the past year has presented mixed results. The Board of Directors of Cayman Airways has been successful in achieving unprecedented savings. Unfortunately, the airline also experienced a significant decline in revenue due to numerous factors, most of which were outside our realm of control. As a result the gap between expenditure and revenue remain largely unchanged and therefore, it is back to the drawing board.

I told the Board at the February meeting that as they were about to launch into their next round of intense discussions and planning I would like to raise on behalf of the shareholders several factors which at

a macro level may help establish parameters for their discussions.

As I have said earlier we recognise that the Aviation industry is facing unprecedented challenges. Since the terrorist attacks at the World Trade Centre we have witnessed bankruptcies with major US carriers. Regional carriers such as LIAT, Air Jamaica, and BWIA still face less than certain futures while their respective governments are still injecting millions and millions of dollars into these airlines to ensure the viability of their tourism industries. This compares to the $4 million that we invest in Cayman Airways annually to support our tourism industry.

Those US carriers that continue to serve our region are increasing the demands for subsidies from regional governments. I believe this is a tangible example of what we had anticipated would happen if Islands were totally reliant upon external carriers to provide air services. I know with certainty that we could expect more of the same while prices to fly to Cayman dramatically increase.

The Government recognises that it will be necessary especially in today's world to invest in air services to the Cayman Islands and that it will serve our economy better if that investment in our national carrier, Cayman Airways. Notwithstanding this, Madam Speaker, this must be viewed against the reality of the Government's financial position which does not allow it to provide an undetermined annual equity investment in Cayman Airways.

I have already spoken to the unprecedented challenges which our financial industry is facing and as this pressure continues more reliance will be placed on our tourism industry to support the same level of economic activity that we enjoy.

It follows then that a stronger and more integrated working relationship will be required between Cayman Airways and the DoT. Cayman Airways must play a more significant role in building tourism for the Cayman Islands as it did when it was first conceived.

The Government as the shareholders of the national carrier recognises the value of Cayman Airways to our economy. But if is important for Cayman Airways to recognise that the Government is facing major challenges in just about all of its sectors and funding is a real issue for all of them. Cayman Airways must therefore compete for funding with many other agencies which also provide essential services for the country.

Madam Speaker, I am pleased to advise that the Government is committed to the long-term support of Cayman Airways provided that the Board of Directors can produce a strategic business plan that restructures the national carrier and establishes a viable operation with a completely new formula, essentially a new Cayman Airways.

In that regard the Executive Council will consider the new Cayman Airways strategic plan on the 24 June 2003, and I will report to this Honourable House shortly thereafter.

I can say, however, that the plan will propose to link Cayman Airways' route structure with the DoT's marketing focus to ensure continued economic viability through a successful and progressive tourism industry. We are proposing additional routes to Chicago and Boston beginning in December this year and February 2004 respectively. This will begin the focus on Cayman Airways new vision to strategically support the tourism and financial services industries.

Madam Speaker, every Caymanian should play their role in keeping the national airline alive. They should not on any other airline travel unless Cayman Airways is not available. That is the duty of every Caymanian and not only every Caymanian outside but everyone of us in this Honourable House. For when we pay money to other carriers flying from this country, when we can pay it to Cayman Airways we are taking from the national coffers of this country. I implore everyone to support Cayman Airways. There was a song the other night at the Byron Lee concert which says, "Raise your flag for Air Jamaica and Air Jamaica Express." Well, I say here let us raise two for Cayman Airways.

Beach Review and Assessment Committee

I wish to turn from discussing initiatives based on preserving our financial and tourism and aviation interest to initiatives geared to the preservation of our natural assets.

Madam Speaker, in January 2003, my Ministry established the Beach Review and Assessment Committee (BRAC). With the primary objective to review, recommend and implement an appropriate plan of action to address the issue of beach erosion. The work of the committee to date has focused on Seven Mile Beach due to the urgent need to address issues in this location. The Beach Review and Assessment Committee interim report April 2003 therefore primarily deals with Seven Mile Beach although some general recommendations apply to all of the beaches in these Islands. The committee will continue to address additional beach management issues in the Cayman Islands in accordance with the original terms of reference.

The report provides a broad range of recommendations aimed at addressing both immediate erosion concerns and preventing future erosion problems through changes and development policy.

A summary of the main recommendation is as follows: The rating of High Priority Short-Term Solutions represent recommendations that must be implemented and possibly completed within two to six months of adoption of the interim report. Immediate action in these areas will temporarily alleviate problematic erosion conditions.

The main High Priority Short-Term Solutions are as follows:

1. Removal of specifically identified and inappropriately sited rock and rubble obstructions along Seven Mile Beach.

2. Conducting an immediate trial for government initiated spot nourishment of heavily eroded sections of Seven Mile Beach utilising sand sources stock pile on the Island from previous construction projects.

3. Conducting an engineering feasibility study in preparation for a beach nourishment programme during the next major erosion event and as a central component of the strategic beach management plan.

The rating of High Priority Long-Term Solutions represents recommendations that should be implemented within two to twelve months of adoption of the interim report, and that will have a long-term impact on erosion issues. These recommendations represent changes in development and planning policies that will directly benefit beach management.

The main high priority long-term solutions are as follows:

1. Establishment of a Strategic Beach Management Plan which will form a dynamic comprehensive policy and management tool for all beaches of the Cayman Islands.

2. Establishment of the Historic Vegetation Line using suitable archived aerial photography as the bench mark for determining set backs on all beaches.

3. Preparation of a Coastal Set Back Category Map that will detail cite specific set back distances for all coastlines on Grand Cayman (beginning with Seven Mile Beach) as well as the Sister Islands.

4. Immediate implementation of a policy of opportunistic nourishment (return of stock pile beach sand from previously approved development and any sand removed from the beach ridge during the construction of new foundations, seawalls and pools).

5. Establishment of a permanent beach management fund with an initial deposit by government in the (2003/4 financial year and in subsequent years from private and government funding mechanisms to be determined at a later stage.

6. Amendment of development and planning regulations and/or Central Planning Authority (CPA) policies such that all repair of coastal structures damaged by storms and hurricanes shall require Planning permission in accordance with established policies and recommendations.

The rating of Intermediate Priority Long-Term Solutions represent recommendations that should be implemented within 12 months of adoption of the interim report. And that will have a long-term impact on erosion issues.

The main intermediate priority long-term solutions are as follows:

1. Amendment of planning regulations to include a requirement that heavy vehicle access is maintained to the Seven Mile Beach between future buildings considered for Planning approval to allow heavy equipment access to the beach in the event of a major beach restoration effort.

2. Encouraging developers and residents to use native beach vegetation to assist beach stabilisation both before and after storm events.

3. Amendment of section 31 of the Development and Planning Law 1999 Revision to prevent the practice of sand removal from all beaches.

4. Continuation of the current Department of Environment and Lands and Survey beach monitoring programme and the incorporation of this data into specific beach management plans as part of the strategic beach management plan.

Madam Speaker, it is important to note that the committee considered several options for the recovery and repair of sections of Seven Mile Beach affected by erosion, including the introduction of various engineered beach stabilisation structures. The committee's consensus established that beach stabilisation structures would be uncharacteristic of the Seven Mile Beach aesthetic and experience and that no scientifically proven system has been identified to date. Based on the advice of the consultants, beach nourishment (mechanical placement of sand) was considered the most viable option. Further, the consultants advised that at this stage a full-scale nourishment project is not required on Seven Mile Beach. Instead, it was recommended that spot nourishment of heavily eroded areas is the most likely scenario that should be explored further and prepared for.

It is key that everyone understands that Beach nourishment is not a 'one-off' solution; it will need to be repeated at intervals. For this reason the committee has recommended the establishment of a beach management fund. It is equally important to note that beach nourishment is an engineered structure and as in any operation of this magnitude there is potential for damage to the environment.

Prior to deciding to undertake this option, an engineering feasibility study accompanied by an environmental assessment is required. These studies would consider the viability of sand sources, make recommendations on acceptable methods for obtaining, transporting and distributing the sand on the beach as well as cost estimates for the programme. Restrictions on methodology or on source selection necessary to protect the environment would be determined as a part of these studies.

The possible inability to retain sand on beaches that have been nourished at considerable expense is an issue that will draw criticism as there local advocates of utilising sand retention structures comprising a range of structures, including groins and breakwaters, with potential for retaining sand at specific locations on the beach. Given the lack of supporting scientific information the use of sand retention devices is not recommended by the committee for the Seven Mile Beach area, north of Crescent Point. However, Sand Retention Devices may form suitable options for other beaches in the Cayman Islands not yet considered by the committee.

In the recent past coastal construction set backs have been based upon tidal datum – the elevations of either high or low water mark. Although these elevations are well established and easy to survey they do not represent fixed points on a map. The intersection on high tide on certain sections of Seven Mile Beach has been shown in Department of Environment (DOE)/Lands and Survey Beach Monitoring profiles to vary more than 200 feet perpendicular to the shoreline in a single year! This means that setbacks based upon measuring the beach at its widest could result in buildings in the water when it is at its narrowest.

On the other hand, Madam Speaker, Nature has provided a firm reference point for the maximum expected erosion line at any particular point on the beach in due form of the Historic Vegetation Line. Dense vegetation and large trees take considerable time to become established and their presence indicates that erosion has not occurred to that particular point in the past. While this line can seldom be determined on the modern shoreline of Seven Mile Beaches because of development–related modifications, it can be established through the careful interpretation of pre-development aerial photography.

At this stage there is no recommendation for actual setbacks, only a recommendation for using the Historic Vegetation line as the baseline for determination.

Madam Speaker, there seems to be some confusion or misinformation in regards to walls that have been built on Seven Mile Beach that may have caused the shifting of sand. I can say that during the term of this Government there were no walls built and that we increased the setbacks by 30 more feet rather than the 100-foot set back given by former Governments. This was done to protect the environment.

Crisis Readiness: An Investment In Our Future

Madam Speaker, as you know, we are aware of the growing number of world crises. Our economy, our reputation in the global community, and our relationships with key stakeholders have been directly impacted by more frequent an severe challenges such as globalisation, the Asian financial crisis, the tragic events of 11 September 2001, corporate governance failures around the world, natural disasters and more recently SARS.

The question that I have pondered as Leader of Government Business is, what if something happened that resulted in thousands of people losing their jobs—what plan is there to address such a catastrophe. I recognise that we needed such a plan with solutions.

The new reality of risk demands a new standard of leadership on our part. We must bring to these challenges a vision – a new approach and shared commitment that will raise the bar of excellence for government ad business alike.

Such crises in the Cayman Islands could wreck tourism, devastate the economy, destroy existing revenue streams, and shrink the government's revenue base. This would destroy businesses and in turn cause social deterioration from massive unemployment. Any or all of these consequences could jeopardise government and businesses ability to deliver public services to our residents and visitors.

I am therefore, proposing to implement A Cayman Islands Crisis Readiness Programme. This programme will enable public and private organisation to better prevent, prepare for, respond to and recover from all kinds of potential threats including:

- Natural disasters (example, hurricane or earthquake)
- Financial services threats (example, imposed external legislation)
- Industrial accidents (example, oil spill)
- Technology failures (example, damaging power outage)
- Public health threats (example, SARS)
- Terrorism of some kind (example, bombings)
- And others (example, accounting scandals)

To this end, the Government intends to enter into an agreement with Marsh McLennan group of Companies who will work closely with the Cayman Island's Government and business community to develop and implement the following four-part programme:

1. Crisis Readiness Review

The success of any crisis management planning effort depends on an understanding of key organisational and cultural issues. Each organisation is different, with unique structure, culture, processes, and people, all of which influence crisis management capability. Through structured interviews and reviews of selected policies and documents, March McLennan will determine what issues need to be understood and addressed as part of improved Crisis Readiness planning.

2. Hurricane Preparedness Simulated Exercise

A simulated exercise will help assess and validate the Cayman Islands hurricane preparedness. March McLennan will design, develop, conduct and evaluate a discussion-based exercise for a proposed Hurricane Response Team. The Team will be challenged to talk-through their response and recovery actions based on a hypothetical crisis scenario(s). The hypothetical scenario will challenge the crisis communications and human impact capabilities. Participants will include Hurricane Committee members and selected others. The simulated exercise is designed to observe and benchmark the team's management process(es).

March McLennan's simulated exercises place strong emphasis on measuring Crisis Readiness capabilities, understanding of and ability to respond to human impacts, clarification of team member roles and responsibilities, notification and activation procedures, response strategies, and individual roles and

responsibilities. Simulated exercises provide a training opportunity for team members to strategise responses, sharpen decision-making skills, and strengthen team cohesiveness.

3. Crisis Readiness Education and Training Seminar

Marsh McLennan will conduct a 1½ days education and training seminar for selected government and business leaders. The seminar will be designed as an interactive workshop that provides an overview of Crisis Readiness initiatives in government and business as well as insights into world issues that can create a potential crisis environment for a country like the Cayman Islands. The seminar is intended to provide participants with training and dialogue with key government and private sector individuals in crisis management, emergency management, human impact, and crisis communications.

Seminar participants will be provided the opportunity to enroll in March McLennan's Crisis Academy prior to attending the seminar. Course offerings will include:

- *Foundations of Crisis Management* introduces participants to discipline's philosophy, terminology, methodology and relationship to other fields.
- *Foundation of Emergency Planning* introduces methods for identifying and assessing hazards and vulnerabilities that require an emergency response plan.
- *Foundations of Crisis Communications* offers guidance for effectively reaching employees of agencies and companies as well as the media, financial markets, and residents/visitors to the Islands.
- *Foundations of Humanitarian* Assistance provides an introduction to processes and basic tools needed to deal with the physical, financial, and social-emotional impact of a crisis.

This blended e-learning and instructor-led approach will provide participants with a solid appreciation for the best practices (foundations) needed to respond to and recover from a wide range of crisis triggers. It can be individualised and personalised based on the findings of the Crisis Readiness Review, Hurricane Preparedness Tabletop Exercise, and participant job function/title.

4. Real-Time Crisis Consulting Support

If/when a crisis should occur that impacts the Cayman Islands, March McLennan's Crisis Consulting Practice will, upon request, provide the government with real-time management support, including the guidance that agencies may need in order to respond quickly and effectively. This service can be initiated by calling March 24 hours per day, 365 days per year.

I am proposing this new public-private partnership to enhance the existing crisis readiness capabilities of government and businesses in the Cayman Islands. By working closely together, our government and business community can begin to integrate and leverage our ability to efficiently respond and quickly recover from a wide range of potential crises.

We need to create this Partnership because we know that, the government can the business community cannot undertake this crucial task alone. We must join forces. By committing to this partnership effort, we acknowledge our responsibility to resource this initiative and to build the trust that will be needed to carry it through.

After this assessment has been conducted, a report will be made to the Government with suggested solutions and action plans as to how to tackle any given disaster. Then the Government, and our partners in the business community will meet, discuss, plan and strategise, to ensure that we are prepared to meet the challenges ahead, whether man-made or those laid down by a higher authority, so that the people of the Cayman Islands can continue to prosper and maintain our standing as the leading provider of financial services and a safe, serene and sought after tourist destination.

We pray to God that we never have such a disaster but we must be ready with an alternative in the event that we find ourselves in such a predicament.

I now turn to short policy statement on the various Ministries.

Ministry of Planning

Telecommunications

The Government is aware that the quality and cost of infrastructural services has a major impact on our country's international competitiveness. It has therefore been actively working towards the deregulation of the telecommunications sector. As recently announced by the Minister of Planning, Communications, Works and Information Technology, this process is to be completed by July 2004. It is expected to result in an overall reduction in telecommunications cost across the economy, which will benefit our people directly as well as indirectly by reducing the costs of doing business in Cayman.

The Ministry also announced the Government's intention to renegotiate the contract with Caribbean Utilities Company Limited (CUC), the objective being to secure lower rates for our people.

A New Roads Authority

Madam Speaker, the Government is very pleased to announce its intention to create a Roads Authority in July of this year. The Honourable Financial Secretary has already made reference to this in his presentation and I will now give some additional details. The existing Public Works Department (PWD) Roads Section will be converted to constitute the new Authority. This umbrella framework will ensure the desired result connected to financing with respect to roads design, development and maintenance.

Madam Speaker, the Authority will look to innovative methods of funding its capital development programme and during this financial year it is intended that the Authority will execute the following major capital development projects/programmes:-

a. District Road Programme $1,300,000
Road Programme of reconstruction and/or resurfacing of existing roads throughout Grand Cayman and the Sister Islands:

West Bay	$300,000
George Town	$400,000
Bodden Town	$300,000
Northside	$150,000
East End	$150,000
Cayman Brac and Little Cayman	$580,000

b. Roads: Settlement of Gazetted Claims $2,000,000
Compensation fund for property owners

c. Traffic Improvement Programme $895,000

Eastbound lane Selkirk to Marina Drive	$350,000
Upgrade McField Lane	$150,000
Hirst Road/Shamrock Road Intersection	$395,000

d. Main Road Resurfacing $580,000

BT – Midland Acres to Breakers	$450,000
Goring Avenue	$130,000

e. Bodden Town Relief Road $100,000
For continuation of works on the Anton Bodden Road

f. Linford Pierson Highway – Phase 2 $800,000
Phase 2: Bobby Thompson to Walkers Road

g. Development Roads Programme $7,000,000
Esterley Tibbetts Highway – Phase 3
Galleria to Indies Suites

Madam Speaker, this represents a capital development programme of just over $12,000,000 for necessary road works.

A more substantial presentation will be made on the structure, operations and funding of the Roads Authority by the Minister responsible when the enabling legislation is debated during this Meeting of the Legislative Assembly. I trust that all Members will support this new initiative and will understand the need for its creation.

Ministry of Education

ITALIC Programme

Madam Speaker, The National Education Plan was reviewed and expanded as the plan for 2000-2005. This has directly lead to the implementation of ITALIC – Improving Teaching and Learning in the Cayman Islands. Over a five-year period Government will spend close to $6 million on this worthwhile programme for education.

ITALIC is now in the pilot, six projects are being piloted in our schools. All schools are involved in at least one pilot. The Education portal has been established to allow intranet and internet connection to and between all schools; e-mail for students and teachers is being put in place; schools are developing their own web sites; teachers are developing their own web-pages.

Through web-based courses some teachers are developing lesson plans which can then be evaluated and available in lesson-banks. Such lesson plans must meet the standards laid down by the National Curriculum for government schools. It is anticipated that all teachers will be trained in these methods by the summer of 2004.

We will shortly be piloting wireless computer carts in schools. This will give every child access to a computer and the internet.

At the same time Information Technology Policy which includes internet use policy, and technology support policies are being developed. These draft policy documents are now being reviewed by the appropriate personnel.

The Ministry will soon be tabling a new Education Law.

Build new Primary and Secondary Schools

Madam Speaker, the Government has identified property off Poindexter Road in Spotts for a new primary school. The school will be ready in September 2004.

Additionally, land in the Frank Sound area for a secondary school has been identified and a purchase price is being negotiated. It is expected that construction on this school will begin in 2004 for occupancy in September 2005. The new West Bay Primary School will also begin next year for occupancy in September 2005. The funding for all three schools will be obtained using the Private Financing Initiative methodology.

Employment Relations Department

The Employment Relations Department has been re-organised into units: the compliance and regulatory unit, the conciliation and mediation unit, the job placement unit and the human resource development unit, which includes the Investors in People programme Unemployment continues to be a challenge, although the unemployment rate has decreased from the high levels of 2001/2002, there are still 450 Cay-

manians registered as seeking work, with only 35 persons placed in the last five months.

A working Group to establish a National Technical and Vocation Education Board has begun to meet. The new Technical and Vocational Educational Training (TVET) Board will advise on policy, approve the certification and the standardisation of TVET programmes and recommend long- and short-term training courses as well as scholarships and grants for this important sector.

In keeping with regional and international initiatives, the Ministry's thrust on TVET links it to employment and life-long learning. The TVET policy will highlight that technical and vocational education is much more than an option for the non-academic student, but a real plus in this increasingly technological and globalised world. It will also link the training initiative to the findings of the Skills Audit presently being carried out by the Department of Employment Relations.

Culture

The development of a National Cultural Policy and the establishment of a National Cultural Commission under United Nations Educational, Scientific and Cultural Organisation (UNESCO) guidelines has begun. Various focus groups have been held so that the policy framework can be established.

The long-awaited New History of the Cayman Islands is now with the prints, and will arrive on Island over the summer with a planned launch in September.

Ministry of Health Services

The Ministry of Health Services is committed to ensuring a healthy resident population within the Cayman Islands. Health, as is defined in the Constitution of the World Health Organisation: "is a state of complete physical, mental, and social well-being and not merely the absence of disease or infirmity." Maintaining rates of preventable diseases within the World Heath Organisation standards will remain a priority. The Public Health Department will organise health promotion activities to emphasise the positive aspects of life-style that can reduce or prevent the onset of cardiovascular disease and cancer. Integrated approaches will be used to prevent and reduce the incidences of non-communicable diseases such as diabetes and hypertension. The Medical Officer of Health will continue to monitor and ensure vaccines and essential drugs are used in a timely manner for the greater good of the public.

Current policies will be reviewed with the aim of administering, in a more cost-effective and efficient manner, the health care benefits for civil servants and other eligible persons for whom the government has accepted responsibility. A new Health Insurance Law is in process. Work on establishing a centralised database will be completed and the collection of relevant data/statistics will remain a priority.

Aviation

Madam Speaker, redevelopment of terminal facilities at Owen Roberts International Airport, and provision of purpose-built airport facilities in Little Cayman are intended. The contribution of such amenities to the successful selling of the Cayman Islands as a comfortable tourism and business destination is well established. They must be kept up to date with evolving needs.

Parallel with this will be the restructuring on the Civil Aviation Authority, to place operational and regulatory responsibilities under two separate entities. This will keep Cayman in its position of standard-bearer in both safety and security arrangements for our air traffic passengers, as well as for cargo.

District Administration

Madam Speaker, close attention will be paid to ensure that all initiatives undertaken across the entire public sector will have appropriate parallels within District Administration, which operates as a microcosm of the Government as a whole. Working in cooperation with other Ministries, funding will be provided for projects to diversify the economy of Cayman Brac and Little Cayman and support ongoing social development. In particular, an emphasis on nature tourism will serve to spearhead immediate development efforts.

Ministry of Community Services

Restructuring of the Social Services Department

Madam Speaker, over the years the Cayman Islands has grown from the "the Islands that time forgot" to one of the major financial centres of the world. As many of our people were not equipped to handle this rapid development, many found themselves seeking temporary and permanent financial assistance from the Department of Social Services. Some of those people in many instances are simply just in need of restraining or retooling. Like the saying goes, "Give a man a fish, you fee him for a day, but if you teach a man to fish you will feed him for a lifetime". It is time, Madam Speaker, that we focus on restraining and retooling our people so that they can all secure jobs.

In keeping with the Broad Outcome number 10 in the 2003/2004 Strategic Policy Statement – that is Strong Family Units, the Ministry of Community Services will continue to restructure the Department of Social Services to make it more effective and efficient. The main focus of the Department of Social Services will be the stability and strengthening of the family unit and in keeping with this, it will be renamed the De-

partment of Children and Family Services as of the 1 July 2003.

Other plans for the department include in philosophy and focus and this will be implemented to better understand and address the root causes of people needing Temporary Financial Aid. By helping these adults become more self-sufficient, they will be in a better position to care for their families financial and emotional needs. This approach will reduce the number of repeat clients and reduce the likelihood of people becoming dependent upon financial assistance. An additional section of the department will focus on the Poor Person's Relief for the elderly and disabled.

The Affordable Housing Initiative

In keeping with the focus on a Strong Family Unit, the Ministry of Community Services, on behalf of the Cayman Islands Government, is spearheading the Affordable Housing Initiative. This process began earlier this year and it is anticipated that the homes would be available for sale in 2003/2004.

The management and sale of these homes will be administered through the National Housing Trust that has already been established and which will be managed by a Board.

Conclusion

Madam Speaker in concluding my remarks, I will state without fear of contradiction that this Government has faced unprecedented and very arduous challenges during its term. The world has never been in such a state of uncertainty. National economies have never been in poorer conditions except, perhaps, during World War II. Therefore, our challenges are diverse and complex, but I am pleased to report that my government has not flinched in facing these critical issues. No one need believe that preparing this Budget or budgets for this country have made revenue forecasting difficult. Additionally, expenditure is not always easy to reduce even when you prioritise.

I have met every challenge head on. I have not shirked my responsibilities nor do I intend to do so for the only thing I fear is fear itself. No one can deny, Madam Speaker, that my Government has faced these challenges with vision, courage, determination and relentless energy. The budget is structured so that it ensures that we are protecting the interest of these Islands, building our major industries, facilitating foreign and local investment, encouraging local businesses to grow, giving our people a change to become entrepreneurs, enabling our people to secure employment, so that they can secure their future, pay their bills and feed their families. We are taking care of our senior citizens and veterans where we can. It is our will to overcome these challenges, and with God helping us so we shall, Madam Speaker. If it is the will of our people, I can assure them that my Government has many miles to go before we sleep.

Finally, Madam Speaker, I wish to again sincerely thank the Honourable Financial Secretary and his staff in the Budget and Management Unit for their hard work in preparing this Budget for presentation this morning. I would also like to thank all my colleagues for their efforts in the preparation thereof. I want, especially to thank my Permanent Secretary and other staff in my Ministry for their very hard work especially over this past weekend, and consistent dedication and commitment to their responsibilities.

I thank you, Madam Speaker, and I thank the House for their indulgence.

ADJOURNMENT

The Speaker: Thank you. Before calling on the Honourable Leader, I would wish to also welcome back the Honourable First Official Member to the Honourable House and trust that he had a productive visit. I now recognise the Honourable Leader for the adjournment motion.

Hon. W. McKeeva Bush: Madam Speaker, I move the adjournment of this Honourable House until Thursday 19 June 2003 at 10 am when we will begin the Budget Debate.

The Speaker: The question is that the . . . I recognise the Leader of Opposition.

Mr. D. Kurt Tibbetts: Thank you. Madam Speaker, before the adjournment I would crave your indulgence to allow me to register the Parliamentary Opposition's strong objection to the short time in which we have to prepare our response to the Budget Address and the address which accompanied it by the Leader of Government Business.

Madam Speaker, it was bad enough when we learned that the Budget Address would have been delivered this morning and we would have had to respond on Thursday morning when we were thinking that in following with what has become new tradition, we would have heard an address from the Honourable Third Official Member and one from the Leader of Government Business, and we would have had the Annual Plan and Estimates. But we have before us and have only seen this morning for the first time—besides the Appropriation Bill and the Loan Bill which is understood because it relates to the Budget Address and the accompanying address by the Leader of Government Business—the Annual Plan and Estimates which is 327 pages long. We have the purchase agreements for Statutory Authorities, Government Companies and Non-Government Output Suppliers which has 631 pages. We have the Ownership agreements for Statutory Authorities and government companies which has 242 pages. And of course we have the Annual Budget statements for Ministries and Portfolios which has 567 pages. Madam Speaker, those four documents I referred to are separate and

apart from the Budget Address and the other three documents.

The total number of pages is 1767 pages. Let me say again: 1767 pages. One might want to say that you do not have to look into these documents to be able to do your Budget response but for those of us who read the Honourable Third Official Member's Budget Address or listened to him, he referred to these documents in his Address which means for us to come with any informed response we have to examine these documents. Therefore, it puts us in more untenable circumstances and we just simply wish to register our strongest objection that we should be able to have sufficient time to peruse all of these documents carefully to be able to prepare a response.

Madam Speaker, the other thing that needs to be recognised is the Government, both elected and official arm and their back bench supporters are in the box at this time because they have presented a Budget which they consider to be the best budget given the circumstances which is reasonable. But the Opposition is not wanting time to peruse these documents to look for arguments to go against what has been presented; the Opposition's job is being outside of the box giving different perspective to what has been presented, if a different needs to be taken. So, it leaves us in circumstances which, regardless of the midnight oil which needs to be burned, almost seem untenable at this time for us to be able to prepare an informed contribution and response by Thursday morning. We therefore, wish to register our very strongest objections to the short time in which we have to prepare.

The Speaker: Thank you. I recognise the Leader of Government.

Hon. W. McKeeva Bush: Madam Speaker, I heard what the Leader of the Opposition has said. The Opposition is going to have the balance of today, tonight, tomorrow and tomorrow night to prepare themselves for debate. It is not necessary that they have to rise first so they will have even more time to make their speeches. I suggest that the only thing they need to do is to look at the Annual Plan and Estimates.

That is the meat of the Budget and that is what we are going to spend . . . it says what the plans are. I do not believe that will put them in an untenable position. The important thing is when we go to examine the Budget and that is several days yet to come. Before we get to Finance Committee they will sit down and pick to pieces and peruse as is usually done. They will have all that time to study the estimates. We do have a problem and it is not their fault that we are late but we do have a timeline set by Law.

Members must understand the situation that the country is facing with our Budget. They must understand it. There is no need for anyone to talk about building up the reserves and you must be doing well. That is just part of it. They must understand that. And so there were difficulties and thank God that we are able to present here today. As I said they will not have to go through 1767 pages. If they look at what the Financial Secretary said in his speech and look at what I said, that should give them sufficient information to debate. I am only replying to what was said by the Leader of Opposition.

Madam Speaker, I can say no more but that I believe, while it is not the longest period, it certainly gives them time to prepare. I would ask that they co-operate. This is the country we are talking about.

The Speaker: I have noted the concern from the Leader of Opposition and the response which I gave indulgence to so that there would be equality of presentation of the concerned and an immediate rebuttal thereto. There is an existing motion on the Floor and it is within the will of the House I now put the question for a vote.

The question is that this Honourable House be adjourned until Thursday 19 June 2003 at 10 am. All those in favour please say Aye. Those against, No.

Ayes and Noes.

The Speaker: I believe the Ayes have it.

Mr. D. Kurt Tibbetts: Madam Speaker, could we have a division please.

The Speaker: Certainly. Madam Clerk.

Division No. 1/03

Ayes: 11	**Noes: 5**
Hon. W. McKeeva Bush	Mr. D. Kurt Tibbetts
Hon. Linford A. Pierson	Mr. Alden M. McLaughlin, Jr.
Hon. Roy Bodden	Mr. Anthony S. Eden
Hon. Gilbert A. McLean	Ms. Edna M. Moyle
Dr. the Hon. F. S. McField	Mr. V. Arden McLean
Hon. James M. Ryan	
Hon. Samuel Bulgin	
Hon. George A. McCarthy	
Mr. Rolston M. Anglin	
Capt. A. Eugene Ebanks	
Mr. Cline A. Glidden, Jr.	

Absent:1
Mr. Lyndon L. Martin

The Speaker: The result of the Division is as follows: 11 Ayes, 5 Noes and 1 Absentee. The Motion is carried.

At 12.45 pm the House stood adjourned until Thursday 19 June 2003.

OFFICIAL HANSARD REPORT
THURSDAY
19 JUNE 2003
10.19 AM

Fifth Sitting

[Deputy Speaker in the Chair]

The Speaker: I would invite the Second Elected Member for George Town to say prayers.

PRAYERS

Mr. Alden M. McLaughlin, Jr.: Let us pray.

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

Bless our Sovereign Lady Queen Elizabeth II, Philip Duke of Edinburgh, Charles Prince of Wales, and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Executive Council and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 10.22 am

[Deputy Speaker in the Chair]

The Speaker: Please be seated. Proceedings are resumed.

ADMINISTRATION OF OATHS OR AFFIRMATIONS

Oath of Allegiance
Mr. Donovan W. F. Ebanks
(Administered by the Clerk)

The Speaker: Mr Ebanks, please come and sign the oath.

Mr. Donovan W. F. Ebanks: I, Donovan Ebanks, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, her heirs and successors according to Law so help me God.

The Speaker: On behalf of this Honourable House I welcome the Temporary Honourable First Official Member. I would invite you to take your seat. Members, please be seated.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCMENTS

The Speaker: I have received apologies for the Honourable Speaker who will be attending the Session a bit later.

GOVERNMENT BUSINESS

BILLS

SECOND READING

The Appropriation (July 2003 to June 2004) Bill 2003

Commencement of the debate on the Budget Address delivered by the Honourable Third Official Member responsible for the Portfolio of Finance and Economics on Tuesday 17 June 2003

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

Hon. D. Kurt Tibbetts: Thank you. Mr. Speaker, in opening the Budget Address on Tuesday of this week the Honourable Third Official Member, the Financial Secretary, reiterated what he called the Government's outcome goals, which are in keeping with Vision 2008. Chief among these was an open, efficient and accountable government. He went on to say: **"These outcomes reflect the sort of country the government is striving to achieve".**

In concluding the address the Honourable Third Official Member went on to note that it is also important that we look forward and actively plan for

the future. He said: **"The forthcoming constitutional changes are a key part of that process. They will provide us with the framework for a more modern system of government and the ability to have greater control over our own destiny".**

As we laboured deep into the night over the last 36 hours to prepare for this debate in the unreasonably short time permitted by the Government I have wondered whether the Honourable Third Official Member, the Leader of Government Business, and the UDP Government really understand the irony of these statements made in the present context as is so often the case and sadly too. There is a seeming disconnection between what the Government says and what it means. I ask, how can Government claim to be open and accountable when it will not permit adequate time for the Opposition and the people of this country to properly peruse and scrutinise the Budget before proceeding with this debate? How can the Honourable Third Official Member speak in reverential tones about laudable outcomes when he knows full well that the process that is presently engaged in by the Government is bound to have, in my view, precisely the opposite effect? For that matter how can he look forward with joyful anticipation to forthcoming constitutional changes which he claims will provide us with the framework for a more modern system of government, and at the same time not be concerned to be a part of a Government which by its actions repeatedly denies the legitimate role of the Opposition to act as scrutineers of government policies and actions?

The Honourable Third Official Member has attempted to put philosophy and initiatives which have driven the process resulting in the current Budget squarely into the context of the on-going constitutional debate. He is right to have done so although his view is clearly out of sync with that of the Government. You see, the open, efficient and accountable government to which the Honourable Third Official Member speaks requires a level of maturity that is glaringly absent from the United Democratic Party (UDP) administration. The achievement of those goals requires more than hollow words; it requires the acknowledgement of the Opposition's right to participate in the entire process of government. It demands that the Government facilitates and not frustrates the Opposition in discharging its duty to scrutinise. And yes, to criticise the Government's policies and conduct and to offer another perspective. It necessitates acceptance of the Opposition's right to accurate information and to sufficient time to consider and assimilate that information before being required to debate it. Unless the Government of these Islands comes to understand these fundamental democratic principles, and until the basic tenets of procedural fairness are enshrined in our constitution, our quest for a modern democracy and for the open, efficient and accountable government of which the Honourable Third Official Member has spoken will continue to lie just beyond our grasp.

I submit also that giving the Government greater control over our destiny, as the Honourable Third Official Member has suggested, and which we agree with in principle, without at the same time ensuring that the basic building blocks of democracy are enshrined in the new constitution of these Islands will lead to even greater disregard of the role and purpose of the Opposition, whoever the Opposition is at the time, and to the risk of the creation of an elected dictatorship. At all costs, we must guard against the dangers of this very grave and real possibility.

I know the Leader of Government Business will respond by saying that the practice of permitting the Opposition a mere one day to reply to the Budget Address is common place elsewhere in the region and around the world. What he will not, however, detail is the easy access to information which all elected parliamentarians in those countries enjoy; few parliaments in the region still retain an archaic system where simple research information has to be sourced through a maze-like process within the bureaucracy of the public service.

The current United Democratic Party administration has repeatedly closed the door to those who are not members of its inner circle, including the general public and also the parliamentary Opposition, preventing them access to information of any kind that could be used to demonstrate the negative attributes of its stewardship.

If the information you seek is part of the Government propaganda; such as the ever increasing number of cruise ship arrivals, then perhaps you could even access that information at three o'clock in the morning. However, if you asked how many of these visitors actually disembark the ships and where and with which businesses they actually spend their money, you would then discover that vital information is not so forthcoming at all.

It is amazing how the Leader of Government Business has made a deliberate effort to apparently copy and adopt all the negative aspects of governance in other countries. He has adopted this system of providing a one-day break between presentation of and debate on the Budget from at least two Caribbean nations, namely Barbados and St. Kitts and Nevis. What he has not said, however, is the low depths to which the standard and quality of debate in those parliaments have deteriorated as a result of that practice.

I take my role and function in this Honourable Legislative Assembly very seriously. I come here not to perform for the gallery, grandstand or listening public but to contribute purposely to the process of development in this country.

This debate should and ought to be about more than either party wanting to score political points. The parliamentary Opposition would have loved a period in which we could research the proposals of the Government, discuss them with resource persons in the Cayman Islands and elsewhere and formulate a response and appraisal that could be use-

ful in helping to shape the thinking and the policies of this Government and ultimately the country. We would also have loved to discuss these proposals with our constituents and with members and well-wishers of the People's Progressive Movement from across all three islands that make up the Cayman Islands.

I say, with deep regret, that we are headed down a wrong and very possibly destructive path when the Government believes that the people who sent us here as their representatives no longer deserve or are entitled to the right to be consulted on such crucial issues.

The People's Progressive Movement, when we are elected to office, will ensure that there is adequate time between presentation and debate for Members to consult their respective interests and resource groups before proffering opinions and ideas on the fiscal policies of the Government. I say that for it to be on record.

Budget debates in some countries are opportunities for parliamentarians to grandstand and curry the favour of constituents. Some parliaments around the region do not even need a half-hour break to commence debate on a Budget simply because for them the Budget debate is that time of year when each member gets on television and outlines the many street lights he has erected, the number of roads he has paved, the number of football teams he has sponsored and perhaps the amount of children's parties he has sponsored. This has not been the practice of successive Members of this Honourable House and I submit that it should not be adopted now.

For me the Budget debate is that time of year when we examine in detail the draft policies and programmes, which, it is intended, will be pursued by the government of the day for the ensuing period of one year. These policies are taken seriously by residents and visitors and especially potential investors. When you deny Members of this Chamber the time to review and evaluate these measures you are robbing the citizens and the residents of this country the opportunity to benefit from an incisive look at the policies and programmes that will govern and influence their confidence in this economy over the next twelve months.

It is time that the Leader of Government Business and his administration step up to the plate and understand that politics and the administration of government is about more than one-upmanship and foxing or outfoxing an opponent. I am interested, at this point, in ensuring that every dollar spent by this country is spent with prudence and to the betterment of the people we are elected to serve. I have never been and will never be a part of the politics of tearing down and dehumanising individuals just for the sake of that same one-upmanship. Therefore, while elsewhere a Budget debate is a time of year when the public can look forward to a few days of political sparring I would have hoped that the Leader of Government Business would have been strong and principled enough to recognise that is not a culture that we in the Cayman Islands would wish to adopt.

As elected representatives we have a country to build and a people to mould and the sooner the United Democratic Party Government understands that the better it will be for these Islands. Therefore, I can assure this Honourable Chamber and all within the hearing of my voice that I will use the time afforded me wisely and I will attempt to assess the package as delivered by the Honourable Third Official Member on merit and in a constructive manner, whatever level of criticism there may be in my contribution.

In the present political and economic climate I can well understand the Government's reluctance to allow us the opportunity for close scrutiny of the draft Budget. I certainly do not condone it although I understand their motivation for so doing. Even in the limited time which we have had to peruse and consider this document, which is supposed to be the Government's principal instrument of policy, the degree of flawed thinking, misleading impressions on sound fiscal policies and lack of proper prioritisation that are apparent to me is cause for great concern, and, I submit, even alarm to the people of these Islands.

The Honourable Third Official Member delivered what purports to be a balanced Budget and has alleged that the Government is running a responsible fiscal policy. He assured the country that the Budget is fiscally responsible, supportive of economic growth and complies with the principles of responsible financial management. The principles of responsible financial management that he speaks to are those in the Public Management and Finance Law.

The assertion that the Budget is a balanced one, in my view, is a false assertion, and the assurance the Budget is fiscally responsible, in my view, is not so. Yes, the balance sheet presented to the country by the Honourable Third Official Member does show that the Government's current revenue stream exceeds its expenditure, however the reality is that that position has been arrived at, in my view, by ignoring the true actual and potential liabilities of the Cayman Islands Government. It also does not take into account the significant off balance sheet obligations, which we have been hearing about, that the Government has committed to and is proposing to commit to and it significantly understates, in my view, the true public debt.

The mirage of a balanced Budget has been achieved by deferring Government's obligation to repay the public debt in the short term and by transferring the responsibility for borrowings for major capital projects from central Government to various statutory authorities for which Government is ultimately responsible. It has also been assisted by the adoption of Private Finance Initiative (PFI) arrangements—the new buzzword—to fund major government capital projects off balance sheet.

In short, Mr. Speaker, the perception that the Budget has been balanced has been created be-

cause, in its preparation, the Government has ignored the philosophy and principles underpinning both the Financial Management Initiative and its companion, The Public Management and Finance Law. In doing so the Government has also contravened the guidelines for borrowing set out in the United Kingdom's (UK) Partnership for Progress and Prosperity document.

Lest anyone on the other side is in doubt I will demonstrate this in short order however at this point I am compelled to comment on the irony of this situation. You see, in a speech delivered at the Chamber of Commerce luncheon on the 28th of last month, the Leader of Government Business spoke, in glowing terms, about the merits of the Financial Management Initiative and The Public Management and Finance Law. He reiterated the United Democratic Party Government's commitment to the philosophy and principles underlying both the initiative and the legislation and acknowledged that this had contributed a great deal to the improvement in the public sectors budgetary situation. Among other things he stated and I quote: "I am determined to keep these Islands out of any more direct borrowing".

I did not understand what he meant then however I certainly understand it now. He went on to say: "I am not going to allow us to get into a debt spiral which has the possibility to devalue our currency and would endanger future generations".

What the Leader of Government Business does not appear to grasp fully is that it does not matter whether the borrowing is direct or indirect. What matters is that Government is ultimately responsible for the public debt of this country whether it is incurred by central Government or one of the many government authorities or companies. The adverse consequences of the debt spiral of which he has correctly spoken apply whether the money is owed directly or indirectly by the Government. The Leader of Government Business appears to only regard short term and direct borrowing as being of significance, thus it appears that the Government has engaged in a process that has effectively mortgaged the future of this country for another quarter of a century and has tied the hands of not only the next administration but of successive future governments to come. Insidiously, this has all been done under the pretext of a balanced Budget which, again, I submit, presents a grossly misleading picture of the state of Government finances.

First of all, I should remind Honourable Members of this House and the public that in March of this year the Legislative Assembly passed the Cayman Islands Government Securities Law and the accompanying Government Motion, which authorised the Government to create and issue registered securities totalling US$163.2 million, for purposes including the financing of capital expenditure, debt consolidation and the reimbursement of debt consolidation. The whole purpose of that exercise was to give Government some breathing space in relation to their debt repayment schedule. In short, it permitted Government to refinance the public debt and allow Government to lessen its annual debt service, by some $12 million we were told at the time, and to make this cash available for other purposes since these payments all come from general revenue.

The Government also seized the opportunity at that time to place $22.5 million of this borrowed money into general reserves.

Therefore, it is important for us to realise, when we talk about responsible fiscal strategies and policies, that of the CI$28 million in our general reserves as at June 30 this year – $22.5 million plus whatever little bit of interest has accrued since then – is money borrowed by the Government that will have to be repaid over the course of the next 15 years. It is also important that we understand that this exercise also had other important, significant ramifications. While freeing up this $12 million annually and increasing general reserves by $22.5 million it also extended the life of the public debt by approximately eight years. And, Mr. Speaker, by the time the debt is retired the Government will have paid at least $20 million more than it would paid had it left the loans with the original terms.

Thus, when the Honourable Third Official Member brought the piece of legislation and the Motion, and he spoke to how there was around $60 million being saved not by doing it as a bond issue but rather as a securities issue, which in real terms is simply a loan because it is being paid back principal and interest on a quarterly basis, which is my understanding. The Government may have saved $67 million over the period of this debt compared with the possible bond issue where only interest was paid up until the time the debt is retired. The fact is that in rearranging the debt it extended from the terms of the various loans that we had to the 15-year period and if it is extrapolated, given a reasonable rate of increased interest over that period of time, we will see that at least $20 million more will be paid by the time that debt is retired.

Hence, Mr. Speaker, while this refinancing package has assisted the Government to present a Budget with a purported operating surplus and allowed it to sing its own praises about having reduced the debt service ratio to 5.3 per cent it has also had the effect of saddling the country and future governments with a long-term public debt.

In his Budget Address the Honourable Third Official Member stated that one of the key features of the 2003/2004 Budget position is that a debt-servicing ratio of 5.3 per cent had been achieved which is well below the 10 per cent limit established by the principles of responsible financial management.

I will now go on to show that not only can this not be correct and I will say this again; not only can this not be correct but it is also going to cause big time grief in the next Budget to come. In his Budget Address the Honourable Third Official Member boasted

that new borrowing has been restricted to $8 million, which is less than the level of debt repayments and results in a $1.06 million net reduction in the overall level of public debt. Clearly, this has only been achieved by another of the Government's fiscal innovations, if I may call them that. Perhaps a more appropriate term would be fiscal fictions. I hold a view that the Government has perfected the ruse of creating statutory authorities and transferring to them the responsibility for borrowing to fund major capital projects off-balance sheet. This allows the Government to pretend, as it has done in this Budget, that it is only borrowing $8 million when in fact the true borrowing greatly exceeds that sum.

A perfect example, Mr. Speaker, is the proposed creation of a National Roads Authority announced in the Budget Address by the Honourable Third Official Member. This Authority will construct $13.38 million worth of roads during 2003/2004 year according to the Honourable Third Official Member in his Address. He also states that the financing for these projects will be organised by the National Roads Authority itself in conjunction with private sector partners. I do not know whether that means simply a loan arrangement from private sector people who have that kind of money to lend or whether it means a PFI as explained by the Honourable Minister for Planning in his statement to the Legislative Assembly a few short days ago.

This means that this borrowing will be off the Government's balance sheet. Although I could not spend all my time looking for it, I want the world to know that I gave it a good look in the document and I cannot find anywhere. I wish for the Honourable Third Official Member to tell me and this country who will be paying for these capital projects if it is not central Government. I can only think that either one of two things will happen once these road works are done, and this public/private arrangement is made:

1. There will be a debt, and it has to be paid, and that debt will be serviced from Government 's general revenue; or
2. There is another innovative thought that is possible. The National Roads Authority would have to create and generate the necessary income to service the debt. If the former is the case, as I said before I have searched far and wide, and I see no provision having been made in the current Budget for the service of this debt, and if the latter is the case there is only one source from which the revenue can come and that source is the general public.

Therefore, the Government has said that it is only borrowing $8 million, which is already allocated in the Budget, and that there will be no new revenue measures. Since that is the case, I ask the Honourable Third Official Member again to tell me and to tell this country how the National Roads Authority is going to fund $13.38 million worth of road works proposed in his Budget Address.

When I was listening carefully I just simply assumed that there was some reference somewhere to show how this thing was going to be repaid even if the attempt was for it to be off balance sheet. I hold the view that the Government has created this National Roads Authority and hived off the borrowing for the capital works on roads to this Authority in order to present a balanced Budget. That is my view, and if I am out of sync, out of whack and making no sense then let them explain to me. They have ample time and there are many of them.

I want to reiterate that for public/private sector financing to be arranged in this manner, that is, off balance sheet, is wrong in my view. By so doing it creates the false impression that a Budget is balanced when in fact this is not the case just as in this same case now. This is especially so when in this case there is absolutely no evidence, as I have said, anywhere that I can find which shows how the debt will be repaid.

You know something, Mr. Speaker? If they know any different now they better show me because I have looked and I have asked others to look and we cannot find anything. I tell you what really burns me; it burns me to know that the Government would present this Budget and the presenter would speak to how balanced it is,, without giving me any time to look at it and check it out, and then take me for a fool that I do not have the understanding to see what is going on.

You know what Mr. Speaker? I have been at the receiving end many times before, I will be on the receiving end again however when they are finished doing their job on me, they must answer the question!

Further, the provision of roads is, by the Government's own admission, not the type of capital project for which a Private Finance Initiative scheme is appropriate. In a statement that I referred to earlier made by the Honourable Minister for Planning, Communications, Works and Information Technology, to the Legislative Assembly just a few days ago, he said among other things, and I quote: **"Under private finance initiative schemes the public sector purchases services, not assets. Therefore larger capital projects can be handled off balance sheet. This would allow Government to concentrate on providing services without its debts being consumed by large capital expenditures or assets. The off balance sheet decision depends on the extent to which parties bear the majority of property related risks and rewards of ownership. The idea is that the private finance initiative contractor assumes these risks and rewards during the operating lease lifetime of the project. In other words, if Government were to lease the building** [and in this instance I think he was referring to the Government accommodation that is being proposed which is supposed to be the first Private Finance Initiative engaged in by the Government] **for 25 years, at the end of which it had the option to move out of the build-**

ing with no financial commitment, then the item would be off balance sheet."

Now that is a building. Therefore if a PFI scheme such as that explained by the Honourable Minister is going to be employed by the National Roads Authority I would wish for the Honourable Third Official Member or the Minister (either one or both) to explain to me and the country how that will work. I would assume if it is not that kind of arrangement then the public/private partnership would simply be a matter of a borrowing arrangement except the difference would be that it would not be a recognised financial institution.

As the Honourable Minister stated in the excerpt to which I just referred in PFI schemes the public sector purchases services and not assets. Therefore, my question is if it is then intended that the new roads to be built in 2003/2004 by the National Roads Authority will be vested in the Private Finance Initiative contractor, and the National Roads Authority will simply purchase from the contractor the services the road will provide? I do not think so however we would like to know, and I believe the people of this country would also like to know.

The Government may be wondering what I mean when I say that their proud pronouncement of a current debt service ratio of 5.3 per cent is going to cause much grief in next year's Budget. I will explain now.

The Public Management and Finance Law 2001 to which the Leader of Government Business and the Honourable Third Official Member often so lovingly and respectfully refer, defines, and I quote from that Law with your permission, Mr. Speaker. In the definition section there is a terminology called **"entire public sector"** and it defines that terminology to mean, the Legislative Assembly, the Executive Council, ministries, portfolios, statutory authorities, government companies and the Audit Office".

Now we need to look at another definition because the entire public sector includes government companies. We want to make sure we understand what **"government companies"** means. In that definition section it also defines government company to mean: **"(a) a company in which the Government has a controlling interest; and (b) in respect of each such company, includes all subsidiary entities of the company;"**.

Section 14(3)(c) of the same Law reads as follows: **"entire public sector borrowing** [which includes all of these agencies that I just spoke about] **"should not exceed an amount for which the sum of interest, other debt servicing expenses and principal repayments for a financial year are more than ten per cent of entire public sector revenue (calculated using generally accepted accounting practice) for that financial year."**

This section of the Law, as I read last night, comes into force 1 July 2004. That is when the next Budget has to be in place. Next year's Budget will have to comply with the provision I just read. What this means is that when considering the debt service ratio for the next Budget—even though there has been no consideration or nothing forthcoming in words in this one, and although on more than one occasion I have heard the Honourable Third Official Member begin to practice the things that are coming into effect prior to that so we can get used to it, I hear nothing about this one—it will be necessary to include all of the statutory authorities and Government companies. As a few examples: the Civil Aviation Authority, Cayman Airways, the Health Services Authority, Cayman Turtle Farm, the proposed National Roads Authority– the one that we do not know how it is going to work– and the Water Authority, just to name some of them.

The indebtedness of these and all other Government authorities and companies certainly has not been taken into account by the Government in the preparation of this year's Budget hence the debt service ratio 5.3 per cent of which the Honourable Third Official Member has boasted about really does not reflect the true picture when you take those into consideration. I submit that this picture would not have been so pretty had the indebtedness of these entities been taken into account. Mr. Speaker, so that it is absolutely clear, I am not suggesting that any one of these entities are bordering on insolvency or anything like that, however many of them are either in the middle of major capital works or are about to engage in major capital expenditure. For instance we hear of the Turtle Farm undergoing a $30 million redevelopment programme and we speak to Cayman Airways financial position. We know the Water Authority is doing major capital works, the Minister for Health and Civil Aviation announced not so very long ago that within a year from then there would be some major capital works going on with the Civil Aviation Authority and on and on.

The Government now has one year's advance notice and you know, Mr. Speaker, I cannot believe for a second that in preparing this Budget that the process is in the box and all of this is not considered because next year's Budget is going to come and they cannot wait until it reaches there to start to deal with these issues. Nevertheless, the Government has one year's advance notice to ensure compliance with the Public Management and Finance Law when preparing its next Budget.

It would be interesting to know and perhaps this is a good challenge for the Honourable Third Official Member to use the resources in his Portfolio and to tell us what the Government debt service ratio would be if the indebtedness of the Government authorities and companies was taken into account. I do not know, I have not a clue to be able to bring it to any semblance of reality because I do not know all of the figures. However, I would be curious to know. When considering this, other things that have to be considered include when borrowings are going to take place and for what period of time.

The Honourable Third Official Member can rest assured that coming up to the next year's Budget there will be careful scrutiny by the Parliamentary Opposition as to how well Government complies with both the spirit and letter of the Financial Management Initiative (FMI) and the Public Management and Finance Law.

As I have alluded to earlier the Honourable Third Official Member and the Leader of Government Business have endorsed this Budget and stated that it is fiscally responsible and complies with the principles of responsible financial management. I want to say here and now that I disagree fundamentally. If I were not afraid that I would be stopped, I would want to use the word sham but I am not going to use it, Mr. Speaker and if I were to, I would have used it very advisably.

The Honourable Third Official Member has told this House, and it was outlined in the (APE) Annual Plan and Estimates document, that this Budget has a projected surplus of $5.7 million, Mr. Speaker, how can the Member and the Government for that matter, possibly describe a projected Government overdraft as a surplus and expect on perusal that we would take it seriously? That is exactly what they have done and I am going to demonstrate this to this Honourable House and to this country that this is what they have done.

Let us examine the financing and reserve statement on page 316 of the Annual Plan and Estimates. Under the section of General Bank Balances, the forecasted figure for 30 June 2004, the end of the new fiscal year upcoming, is a negative balance, or an overdraft, of almost $11 million. Mr. Speaker, this means that the cash position through the fiscal year will have moved negatively by almost $27 million. The existing overdraft facility is $15 million and this means that by year end the Government will be operating in overdraft with just over $4 million of that facility remaining because the overdraft projected will be close to $11 million, yet there is a projected year-end operating surplus of $5.7 million. Thus, we are going to have a surplus of $5.7 million however we are going to have an overdraft of $11 million.

What is most interesting is when we look on page 283 of the same document, under Table 1, which shows the Summarized 2003/2004 Forecast Cash Financial Statements, the Strategic Policy Statement (SPS) for 2003/2004 which was Tabled in this Honourable House in December of last year, showed a projected operating revenue for the fiscal year upcoming 2003/2004 at $317.12 million. Six months later (that is now) the newly forecasted figure in the Annual Plan and Estimates for the same period is only $309.408 million. That is a decrease of almost $8 million; all in six months.

In December the Government was confident that they would raise over $317 million. Six months later they are not so sure, therefore they readjust the figure and it is down by $8 million. In that same table under the heading Operating Expenditure the SPS target given in December, on the expenditure side of things, was $293.58 million. This was the one tabled in December, however six months later in this document, that we just got a few days ago along with the other four totalling 1767 pages, the newly forecasted figure for that same period is $303.697 million. On the expenditure side it shows an increase of almost $10 million. Within six months the forecasted figures for 2003/2004 on the revenue side is down by $8 million and on the expenditure is up by $10 million.

When we examine the figures that I just quoted, we have moved from a projected Operating Surplus of $23.54 million down to what is projected by the Honourable Third Official Member in this document as $5.71 million with an $11 million overdraft; none of these other figures ever talked about overdraft. This figure is what the Honourable third Official Member says the Government has achieved through a Budget that is fiscally responsible. In six months, Mr. Speaker, the projected Operating Surplus for year-end 2003/2004 has entered a slippery slope and decreased by $17.5 million in the projections.

If we are to simply look at those figures and say that that is any indication of a trend, and the year-end projected bank balance is only $4 million shy of the overdraft limit, I say here today that we are in trouble.

Let us look at it in real terms, if projected revenue drops even slightly over 1% then either we stop writing checks or the checks will bounce, or we will tap into general reserves which the Government created the majority of by borrowing anyhow.

Worse yet, as is suggested in the two six months set of figures, if expenditure were to rise by even an infinitesimal amount then we have trouble on our hands.

Now, if the Honourable Third Official Member chooses to say that I am speaking out of context or that I am incorrect then let him show me the inaccuracy of what I just said because I used every figure from the document which he tabled and I know that the Honourable Third Official Member knows that while I am not a qualified accountant I understand, I know he knows that. Unlike what others have said in this Honourable House, I know my limitations; I hope they know theirs.

Things are not well, Mr. Speaker. That is not the end of the sad story.

I noticed in the Budget Address the Honourable Third Official Member states that cash reserves have been maintained to sixty days of operating expenditure, which is two thirds of the level required by the principles of responsible financial management. What wonderful things these principles are and I am so glad that they walk with them, sleep with them and talk with them every day and we need to keep doing that.

Then he says, Mr. Speaker, that this is a significant improvement on the past. Let us examine how

he arrives at this figure. On page 299 of the Annual Plan and Estimates, Table 14, Compliance with Principles of Responsible Financial Management, the principle that I am speaking to under this Table is, cash reserves should be no less than estimated executive expenses for ninety days. The 2003/2004 forecasted financial statements project cash reserves at 30 June 2004 to be $49.8 million.

He has a little qualifying thing in there in brackets which is how he justifies what they have done. He qualifies cash reserves as cash held in reserve and funds. He says that they total $49.8 million which is equivalent to 60 days expenditure, 90 days expenditure being $74.9 and when you check what one day's expenditure is and you divide into $49.8 million you will get something like 60 days.

Under the degree of compliance it says, **"… does not comply but cash reserves now two thirds of the required level."**

He says so in his address.

Let us now examine what comprises this $49.8 million of cash reserves. On page 316 of the Annual Plan and Estimates we will see under the Financing and Reserve Statement that there are three figures, which make up this amount. There is the General Reserve figure of $28.337 million of which $22.5 million is borrowed funds. The next figure is Other Reserves which is $3.318 million. That figure, which refers to Other Reserves, is made up of the Student Loan Reserve Fund, the Natural Disaster Fund and the Housing Guarantee Fund. The third figure called Fund Balances is $18.156 million and that figure comprises the Environmental Protection Fund, the Infrastructure Fund, the Road Development Fund, which was the result of a Private Member's Motion in this Legislative Assembly, and the Capital Development Fund. All of these Funds and Reserves are dedicated for specific purposes otherwise they would not have been created. Outside of the first figure of $28.337 million, which is General reserves, as I said albeit mostly consisting of borrowed funds, every other single one of them is made up of dedicated reserves and funds.

I am certain in my mind that the monies in these reserves and funds are there for specific purposes otherwise the funds and the reserves would not have been created. It is obvious that they were created for those reasons in the first place. I am also confident that the terminology "cash reserves" referred to in section 14(3)(d) of the Public Management and Finance Law were not intended to include dedicated funds and reserves.

Now, I did not write the Law; I was certainly a part of the debate on it and I did my best in understanding it and participating in the process right to voting for it however that is not what I understood it to be and that is not what I understand it to be now. Therefore, Mr. Speaker, if we take away the borrowed funds out of the General Reserves and the dedicated funds and reserves there would only be $5.83 million left in cash reserves which is just under 5 days expenditure. Let us not do that because even though this $22.5 million is borrowed money it is in General reserves, therefore we accept that. Let us use the $5.837 million and the $22.5 million which totals $28.337 million in the General Reserves as outlined in this document. When we work that across it equates to just less than 24 days expenditure. I do not know what is make or break; whether it is 24 days or 60 days. Neither of those comply so why dress it up and expect me to say yes, that is how it goes? I know you understand what I am saying Sir, I know that.

Why try to make it look like, for all intents and purposes, we have 60 days expenditure in cash reserves when in truth and in fact, at best, we only have less than 24 days of expenditure and cash reserves? If I follow this I can really go as far as to say, if they really wanted to make sure that they had 90 days why not take the Public Service Pension Fund? That is a dedicated fund; why not include that in the figures? I am not suggesting that they should, I need to make that very clear because somebody will go out of here now and say that is what I said.

While not suggesting anything about the Public Service Pension Fund, I am saying that if we are using these other dedicated funds, at what time will we decide to use something else? I am saying that the majority of this money is for dedicated purposes and should not be added. One might say if we had an emergency you would have to use the funds however, Mr. Speaker, the principles of which we speak are not looking at what you should have in cash reserves, which is 90 days of executive expenditure. The whole purpose of that Law, and that section of the Law, is for us to strive to really have 90 days of cash expenditure in cash reserves! All we have to do is to say that we are working towards it and we are doing the best that we can, even though we sometimes borrow money and put in the General reserves; that is okay we will eventually pay that back. However, do not tell me that the Environmental Protection Fund, the Housing Reserve Fund, the next one and the other one should be included in that.

I say that clearly this country is not in any way near the healthy fiscal position that the Government and the Honourable Third Official Member is trying to persuade us that it is in.

I have my job, they have their jobs. I have mine and I have not lost the will or the know how to do it. Indeed, I say that we are in dire straits because, in addition to its generally poor stewardship, apparently the Government is now firmly committed to a number of significant projects which will more than—this is a guess now—triple the financial obligations of the country in the long run because as there is plenty of *marl road* talk going on therefore we are not quite sure what will be and will not be done and I do not want to commit myself to say that is what will be done.

The Government is doing this by way of balance sheet borrowings and I want the Government to

understand that I do not profess to have the best knowledge of this PFI and off balance sheet borrowing. I was very happy and I went to the presentation that the Minister invited us to and I have listened to what the Minister has said in his statement and I see different movements. I do not want to come across as if Private Finance Initiative means bad, that is not what I am trying to say however from the very time that they had the presentation—and the Minister will remember that because he was joking with me that I am mischievous—still have a huge problem understanding this off balance sheet business.

I did a little bit of research and I understand that the UK, listed in the statement that the Minister made, likes to do that. The UK Government, our mother country, does it all the time and they are having tremendous problems over there and you can tell them that I said so because I told the representative here a few days ago. They are having tremendous problems about it. His Excellency, the Governor at the presentation, made a comment similar. You see there is a problem with this off balance sheet thing. The picture can look wonderful and rosy whilst in truth there can be tremendous short-, medium- and long-term obligations, which tie down the revenue stream for extended periods of time. If you are not careful, what could look like a most healthy position, when you check the obligations you have and what you have to make monthly payments for a long time to come, dries up the revenue, so that you are not able to do what you should do as a country. That is where I have the problem.

Thus, when we speak about the Private Finance Initiative, whether it has its merits or demerits, I am not going to argue that because I am certain that there are instances when a Private Finance Initiative works in a win, win situation. I do not have any problem with that, however I must tell you the truth Mr. Speaker, I really do have a problem with this off balance sheet business, for the same reasons that I just explained.

I would like to do a bit of tracking from the 2001 Budget right up to this Budget that is being presented and when I am through I am sure you will understand the relevance.

The Special Report of the Auditor General on the State of Public Finances presented in 2001 gives a clear picture of the Cayman Islands Government's true position at the time of the 2000 General Elections. It provides some real insight into the state of affairs the Government, of which I was Leader of Government Business, inherited when we assumed office in mid-November 2000. The long and short of it, because I know that is not the debate that we are in to, is that the Auditor General's Report shows that at the time of the General Elections leading into December 2000, the Government was running a deficit after loan financing of some $45 million. The reality which we faced when we assumed office was that the Government, there and then, as we walked in cold, was unable to pay over $22 million worth of suppliers and employee payments. Those employee payments that I refer to included some increases in salary that were due 10 months before that. We had to immediately increase the overdraft facility from $4.5 million to $15 million to make an attempt to honour some of these debts.

Even at that year-end, with the overdraft facility up to its limit, the year still closed out with over $22 million worth of supplier's payments not being made. 2000 was an election year, consequently the 2001 Budget Address was not delivered until sometime during the second quarter of 2001 and even then only after months of battling to try to bring recurrent expenditure somewhere in line with some semblance of reality compared with the projected revenue.

In addition the economy had seen a tremendous downturn and although we knew that we had to bring some revenue measures then, Mr. Speaker, we tried to be both sensitive and sensible about it. The revenue package that was brought was proposed to total $19 million however because approval would not be granted for the Budget until well after the first quarter we knew we would not be able to collect some $12 million of this during 2001 since this portion represented increased fees relating to the financial industry and, as all of us know, their annual fees are always due on 1 January thus the majority of those are paid within the first quarter. We could not tell them, after the fees were paid, that they had been increased in a retrospective manner and ask them to pay again.

The end result was, Mr. Speaker, in order not to repeat the mistakes of the previous Government and to be truthful about the financial position of the country, some $54 million had to be borrowed of which $28 million went to balance recurrent expenditure and the remainder to fund capital acquisition and capital projects. Most of the capital projects had either been started or committed to by the previous Government. We were also faced with relatively large numbers of people being laid off if we had chosen not to proceed with the capital side of the Budget. That was the catch-22 we were in. As it was we had to do major re-prioritisation, otherwise borrowings would have been significantly more.

The second Elected Member for West Bay is the Chairman of the Public Accounts Committee, which is charged with the responsibility of scrutinising the reports of the Auditor General, including the report I just mentioned. Your good self, Sir, are a member of the Committee and so is the Second Elected Member for Cayman Brac and Little Cayman. You have all had the full benefit of understanding the Auditor General's entire Report I have referred to. Perhaps from here on in I might not hear, especially from the Second Elected Member for Cayman Brac and Little Cayman, talk about this $54 million that I, Kurt Tibbetts, borrowed, which put the country in so much debt, because he understands the position that we were in. If I do hear him I will have to conclude not only is he not

what he purports to be with his academic qualifications, but he also lacks basic understanding; or perhaps both. We will see.

The next year the new Government, which also comprised three Members of the Executive Council of 2000/2001 Budget namely: the current Leader of Government Business, his Deputy and the Minister of Education, produced a Budget with a $55 million package. In addition, during that year they would have also had the benefit of collecting the $12 million from the 2001 revenue package, which was uncollectible in 2001, for reasons which I have already explained. The point is, if we had even produced a $75 million revenue package in the 2002 Budget, more than $50 million of that would have been uncollectible because that would have been somewhere near the amount that would have related to the financial industry which had paid most of its annual fees prior to the Budget being approved. It does not matter, the revenue package in 2001 could have been $200 million, the vast majority of it would have been uncollectible. That is the point I wish to make.

I need to say here that while we were battling with the preparation of that same 2001 Budget — and many of them will remember — the same three Ministers who are now in Government did not come to me to tell me of any alternate suggestions to what we had to do given the circumstances we were faced.

I am going to ask, especially the Honourable Third Official Member, that close attention be paid to what I am saying so that if all that I am saying is really out of whack he will certainly have his turn to tear it apart and show me up for my limitations that I might not know that I have.

To move on to where we are now, $8 million has been borrowed and, by refinancing and consolidating existing loans, the Government is supposedly now paying close to $12 million less on annual basis for debt repayment. For this Budget the Government also intends to borrow another $8 million. This does not include any off balance sheet activity such as the National Roads Authority mentioned earlier and its proposed $13.38 million worth of road works.

I am not excluding any off balance sheet activity. When we add up all of these figures: there is $55 million revenue package; $12 million that would have had to be paid in, projected in 2002 that could not be collected in 2001 on the 2001 revenue package; there are two sets of $8 million borrowings, if we include this Budget; and there is $12 million that is an amount less having to come out of general revenue to service debt. So that is 12 plus 12 + 8 plus 8 + 55. That is a total of $95 million, Mr. Speaker.

One can easily say that for this Budget 2003/2004 Budget that the Government has access to some $95 million more than was available in 2001. In real terms, this means that if the present Government had been working on reducing recurrent expenditure they should have had a much larger operating surplus than is projected, that is, $5.71 million, with no need to borrow $8 million for capital expenditure, or, by year-end to use up $11 million of the overdraft facility out of the total of $15 million.

The Speaker: Honourable Member, is this is a good time to take a break?

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

Proceedings suspended at 11.48 am

Proceedings resumed at 12.10 pm

The Speaker: Please be seated. Proceedings are resumed. The First Elected Member for George Town continuing.

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

When we took a break I was speaking to the present Budget and how in my view, it purports to be what it is not, that is, a balanced Budget. There are other fundamental problems with it as well; the Honorable Third Official Member came to this Parliament on Tuesday with what in my view can best be described as a sound-bite Budget. It was a package of little flirtatious offerings in which he sought to create an economic rainbow and in which the Government seems to be simply throwing money at all life's problems. Wherever it is perceived by residents of this country that the Government is slipping up it seems the strategy here is to say that x amount of money will be channeled in that direction. It looks like the thinking here is that once money is thrown at the problem, the problem is automatically solved. This Government came to office with the promise of fast-tracking the delivery system; it said that the previous administration was going too slow and that they would simplify Government and make things happen quicker and more easily for and on behalf of the people.

I think that perhaps someone needs to tell the Government they have been the Government for two years and the country still awaits the benefits from these grandiose promises.

Every economic presentation this Government has made to this Chamber speaks about the desirable Cayman Islands; the Cayman Islands that sits like a rainbow before us. However it seems it is always just beyond our reach. When he delivered his address two days ago, the Honorable Third Official Member presented some architectural renderings of what the Cayman Islands is intended to look like under the present administration. Again it seems to me that this Government is about drawings and designs, no real actual construction and certainly no occupation by the residents of this country.

For two years all we have been told is what the Government intends to do to remedy the deteriorating conditions under which we work and live in the Cayman Islands. After two years in the driver's seat the Government is still at the point of providing sche-

matic drawings for the development of this country. For two years the Government has been giving snapshots of what the ideal product would look like believing that on the basis of a sketch on paper the product will be sold.

I spoke a little earlier of the sound-bite approach to governance where the proposals, as presented by the Honorable Third Official Member, sought to reflect knowledge of the problems and which proffered an ultimate solution. I submit that the Government has still not said to this country how they propose to go about solving the many problems and the many challenges. They have still not provided the road map of how they will simplify Government and allow for the trickling down of benefits to the ordinary citizens of this country. For example, the Government speaks to Social Services and the fact that more money will be channelled in this direction. I ask the question, is the money being properly allocated and utilised? Almost two years into the tenure of the current Minister he is still talking about the restructuring of the Department of Social Services. I have to ask the question, when is the process going to be completed? Mr. Speaker, I am certain we all worry about crime and particularly violent crime which are at unprecedented levels and families and young people are at greater risk than ever. We see and hear about it daily.

Finally, we have passed the Children Law, which gives tremendous powers and authority to the Department of Social Services to deal with family issues except again it seems quite evident that there are insufficient resources allocated in this Budget to ensuring that the Department can do the job mandated by current circumstances and the new legislation.

The point is that simply throwing money at a situation does not always solve the problem because careful thought must be given as to how that money is spent to bring about the best results.

The Honorable Third Official Member spoke of a princely sum of money being spent on education and the provision of additional accommodations for students and teachers. Of these last ditch efforts to remedy the omissions of the past few years, it almost seems too little too late.

The Government, in my view, has still not set forth a clear and coherent plan for moving public education in the Cayman Islands to a higher level. All we hear about are the Laws that will be passed, the institutions that will be established and in this present Budget, the money that will be spent. To date, I think precious little has been said on the creation of programs and curricula that will be pursued for effective, positive and meaningful change.

So far the only tangible evidence of reform or even evolution appears to be the proposed Improved Teaching and Learning in the Cayman Islands (ITALIC) program, which is yet to come on-stream.

It is nearly three years since the Honorable Minister has taken charge. What has been done to improve the physical facilities in which our children and young people are taught? We have known that the country needs at least two new primary schools and a new high school for several years. In fact, when the current Minister was my colleague on the Back Bench, we clamored at, cajoled and ultimately prosecuted and condemned the former Minister of Education, Mr. Truman Bodden, for his failure to allocate sufficient resources to the development of an adequate physical plant which would be capable of accommodating the growing number of persons requiring educational instructions in these Islands.

The problem right now is even more acute than it was even ever then, and I hold the firm view that, because of a lack of timely action and prioritisation by the Minister and his administration, we are now being asked in this annual plan and estimates, to approve $420,000.00 for temporary school classrooms for our children. How temporary is “temporary” and when will the permanent accommodation that is required be built?

I think that it is nothing short of a national disgrace that a Government will approve the borrowing and spending of $30 million for the redevelopment of the Turtle Farm—let us get it straight Mr. Speaker, I have the greatest respect for the turtles and I like the meat too—however, when we compare that and see that we now only have temporary classrooms for some of our primary and high school students in the country it really makes you wonder. Why should our children be relegated to temporary classrooms hastily thrown together to address the chronic overcrowding problem? Mr. Speaker, for this coming September the George Hicks High School has 1,046 registered students, not including how many may come or attempt to come from some of the private schools. This problem has been obvious to us for years.

I have to conclude that it is improper prioritisation of Government’s limited resources, which I referred to earlier in my debate. I see from the Budget Address that it is now proposed that the Spotts Primary School will be ready for classes in September of next year. I notice that I have not heard any announcement regarding the award of a contract or when construction will begin. I would think that if that is going to happen it needs to be on the road pretty quickly. Another primary school for West Bay and the proposed high school in Frank Sound are slated for completion by September 2005. I also noticed that all of these projects are to be done via the Government’s new found answer to all of the country’s fiscal challenges, private sector partnerships, and I am assuming that this will be off balance sheet too. If the primary school in Spotts is going to be ready, Mr. Speaker, I would have thought that construction would have already commenced. I hope that the process will allow for it to happen because contrary to what the Government might assume, even when I do my job to

criticize, it is not that it is my will that everything must go wrong since I know the people of the country would suffer if that were the case.

Clearly, Mr. Speaker, this Budget seems to drift towards virtual governance where all life's problems will be addressed and resolved in the context of spread sheets and computer printouts. There is little or no political thought or input in the policies of the Government. What you have here are technocrats sitting before computers and juggling figures to ensure equitable distribution of financial resources. Wherever a problem has been identified in this country it seems to me the tendency of the Government, obviously through the Annual Plan and Estimates that is before us, is to allocate additional funds and the problem will be solved. What I see clearly from this Budget is that the technocrats in the Portfolio of Finance are doing their work. They are juggling the figures and coming up with the money. What I see lacking tremendously is the political insight into what has to be done and how it should be approached for it to be accomplished.

In my reply to the Throne Speech earlier this year, I spoke about the impending crisis with provision of health care in this country. I remarked that residents of these Islands are understandably losing confidence in the integrity of our health care system and that staff morale at the Cayman Islands Hospital was at an all time low, and that staff were considering leaving en masse. My statements were met by a press release from the Health Services Authority who described what I said as disingenuous.

Mr. Speaker, I stand here today (and I stand by what I said and asked in March in this Honourable House) and I say again that the provision of health care in this country is being compromised by underfunding by the Government. One might quickly say "You cannot have your cake and eat it. The Health Services Authority was costing too much so we are doing everything we can to cut the cost". That is what we all want but it has to be worked through properly. And you know what? I made the statement that I pray for the Minister regularly—and I mean it—because I know the challenges that he faces.

[Inaudible interjection]

Hon. D. Kurt Tibbetts: Mr. Speaker, should the Minister of Education decide to write me a prayer I will look to see what that is to see whether I should pray it.

What I was trying to say before that attempt to make me lose my train my thought, is, while I stand up as Opposition and speak to these problems with the Health Services Authority, it is a real problem that affects all of us. The exercise is not solely who to point the finger at although, however one may wish to look at it, there are people who have responsibility, even when that is an inherited responsibility with several problems to deal with. The Government has to have a very serious *look-see* at what is happening there. There are a million different things that need to be looked at; therefore, while I stand by my words, I would sincerely hope that the Government finds the ways and means to remedy the situation. Not only is staff morale even lower now but staff are also leaving en masse and what was *marl road* talk two weeks ago is now a reality. I know a career civil servant, a bright young lady, of 17 years, and she is not 40 years old yet and she has left the Health Services Authority because she simply could not deal with the situation any more. I did not make that up. I am not in the habit of doing that.

The focus of this Government has to be to portray undertakings and achievements in the context of money saved and money spent. There are exceptions to that principal or thought process and one of them is health care. Beyond a certain level the question has to be asked about simple, good old patient care, about patient satisfaction. Are we going to say that it does not matter what it does to staff morale? There is a bottom line that is a financial objective and if it ruins the whole situation once achieved then tell me, what really has been achieved? I dare say that there can be over-focus in certain areas and lack of it in other areas that really matter. What about the respect for the views and recommendations of the professionals who we have spent considerable sums training?

In summary, I say that the crisis of confidence in health care has not been addressed with any clarity or conviction in this Budget or any previous pronouncement of the Government. The Budget of sound bites is disappointing from the dual perspective of what it states and what it omits. One is amazed, for example, that no reassurance is given to this country of the resolve by Government to prevent a reoccurrence of the Euro Bank and the Financial Reporting Unit (FRU) fiasco. Clearly, this issue is no longer occupying the front page of the local newspapers therefore the Government adopts the position that it is no longer an issue. This is the essence of what we mean by sound bite management.

The simple promise to create another FRU by another name as is done in the Budget Address is not enough. The Government needs to understand and appreciate the crisis of confidence that was created in the domestic and international market place as a result of this scandal and its implications for the future image and integrity of the Cayman Islands as a trusted financial services centre. The country and indeed the international community need the assurance that we will simply not be jumping out of the frying pan into the fire in replacing the FRU with a similar entity by another name, as has been promised by the Government. What is needed is the assurance that the systemic weaknesses, which became glaringly apparent in the course and aftermath of the Euro Bank debacle, will be addressed and that a similar situation will not reoccur.

Time would not permit me to detail all of the other concerns of the People's Progressive Movement with respect to the drift that has overtaken several key sectors of our social and economic landscape. In my view, there is nothing in this Budget to stimulate business activity among the indigenous Caymanian population.

The feeling of alienation, among our young people in particular, is real and I see it, feel it and live it daily. And it is growing. The Government has proffered no sound bite on this vital issue of enfranchising our indigenous people because it does not appear a topical issue at this time.

Tourism is our number one employer and no comfort can be drawn from the sound bites advanced by the Government in this Budget. There are some fundamental issues relating to the future direction and continued development of our tourism sector that this Government needs to address, regardless of all that has been said, and continues to be said, thus far.

The Government continues to ignore the advice given in its own tourism development plan with respect to the negative impact of huge volumes of cruise ship visitors on the environment, the community and the number of stay-over visitors. Indeed, judging from what has been said, by the Honourable Third Official Member and the Leader of Government Business, the Government seems intent on a course of action to encourage even more cruise ship visitors. The Government is supporting and promoting another cruise ship facility in your district, Mr. Speaker, and again we wonder, with all of the additional numbers, are we really going to get further ahead in that sector or is the price going to be much more than we would wish for it to be. It seems like the Government is pursuing this course of action despite the overwhelming evidence across the region that concomitant with an increase of cruise ship visitors is a drop in the number of stay-over visitors. Statistics prove that and on reflection it is easy to understand why. The people of this country are not keen on maintaining the status quo where the most that they can wish and hope for are low-level supervisory jobs in this vital tourism sector. We are developing a product but the growing question is - and it has been floating around for a long time but it is really hitting home to many people now - for whom are we developing the product?

Passing reference was made by the Honourable Third Official Member to housing and the attempt by this Government to address the concerns of residents. The People's Progressive Movement have deliberatively adopted a wait-and-see attitude to this housing development because we see some mixed signals being transmitted and we certainly do not want to get embroiled in the middle of a situation where, either by perception or inadvertently, we might have any bearing on the success of the project and the benefit to the citizens of the country.

We are growing increasingly concerned at recent revelations. There was an article in a newspaper yesterday where it purports that the development is being built almost entirely by foreign nationals who do not even speak English. Our concern there is we would hope that this is not so when there are still a significant number of Caymanian workmen who are unemployed.

I know that the Leader of Government Business will suggest that not all issues could have been discussed or addressed in the official Budget presentation and that the Budget seeks primarily to reflect the fiscal policies of the Government. However, I do not think so and I ask the question, can we continue to separate economic from social issues? Can we continue to give a blind eye, a deaf ear and a silent tongue to the issues of youth? Our young people, particularly young Caymanians, are feeling increasingly marginalised and abandoned by the system. We wonder how so many youngsters go astray but limited resources are being devoted to addressing the concerns of our young people, and their various needs. I know the Minister will have his time however, I believe that planning must go beyond Northward and other forms of penal and institutionalised care. Crime and violence—

The Speaker: Honourable Minister, I just want to remind you that you have 10 minutes remaining.

Hon. D. Kurt Tibbetts: Thank you, Mr. Speaker. Crime and violence is as much a social as it is an economic issue for us here in the Cayman Islands. Growing incidents of anti-social behaviour simply can no longer be brushed aside as reflective of a new era in which we live.

I believe that this country needs a Government that clearly understands the connection between alienating our young people from mainstream economic activity and coping with the likely consequences of anti-social behaviour. For all its claims to a social conscience, the Government does not seem to understand this correlation, even with the Minister himself who continues to spar about being the Government's social engineer.

I conclude within the time frame allotted by reiterating the point that this debate is more than a photo opportunity or a necessary legal requirement. The Budget debate is part of our social, cultural and political experience. It is eagerly looked forward to and viewed by the citizens of this country and the Government would be well advised against tinkering with its format and very existence. Providing an inadequate and unreasonable time frame for the Opposition, and others, to assess and comment upon the Budget as presented is not funny. In fact, it is not fair and it does not reflect anything other than an attack by the Government on democratic traditions that many of us still hold dear.

The comments of scores of Caymanians suggest that the Government may have committed a blunder by shutting out the public from the process.

Clearly, the administration does not wish to hear what others have to say about this package before its inevitable package into law. Not only were the Opposition denied adequate lead time to evaluate and prepare a reply but other key stakeholders, such as the Law Society, the Bar Association, the Chamber of Commerce, and other organised bodies, were also shut out of the process, to the best of my knowledge. For by the time they access and evaluate the presentation by the Honourable Third Official Member it will probably have already seen passage into law. Residents of this country have to guard against this obvious slide towards a type of dictatorship where one man does as he likes with little or no regard to the views, wishes and concerns of the people of this country.

I think that this Budget attempts to quail certain levels of public outrage. It seeks to throw state resources at some of our chronic socio-economic problems. It would appear to me like it seeks to hoodwink the people of the Cayman Islands into believing that all is well on the economic front. Like Longfellow, the People's Progressive Movement is warning that things are not what they seem. I know that I will be the butt of criticism and ridicule from the other side however if anything I have said can serve to sensitize and enlighten the residents of this country to the gravity of the problems that we confront as a nation then this exercise would certainly not have been in vain. Although I have my doubts about being listened to I would urge Members on the other side to temper their personal attacks on Kurt Tibbetts with their focus on some of the real and burning issues affecting the governance of this country and the confidence level of its residents.

It does not please me when young people say to me that they have lost all hope in the system. It does not make me feel good when business persons of several years' standing say they are just about ready to throw their hands up in despair and throw in the towel. I say, Mr. Speaker, this country needs the return of a caring and sensitive Government, a Government that listens to its people, a Government that sees itself as an agent of change for and on behalf of the people that it is elected to serve.

I submit that this Budget, as it is presented, simply serves to mislead the public of the Cayman Islands into believing that finally something beneficial is being done to address the social and economic problems of this country. Throwing money at situations will not resolve them by itself. Painting economic rainbows will not make life any better for the residents of this country.

I call upon the Members on the other side to speak from their conscience and not to merely toe a party line that is clearly out or whack with the reality of what obtains here in the Cayman Islands. Just as throwing money at our problems by itself will not resolve those problems so too I wish to warn them that neither will attacking and criticizing the People's Progressive Movement and myself for merely highlighting the short-comings of this package and the ill-conceived policies and dangerous practices of Government.

I would urge the Members in this Honourable House to clinically analyse this document before us and if it does not go to the route of addressing the social and economic concerns of the residents then let us magnanimously agree to some major amendments before it is passed in law. I do not have that much confidence that that will happen and I can hear, from in between when we took the break, that there are individuals who cannot do otherwise than take things that I have said personally. If that is how they choose to deal with it they will have to deal with it. I have said what I have said based on what I have heard, and the short time that we have had to try to scrutinise the documents handed over to us. I stand by what I say and if there is anything that I have said that is incorrect in fact then I simply wish to be told so. I must warn that if there is an attempt to say that what I have said in any instance is not factual there must be facts to show that my facts are not facts. Otherwise, it is not going to rest there and we will continue to press on as the Opposition, the People's Progressive Movement, to make sure that the people of this country are made aware of anything and everything that they so deservingly should know.

Thank you, Mr. Speaker.

The Speaker: Honourable Members we have reached the time for the luncheon break. We will resume at 2.30pm.

Proceedings suspended at 12.51 am

Proceedings resumed at 2.47 pm

[Madam Speaker in the Chair]

The Speaker: Please be seated. Proceedings are resumed. Does any other Member wish to speak? The Second Elected Member for West Bay.

Mr. Rolston M. Anglin: Thank you, Madam Speaker. I crave your indulgence as navigating around these new quarters is somewhat difficult.

I rise to offer some comments in my contribution to the Budget Address as delivered by the Honourable Third Official Member on Tuesday. It would be remiss of me to not say at the outset that some of the comments made by the Leader of the Opposition would obviously need to be replied to.

Firstly, I would like to congratulate the First Elected Member from George Town as Leader of the Opposition because for some time in this House there seems to have been some confusion about that and no-one seemed to want to be called the Leader of the Opposition; it is very good that we now have an established leader of the People's Progressive Movement. That is something that all of us who believe in the very

basic tenets of democracy welcome. It is very important that any government have, on the other side, members who are going to criticize what the Government does. I think for parliament to reach its fullest potential and for the people to reach and aspire to their highest level we need to have an opposition which not only criticizes but offers a different perspective and offers alternate solutions.

In my humble opinion we have just had two full hours of entertaining whining, complaining and saying what is believed to be wrong and so awful about the Government's policies and performance, yet offering the country no tangible solutions. It is easy to say that the town is falling apart however what is a lot more difficult is to come forth and say here is what should be done at this precise moment.

The Government has done its job. The Government has, on pages one to 25 of the Annual Plan and Estimates, clearly outlined the Government's philosophy, the plans that the Government has in place for this year to meet those objectives. Behind that there is a Budget that shows just how available resources will be allocated to assist in reaching those objectives.

I also have to note that the First Elected Member for George Town did a very skillful job at trying to plant in the minds of Members here and anyone who would be listening to these debates that anyone who came behind him and offered any disagreement would be attacking him personally. I do not believe in attacking personalities however a lot of what the First Elected Member for George Town said presents a picture that is, in my humble opinion, not factual and technically incorrect in a lot of instances. In other instances a lot of his opinions are certainly not shared by me, and I dare say Members of the Government. He gets up for two hours and criticizes everything that the Government does and proposes to do and then implies that when anyone comes behind him they will be attacking him personally.

I believe that on Tuesday the Honourable Third Official Member, and the Leader of Government Business, clearly outlined the goals and aspirations that the Government has to the country. I believe that the eleven broad outcome goals provide a framework for us to be able to manage and, on behalf of the people, deliver the type of society that the Cayman Islands would desire to have. The Broad Outcome goals of the Government are:

1. A strong economy that generates employment, income and a high standard of living.
2. A healthy resident population.
3. A socially supported resident population.
4. A strong Caymanian community and culture.
5. An environment protected for the use of current and future generations.
6. A well-educated and vocationally trained resident population.
7. A safe and secure country for residents and visitors.
8. An open, efficient and accountable Government.
9. Young persons positively involved in the community.
10. Strong family units.
11. An economically and socially vibrant Sister Islands.

Much was also said by the First Elected Member for George Town about how there is a disconnection between those broad outcomes and the Budget. The Leader of the Opposition also clearly outlined his belief that the Government has done a very good job at ultimately mismanaging the situation; not being able to come forth with any tangible solutions.

Now, before addressing the specific points outlined by the Leader of the Opposition I would like to take a step back and remind us that the 11 broad outcome goals of the Government are supported by specific outcomes which, in turn, have been supported by way of a Budget that goes to continue to address and strive toward attaining these broad outcome goals. Certainly one could not expect that one Budget or even two Budget s would allow us to achieve these broad outcome goals. I would dare say that we are, as a country and as a Government, continually striving toward these broad outcome goals. These are goals themselves which are extremely board although they try to show the country whom we are. We identify with the people through these broad goals. We give the country our broad vision.

I have heard nothing from the Opposition about their broad outcome goals. What are their broad outcome goals for the Cayman Islands? To do nothing? To criticize? Madam Speaker, that is what we continue to get. And yes, as I said earlier, that is part of their responsibility however the most important part of their responsibility, which is continually shunned, is to provide an alternative. When the Leader of the Opposition gets up I expect that he is going to show the country how he would lead it if he were the Leader of the Government. For me to sit here and not have the Leader of the Opposition clearly show us their vision, to merely pick point by point items that they think are currently challenges for the Government, quite frankly, falls way short of what I believe the people of this country expect and demand from leaders and leadership.

At the end of the day—whether it is today, tomorrow, a year from now, ten years from now—anyone sitting in the Opposition will have challenges, as the Government is currently facing, that they can get up and raise a red flag and say, "See, here is a problem."

I think the people of this country clearly understand that life will never be perfect. We will never be in a situation where any government has absolutely nothing to worry about, where everything is hunky-dory. Where there are no issues in the ministries or portfolios, therefore nothing to criticise or question as to why a challenge is there. Challenges will always be here for us. However, the difference

between effective leaders and those who do nothing is being able to agree and establish broad outcome goals. For example, being able to back things up with specific outcomes that will allow those broad outcomes to be reached, then, crafting a Budget that allows attaining those goals.

The United Democratic Party is not saying that the 2003/2004 Budget is the be-all and end-all; it is not. I dare say that for all governments in the future you will never have one Budget that is the be-all and end-all. However, if you look over the last 18 months since the United Democratic Party has been in Government, the people of the Cayman Islands will be able to easily identify the ground work for a Government that provides hope and one that allows them to be confident about the future. There will always be those who complain, there will always be someone who is not making it quite right: whether they are business persons, students, housewives, executives. Life is never perfect and surely as we search the community we are going to find a business person here or there whose business is struggling for whatever reason.

This Government is not about false hope because the impression given by the Leader of the Opposition is that if they were the Government no-one would have any problems. All the youth would be happy, no one would be disillusioned, and no business person would have problems and challenges. I say to the Leader of the Opposition and his Members and to the country that is false hope. I think the people of this country recognise that this is impossible. We will never attain that level. I am an optimist although at the same time one has to be practical. One has to be realistic. That is what this Government is; practical, realistic and honest. We are going to say to the country that this in our view is a good Budget; this is a broad vision that protects their interests and the future generation's interests. Importantly, we are not going to say that everyone's life is all of sudden going to be perfect because life will have its challenges. Indeed, every Government is going to have issues to face, there will be fires to be put out.

When we look at the Budget Address, presented by the Honourable Third Official Member on Tuesday, we see a clear outline of those 11 broad outcomes and a very comprehensive overview as to how the Government seeks to work toward achieving those broad outcomes. We are also man enough to speak about the challenges that we face as a small Island community within our Budget Address and be open about them.

I would like to ask Members for their indulgence by going back to dealing with an issue that is easily sensationalized and manipulated and would allow people to get the wrong impression. The Leader of the Opposition went to great pains to outline his belief that the Budget is not a balanced Budget and he said that what he is saying is as he understands it, and then he said that the Honourable Third Official Member knew what he, the Leader of the Opposition, was talking about. Most people who have been in this Chamber know when I speak that I have many words however I try not to waste them. To put it bluntly, in my humble submission, the Leader of the Opposition does not know what he is talking about. In my humble submission, the Leader of the Opposition needs to get someone to teach him Accounting 101. In my humble submission, what the Leader of the Opposition and the People's Progressive Movement should have done was to get on the phone and call someone on the Government Bench and ask them these basic questions; ask them if the Budget is balanced and to show them the balanced Budget. It is quite clear this new style of Budget document is a monumental improvement over what existed two and a half years ago when I first came to these Honourable Chambers. It is quite easy to follow. I am quite alarmed that the Leader of the Opposition would get up and say that the Budget is not balanced and then pull into the equation capital expenditure, and talk about capital expenditure and balance sheet activity and use that as his basis for saying that the Budget is not balanced.

Government has two elements in its finances: operating activities and balance sheet activities, much like the private sector has profit and loss activities, and depending on the entity some of them even refer to it as operating activities. Some call the balance sheet statements of assets and liabilities. Depending on the entity it could be a statement of financial position. However, let me use the phrase that most people are used to: profit and loss. Madam Speaker, when you are looking at profit and loss, a deficit would be analogous to a loss; a surplus is analogous to a profit. Therefore, when you are trying to determine whether or not there is a surplus position one cannot use capital expenditures and throw them into the equation because capital expenditures are spent with the view of getting some return from them. For example, if the Government builds a school the return is a well-educated population. If the Government builds a hospital the return would be to provide health services to the resident population. If the Government builds roads the return is infrastructure so that its citizens can get around. Those are capital expenditures, not operating or recurrent expenditures. Those are the types of expenditures that have always been, whether under the accrual system or the cash system of accounting. Ever since the Leader of the Opposition has been in this House he has had to differentiate between recurrent expenditure, statutory expenditure and capital expenditure. To get up and confuse issues by talking about capital expenditures and saying those reasons would lead him to believe that the Budget is not balanced is an inaccurate statement.

When the Leader of the Opposition started to speak about roads and projects that could be done under a private financing initiative, if he had said that whatever the interest element of a payment would be

you could count those toward your operating activity, then I think we would have agreed. However, that is not what was said hence it needs to be very clear to the public that we have a Budget that has operating receipts of $309.4 million, and we have recurrent and statutory expenditure of $303.7 million which gives us an operating surplus of $5.7 million.

Madam Speaker, to have a surplus in the environment in which we operate in Cayman, in my humble submission, is a noteworthy achievement. It is an achievement that should be looked at and given credit for. We are country that deals purely with indirect and consumption-based types of revenue measures. We are not a big industrial country that levies taxes on properties and incomes where governments have many resources available. I believe that in the last 18 months the United Democratic Party has surprised the Opposition and many people. I think it is fair comment to say that many people thought that whatever good this Government would have done, one of the things I heard as a comment was, "Well, we know they cannot manage the resources, they are not going to be able to manage the Budget process, they are not going to be able to handle the fiscal responsibilities that go along with being a government". However, at the end of the day, despite how controversial the 2002 Budget was, we see that we were honest with the community. When you are straightforward with the community, when you put together a Budget and recognise that at some point you need to adjust your revenue base, if for nothing more than inflation, and you do what needs to be done on the revenue side, you reap the rewards.

I clearly remember the Opposition saying, during the 2002 Budget, that we were going to chase away all the financial institutions; all the class A banks were going to leave; all the class B banks were going to leave; all the insurance companies were going to leave; all the registered mutual funds were going to leave; all the law firms were going to shut down; all the accounting firms were going to shut down; everybody was going to close up shop. Eighteen months later we were able to produce a balanced Budget. I found it quite amazing that the Leader of the Opposition could now use as his excuse for the debacle of a Budget that he put together when he was Leader of Government Business hat he could not raise any revenues because most of the banks and trust companies had already paid their fees by the time the Budget was passed. I will remind him and also the country that by the time we passed our Budget a lot of people had paid their fees already as well, sometimes a small inconvenience, and we acknowledged that during the Budget debate. I clearly remember saying that we recognised there were going to be some difficulties because we know, for example, that certain law firms and other service professionals bill their clients before January of the year. They bill them in September/October/November to get the cash in the door so that they can pay their fees on time. We knew that that was the case however we accepted that they were going to have to go back to their clients and get additional funds because we were not going to let pride cause us to have a Budget that was some $55 million short – pride, fear, whatever it was. I can honestly say I was a "supporting Back Bench Member" of the 2001 Budget he spoke about; however I was not called into any Budget meeting to decide how we were going to get and fill the $55 million vacuum. I clearly recall being called to the Glass House with a stark position presented, hands thrown in the air saying there is nothing else to do; we have to go and borrow the money.

Time has a way of making certain things come out and it has come to my knowledge that since that time there were meetings with the private sector with the then Leader of Government Business (now Leader of Opposition). Basically, the private sector said to him that they would give him loans of preferential rates, being the best they could do. That is what the financial industry said to him. At least, that is our understanding. "We cannot endure any fees at this point in time, we can give you some loans at preferential rates and you go and sell it to the public."

To hear these feeble excuses as to why this country was asked to accept a level of borrowing that, if not the highest, was certainly one of the highest in its history; the borrowing to fund recurrent expenditure was certainly the highest in its history, the reason being that nothing could be done because everyone would have paid their fees by then. Well, if that was the case why it was not said then? Why did the leadership, which seems to currently and miraculously have been acquired in the last 18 months, not allow him to come forth and show the country the broad outcome goals, a vision? I think those who listen with a fair mind and those who remember and look back can quickly see why the Motion on 8 November 2001 will go down as a Motion that helped save this country financially. The current Leader of Opposition was bankrupt of ideology then and he still is. And Madam Speaker —

The Speaker: Is that your opinion, Member?

Mr. Rolston M. Anglin: That is my opinion, Madam Speaker. In my humble submission the People's Progressive Movement offers no solutions, no hope for this country. It is my humble submission that what we have heard from their Leader as a start-off to the Budget Address is the usual: whining, complaining, criticizing, no solutions, and no leadership. I find it amazing that the Leader of the Opposition could say that a successful government is one that is in tune, is well-connected with and consults with the people; is one that should present a Budget that leaves adequate time to be consulted.

I have a pretty good memory; I do not recall in 2001, when the Budget with the extraordinary high level of borrowing was going to be presented, the then

Leader of Opposition saying, "Guys, we need to have a public meeting once the Third Official Member has presented the Budget Address.". No public meetings, Madam Speaker. No consulting with the public then. I warn this country to look out for wolves in sheep's clothing. Anyone can get up and talk the talk however what I go on is how you have behaved in the past. For one whole year he was Leader of Government Business and I challenge him and his colleague from George Town, the Second Elected Member, to show the public one public meeting that they had. One! Yet they get up and talk about open and accountable government and they talk about all these good fancy, frilly things. Just what the current Leader of the Opposition has done in the past so shall he do in the future. I believe that if when a person is given the responsibility of Leader of Government Business to present such a disastrous Budget and not have a public meeting on it drives to the vein of the types of behavior we are talking about. It is hypocrisy, I say, hypocrisy. Hypocrisy!

We hear about shams; now that is a sham because I believe in keeping life simple. I say this to the public, I say this to my Honourable colleagues, I say this to even his current Members on the Opposition, I say to all of us and especially to them — we must preach to the unconverted — I say to them who are sitting there today: can they truly sit there and believe anything that their leader says? Can they believe what their leader says when he talks through both sides of his mouth, when he talks of all these noble attributes yet when he was Leader of Government Business for one whole year he did not practice them? I ask them, can they believe him?

It is very important that we keep things in perspective and I think it is very important for me as an elected representative to remind people of what the facts are. It is easy to get up and talk all the fancy, frilly stuff however I believe that one's behavior and one's practice is what is most important.

We have a practice of having a minimum of quarterly meetings in the district of West Bay. We have meetings on important issues. Any issue that comes up that is important we take it to the people. Our record is unblemished in that regard. Thus, I find the line of language that the Leader of Opposition used quite offensive because I think his behaviour proves beyond the shadow of a doubt otherwise. I know it does.

Getting back to the Budget itself, there were claims by the Opposition that the Government is stifling democracy because they did not have enough time to prepare and if I am to predict their style when each of them get up there will be a recurring theme. They will all get up and say the same thing; the Government did not give them enough time, the Government is going against the fundamental principles of democracy, they will talk about elected dictatorships. What reminds one more of an elected dictatorship? The behaviour of the current Leader of Government Business who meets with the public, who, just last night, entertained the legal fraternity because he cares so much about the issues and problems being faced by young Caymanians attorneys in this country. What type of behaviour is more important? When a leader takes that time out of his busy schedule, and arranges those types of forums for young people who are very disillusioned, to talk to them and show them he cares — there are many young people in the legal fraternity with major law firms who are currently very disillusioned who have no real tangible opportunities for promotions — does that sound like a dictator?

A dictator is a person who singly is able and behaves in such a way to make all the decisions. He is a man who meets with his public quarterly, he is a man who would even go to the public and takes polls on major issues like Cayman Airways and come back to Finance Committee and carry out the will of that poll. Is that a dictator? Or is a dictator the type of leader who gets up in this House and says one thing yet when he was Leader of Government Business had not one single public meeting. Madam Speaker, I say, shame, shame, shame. I say shame on the Leader of the Opposition because that, in my humble submission, was the beginning of an elected dictatorship.

Yet another reason that the Motion on the 8 November 2001 was so important to this country was to free the country from the reins and the shackles of an elected dictatorship, from a leader who refused to have meetings with the public. I believe the public, as time passes, will see more and more the wisdom of such a change.

I want to address the issue of time and how much time was needed to effectively offer a Budget contribution to the Honourable Third Official Members Budget Address. The Leader of the Opposition said he did not have enough time yet he got up and made, I believe, a comprehensive critique of the Budget. As I said I do not agree with his opinion, I do not agree with the logic, I do not agree with his claim that the Budget is not balanced.

There was mention made on Tuesday that there were some 1700 pages in all these documents. The Leader of the Opposition has been in this House long enough to know that in debating the Honourable Third Official Member's Budget presentation and the Leader of Government Business presentation directly after that, one needed to reread those documents and one needed to look at the crucial elements of the Budget. Madam Speaker, we will be getting into the detail of outputs when we go through in Finance Committee, on an output group basis. Therefore, one does not have to go through all the outputs at this stage. This is not the stage that we critique the outputs and the outputs make up 90% of the pages in the document.

I would beg to say, in my humble submission, as I look, for example, at the Annual Plan and Estimates which is 326 pages long, the crucial pages are one to 25, which outline the Government's broad output goals and the specific goals to meet those; and

pages 273 to 326, which has fewer than 60 pages. I beg to offer in my humble submission, that those four elements, pages 1 to 25, pages 273 to 326 and the two addresses is all Members would need to be able to critique and analyse the Budget. On Tuesday he made reference that the Government and its supporting Back Bench would have had intimate knowledge of the Budget. That is not so. I saw pages 273 to 316 for the first time when the Budget document was delivered to me on Tuesday as well. Those are some specific points and show information in different formats. That is all they are. All we dealt with was the overall position and whether or not the overall position in a broad sense was going to allow us to achieve the goals that we had set.

The critique that the Opposition would offer would only be to analyse the information that I outlined and they could then look at it and say "That is the position of the Government and that is how they want to achieve this. Well, we do not agree with this outcome." I did not hear him say he disagreed with any outcome of the Government. I find that amazing; the Opposition thus far has not disagreed with one of the eleven Government statements. It must be a solid vision; it must be a vision that is shared with the public that is good for the country. Otherwise, they would have said that it was not. All we heard was that the Budget was not balanced. I think we have clarified that issue, that the Budget is balanced. In fact, I would recommend to the Leader of the Opposition and his colleagues that they read page 293 of the Annual Plan and Estimates because that clearly outlines the different types of activities, financial and economic, that the Government engages in, in summary form, the results and how they will be funded. Table 8, page 293, if you may permit me to read, Madam Speaker.

The Speaker: Please proceed.

Mr. Rolston M. Anglin: In Table 8, Forecast Financing Activity, the first item is an Operating Surplus of $5.711 million. Then we come to Net Asset Activity of $27.409 million. Madam Speaker, that is what I was referring to earlier when I spoke to the issue of what operating activity is and what balance sheet activity is. For the benefit of the Members of the Opposition—I might also cross-reference—that $27.409 million detail can be found on page 316 of the Annual Plan and Estimates, which clearly shows all the capital activity of the Government, that is, Net Asset Activity. For Government to discharge its duty successfully we cannot just have operating activities. We could have easily said, "Ok, that is it, we have an operating surplus so we will do nothing else as a Government and stick the $5 million in the bank and try to draw some interest on it." However, the country needs critical infrastructure development.

One of the elements of the $27.409 million is $12 million of capital development including major buildings, and so on. There is also $5 million of capital acquisitions. We currently need to upgrade our radio system, for example, the 911 emergency services. I am reliably informed that this has been overdue for some10 years, and which Government is doing it? The United Democratic Party Government. You have to spend money on the equity side. That is investing. We also have, making up that $27 million, $10.6 million of equity injections. However, since the Leader of the Opposition appears to be so hopelessly lost when it comes to accounting terminology and how accounts work. I need to explain, for example, when the Government pays over $4 million to Cayman Airways it is allowing it to operate and that is an equity investment. In other words, we, the Government, are the shareholders of Cayman Airways and we are buying additional shares in Cayman Airways. If we do not the Airline cannot operate, plain and simple.

The country has told successive Government s that Cayman Airways, while a luxury, is something they want, something they see as desirable. I also believe that successive Governments, including this Government, have evaluated the situation and recognise that to be in the tourism business, having predictable air service that is not subject to things like strikes of pilot unions and stewardess unions in the United States and wars and threats in other countries that we need to have it ourselves, we need to be able to bring our guests to the Cayman Islands if it winds up that we are the only way for them to get here. Those activities do not contribute to a deficit position; they are balance sheet activity.

Madam Speaker, continuing with Table 8. This shows a position of negative $21.7 million. If you sum the $5.711 million, which is the Operating Surplus, plus the Net Asset Activity, on the asset side of the balance sheet. If we deduct that from the surplus we then come down to a negative position that has to be funded. Added to that is the balance sheet activities on the liability side of the balance sheet. That is loan repayments. We have another $9 million of loan repayments, which brings us to a position of having to fund $30.8 million.

Just below Table 8 we have a section called Financing Sources. To fund that $30.8 million we are going to use Existing Cash Balances of some $16.1 million. We are going to have a Temporary Overdraft Drawdown of some $5.06 million, some $1.6 million of the Environmental Protection Fund is being used and I think it is mainly to do with the beach erosion project. There is some New Borrowing of $8 million which fund that entire $30.8 million. That is the clear outline of the actual Budget position of Central Government.

We also heard much talk about the roads authority and the fact that the Government is trying to hide borrowing activity in the roads authority. Let me just back up by saying that no one professes that a statutory authority is the solution to any problem that we have in Government. In other words, you cannot just take any governmental department agency, make it a statutory authority and everything is going to be

alright. History has proved that statutory authorities and government-owned companies provide the Cayman Islands with the best possible management decision-making process that is not laden with the bureaucracy that stifles central Government, and not just our central Government but central governments all over the world have the same problem.

In case anyone doubts me they need to sit and have a conversation with any controlling officer about how difficult it is, for example, just to reassign a civil servant, not even talking about firing a civil servant, it is not simple. Yes, people on the outside will look in and say it is simple; you should be able to go to the Public Service Commission and make your request to the Governor and everything will happen briskly and you will be able to adjust to situation and re-allocate people and resources as you need to.

Well, Madam Speaker, it is easy to say, however bureaucracy is something that this Government and all governments are going to continue to face and yes, we are going to try to come up with ways to make it more manageable. For example, one of the things the Leader of the Opposition did not pay any credence to in the Budget document was the legislative action that Government is proposing for the country to assist us in achieving our objectives. The Honourable Financial Secretary went to great pains to outline all of them in Budget Address. It is not only in his Budget Address but it is also on pages 27 to 30 in the Annual Plan and Estimates. Nothing was said that showed any real thought to them being able to give an alternative.

The Government, for example, has a Broad Outcome goal that I mentioned earlier. Number 1: **"A strong economy that generates employment, income and a high standard of living."**

There are many specific items in the Budget that we propose to undertake to allow us to strive towards meeting that outcome. Nothing was really said about that nor was anything said about the laws that we are going to have to enact.

We are going to amend the Statistics Law because for businesses to operate they need accurate information. What a shame it is that in this day and age, 2003, when a person goes to open a small business they cannot have greater access to critical types of information that would allow them to be able to model and plan their businesses as efficiently as they should. Let me give an example Madam Speaker. Right now, if you wanted to open a restaurant there is no data bank that allows you to know what your salaries as a ratio of income should be. Why? We have a weak Statistics Law; we have a weak collection of statistics in the Cayman Islands. In fact, collecting information is so difficult that the Chamber of Commerce has even tried to collect information from its members and, to be quite frank, has not met with the greatest of success. How are you going to have a strong economy that generates employment, income and a high standard of living if entrepreneurs and business managers do not have access to information, not specific information about their competitors but, about the industry in which they operate? If I am going to open a restaurant and my Budget says that 28 per cent of my revenues are going to be spent on salaries and remuneration although the industry average, which there is no access to, is 35 per cent I am probably doomed to fail or at least struggle immensely before even getting started. Madam Speaker, these are the types of specific things that the Government is undertaking to assist businessmen and entrepreneurs.

Broad Outcome 2: **"A healthy resident population"**. There are going to be amendments to the Pesticides Law, the Environmental Health Law, the Drinking Water Quality Regulations, and the Food Hygiene Regulations. Are these not important initiatives by the Government? Are these not the types of initiatives that should have been critiqued? I take it to mean that if it was not critiqued they must have agreed with it. This is the meat that fleshes out the skeleton that is called a vision. To just dress up a vision and not have any idea as to how you are going to get there would mean you cannot get there. I say that this Government has vision, courage and we understand the issues.

The only Law that I heard made mention of was the Children Law and that was just a passing reference to say that the Department of Social Services, in his opinion, was not equipped to deal with the obligations under that particular Law. What he failed to say is that every administration in this country will continue to face the challenges of going against the established bureaucracy. In a perfect world the people elect the government, the majority in the government controls the executive council, the executive council meets and sets policies, the civil servants follow those policies, people then judge you on the results of those policies. That is a perfect world and a perfect theory however I know that even the Leader of the Opposition will admit that we are miles away from operating under that perfect theory. I know that the Minister responsible for the department, mention was made that he has been trying to restructure the department for almost two years. What I would like to know from the Leader of Opposition is since they have all the answers why did they not come up and tell us how they would go about it differently? Madam Speaker, the Minister will be able to defend his own position but I can safely say—

The Speaker: Honourable Member, you have one hour remaining.

Mr. Rolston M. Anglin: Thank you, Madam Speaker. I can safely say that I know the Minister has tried and he continues to try.

However, the public has to understand that the theory does not work perfectly, and it is not within our sole discretion to make changes to allow the system to work perfectly because ultimately the Governor

is responsible for the civil service and he reminds us of that.

In fact, during the constitutional talks any mention of administrative responsibility whether it was here, speaking with the Governor, or the past Governor, or in the UK and speaking with members from the Foreign and Commonwealth Office, the first response you always get, "Oh, you cannot politicise the civil service". The guard automatically comes up. I am not saying that the civil service should be at the whim and fancy of Government. I am not saying that there is not need for a separation. However the Honourable Third Official Member spoke at length about the decentralisation of the civil service and the law that is going to coincide with The Public Finance and Management Law, the new Public Service Law. Those are important initiatives that would allow, not just this Government but any future government to hopefully have a much greater possibility to make fundamental changes when they see that something is not right.

As I go through our broad outcome goals I see the specific targets that the Government has set. For example, on page 15, there is an overview of the key policy actions of the Government. It follows the line of all the broad outcome goals. It includes a commentary of the situation at hand and it outlines the new initiatives.

I know his one year as Leader of Government Business produced no results for this country. When the Leader of the Opposition gets up and when he speaks he always finishes by saying, "Oh well, I know they are going to come back and attack me, Kurt Tibbetts." Let me make it clear, I have no personal problem or ill will towards the Leader of the Opposition however my job as a responsible representative is to debate and offer the truth. It is quite easy to manipulate statements in the Budget document. It is quite easy to proffer opinions that are not well founded.

Therefore, Madam Speaker, I find it amazing that the Leader of the Opposition could go through an entire two hours of Budget address and not mention the strides that the Government has made in the area of telecom's liberalisation. That is a key part of producing a strong economy that generates employment. It is also a key in producing a higher standard of living. All of us pay the onerous rates, the ridiculous rates that Cable and Wireless charges us. He then made no mention of the Government trying to take on CUC to reduce their rates.

If the Leader of the Opposition was truly offering a balanced perspective—he did not have to get up and praise the Government, no one asked him to do that—he would have mentioned it, he would have said he recognised that these strides are being made however they are there to criticize and offer no vision, no hope, no solutions, no actions, and, Madam Speaker, no action leads us in a disastrous state.

The Government, whether people want to admit it or not, is the hub of a community. That is not to understate the value of the private sector and the fact that it generates more employment opportunities than the Government. Nevertheless the Government is the key; it is the hub in the wheel, if you like. Yes, the private sector makes up many spokes and covers the majority of the tire and that is the way it should be because that is where we want most of the money, in the private sector, so that they can make efficient business decisions that do not get burdened down like the civil service does; that is not inefficient like the public service, naturally, is.

The public service in every country, Madam Speaker, is less efficient than the private sector in all modern countries. I can make that comment with great confidence. However, this Government has a key role to play. It is a key social agent in education, policing, health care, putting money into the Health Services Authority, control of mosquitoes, providing capital to Cayman Airways, when many business men would say shut it down based on a few business decisions.

The impression left by the Leader of Opposition was that all Government was doing was throwing money at problems, yet, it would appear to me that he did not read them because these 26 pages were not mentioned in any great detail in his presentation. I would have thought the vision of this Government would have been dealt with and our vision shown to be wrong and their vision better.

However, they have no vision, in my humble opinion, therefore they had to pick apart numbers, they had to try and create a deficit out of a surplus, they had to try to play their hocus pocus magic and try to change the impression of the people that would be contrary to the Government.

He started off by saying the Budget Address and the Budget debate is all about what is best for the people and not about scoring political points. Then he turned right around and all he did was try to score political points. That is all. It was two hours of political one-upmanship. No solutions, no vision. I heard nothing said about all the new initiatives on page 16, for trying to improve the economy or the provision for more support from the London office to the Investment Bureau.

The Honourable Third Official Member outlined that we were funding close to $1 million of additional money to ensure that the London Office and the Investment Bureau here in Cayman and the Office in New York did their work efficiently and effectively to provide good business investment opportunities for the Cayman Islands. Every country needs foreign investment. The Cayman Islands dollar does not stay as strong as it does simply because the Government wants it to. There has to be demand for Cayman, there has to be demand for the Cayman Islands dollar. How do you get that? Well, we proposed in the last Budget to create an investment bureau and we are well underway to get that up and running. We have an investment office in the London representative's office. We have an investment office in the New

York Department of Tourism office. I heard nothing to say that this was the wrong move therefore I can only assume that the Leader of the Opposition, having read through the first 26 pages of Annual Plan and Estimates, having seen the vision of the Government, and how they are going to meet that vision, that he agrees with everything and that he has no better solution. In my humble submission, to simply come here and talk about problems that Government faces wastes time. The Government will always have problems. Suppose, for example, we had a situation where a number of teachers left one particular school in the middle of the school year that would be a crisis. Would the Leader of Opposition get up and say it is the Government's fault? I think so. Those are small elements and there are problems. As I said earlier, every government will face problems. The community and the society will have challenges from now until the Lord comes.

He said that he praying for the Leader in charge of Health Services and that is good that he is praying however I really wanted the Leader of Opposition to challenge the Government position, challenge the Government vision, and say why we were doing the wrong thing philosophically. I think the Government is the best alternative for the people of these Islands. I think the majority of good thinking people, once they have heard all sides of the story and for those who take the time to read the Annual Plan and Estimates will agree. We acknowledge that we are not perfect; we acknowledge that there will always be crises that we are going to face as a country and as a Government. You manage the crises as you go along however you must have a vision and attached to it must be tangible and measurable goals.

We, as a Government, are allocating an additional one million dollars to negotiate bilateral tax agreements with various countries to ensure that our financial services sector is able to survive because that sector offers so much opportunity for Caymanians. Yes, there are Caymanians in that sector and all sectors face challenges and issues relating to employment and promotions, and the like.

At the of the day, I think all of us would agree that they would rather have a job and be able to afford this standard of living than to go back to the smoke pan days and have no job.

It is important that the Government spends that one million dollars, I think it was $1.06 million. It is important that we increase the lending capacity to small businesses because we all know on the Government Bench that small business is the backbone of any economy, and Cayman is no different. In fact, without anticipating it, we even have a Motion coming before this House that calls for the creation of a Small Business Act. Legislation specifically geared to assist small business owners is what is envisioned there.

In a speech by the Leader of Government Business there was a policy statement entitled Leveraging the Cayman Islands Finite Resources to Overcome Infinite Challenges. I heard nothing. That statement had vision, that statement offered hope. I have heard no hope offered by the Opposition.

We then go on to list all of the existing initiatives that promote economic development and the high standard of living. To speak of a few we have the on-going promotion of the financial industry, setting up the adequate regulatory regime at the Monetary Authority, the continued marketing of the Stock Exchange, the continued promotion and support that we are offering for the Shipping Registry, the continued operation of the Farmers Market, the continued Government support to the Farmers Market, the continued evolution of the Human Resources Department that deals with labour disputes, job placement, employer/employee support, and the Investors in People Programme.

I heard nothing mentioned that these were not good initiatives therefore I take it that the Leader of Opposition is in fundamental agreement with the vision of the Government and with how the Government is going to get there. However, he had some specific problems and some specific issues that he wanted to air and there was a lack of understanding as to how a surplus position is arrived at. I think once we have outlined, sorted and got past those problems, due to a lack of dealing with the meat of the Budget and the strategies behind the Budget, I can only assume that we are on the right track.

"A healthy resident population" is broad outcome number 2. The New Initiative is the new output relating to the provision of mammograms that will be purchased from the Ministry of Health Services, Aviation, Agriculture and District Administration. Again, a key initiative.

[Inaudible interjection]

Mr. Rolston M. Anglin: The initiative is being enhanced, Madam Speaker.

[Inaudible interjections]

The Speaker: Order!

Mr. Rolston M. Anglin: The Opposition is obviously now seeing the vision of the Government and that we are doing the right thing. Madam Speaker, I hear some grumblings on the other side however I will continue.

For a socially protected resident population again the Government offers its solutions. The Government speaks to the new initiatives that it is going to put in place to deal with the unusually heavy rains and flooding that we have had. The Government speaks directly to increasing the funding for housing repairs for indigents, and although I agree with the Leader of the Opposition that you cannot just throw money at a problem, when a person's roof is leaking, when they

are getting drowned inside their house, money is what it takes to fix the roof.

The Government recognises that there is a balance. Yes, the Government will continue to try and train and retrain people so that they can improve their lives and hopefully be able to fix their own roofs. However, we have to deal with the reality that we will always have poor people in Cayman, we will always have poor people in this world, we will never get to that wonderful, blissful state that the Leader of Opposition seems to hint at where everyone is wealthy and has all the resources and services they need and the Government really could just shut down and not have to provide any more services. Madam Speaker, that day is not going to come, that is just the reality of life. It is important that the Government recognises that and it is important that the Government has a vision and has specific goals to address these problems.

There was mention made of the increased crime. Yes, the Government is deeply concerned and outraged. The Government encourages the people of this community to help rid ourselves of violent crime because it is not just the police, the courts or the Government that are able to solve this problem. We need assistance from those who have knowledge of crimes, for example. To simply catch those who perpetuated an act today does not solve the problem of the new criminal that has come on stream. However, I think we will agree that, for the criminals who are out there, we do need to have in place a system where those persons will inevitably and in most instances have to be removed from society and hopefully rehabilitated. I will leave it up to the Minister responsible for Prisons and for Youth to deal with the specific objectives within his Ministry. These issues do exist and they are clearly stated in the Budget in black and white.

Broad outcome 4: **"A strong Caymanian community and culture"**. I know that over the past five months I have not had so many people tell me that they have not felt so good to be Caymanian than they have over the last five months, because of the Quincentennial activities. We have taken a period of time, to mark our 500th year discovery to reflect and, as Caymanians, to organize activities, come up with creative ways to honour ourselves and to come up with ways which allow us to feel good about who we are. If you are going to have a strong community, if you are going to have a strong culture, people must feel good about who they are, people must be encouraged to remember who they are and to remember where they have come from. And Madam Speaker, if we look at the activities of the Existing Initiatives and the New Initiatives on page 19 of the Annual Plan and Estimates document we again see the Government's move to ensure that this becomes a reality. I am not going into detail on each one because time does not permit but, for example: "**The Government is also conscious of the need for the a centre for local crafts and music, where visitors can see the work of local artisans and listen to local music. The Government intends to establish a venue for a local craft market and assist in its operation."**

I heard nothing from the Leader of Opposition that would suggest he disagrees with that so again the Government must be on the right track. There must be something good in the vision of the Government and the key initiatives that the Government has established to allow it to work toward meeting those broad goals.

To get back to safety, it is important for the community to play its part in solving crimes and to assist the police. The Government also recognised that there was a need to fill some of the unfilled posts in the police service hence the Government has provided, almost $1 million in total in new funding in that area. Life can easily become a vicious circle. Life can often allow us to argue around and around because I may talk to one person and they speak about health and health services being the most important thing. I may speak to someone else and they may say education is the most important thing. Someone else may come along and say education without health would lead nowhere. Someone else might come along and say, "Well, you have your education, you can have your health but if it is not safe then it is all for naught". Therefore, as I continue to go through these Broad Outcomes and the New Initiatives of the Government we will see that we address all those facets; we will see that the vision of the Government addresses all those key areas of life.

The environment is very important. The balance between development and preservation is one that every country grapples with. In a perfect world, going back to truly biblical times, we would all be farmers and hunters, we would all gather what we needed, we would all live in our huts and that is how life would be, and we would only use what we needed. However, life has changed tremendously since those times and development is a real part of every community and the decisions that the Government has to make. There is a balance between the person who wants to build a hotel but may need to clear mangroves to do so and those are the balances that will have to be continued to be made. Again, the Government has shown its commitment that, notwithstanding the need for development, it will endeavour to do its best to protect the natural environment.

The development of the Barkers Environmental Park is something that I believe every citizen of this country, irrespective of their political persuasion, would agree is an initiative that is key to maintaining and supporting the environment for future generations. Many of us are going to be able to enjoy that national park.

The Leader of Government Business, on Tuesday, spoke at great lengths of the Beach Erosion Study and all the work that is being done in the area of beach erosion. Again, this is a crisis that we as a community and as a Government have to face. We have a long-term vision, we are dealing with these

specific problems however what matters most, I believe, to the people of this country is a long-term vision and a Government that continues to work toward this through specific and attainable goals.

Broad outcome 6: **"A well-educated and vocationally trained resident population"**.

The New Initiatives and the Existing Initiatives that the Government is undertaking to reach that outcome are outlined on page 21. The Leader of Opposition said that the only thing he heard about since the current Minister has been responsible for Education, the Honourable Roy Bodden, was the ITALIC Project.

However, there are other initiatives; there are other things that have been going on. If we just look at the current Budget and the current Annual Plan and Estimates statement we will see that the Minister is having a re-design of the Professional Practice Course to improve the integration and legal skills and principles. The Government is also going to be addressing the issue of local and overseas scholarships and a mentoring programme is going to be established in conjunction with the Chamber of Commerce.

The Government is actively working, as we speak, to ensure that the infrastructural requirements of the new schools that we need are met. And yes, I would agree with the Leader of Opposition the timeline is very tight and certainly to get the schools built by next September is going to be a challenge but life—as I have said, at least ten times now in this address—is full of challenges. We simply have to work and not shirk our responsibility. Like I said earlier, we are going to see challenges in every one of these areas because every government that is going to exist is going to have challenges.

However, to make the comparison that the Leader of Opposition made, that the Government was spending $30 million on the Turtle Farm and only having temporary schools is a misleading one. The Turtle Farm development is a private sector partnership and therefore it would naturally flow that the funding is going to be provided by the private sector without a government guarantee. Of course, many of the economic benefits will flow to the private sector partners. That is how life is. We, as a Government, are not necessarily interested in ourselves being entrepreneurs, we would much rather leave that to people who are skilled in that area. That is why you have private sector partnership at the Turtle Farm. The outcome that we envision is an attraction that continues to build our tourism product, an attraction that residents would be proud of and would want to go and see, that teachers would take children on school trips to visit.

Therefore, that was a very misleading analysis because the Government is not spending money willy-nilly on turtles and not spending money on students. Madam Speaker, the two projects are distinct and separate. I will leave the issues of education for the Minister responsible to deal with nevertheless I thought it was necessary to clear the air on that particular issue.

I know someone will get up and ask "What about the priorities?" In the perfect world, that the Leader of Opposition painted, this Government would be able to address its problems in the order of priority however life does not work that way. When the private sector comes and offers their assistance with the Turtle Farm, to provide capital development, without a guarantee from the Government, and to allow us to have a world class attraction, what are we going to say to them? Are we going to say "No" and tell them to find some other place to invest their money because we do not want it in the Cayman Islands because we are just going to focus all our attention on the Hospital and the schools? The Turtle Farm needed to be done at that particular time and the Leader of Opposition tried to paint a picture that the Government had prioritized turtles over students. Nothing could be further from the truth.

There is an added benefit of the Turtle Farm project. Government is going to be able to share some of the economic rewards as well, which again would provide money to a Government-owned company. This would allow that company to operate and not have to come to central Government for funds, and in fact, hopefully be able to contribute to central Government by way of a dividend of certain funds, and monies.

Thus, Madam Speaker, at the end of the day the Government has all these problems to deal with and they are dealt with vigorously. We have education and health services and safety of our resident population as our top priorities. However, when other opportunities come up they have to be dealt with; everything that is going on has to be dealt with. That is what effective leadership is, it juggles the puzzle and it continues to fit the pieces in. Sometimes you have to put a piece in place and there are a few other pieces around that are missing however this is a Government with vision and common sense. It knows where to put those pieces.

We gave the Opposition all the information they needed to critique, debate, agree and/or disagree with the Government. We were very specific. We could have easily produced a document that had the broad outcomes and nothing else and then each got up and spoke about the specific initiatives; however we put everything in the document.

The Leader of Opposition got up and, I reiterate, just talked for two hours about the challenges that the country faces and did not deal with whether or not he agreed with the vision of the Government and what he would do differently. Nothing was said about that very important aspect of this debate.

The Speaker: Honourable Member, you have 23 minutes remaining.

Mr. Rolston M. Anglin: Thank you, Madam Speaker. The Government is committed to this form of open and accountable governance. I can honestly say that

under the system that existed when I was first elected in November 2000, it would have been extremely difficult, almost impossible, to be able to offer meaningful debate with two nights and a day of work. However, as I outlined, when you leave out all the details that we are going to be dealing with in Finance Committee and you focus just on what it is that we debating here, which is the address by the Financial Secretary, and you deal with the information that supports that address, this was by no means an unmanageable task. I found it quite easy to set aside four hours to go through this material and to be able to deal with those points I wanted to.

Broad Outcome 9: **"Young persons positively involved in the community."**

I am pleased to say that the Government continues to recognise that young people are indeed our future; they are the future leaders, teachers, preachers, policemen. The Government continues to spend resources to come up with programmes to work along with the churches and other social agents to try to ensure that we are able to cater to and deal with the social problems we face.

In our Budget we see $10,000 going to at least 15 to 20 churches for their youth activities. That is direct money from Government to a social agent, one that all of us in Cayman accept as an important social agent; our churches. None of that was mentioned. Nothing was mentioned about the Cadet Corps and the training programme. Nothing was mentioned about the youth rehabilitation facility that is coming on stream. Nothing was said, of any substance, as to how we are dealing with the youth development whilst ensuring that we coordinate it with key youth organizations.

I sat here for a reason and that was to listen intently to make sure I did not miss a thing that was said. I believe that I still have a fairly good memory.

Broad outcome 10: **"Strong family units."** The Government recognises that Cayman has —

The Speaker: Honourable Member, sorry to interrupt but we have reached the hour of interruption and I will call on the Deputy Leader to move the appropriate motion.

Moment of Interruption—4.30 Pm

Suspension of Standing Order 10(2)

Hon. Linford A. Pierson: Madam Speaker, I move that we continue the debate until the speaker, the Second Elected Member for West Bay, has completed his debate—I think it is another 13 minutes—after which I will call for the adjournment.

The Speaker: The question is that the Honourable House continue its proceedings until the current speaker has concluded his debate on the Budget Address.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed; Standing Order 10(2) suspended to allow the Member to conclude his debate.

The Speaker: The Second Elected Member for West Bay.

Mr. Rolston M. Anglin: Thank you, Madam Speaker, and I thank the House for its support for me to conclude.

We, as a Government, recognise that there are many challenges that families in the Cayman Islands face. That is why the Government continues with its initiatives to support battered women and children and children from the homes of battered women, and continues with the initiatives as outlined in the Crisis Centre. That is why the Government continues to have national parent training courses and workshops. That is why the Government promotes the month of the child and has numerous activities during that month that, again, try to empower families with the types of information and the types of skills they need to raise a well-balanced family and well-adjusted children. Training programmes relating to the empowerment of women and the strengthening our families continues to be supported by the Government. Madam Speaker, residential homes for children and the provision of those homes are key to children who wind up in homes that cannot ably raise them in a manner that the majority of the population feel is a manner that would allow the person to be a well-adjusted, law-abiding citizen of the Cayman Islands.

Again, the Budget is full of the specific objectives that the Government has, and continues to have. Nothing was offered to challenge this so I can only make the assumption that the Leader of Opposition agrees with the vision of the Government and the manner in which the Government seeks to achieve its vision.

I would like to end by clarifying a matter raised by the Leader of the Opposition. He made a statement to the effect that this Government should have $95 million more in funds available than he did when he was Leader of Government Business. The way that fuzzy math was explained to this House was that the Government borrowed $8 million in 2000, he borrowed $55 million when he was Leader of Government Business, and two sets of $12 million over the 2001/2003 period, which comes to a total of $95 million.

The problem is that money has long been spent and the last time we had a full year Budget, which was 2002, there was much said by the current Members of the Opposition that we were going to de-

stroy the financial industry, that the fees were too burdensome. The Government believes we made the right decision that has allowed us to put this country on a solid footing in terms of its finances.

When one looks at the various sections of the Budget and understands that this Budget is fiscally responsible; it provides a $5.7 million surplus. This Budget also shows the Government's commitment to investing in this country. That is why we have the equity investments in the Health Services Authority and the equity investment in Cayman Airways. That is why we have the capital projects and that is why we are proposing an authority to run the development of roads. I think we all agree that when we put activities of Government in a statutory authority they are run more efficiently. I think we would all agree that the Port Authority, the Civil Aviation Authority, the Water Authority are all run more efficiently than central Government because people have the possibility to make decisions that are more business-like. Therefore, with the provisions of roads we see that as a key.

There was mention made of the financing initiatives and how those would be shared with the private sector when it comes to our roads. I would just say, because time is out, that certainly there are many models around the world where the private sector assists in building roads. The Cayman Islands is not the only country that is going to do this. There are many countries that have and certainly other speakers who will come behind me on the Government Bench will expound upon that particular point more.

When I look at the objectives and the vision of the United Democratic Party Government, I am very pleased that I can stand here and say that the Leader of the Opposition did not address the vast majority of our crucial objectives. He knows that these objectives are well founded, very much needed solid programmes that will allow us to achieve the vision, the leadership, the way forward that we are providing for the people of the Cayman Islands. Madam Speaker —

The Speaker: Honourable Member, you have 12 minutes remaining.

Mr. Rolston M. Anglin: Madam Speaker, I would just like to end off by thanking Honourable Members for listening to my contribution to the Budget. I would like to thank the Honourable Third Official Member for delivering sterling Budget Address. I would like to thank all of his staff as well for all the hard work they have done. I think that I have provided some answers and some light to the Leader of the Opposition and to the Opposition as a whole and to the public of the Cayman Islands. There were some fundamental misunderstandings of how Government accounts for its monies; there was a fundamental lack of understanding as to what a Budget deficit or surplus was.

I would like to say that it is quite thrilling to have a Budget that has vision, is founded in good policies and is fiscally responsible. That is the most important thing that can be delivered to a country by its Government. I thank you, Madam Speaker.

The Speaker: The Honourable Deputy Leader.

ADJOURNMENT

Hon. Linford A. Pierson: Madam Speaker, I move the adjournment of this Honourable House until tomorrow, 20 June 2003 at 10 am.

The Speaker: The question is that the Honourable House be adjourned until Friday, 20 June 2003 at 10am. All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

At. 4.37 pm the House stood adjourned until Friday, 20 June 2003 at 10 am.

OFFICIAL HANSARD REPORT
FRIDAY
20 JUNE 2003
10.32 AM

Sixth Sitting

The Speaker: I will call upon the Honourable Third Official Member to grace us with prayers.

PRAYERS

Hon. George A. McCarthy: Let us pray.

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

Bless our Sovereign Lady Queen Elizabeth II, Philip Duke of Edinburgh, Charles Prince of Wales, and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Executive Council and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together:

Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.

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

Proceedings resumed at 10.35am

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Quorum

The Speaker: Please be seated. I observe Honourable Members that there is not a quorum in the House it is now 20 minutes to 11. I would direct the Serjeant to have a quorum in this House, as there are Members in the precinct of Parliament that can make up a quorum. I will do an in-House suspension for five minutes at which I time I would want this Honourable Parliament to commence its Business, which is of paramount importance to this country.

Apologies

I would say that I have received apologies from the Leader and Deputy Leader of Government, the Honourable Minister responsible for Community Affairs. Thank you.

Is this now quorate?

STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE GOVERNMENT

The Speaker: I have received notice of a statement from the Honourable Minister for Community Affairs. He also did call to tender his apologies for late attendance, therefore, I will call on the Leader of Government Business to make a motion for it to be set down later on this morning if it is still his intention to deliver the statement.

Hon. W. McKeeva Bush: Madam Speaker, the Minister is unavoidably late and I do believe that he intends to make the statement. I would move that this can happen at an appropriate time at the end of today rather than breaking any Member's train of thought.

Motion to Defer Statement

The Speaker: Thank you. The question is that the statement that is intended to be made by the Honourable Minister responsible for Community Affairs be made at the close of today's business.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Honourable Minister has permission to make his statement at the close of today's business.

GOVERNMENT BUSINESS

BILLS

SECOND READING

The Appropriation (July 2003 to June 2004) Bill 2003

Debate on the Budget Address delivered by the Honourable Third Official Member responsible for the Portfolio of Finance and Economics on Tuesday, 17 June 2003

(Continuation of debate thereon)

The Speaker: Does any other Member wish to speak?

The Honourable Minister responsible for Education.

Hon. Roy Bodden: Thank you, Madam Speaker.

I rise to give my contribution to the Budget debate and I shall largely confine myself to the portfolios within the Ministry to which I have been assigned. Before coming to that point I would wish to preface that contribution by some general comments which are applicable to the debate which has transpired thus far.

I listened very intently to the Leader of the Opposition as he got up to give his perspective on the Budget. I wondered after listening to him for a while whether the Honourable Leader of Government Business should not take back the title he once bestowed upon me, and give it to the Leader of the Opposition. Because it seems that the Leader of the Opposition has become a chef of flowery language.

I really wondered if the gentleman had lost his sense of reality; I wondered if the gentleman did not realise that for one year he was the Leader of Government Business; I wondered if the gentleman did not realise that many of the prerequisites were put in place at that time. I wondered if he forgot that he has to assume some responsibility for the courses of action, which have to be taken at this time? It never ceases to amaze me the hypocrisy that sometimes transpires in forums like this and before it is all over I am certainly going to do my best to set the record straight.

I believe that the Government did its best in delivering this Budget. Of course, it is not perfect, it was never intended to be and were it perfect I do not know what we would do. However, under the circumstances, Madam Speaker, all and sundry, can associate with the objectives the Government has set for itself and the outputs, which it has set to purchase.

I do not believe, with all due respect to the lady and gentleman on the other side, that under the circumstances they could do any better and I am really alarmed. I am going to say this at the outset because I heard a newsreader this morning on *Radio Cayman,* and these people ought to be a little more careful of how they exhibit their prejudices. I was surprised that in addressing certain people that their title was not used and it seemed to me that proper respect for the office was not accorded. I know that we are all human and we are prone at times to letting go but these people ought to remember, like the rest of us, their positions are vulnerable and so when they speak, if they do not respect the office holder, they should be careful to respect the office. Enough said.

It is the duty of the Opposition to stand up and criticize the Government. It is the duty of the Opposition to point out the shortcomings of what the Government is doing and I would expect that the Opposition would do that. I would implore, indeed, I would encourage them to do that. However, they must do so in such a way that the facts are not deliberately distorted or contorted, that the correct, deserving and accurate impressions are given because it is no good to accuse the Government of one-upmanship when the Opposition is playing the same game. We have been in this arena long enough to understand that, "Why should the Opposition make the Government look good when it is the objective of the Opposition to one day become the Government?"

I want to say from the outset that I respect the position of the Opposition, I respect the fact that they are critical of Government policies, they have to be! That is their role and their responsibility however it must be done within accepted and civilised Westminster practices. Otherwise they are doing themselves a great disservice and great disfavour.

It really does not matter to me at the end of the day if they acknowledge me as a friend or not; I have survived and existed, no twin and no triplet.

The Cayman Islands are perhaps in their most challenging time. The world economy is not doing us any favours and for years now we have had to embark on a series of belt-tightening exercises and we have had to prioritise in ways we have not to prioritise before and it is difficult because it is not a position to which we were accustomed. Thus, at a time when it seems society is placing an increasing demand on the political directorate for services, it is of critical importance that the Government prioritises its action.

We have embarked on new financial management initiatives, Madam Speaker, and I am reminded that from 1995 a proposal was made to go this route; we have just started now. It is difficult because it is a learning exercise. It is still largely experimental; we are feeling our way. When we juxtapose that against our economic position the challenge of doing excellently is even greater and that is the challenge in which the Government is trying to come to grips with and is trying to find a suitable and credible way forward.

We have demands from society for improved and increased social services, educational services and health services. At the same time we have contraction because of international pressures from the Organisation for Economic Cooperation and Development (OECD), the Financial Action Task Force (FATF) and from the administering power itself.

I believe that we have done well to present a Budget a little over $300 million, which deals fairly

with all the challenges and demands with which we are faced. I would caution against anyone who paints pictures in glowing terms and thinks that the solution just lies in a simple change of players or a simple switch.

There is no differing ideology. I believe, between the Government and the Opposition, it is just perhaps a matter of differing priorities, and even among the priorities there are no significant differences —I am sure. Therefore, anyone who gets up and tries to project the notion that by a simple change of players, the ills of the country will be remedied, is indeed purporting a false remedy.

What we are talking about is no change in the ideology, no change in direction. We are simply talking about a change in philosophy; a change in leadership. I was not the architect, however as I understand it, since the question was posed on the other side, the difference came because of inertia and inaction. People wanted movement and there was no movement! Rip Van Winkle, had fallen asleep and would not wake up. That is why the change was made since the question was posed. That is why it was made!

[Inaudible interjection]

I have had three years and have not done anything? I hit the ground running. I am glad the Member interjected at that point because it gives me an opportunity to really tell the aspiring Education Ministers the challenge that they will face, and they will get their chance. I just hope when I hand it to them they can appreciate it and they know what to do with it and that the past is no indication of the future.

When I came to it, it seemed the Ministry of Education was faced with a myriad of intractable problems. I did not set about finger pointing and blaming anyone; I did what I thought needed to be done. I set about implementing programmes that I thought would bring improvement to the education system, that I thought would have beneficial effects for the students. Two of those programmes were started with no provision in the Budget. I went to the Chamber of Commerce and said, "I have been talking about a mentoring programme, would you help?" Hence, we implemented a mentoring programme. I thought that youngsters needed leadership and direction because they were gravitating to criminal gangs. I thought a Cadet Corps would be a very important and positive alternative and so I did. You can check the records, Madam Speaker, there was no special provision made. I contend I hit the ground running.

For years people have been talking about something to improve teaching and I have been saying that we need to make greater use of information technology. As a result of that we launched the ITALIC (Improving Teaching and Learning in the Cayman Islands) programme, a $6 million project over five years with IBM as our strategic partners, financed, Madam Speaker, by IBM. This project, at its maturity, will culminate in every child in the public school system of the Cayman Islands having access to his or her laptop computer during school hours.

Madam Speaker, I have not done anything?

Hon. Roy Bodden: I can go on, I can go on but I say if an educator cannot lead education then who can? Which of them can? Tell me? It seems like every cook thinks that he or she can govern!

[Inaudible interjection]

I do not want this to degenerate into self-righteousness because trust me they cannot win any war against me. My record in here speaks for itself and if anybody believes that they are not going to have a fight, trying to steal the constituency from myself and the Minister of Health; be ready for war!

[Inaudible interjection]

You better try to save yours. When you do 16 years then you can talk.

The Speaker: Members please direct comments through the Chair.

Hon. Roy Bodden: Perhaps I can refer you to a proverb: "*Boast not he that is putting on his armour as much as he who is taking it off."*

I was saying that we have the ITALIC programme. We continued the implementation of the Millett Report restructuring the Education Department, strengthening the Department by appointing people to posts which were not filled.

We had a look at the curriculum. I initiated the idea of turning the George Hicks High School into a fully-fledged high school and we had widespread consultations. The reason why no more progress has been made to date is because we are building a third high school and the experts informed us that it was of critical importance for the curricula of the three high schools to be identical; there should be no significant differences and as a result of that it would be wise for us to ensure that we have that in order before we progress further.

Work continues on the national curriculum although I must say I am not at all happy that the pace is not faster than it is, however I understand the contingencies. The contingencies are that the plans were laid in place and that there was no provision for substitute teachers. As a result the teachers who are working on the national curriculum still have the responsibility of teaching full time classes.

It was a pity that we have not yet developed in this country a pool of substitute teachers who can be used in situations like that so that when we give assignments to the regular classroom teachers we do not have any break in the instruction.

The school's inspectorate has completed his first round of inspection. It has even inspected some of the private schools, I am moving now towards bringing the private schools into the ITALIC project because it is of critical importance that the public school system and the private school system are in tandem.

Therefore, when I hear self-appointed people stand up and talk nonsense I wonder where their plan is. Where is their plan? I have not heard any alternative, I have heard criticism however I have not heard any alternative. Anyone can criticize and, Heaven knows, I know because I spent 12 years on that side. I do not mind taking the criticism if it is constructive, however if someone sets up to destroy me then it is my nature to be retaliatory. I am not a gentleman! I refuse to turn the other cheek!

The physical facilities of the public schools need significant improvements however when I assumed office I did not point fingers, I did not lay any blame, I quietly set about trying to address the problems as best I could with the financial resources that were available. I am proud to say most recently that the Executive Council has given approval for the building of three new schools.

One new primary school, to be built on Poindexter Road just a little to the south of Patrick's Island, is expected to be completed by September 2004. Even as I speak Members of the Ministry staff are in negotiations with persons representing the contractor to get this thing sorted out. Once the process of construction has begun there can be no interruptions. Following that, the high school in Frank Sound, that the Member for North Side supported and was one of the earliest advocates for, as well as another primary school in West Bay, is to be completed in September 2005.

I note that the Leader of the Opposition poked fun at our having to resort to temporary classrooms. Well, Madam Speaker, I can assure you that these temporary classrooms are needed. It is not a situation that I feel happy about however it is a situation that we have to confront; we have to deal with that. In so doing I ensured that aesthetically the classrooms are no less pleasing to the eye than what we have permanently structured now. They have the same comforts, the same safety features with the same accommodation levels of what we have in place. We need them because there has been a basic weakness in our educational planning. There is an absence of statistics and projections that allows us to accurately deal with the enrolments and any ballooning in those enrolments! That, Madam Speaker, is one of the weaknesses I have addressed in my tenure of three years.

We will now have statistics and projections that will allow us to take care of any enrolment, or any balloons in enrolments, and we will have contingencies built in so that even if there are unanticipated consequences — unanticipated consequences being significant movement of pupils from the private to the public system — we will be able to accommodate them. However, Madam Speaker, Rome was not built in a day.

I could not have done some of these things if I did not have a background in educational administration and if I were not an educator with years of hands-on experience. These things are not accomplished by dreamers; these things are not accompanied by chefs of flowery language!

I say without fear of successful contradiction that, God willing, when my tenure is up I will pit that against anybody's and if the judge is impartial he will have to say Minister you gave a good account of yourself.

It is not about me but about the future of the Cayman Islands and I say again that I hear the screamers. However, when they get it I want to see what they are going to do with it! This is what they told me when I was in school, the difference between mediocrity and superiority is that the superior person hits the ground running. I came with my plan! From day one, when I sat down after being sworn in, and, after consulting with the Government and getting their approval, I knew the direction in which education had to move in this country because I know that education for the Cayman Islands must be, like Napoleon said the conscript army was for France, "the vitality of the nation". I can boast proudly that the public school system is not inferior to any private school system. Indeed in many areas it is superior.

The business about the shortage of Caymanian teachers was something that I moved immediately to address by commissioning a study and we are acting upon that study now because education is one of those areas which gets preference in the award of scholarships. We are moving to implement our own teacher training programmes at the Community College beginning in September 2004. As we speak we are negotiating with a respected university to work in collaboration with them so that we can train our own teachers in such a way that they will benefit from experience in another jurisdiction.

Therefore, I do not see the accuracy in saying that the Government has not made significant achievements in education. We have worked to improve the physical facilities. We had some unanticipated setbacks with the George Town Primary School, which leads me to say that we are in the process of developing a long-term plan for that school because we realise that there is a basic weakness. I am happy to say that in all these significant developments I kept the Members appraised. I invited the Leader of the Opposition and other Members including the Government Ministers to George Town Primary School. We visited the site and I explained to them what we are trying to do. I am glad that no one can say that they were left out of the loop when it came to dealing with these problems.

The John Gray High School will have to be dealt with because the school buildings have exhausted their natural life. They are termite ridden and in serious state of disrepair; it does not make sense to spend good money patching and doing temporary repairs. We had a significant setback with the George Hicks School where we had to replace major portions, whole blocks of some buildings. We had to deal with unanticipated events and occurrences while at

the same time servicing normal demands. This was handled responsibly because the children suffered no major inconveniences and we managed this within the budget that we had. Of course, we had to make some cutbacks.

In the area of scholarships a record was set when we awarded 61 scholarships to tertiary level institutions overseas. We are embarking on a major change again and I had my officers come and give a presentation to all Members of this Honourable House, so that they could understand the direction in which we are all moving. Therefore, in the event that there is a successor who is new, they will have the option of following the philosophical direction or changing it as they see fit. However, no one can claim; they were denied any or lack of information, any knowledge of what was being done or that the Minister was not forthcoming.

I, Madam Speaker, will take criticism; I have never set myself up as a paragon of virtue, however, I will only accept criticism, which is fair and just. I am not so chivalrous that I will let anyone dump any scented material on me that I do not deserve to have dumped on me.

[Inaudible interjections]

You cannot call me your friend and expect to kick me and spit on me and strike me down. I do not want those kinds of friends. You know what kind of relations I like. "*You know wha' happen Mister? I do not have any use for you, so you stay on your side and I will stay on mine. Okay?"* I appreciate those kinds of people. I say for the rest of time I have here I would prefer not to deal with some people and I want them to know I love them as much as they love me. Okay?

Before I leave the matter of Education I want to turn to some challenges that I think that we all have to come to grips with. It falls to the Government to set the tone, the example and to ensure that the proper resources are in place. It falls to the Opposition, as the watch dogs and the gatekeepers, to ensure that the Government is minding its '*P's and Q's'* and that these things are in place. Perhaps most importantly, to the wider society as the arbiters, the gatekeepers and the proving grounds for the products that come from education.

We send our children to get educated and we tell them that they need to get educated because education is the prerequisite for jobs in society and most of them do very well. They go away, they get educated but what do they return to, Madam Speaker? They return to a society in which far too many of them encounter problems getting employment by being told that they need experience.

In the meantime, we continue to grant work permits in alarming numbers and we have a growing problem in our society. A problem which the sooner we come to grips with the better it will be. For if we do not come to grips with it one of two things will happen. One, and the most obvious and perhaps the easier, of the two is that the young people whom we send abroad are soon going to begin voting with their feet and will exercise their option not to return. It is a phenomenon common to Island societies where many of the young people when they get educated move away. I am saying that the Cayman Islands cannot afford that and I am saying we need to arrive at more coherent policies in our immigration and the granting of work permits whereby our people quite rightly can be ensured of positions for which they are qualified in our society (the public service as well as the private sector) and that gives me the opening to say something else.

One of the things which this Government has done, in recognition of this levelling of the playing field, as it is so often described, is that we have removed the bond from some of these people coming to work in Government and have structured it in such a way that the obligation is to return to work in the Cayman Islands and if they get a job with the Government that is fine. However the Government will have to bid like any other interested party (or if they have been working in the private sector or in some cases they may choose to be entrepreneurs and work for themselves) because, Madam Speaker, the Civil Service was becoming bloated and many of the young people were frustrated because there was no room for upward mobility.

Therefore, we believe this is a much better system. Certainly, from the cursory feedback that we have received we believe that the vast majority are satisfied with this. However, it goes beyond that, it goes to this point; entities operating within these Islands should have an obligation to seriously consider young Caymanians who are qualified and returning home. If I had the time and if I were so disposed I could read a litany of ills committed against these young Caymanians who have difficulty accessing jobs whilst work permits continue to be granted.

I see some ridiculous advertisements prior to renewing a work permit. There should be a law against that kind of advertising, because right away you know that there is a prejudice so you need not apply. They tailor and craft advertisements to suit people whom they already have in their employ. In the meantime more and more of our people are frustrated and I have said to the Government that the physician needs to heal himself in many cases. I believe that the Government is prepared to do that. This is not a matter for the politicians, however the administrative arm of the Government is doing its best to ensure that, where possible, young Caymanians get their fair share and the playing field is level.

It is absolutely necessary that we offer training particularly in technical and vocational areas however our investigations have found that we were not successful in the past because we were going about it in the wrong way. We need to introduce these subjects earlier in school, possibly the last year of primary school into middle school and high school. We need to change the focus and the way that these subjects are taught. That is why we are focusing so

much on information technology because many of these subjects are now taught using information technology.

Later this year we will be having a technical and vocational trade fair in which many of this country's major entities will have booths where our young people can whet their appetites and can learn what it takes to get into these areas. We are strengthening the teaching of these subjects at middle school and high school and gearing the Community College to deal with them at post-secondary level. This is an exercise that will take some time before the full reports are obvious because we have to start from the very beginning. There is a need to change the philosophy, to change the method by which we were approaching this subject.

The Permanent Secretary and I visited the Samuel Jackmon Prescod Polytechnic Institute in Barbados, perhaps the ideal in the Caribbean for teaching technical and vocational studies at the post-secondary level. The Barbadian Government invested a significant amount of money in information and communications technology. Analysers and all kinds of modern equipment that costs tens of thousands of dollars are available to students. When you go into the workshops the floors are sparkling clean, the walls are clean, there is no oil, there is no one with dirty fingers, dirty clothes or greasy hands; a purely scientific method. It was done that way because, like the Cayman Islands, Barbados also experience a stigmatising of these kinds of vocations.

Therefore, we will have to invest. However we will have to caution against investing all these millions in a laboratory to begin at that level without first laying the proper foundations to ensure that the students have the proper orientation and initiation into these subjects. We must begin from the very beginning and that is what we are trying to do because it will be folly to invest in this kind of equipment if our students do not have the orientation towards that. The only way to do that is to ensure that they have the foundations from middle school up through high school level.

We are working, in the Employment Relations Department, to change and professionalise many of the attitudes of our people and we have done well. We have restructured the Department. I am happy to say that relations between employer and employee are not as adversarial as it used to be because the focus now is on arbitration, conciliation and mediation. We have significantly reduced the backlog of tribunal cases and we are working to bring them to a manageable point. The occurrence now, Madam Speaker, is significantly less than it was and, all and sundry will admit that there is greater confidence in the department and the staff now than there was because we realise that there needs to be a change of attitude.

To further augment this change we have introduced the "investors in people standard", where employees in both the public and private sector . . . We just launched the pilot project and we have a tremendous outpouring of interest from the private sector.

We have representation of some of the major firms in business and commerce in the private sector in the Cayman Islands as well as significant representation from the public sector on this pilot. We are enthusiastic about that because the standard is an international standard and we know that it can only serve to improve the quality of the Caymanian employee. We offer a referral service and we offer good training to Caymanians.

We worked in close liaison with the Fluor Daniel construction company at the Ritz Carlton and we were successful in getting from them a commitment to not only train but to credentialise some Caymanian workers and they have been doing that.

A few days ago, the Director of the Employment Relations Department, the Senior Compliance Officer and I went to celebrate the milestone of one million hours of accident-free construction. Madam Speaker, it is a record of great significance and the majority of the workers were Caymanians. I stood up and challenged them when I had to and I was successful in ensuring that the Caymanian worker was not only hired but was given an opportunity to be trained and to be credentialed and the relationship is going well.

The relationship is going well and the Caymanian worker is welcomed and the partnership is an excellent partnership; we are making strides Madam Speaker. We are moving towards the kind of system at the Employment Relations Department where the website can be accessed so that there will be no need to come to the come to the office if someone has access to the computer and not only do we do that but we offer other services as well.

We offer assistance in reference writing; services in counselling, deportment, dress, appearance, and attitude — all of these things where necessary. We do regular inspections of construction sites and offices. We are assiduous in following up complaints of layoffs, constructive dismissal, unfair dismissal and other complaints from employees. However, Madam Speaker, we are fair and impartial to ensure that in all of the dealings we have the respect of both parties. I want to say that although we are successful, it is a situation with which I am not entirely happy because a tripartite system should exist in which there is the employee, the employer and the Government in the middle. I say again, in any democracy and civil society organisations should rise up to represent the employees.

Categorically and unequivocally, I call for workers to organise themselves in unions. In this, I have no apology because for the system to work in its ideal that is how it should be.

The Employment Relations Department must be a neutral entity in any dispute and sometimes we find it difficult because we have to be impartial. To sit

in judgement in a situation like that is most challenging and most tenuous.

There seems to be in this country, an oligarchy (I hope is suffering the death rattles) which has a most obscene opposition to any worker organising themselves in a manner in which they can represent themselves. Madam Speaker, it is an antiquated notion that unions are militant and disruptive; they are designed to represent the interests of the worker and right now employers have their union, so why should employees not have the same kind of representation?

I will speak about the Labour Law before I conclude my debate. However, I am going to dwell more on the essence and importance of employees having some kind of representative body other than depending on the Employment Relations Department, which should be neutral.

We are trying to help those who are coming in to the labour force by working on a summer employment programme for our students. We have restructured the Department so that we now have a health and safety officer; someone whose responsibility it is to ensure that people practicing in certain trades and professions are equipped to avoid accidents and injury. We are trying to change the attitude of the worker from one of lethargy, uncaring, arrogance to one of teamwork, partnership and respect. In so doing, we also demand the co-operation of the employers for an attitude of responsibility, respect, co-operation and leadership.

If the Cayman Islands are to remain a jurisdiction of excellence we must find a formula to work together as partners. Sometimes, Madam Speaker, I have to take unpopular stands, I have to call people in and let them understand in no uncertain terms that we will brook no slackness, no insolence. We will not accommodate constructive dismissals, unfair dismissals and advantages. There are, Madam Speaker, still many challenges to be met.

We have circulated the proposed Labour Law and later in this Sitting, I intend to table the drafting instructions, which were arrived at as a result of widespread consultations and feedback from some elements in society. I regret that there was little or no feedback from employees, but we did our best to solicit their dispositions and to try to find out their concerns, to include those and to be as fair and unbiased as we could be. We realise that when the new law comes must be seen as being fair and impartial. What is significant about that is it will be a law under which the civil service will also fall, which adds to the importance of it being conclusive, comprehensive and fair. It is a challenge, Madam Speaker, of which I will say a little more later.

In culture we have made strides, first by reassessing the amounts of money that we dispense on the various areas within the portfolio. We have succeeded in creating a new awareness among entertainers and the musicians association. In the past, we gave them a small grant and they were pretty much left to fend on their own. We have succeeded in organising them in a way where they are now not so dependent upon the Government and have taken great and significant strides to help themselves. Most recently we were the sponsors of a seminar dealing with intellectual and property rights; preparing them to be more self-sufficient, to benefit more and to protect works that originate with them.

Later this year I hope to enhance that by bringing a resource person from Jamaica to follow up on that seminar which was offered under the auspices of an expert attorney from the University of the West Indies. Hence, what we are doing is taking a closer look at deriving the best value for the monies we are dispensing. We are preparing these organisations to be much more self-sufficient and much less dependent on the Government for handouts because it is necessary, under our new Financial Management Initiative, to ensure that the outputs which we set out to purchase are those outputs we end up with in the long run.

The Cultural Foundation continues to do well and we are in the process of embarking on a cultural policy because it is necessary.

The National Gallery and all the organisations that fall under this are doing excellent. I believe that the Ministry is deriving good value for the monies that we spend and we dispense with on these organisations.

Most recently, the National Gallery arranged a trip to Cuba where one of our local artists, the photographer, Mr. Patrick Broderick, worked in collaboration with a Cuban photographer, Roberto Salas. An exhibition of great excellence; Dos Visiones (Two Visions) was opened, in which Mr. Broderick went to Cuba and Senor Salas came to Cayman, to do some photography. That exhibition was opened with great fanfare in Havana and, as Minister representing the Cayman Islands Government, I participated in that opening. It got rave reviews. Later it will be opening in New York and it will be opening in London in December.

Our young artists continue to achieve excellence and the Ministry and the Portfolio continues to support them. We are getting good value for the monies we are spending and I am satisfied and I am pleased with the resurgence and the appreciation of art and culture in the Cayman Islands. It is as if there is a renaissance. People are realising the value in these things and that is good, if only from the point of view that people recognise and realise that there are other important vocations. That everyone need not aspire to be white collar, particularly in a time when it seems our financial area and industry is shrinking as a result of forced attrition from outside sources.

I have visited exhibitions of art by school children and the National Children's Festival of the Arts, which has just celebrated 21 years of existence. That is a prime example of the plethora of young people we have whose standard can be displayed any-

where in the world whether it be regionally or internationally. We continue to do well.

The Cayman Islands too must take advantage of the myriad of other cultures represented here because the Cayman Islands, although a microcosm, is cosmopolitan in the sense that we have almost every nation represented here. We need to take example of that because culture is dynamic, it is ever-evolving and ever-growing and we have to find a way to assimilate and to take advantage. That is why I am happy the Quincentennial Office is having the celebration this weekend, where all of the other cultures represented here will have an opportunity to exhibit and highlight aspects of their culture. It is only by so doing that we can eliminate prejudice and ethnocentricity; that we can have an appreciation not only of what we stand for but of what others represent. Thus, the Portfolio of Culture is also doing well.

Later this year, the 'History of the Cayman Islands' will be available and, although it would seem to have had the gestation period of an elephant, I am sure when the final product arrives it will be worthwhile. I would hope then that the product becomes a starting point for other researchers and academics to enquire into this entity called 'Caymanian' and it will inspire them to explore, research and to write about themselves. I believe, as a reader of history, that the best representation of what Caymanians are, would be derived from Caymanians themselves; no disrespect to eminent academics from outside.

The Ministry of Education, Human Resources and Culture has been accorded a significant amount of money in the Budget to carry out their programmes. However, this is to be expected because this is a Ministry concerned with development of society's people, its human capital, and it only stands to reason that the monies accorded it in the Budget be of significant proportion. Therefore, it can afford the Ministry and, by inference the Government, to develop its people to the fullest extent.

The Speaker: Honourable Minister, you have one hour remaining. Would you like the morning break now or do you wish to continue?

Hon. Roy Bodden: Thank you, Madam Speaker. This would be a convenient time for the morning break.

The Speaker: We will take the morning break for approximately 15 minutes.

Proceedings suspended at 11.39am

Proceedings resumed at 12.07pm

The Speaker: Please be seated. Proceedings are resumed. Continuing the debate; the Honourable Minister of Education. Before he rises to continue I wish to give apologies for the Honourable First Official Member, who timely submitted them, which I omitted to put on the record this morning. I beg your apologies.

The Honourable Minister of Education.

Hon. Roy Bodden: Thank you, Madam Speaker. I wish to begin drawing my contribution to a close by sharing some of the initiatives for the future, which the Ministry has embarked upon.

I want to begin with the movement of the Community College to a University College. We have $235,000 of additional funding in the Budget for this because some time ago I received a proposal from the Board of Governors of the College. It was a proposal which I studied most diligently, taking several factors into consideration some of which I have already shared with Members of this Honourable House. However, I will reiterate this one because I think that it is of paramount importance.

Ever since I came to the Ministry I was concerned with the Government's ability to sustain the number of tertiary level scholarships that we were awarding to our students to study abroad. Upon doing some calculations, I realised that, unless we made special dispensation, we were likely to arrive at a point within five years where we would find it difficult to sustain the ever-increasing numbers, therefore something needed to be done. It would be most impolitic and most unacceptable if we were to find ourselves in a position where we had to cut the number of scholarships; therefore we had to find a creative and acceptable solution. It was, Madam Speaker, most timely and appropriate that this proposal should have come from the Board of Governors of the College.

It has been decided by the Government that the College should be allowed to pursue this and it is now in the hands of the Board of Governors and the president of the College. I will say that the proposal is to offer only the most popular courses to the Bachelors degree level: teacher education, business studies, accounting, business management and finance. Ideally, it will be structured in such a way that our students have residence abroad at the affiliated college or university with whom the University College of the Cayman Islands is associated.

I believe that this is a wise and sensible move. It certainly is a move that will enable the Government to continue to award scholarships at the levels and at the rates which it has in the past. At the same time it allowed us to change the policy so that the Government now gives, albeit in a limited number to begin with, scholarships for our students to study at Masters and Doctorate post-graduate level. I believe that this again is a wise and sensible move because many of our students have first degrees in areas and disciplines where those first degrees now are little other than entrance into the various vocations and professions and it is necessary to have advanced degrees.

For the other disciplines we will have to continue to give scholarships at the baccalaureate level to our students to go abroad and I would hope that gradually we can take greater advantage of the facilities at the University of the West Indies, which we currently only utilise, it seems, for the study of medicine.

I pledged that at the end of my tenure, God willing, I would leave the country with a modern Education Law. I am happy to say that, even as we speak, I am studying the draft of that Law. It will be based on a number of new and significant developments, not the least of which is the new Finance and Management Initiatives, and on all of the advances which have taken place in information and communications technology.

It is necessary to have a new law because I would like to leave a written code of conduct for the students in our school system. I would like to have incorporated in the Law the rights and responsibilities of both teachers and students, so that it can be clear to all and sundry, what their rights and responsibilities are. I would like to more clearly articulate the role and function of the Chief Education Officer. We also have to take cognisance of a new phenomenon for which we are getting more and more applications, that is, for people to home school their children. We need to set out clear criterion and standards. I would like to see articulated in law the association of the private schools with regard to the Government and public schools.

I hope to circulate the drafting instructions for study, consultation and for public consumption and I would hope, towards the end of the year, this could be brought back to the House in a Bill form. I believe that this will be of crucial significance because I have found certain situations rather awkward and tenuous. For example, the Minister of Education sits as Chairman of the Education Council. I believe that is an awkward situation and I believe that the Minister and his Permanent Secretary should be removed from that Board and should be in positions where they can offer themselves as a court of last resort. Some other provisions need to be made because we have to take into consideration the demands of civil society.

We are also bringing the new Cadet Corps Law which governs the establishment and the running of the Cadet Corps and all of the responsibilities that the instructors will have.

I say, with a sense of accomplishment, that to do this the Government deserves credit for doing this because the Government sees this Ministry as a flagship, perhaps of the same significance as the Ministries of Health and Social Services, because we are service and people oriented. These are the three flagship Ministries which our people rely on for access to education, health services and opportunities, and to be a buffer against all of the shocks and pitfalls we experience in a growing and dynamic society.

In conclusion, I believe that the Budget as presented by the Government is a good Budget under the circumstances. Certainly in the Ministry for which I have responsibility, I believe that we have been comprehensive, thorough and as fair as circumstances allow us to be. I believe that the Government deserves credit for what it is trying to do. By the same token, I recognise the right of the Opposition to take the stance that they have taken and certainly after 12 years on that side I cannot blame them. It is their responsibility to make the Government look like it does not know what it is doing. However, I am happy to say that I am part of a Government which is assertive, cognisant of needs and is dynamic. I believe that we can be justly proud of our accomplishments and I am sure that the Budget will bear out that we are responsible and that we are catering to the needs of our society.

I say, Madam Speaker, that in all that I have said, and as stern as I have been, I respect the Opposition and I wish them well. However they have some time yet to go before they can replace us as Government. I am watching them and they need to marinate a little longer. I hope that they are not doing what the *marl road* has them doing; trying to go in the closet and bring out old ghosts that we buried a long time ago.

[Inaudible interjections]

The Speaker: Order!

Hon. Roy Bodden: Madam Speaker, that seems a good note to end on; all parties are talking again. I think that it is time for me to sit down. Thank you.

The Speaker: Thank you Honourable Minister. Does any other Member wish to speak?

The Honourable Minister responsible for Health.

Hon. Gilbert A. McLean: Thank you, Madam Speaker.

In times past the only thing that I had the opportunity of doing was to talk in the Legislative Assembly, as I spent most of my Parliamentary career as an Opposition Member. Since I have been part of the Executive I have done much less and perhaps it is time that I should change that particular mode and get back to talking again.

On such an important issue as the National Budget, I think that it is extremely important that I should offer some views on it and comment on a few areas for which I hold Ministerial responsibility.

I had the opportunity to listen to some of the debate of the Leader of the Opposition and, as I listened, I thought he did an extremely good job to put across one point of view that would stick if another point of view was not offered. Therefore, that is one of the reasons I think it is important to speak on this Budget.

The country ought to know, and we in this Legislature know, that this is the first time that we have a budget of this type; at least a 12-month

budget. We started out the half-year from January to June and we are told that the Treasury will be closing the books on the 25th of this month. Therefore any bills or any other financial transactions will actually come to a close at that time. We are now entering into a new phase, a new world, a new mode of accounting and, irrespective of the fact that the Budget is made up of four rather large documents, never before in the history of the Cayman Islands has there been so much detail and information on the finances of Government. I think that it is good for the benefit of the public. I do not know how many would be interested but I suppose the accounting firms and some others would be interested in getting these. I am not sure how many copies the Finance Department has produced, however we have the Annual Plan and Estimates which is the document that largely contains everything. Then there is the purchase agreement and I found it very fascinating myself to note some of the things that are in this purchase agreement book.

I did not know, for example, that the Government gave a subsidy, or a donation, or contribution or whatever to the Cayman Islands Domino Club. However, this book here has left nothing out as to where Government money goes. It clearly shows that $2000 is given for the year and what the Domino Club is expected to do and to produce.

For those people who are computer wizards, unfortunately I am not although I would love to be, there is a website— www.gov.ky— that people can actually go to and see these documents. It is very fascinating and, when we talk about transparency, never before in my career have I seen so much information. It is all there, and I have been around the Legislative Assembly for quite a long time. I think it is interesting, from the point of view of information, that transparency is here and readily available for any and everyone to see.

I wish to compliment the people that worked at putting these documents together and I would not try to name who they all are because no doubt I would leave out someone. However, I can think of three that I have seen around every so often: Mr. Kenneth Jefferson, Mr. Tony Dale and Mr. Gough. I think that they really deserve a lot of thanks for having prepared these documents. I am sure that there were others behind the scenes; however I just mention those three because they were there to explain what was happening when we needed information on something. We are now in a situation where it is no longer possible, as in the past, where money for various pet projects could be hidden in big bulk amounts. Now it has all been broken out and it all clearly shows what the situation is and I think that is good for everybody.

The Leader of the Opposition spoke at considerable length about the fact that they were not given sufficient time to prepare. I would have been fearful if they had more time seeing the amount of things, which he was able to cover in what he delivered yesterday. Therefore, I do not really agree that there was not sufficient time as it is so well detailed now that it is easier to find the things you might want to find or believe that you need to know about.

I could say to the Opposition that, believe it or not, much of this information has been put together by the Budget Unit and they have been working on it for weeks and months and it was only in its very last stages (in the last process really) when the Executive Council had to decide finally from a political perspective to do this, to really go with this project or that project. Then the political decision had to be, if that is done, do we borrow and if we borrow how do we go about it and that was the final stage. I can say to the Opposition that we the Government did not have a long time with this Budget.

As I look around, Madam Speaker, I see Mr. Bodden from the Budget Unit. He is obviously involved because he is here making sure that he takes any notes and observes any changes and so on which might be made in the course of the debate and the Finance Committee which will follow. Therefore, I say that the Budget is truly what it states itself to be. One cannot hide anything anymore in it hence the Budget is exactly what it claims to be.

Another thing peculiar to this Budget is that it is now in Law and it has to be completed by a certain time or then we will be in breach of the Law. The timeline of our new fiscal year begins on the 1 July. To the best of my knowledge and belief that is a timeline that we are working towards and we need to have the Budget completed by that time.

It was not easy to come up with this Budget. It was not easy for this Government, back in December of last year when we came to the House, when we were forced to institute certain revenue measures that had never been instituted to such an extent before and we all knew that we were not gaining political popularity by doing so.

This Government simply found itself in a position where the cash flow (that has always been the friend of the Cayman Islands) was no longer there. The reality was that the country needed certain money to be able to carry on the business of the country and that was the only way forward. We all, in this Legislative Assembly, should be aware of one thing. That is, the United Kingdom Government is more obtrusive and into the financial process of the Cayman Islands more than ever before. That is a fact; that is my way of stating it and it is a fact and it is that strong at this time.

We have regular visits from economists for the Foreign and Commonwealth Office (FCO) to see what we are doing, to see how we are doing it and to tell us we cannot do it. We are not free, as was the case before, simply because the cash flow coming into the Cayman Islands Government is not happening anymore; it is not there. It would be foolish to say that business has not slowed down in this country and I dare say that unfortunately there will be more of it. Irrespective of political claims that are made, we

know that there is a major slowdown, some say recession, in the United States. We are a reflection, largely, of what happens there.

Our financial services have been affected by certain requirements of the European Union, the Organisation for Economic Co-operation and Development (OECD) and so on. Again, it would be untrue and foolish to say that has not affected us. It has affected us in a way where people feel uncertain or unsure about investing their money because they know, like we do, the goalposts keep changing and uncertainty is not the best friend of investment, as we have seen over the years.

The Opposition Leader also spoke of the Private Finance Initiative (PFI) that has become very popular for the Cayman Islands to pursue. This is because it is money which people, who are wealthy, have and wish to invest or loan or however one wants to put it.

The thing that appeals to me about this particular process is that it does not require the Government to go and give any guarantees. It is money that is available to people, and people are satisfied to the extent that they will invest their money to build that building or to deliver that particular service at their expense. It is their money; they stand to lose it. Once the Government agrees on a particular course of action, a particular building or particular service then those people take their capital and they invest it.

They build or do whatever, and the Government then can lease or buy those services or that accommodation. They stand to lose it if the Government is not in a position to maintain its position or its lease and, like any contract, there has to be a clause where the contract can be broken. Otherwise, in the same natural fashion, as the laws of contracts go, there will be certain penalties. However, it frees the Government itself from attempting to borrow money, in the normal sense of borrowing, yet it can achieve getting the service or having use of the accommodation by having the particular building built.

The Government actually cannot borrow much more money because we will be hitting that magical 10 per cent mark over which we cannot borrow. However, if the money is available elsewhere; it is a means that has been used in the United Kingdom and in many other countries, then that is a way we may go to get what we actually need and still be in a position to pay for them through an agreement and manage on an annual basis.

My colleague, the Minister of Education who spoke earlier, told the Government that the country desperately needs three schools. I believe that and, most regrettably, conditions have fallen behind where this need for schools has built up over a period of time and now we have got to face reality which is, as we say in Cayman, *"either or either"*. This has not happened this year or last year; this is something, which the Ministers before him did not address and now we have come to the reality that it has to be done.

Therefore, Madam Speaker, I have done my best to inform myself as to the PFI system. The Minister of Planning has invited outstanding experts in the field from the United Kingdom who have given seminars and I think that the Cayman Islands is as about informed as we can possibly be and certainly we have contact with people who are specialists in the field. From my own perspective as a Member of the Executive Council I would have to rely on our legal people to ensure that all the *i's* are dotted and all the *t's* are crossed. However it is, and it would be, a contractual situation should the Cayman Islands Government choose to go into the field of private finance initiatives.

I stand here, Madam Speaker, and I know of no other way that is presently open at this time except that way. For if we were to borrow right up to the fullest of the 10 per cent that we can borrow, that would only yield us so much and there it would end. Therefore, do we do that or do we go and attempt to use a source, which is coming to us and offering to us another way of doing business? I say, Madam Speaker, it is wiser on our part to become part of what is happening right now in the real business world because it offers us considerable opportunity.

There is another matter — the creation of a Roads Authority which the Opposition Leader spoke to and he raised the question, "How would it be financed?" The idea of a Roads Authority has been around now for at least a decade if not more. I recall the now Minister of Education and I brought a Private Member's Motion to the Legislative Assembly about six or seven years ago asking that this be considered and it was turned down. We brought it, therefore it was automatically rejected and we were not unaccustomed to that, to say the least.

However, a Roads Authority is something I believe could be good for this country. It would be like any other Authority, a statutory Authority, which would have its autonomy to the extent that it is given by the Government. As for the whole concept, this has been talked about for years; this present Government is prepared to do something about it, to let it happen. Naturally, if we want to do a certain amount of roads that would fall within the responsibility of the Roads Authority.

The Government would say to the Roads Authority, "This is the amount of roads we wish you to build for us this year." Then the Roads Authority would say to the Government, "Well, that is going to cost you $10 million. How are you going to pay for it?" The Government might say to the Roads Authority, "Well you go out on your own behest and seek funding up to that amount." There is such a thing as buying the service on those roads so the Government would pay the Authority like it pays for other services, "You have built us $10 million worth of roads therefore it is going to cost us $500,000 - $800,000 which we will have to pay you over the next 10 to 15 years." It is a way of doing business.

What the Minister of Education and I suggested, when we brought the Motion several years ago, was that certain funds which now go to central Government could be earmarked and paid into the Authority. As I recall we suggested that money from vehicle licensing, motor oil and, we went as far as to say, the taxes from gasoline could go into the Authority. The taxes from gasoline would have been considerable and I am sure that the Financial Secretary would possibly allow that a percentage could go there.

I believe that we have decided this Authority is necessary and could serve the country well. What we have to do now is to decide what percentage, of any revenue that is presently coming in to Government, would be put there to start it; what the Budget could afford this year. After that, the Authority would be expected to become self-sufficient and only the Authority could go on to borrow where necessary. It is a way, Madam Speaker, in my opinion, of refining the ability for us to provide roads in the country, which everyone needs and wants.

I do not think the argument from the Opposition to try to raise an alarm about what will happen if there is a Roads Authority can be supported. If an attempt was being made to hide something then it could never have been brought into the forefront as it presently has. Therefore, it is a matter of this House being informed. This House would have to agree, at some point, with the changes and the revenue which would be paid into it and it would function like any other Authority.

At this point, Madam Speaker, I would like to briefly refer to one of the documents produced for the Budget this year; the Ownership Agreements.

The Speaker: Please proceed.

Hon. Gilbert A. McLean: I will just read briefly from the preface of it because I think that this it is very important for the people who are appointed to Authorities to know and for the whole country and certainly the Legislative Assembly to understand.

On page five it says; **"Although Statutory Authorities and Government companies are legally separate from the Government, they are all owned by the Government on behalf of the people of the Cayman Islands. This ownership relationship exists regardless of whether ownership is reflected in the form of shares or a formal capital holding. Like any owner the Government expects the organisations it owns to perform with agreed boundaries. The purpose of the Ownership Agreement is to specify the ownership performance that the Executive Council and the Board of each statutory authority or Government company have agreed the authority or company will seek to achieve during the 2003-2004 financial year."**

I read that because I am responsible for some authorities as well (as I have been dealing with them) I get the distinct impression that the relationship between a Ministry and some authorities does not seem to be clear. Authorities sometimes seem to believe that they are a Government unto themselves. It is important that authorities understand that they are a part of the whole Government process and are set up specially to give more flexibility. They can achieve more efficiency by being outside the civil service's centralised role. However, the Government which sets them up is the authority which gives them policy direction and expects them to perform and produce the outputs which the Government then buys from it. That seems to be missed by some and I thought it was important that I should raise that particular point Madam Speaker.

I have been given the responsibility for certain subjects—

The Speaker: Honourable Minister, would this be a convenient time for the luncheon break or would you wish to continue?

Hon. Gilbert A. McLean: It would be fine if you choose to break now.

The Speaker: Thank you. We will now take the luncheon break and reconvene at 2.30 pm.

Proceedings suspended at 12.50 pm

Proceedings resumed at 2.43 pm

The Speaker: Proceedings are resumed.

Continuation of the debate on the Budget Address.

The Honourable Minister responsible for Health with a remaining time of one hour and 31 minutes.

Hon. Gilbert A. McLean: Thank you, Madam Speaker.

When we took the suspension, I was about to comment on subjects named in the Ministry for which I hold responsibility. I would like to first comment on the matter of the Health Services.

I wish to make one clear statement and that is, for the first time ever — I have been a Member of Executive Council about 16 to 17 months — that time is now. I have had no executive responsibility for Health Services except during the past 16 to 17 months. I did not make what the Health Services is or was in 2002; I found it the way I did! I found it that way after there had been about seven different Ministers that I can think about. I did not ask the Governor to assign the subject to me but he did. I did not run from it. What I have done is attempted to do something about the situation that obtains in Health Services.

Everyone in the world can criticise, everyone can theorise. However, not everyone can do or have the courage or the know-how and all the other stuff

that goes with doing. I have attempted to do something about the Health Services.

The first thing that I did was to change it from a Department to a Health Services Authority. It was a major struggle because there were Members in that Department who did not want that change; they did not want it for their own reasons and of course they had their detractors outside encouraging them to resist change, but it changed!

The reason I wanted it to change was because if there was going to be any change of the culture within that Department the management had to have certain flexibility to do something about it that it could not have as a Department: including recruitment of staff, termination of staff, hiring of staff and everything that is done in the normal way in the private sector, which is changed if we are looking at it from the civil service perspective.

A Board was appointed and the Law gave the Board certain responsibilities and duties and I, as Minister, made certain requirements of the Board. Now I am not saying for one minute that the most perfect are on the Board but certainly I think the people who were appointed to that Board are among some of the best that you can choose and find in this society of ours. I am not saying that every decision they made was the right one, or that there was not a better one which could be made, but they made decisions. Many of those decisions were good.

Among the things that the Board had to do was to look at the number of persons working in the Authority and it was found that in some areas it was overstaffed. There was duplication of work and effort and so on. There was a certain production in staff levels. I am not saying that the decisions were perfect or the numbers that were reduced were the perfect numbers, that there could not have been some less or perhaps there could have been some more. I cannot say; I do not have that ability, the time or whatever to be in that position to do so. What I really do find terribly disgusting is that no one seems to find anything that is good about the Health Services Authority and seldom does any such thing come from the Opposition in their comments about it.

What I want to bring to the attention of the House is the largest hospital in the Cayman Islands is the Cayman Islands Hospital. It has the most doctors, it has the most equipment, it has the most nurses, and the most ancillary staff. Everything that you want to look for is in that hospital. There is another smaller hospital, well-equipped too, and there are some clinics but the Government is the main provider of health services in the Cayman Islands. It is an obligation that past Governments right on to this one has taken most seriously.

Change, Madam Speaker, is never easy. Particularly, when you are trying to bring about that change but you are changing a culture, a state of mind: "I did it this way." Of course, no Government in its right mind is or political leaders are going to refuse putting money into health care. One of the reasons is that everybody needs it sooner or later. The unborn needs it and certainly do those who are getting closer to the grave.

When fate brought me along, I came at a time when the money was not there to dump into it anymore. We had to come to the reality that there were costs and those costs had to be identified. We had to try to find the ways and means of containing the costs and expenses.

I am not going to stand here and criticise any of the doctors. In every profession in life you have good and you have better persons. I do not have the means to access that. I judge a doctor if I am sick or whatever and I go to him or her and they give me certain medicines, I feel better and they are very nice and genial. That is how I judge them, they made me feel better and I think most people do it that way. I am not in the position to make that assessment nor do I believe any Minister in the past has been in that position either. That we have too many doctors or we have too few, I really cannot make that judgment.

I say that too in regard to Cayman Brac where every so often there is someone on *Radio Cayman,* who has no qualifications whatsoever to judge a doctor. By saying, "This doctor is no good and that one is absolutely perfect" and so forth and they should have done this when this patient went to them. My question is, "Well, if you know what the doctor is supposed to do, why do you go to the doctor?"

In all truth and frankness I think that the country on the whole ought to grow more appreciative of what the Government has done over the years up until now in terms of providing health care services. The majority seem to think that salvation and healing of a divine level lies in the United States. It is interesting to know, the World Health Organisation in its ratings of health care systems, France is number one and the United States is down to about 37.

The doctors are a major problem, and we are talking of costs. The effort in the Budget just passed and the Budget now is to find a means of collecting for the services that the Hospital gives and to give the best health care.

Added to that, you have to add the ambulance service that the Government provides which is not covered and does not pay for itself. However the Government says it is needed. I believe it is needed; I am doing everything to see that it can continue that way.

The clinics in each district? Madam Speaker, the people of the Cayman Islands ought to understand that there are county areas and cities in this big, wide, wonderful world where you drive miles or a few hours to get to health care. Ours is about 15 to 20 minutes away from any given district. We ought to get into the real world where this is concerned and understand what is happening.

The Health Services Authority has made some major strides in what I like to term phase one; restructuring, finding redundancies and all the rest of it. It has saved a calculated $4 million alone in that. Services (to the best of information I have) I believe are being offered in a more timely manner. I am here to say that there are certain sections that have not improved even though effort has been made and even though I complain to the management, it takes time for that to happen.

You hear that we do not have this or that specialist, we do not have the next specialist. Madam Speaker, I am not a medical doctor, however what I have learnt since I have been in the Ministry is a specialist doctor is just that, a specialist. They have spent more years over and beyond the time when they qualify as a Medical Doctor (MD) to become a specialist. They continue to be a specialist because they must do a certain amount of procedures in any given year. If you are a cardiologist you have to fix this number of hearts or do whatever you do to them; you have to do that if you want to stay rated as a specialist.

That is why I have tried to get across in answering questions here, particularly in relation to the Brac, where you had an obstetric/gynaecological (OB/GYN) specialist and an excellent doctor. He wrote to say he loved the place and was not complaining about the salary, he left because he would lose his specialist standing and his skills, because there were so few requirements for his specialisation.

I envisage, hope for and I am trying to work towards getting a situation where we can have specialists in the hospital for the areas of disease that are most prevalent in the Cayman Islands: cardiologists, specialists in heart disease, diabetes and so forth and so on. However, it is quite impossible for us to have specialists in every single area. There will be occasions when we must refer persons overseas and it all comes back down, Madam Speaker, to a question of money.

I have had to remark since I have been there that it appears to me that there seems to be a general outlook that "My body is mine to do with in any which way that I choose to use it and abuse it, and when it gets sick it becomes the property of the state." Government then must fix it. Government must patch it up or pay to patch it up after I have destroyed it. Madam Speaker, we need to change our mental outlook on this whole process; to become more conscious of the need to keep ourselves well, to get regular checkups and to eat properly. I am not here to say that anybody must not drink, but if you drink, drink with moderation. If everything is done with moderation we will be a healthier society.

We talk about cost. We have a system of immunisation in this country. So many countries of the world do not have immunisation. We hear of the Word Health Organisation or Pan American Health or some other aid helping them with immunisation. Cayman has it free and guess what the Government is being criticised for? For giving it free. The Government is being criticised for giving immunisations free to every child in this country, to keep them well.

We have to start getting it right because we have it all wrong in the way we look at things. I am not prepared to accept that, I as Minister, or for that matter any Minister before me, ever for one minute knowingly wanted to give anyone's child an immunisation to harm them. It is foolish! We want to do it to make them well so that they do not get diseases. That is the kind of foolishness that is rampant in this society. I will not accept any part of such accusations because it would take a fool and I am not a fool. I will do whatever I can to see that Health Services are what they should be in these Cayman Islands.

I am not telling anyone, or trying to defend a situation where, a doctor could not have behaved better or been more polite or helpful from a verbal point of view, of course these things happen. It happens with nurses. It happens everywhere in every business. I think that we have to move away from this forever complaining and criticising position. I would make it absolutely clear, Madam Speaker, I certainly do not accept that I created the problems which exist in the Health Services in the Cayman Islands. I am trying to do something to correct them, Madam Speaker.

To say that at the Hospital, the only focal point is to make money through the risk of injuring people is a terrible thing to say and the Leader of the Opposition suggested that in so many words yesterday. That is wrong, it is unfounded, it is untrue and whether or not that is the mentality of one or two or three or four associated with the Health Services Authority, it is not the predominant or prevailing management view.

When I found the Health Services the way it was, statistics were the one thing they did not have, and the health insurance companies were using that for an excuse to charge any kind of cost or premium for their insurance coverage. During the past six to nine months certain statistics have become available because of more focus from a financial point of view and I would just like to update Members here on a few things.

From the month of January to June for civil servants and dependants, public revenue paid $2,753,663.00. For indigents, the people who have given up their bodies now to the United States in many instances, the Government paid $3,413,560.96. For those children, the Health Service and myself are getting criticized for trying to help and immunize them, the Cayman Islands Government has paid $1,399,845.34, for the six months; 180 days. The month is not over yet, but based on the others that would be what is paid out.

The Government has paid $1,784,306.82. for veterans and seamen and among this group fall persons who are non-Caymanian Prisoners, which are an expensive item, although oddly enough it is one of

the lowest costs and this must be because they are contained and kept under certain discipline, cost $101,783.53.

Cayman Brac and Little Cayman Faith Hospital have cost $1,417,328.52 because the Faith Hospital by population and by the paying patients do not get near the cost of operating it. Simple facts, however the Government does not say "Forget about it and we are not going to provide the health care", it is done.

Public Health investigations: $1,032,751.50.

Health research and promotions: $175,996.47.

Personally, Madam Speaker, I think that we need to get more promotions out there to try to get across a message to people about their health. How important it is that when their health is gone it is really gone; they are unhealthy and they are sick. Part of what I envisage for the Health Services Authority is to improve information to persons.

Women are smart individuals. They look after themselves better than men. It is the men who need to get wise I think; not to say that I do not support the idea of getting the message out to women as well.

Pensioners, people who have worked and are collecting pensions from Government. Government is still covering them. Pensioners and dependents for the half year cost $796,087.61. The Government is even paying the Pines Retirement Home $56,000.00 for the half year to care for older citizens, who also get the attention of nurses and doctors. That makes the total of $12,931,294.68 for this half year.

At least now we know the categories, we know the amounts, which put us in a better position for getting health coverage. We are gaining a little ground on the health insurance aspect of things in that we have the statistics now.

We have to move that on and here is where the Cerner Information System will come in. We will know how many diabetics, how many heart patients, and how many others there are in the various areas. It is working towards a 21st century situation.

Let me give this Honourable House some more statistics that were not available until now and which the public and the people who criticise do not think about, although these things have happened in the past eight or nine months.

The number of civil servants, which were seen up until May, was 7,496 at a cost per individual of $79.23. Pensioner and dependants: 407 persons at a cost of $395.55. Seamen and veterans: 853 at a cost of $369.00 per person.

On this particular aspect I want to say that the seamen being the older persons in our society have always been proud people, hard working people. They collect their funds and their fees within their organisations and they very proudly pass them on to the Health Services which are helping them. They are helping the Health Services the Health Services are helping them therefore I really want to make that point.

There were 109 indigents that were seen at a cost of $514.82 per person.

The costs are escalating however again we know what they are now. Those are things that I believe we should be happy about and those credits should be given to the people who have brought the situation to where it is now.

Just this morning I had the pleasure of going to the eye clinic which has as you know was been supported over the years by the Lions Club of Grand Cayman and they have presented the clinic an ultrasound machine and it is something to see the picture that this machine can take of the eye and it is something which the Ophthalmologist there, Dr. Foley, is extremely pleased with. It has helped him immensely and I must say that that Doctor has done a magnificent job here in these Cayman Islands. I hope that he will long be with us irrespective of the situation at this point in time. Personally, I will state here in this Honourable House that I would like to see Dr. Foley here with us a very long time from now and I hope that he would so choose to be.

Health insurance; again we are talking costs and budgets and so on. The Health Services Authority now is delivering services for Government. Government is buying certain services from it. Each civil servant must now bill Central Government for the service they have provided and they must be properly invoiced and the Ministry will then pay them in monies which have been provided. That is an improvement since the new form of budgeting. It is no more cutting loose $3 million and they do with it what they want, with little or no accounting, it now has to be properly invoiced.

Madam Speaker, allow me also to say at this time, that KPMG is at the Hospital now working at doing the financials and it has been at my insistence to have it done. It cannot continue any longer the way that it has been and we should have them soon! The Auditor-General has also played his role in it, set out what he wished to see and it is now ongoing. These are things that we need to understand and appreciate and those who would criticise should be paying tribute to the work in these areas.

On the question of health insurance, that is another area that I found, I did not create it. I found it and I believe the Law skewered its obligations too much on the side of the heath insurance companies. On the other hand there was not enough protection for those who were insured. How do you bind a people in a country by making it mandatory that they must have health insurance? If they do not take it out they are in breach of the Law but how then do you bind them? They pay their premiums each month to a health insurance company, who the doctors and the hospitals and so on distrust so much, that when you take your card or your signification or identification to them, in many instances they will say, "Oh no, I am not taking that from that insurance company, you pay me and you go and collect from your insurance company".

Madam Speaker, that was never the intention of the law. It is wrong in every shape and form. And I say today—as I have said before—that cannot be allowed to continue. If that insurance company (that is supposedly offering insurance to people) is so poor or so undercapitalised or not capitalised at all that they cannot meet those obligations, where there is trust, certainty between that company and the doctors and the hospitals and all the rest of it, then they do not have any business offering health care coverage. That is my position.

There are amendments which I have been fighting for a long time to bring to the House. They are still being dealt with by the Legal Department. I want to bring to this Honourable House during this session, amendments to the regulations which are going to demand the Insurance companies assume their rightful responsibility and duty; to demand that the people who are insured assume their rightful responsibility and duty. There is also a bill which I proposed to bring; to set up a commission that will be the over-arching regulatory body to see that everyone, the insurers, the people who buy the insurance, the Government, everybody does their part. If we are going to have mandatory health insurance it has to be fair.

Madam Speaker, I also wish to say that since I have been Minister for Health, the insurance companies use any word that I say in here as an excuse to raise the premiums. I guess that they have got their pencils ready right now but I want them to know they are not going to win the war. They are not going to be able to continue escalating prices on people simply in anticipation of: "If Government requires to do this it is going to be this much more." They are not working from any statistics, they just do it! The Law says they have provided you people by law who has to keep buying at the prices that you sell and there is no way of negotiation their prices. That is going to change, that cannot continue!

I believe that the support is across the board in getting this done, I certainly hope so and I have had pledges from both sides of the House. However, it is something that has to be done. The other thing that I want to do before this session of this House is over, I want to table the KPMG report that has been done on health insurance. I also want to table the Mercer Report which, commissioned by my immediate predecessor in office, is a most comprehensive and revealing document. I feel strongly enough about this to make it known here that I wanted to table that report about eight or nine months ago and I had official obstacles put in my way so I could not do it.

Now I wish to make it clear that it was not the three Official Members over to my right; it was several rungs above their level in the overall design of things. However, I think it is important, Madam Speaker, that the Honourable Members of this House and the public, have the picture of what the provision of health services is all about. That is, the role that Government is playing in providing a cross-section of categories of persons and the role that is played for the provision of health care for its employees. It is important that the country knows and, collectively we can look at the reality of this situation and try to do something about it. Madam Speaker, if you do not see the Mercer Report come here you will know that my effort has been thwarted.

Again we are talking money and again I did not make this situation but I found it and I have not run from it. The question of Agriculture, the other subject for which I am responsible, and I believe that money spent so far on agriculture has been for a good cause. I think more and more we should understand that even in a small way, we should grow something or try to produce something for ourselves that we can eat. Our food source is largely from overseas and there are many things to be conscious of. Mad cow disease; is one of the things that we fortunately do not have here, however we get meat products from elsewhere. It is a question of our health. If we raise some cattle, pigs, goats or whatever here we are doing something for ourselves and there is an appreciable amount of food production in terms of meats and so on in the Island. We also are doing quite well with fruits and some vegetables and I certainly would advocate that the Government continues to provide money to assist with agricultural development.

Now there is a problem, Madam Speaker, and it is going to come to the forefront sooner than later and I might as well just let the cat out of the bag here because really it is not my cat. It is the public's and Government's cat and the public might as well know about it.

The Farmer's Market is something which has *from forever* been a problem. It has been a problem, I think, as best as I can understand in terms of its management, which has not been all that it could have been in terms of managing money. There are numerous stories of farmers who send their meat products or their crops or whatever and weeks or a year later they do not collect for the stuff that they have sent to the Market. The money is never sufficient, it seems and it is my understanding that it has never been really fully capitalised. I also understand that what happens in many instances is farmers can get very good prices for their prized fruits and other foods at some of the supermarkets and the supermarkets pay them instantly. You bring your stuff and they pay you and you go on your way. It is the less high-quality stuff that finds itself on the way to the Farmer's Market in some instances.

Now if we are going to buy, most of us want to get the best so we go and buy it at the supermarket and that is where we usually shop anyway. If we are going to do the shopping at the Farmer's Market various things must attract us. We must get the high quality there too, we must be trying to find a better price as well but this has not happened in all instances. Right now — and I do not wish to give any

numbers here and so on —I understand that the Farmer's Market is in dire financial straits and that it has major problems and those problems are going to fly right up in my face here sooner or later.

It is true when I try to do something about it I guess I will be criticised for that too. Obviously there has to be strong medicine administered to that situation to fix it and I will not come to this Honourable House today to let us give it another cash injection and leave the management the way that it is. I will not do that, Madam Speaker. I will bring whatever facts there are that I have on it through this Honourable House and lay them on the Table so everyone knows and we will take it from there. I do not assume or call it my problem; it is a problem for the country because it impacts the Budget and the revenues of this country that we are talking about now.

On the question of Aviation, after many years of it being recommended by United Kingdom Government, I have separated the regulatory from the operational side at Civil Aviation. Civil Aviation is one of the Authorities that do extremely well in terms of revenue and we are yet to work out a formula by which so much money can be sent into the Central Government. Although it does pay money in now; it would be better for everyone to work out a formula to do that and I have every belief that this would be done.

Civil Aviation has reached a point (the buildings that is) where it is not accommodating the numbers we are presently dealing with. There has to be some expansion there, and again, Madam Speaker, I do not know that it would be the best thing to attempt to borrow in the normal way as the Government has been doing or to send the Authority out to shop for funds that Government should underwrite or guarantee. As I understand there are specialist entities in this field with lots of capital who will offer to build buildings, to make improvements. Their business is offering this type of service. Around the world this too would fall, I believe, sensibly within the realm of what is now the acronym PFI (Private Finance Initiative). It is something that I would be looking to.

It is a self-funding situation, Madam Speaker, so I think keeping the cost within sensible limits is one way forward. I would point out that costs are involved from a security point of view. The whole world is becoming obsessed with security at the airports and rightly so it is impacting our situation. If we do not offer a certain degree of security such as screening and x-raying very soon, countries, particularly the United States are not going to allow any aircraft into their countries. Of course our life moves between the United States and the Cayman Islands everyday. Therefore, that is one of the areas where we are very likely to see and are seeing costs.

Lastly, Madam Speaker, I would like to comment on the other subject for which I have responsibility — Cayman Brac and Little Cayman. Madam Speaker, if I knew the answer to let Cayman Brac take off and develop, I would do it this instant. I do not know what the answer is. Various recommendations have been made and many have been tried and applied. As Speaker and as a representative of the two Islands, Cayman Brac and Little Cayman, you will understand this, I know.

There has been most recently a report produced by a Committee set up there and I think that it offers some good suggestions and these are things which we can follow. In the meantime, I am able to say that the Government is extending concessions to Cayman Brac again and the Islands will continue to benefit from these particular concessions. I can say to this Honourable House that the Honourable Financial Secretary has put forward this submission to the Government and it has been approved so that situation will continue to help.

For many years Government and most of its Laws give concessions where it takes off 50 per cent of the charges for Cayman Brac and Little Cayman. These are things which we do because we are one people, we are displaced by land mass or by sea separating the three atolls but we are one people. These are things which we believe can help and so this is what has been happening.

Medical care continues on the Brac and there are doctors who have been found and were engaged for the population. The ratio is outstanding and they will be there to provide health care to Cayman Brac and Little Cayman. From my own personal perspective, I would just like to say that I am doing my best now and I will continue to do anything and everything to help the situation but I have no miracle programme that I can use. I can but try to work with the representatives of the Brac and with the Government of which I am a part to try to finds ways and means but there is no clear-cut answer.

The world economy is where it is, the three Islands are what they are. The majority of commerce is within this Island (the larger of the three) and we have to continue to work to try and share it as best we can. Certainly this year's Budget provides for a number of roads on the Brac and these will be started in the immediate future and, Madam Speaker, I think that is as much as we can do at this time.

How do we get investors to go and invest in the other two Islands like they do in Grand Cayman? I do not have an answer to that, I think it becomes something that all of us need to try and find a solution to or work towards ultimately getting it to where we would like it to be.

In closing I would just like to say that there has never before been such a Budget that is so open and transparent. There has never been a Budget that has been in much detail. There has never been an instance where it has been more innovative than it is now — for example with the fact that we are looking at the possibilities of PFI and the innovation of setting up a Roads Authority. Madam Speaker, the Budget that we are debating did not come about easily and it was hundreds of hours of hard work and I think that it

is one the Government of the day can be proud of and the people of the Cayman Islands should be assured that there has never been a time before when more information on the Budget is available to them. It is not the case that it is not available. It is a matter of them going and getting it and making use of it.

Thank you Madam Speaker.

The Speaker: Thank you, Honourable Minister. Does any other Member wish to speak? Does any other Member wish to speak?

The Third Elected Member for the district of Bodden Town.

Mr. Anthony S. Eden: Thank you, Madam Speaker.

I too stand to give my contribution to the Budget Address delivered by the Honourable Third Official Member a few days ago.

I followed with interest the dynamic and enlightening speech by the last speaker, the Honourable Minister of Health. He certainly gave us some good information and I certainly look forward to this type of debate by the other Ministers. I am pleased to know as one of the Elected Members for Bodden Town that the three of us have been able to speak, with one coming right after the other. I will have to disappoint my good friend, the Second Elected Member for West Bay, when he said about us complaining of the short time of the Budget and some of the nice things that he had to say about how things are going. Sometimes I have to wonder if all of us are living on the same Islands.

As I looked at the Financial Secretary's debate he listed five areas where it was designed as a plan to support the local economy and create employment opportunities for Caymanians. It is a plan designed to increase the educational opportunities available for our young people. It is a plan designed to ensure that health care and social support are available to those in need. It is a plan designed to improve the efficiency, and effectiveness of Government, its agencies and most important of all, it is a plan that actively pursues our own economic and social interest in an increasingly complex international environment.

I agree with these things but, Madam Speaker, I look back at the Cayman Islands National Strategic Plan, Vision 2008, the very first strategy. I am not saying that this is not being addressed but it is my opinion that we, as Legislators and as residents of these Islands, need to be spending more effort on the drug problem of the Cayman Islands.

I have said this to a number of my other colleagues. This is an area that seems to be going on a rampage like a cancer we need to deal with in a concerted effort; not only as Legislators, Madam Speaker, but the entire population of these Cayman Islands. I mentioned the very first strategy in Vision 2008 and we know there were hundreds of people that had input in this document from way back in 1998/1999:

"We will develop and implement a policy of zero tolerance for crime and drug abuse"

We know that those two deplorable existences in our society go hand in hand because it has been said that at Northward Prison over 60 per cent of the inmates are there because of drug problems, drug use, drug pushing, whatever.

Just to mention, Madam Speaker, with your permission, a number of the action steps as advocated back in those days; included establishing age appropriate curriculum guidelines in the schools, appointing a drug representative in each school, increasing the size of the Police Force and Customs Department, to provide more undercover officers and national border patrols, to institute air, sea and land cover by aircraft and fast patrol boats to work along with enforcement. Madam Speaker, I know in the past your feelings and the problems and difficulties that we saw, I am referring specifically to this cancer creeping into Cayman Brac and Little Cayman. We tried and I know you have tried so many times to get some support to increase whatever needs to be done by law enforcement. It is coming to a stage now that I honestly believe (as I said earlier) we make a consorted effort. We must spend more money on this.

The problem we are dealing with here is something very difficult for all of us to fathom, especially when we come to those who deal with cocaine and crack. It affects a part of the brain that is almost sub-human; it is a part that once an individual gets started is very difficult to cope with. This is why the great importance of demand reduction of starting earlier in the schools. The Pride Project has gone a long way and I am glad to see it was started in the primary schools. I also know that the Lions Club of Grand Cayman had a project called Quest. I am saying these are the areas I am not being critical of the actions being taken now. What I am saying is we must make an all-out, concerted effort, as Legislators and Caymanians, to deal with this problem. I have said before and I will say it again; it has the greatest potential to cause major problems to the citizens of these Islands.

We are dealing and have had to deal with OECD, FATF, Constitutional discussions on advancements and the tax savings initiative. These are all a part of it but if we do not get the drug problem solved, all of this will be academic. Madam Speaker, as we look in the papers day after day it is not necessarily coming from us on this side, it is the citizens of this country that are expressing their concerns. It has been suggested that the last few killings in the district of West Bay were possibly drug related. This is what I am talking about. We have to do our best and deal with this cancer.

As I move on, as I said earlier, my good friend the Second Elected Member for West Bay, while not overly critical, commented about our speaking about the short time . . . I think someone figured out that we had 36 hours to look at the Budget on this side. Going back to Vision 2008, strategy 8, action plan 2 it said that:

"To ensure that public finances are managed prudently and that disclosure and reporting standards provide timely, relevant, reliable and understandable information to legislators and the community."

Yes, Madam Speaker, the two documents that he and others have suggested could be read in a couple of hours but, Madam Speaker, this very morning my good friend, my colleague from Bodden Town, mentioned looking at the tremendous amount of information. I think that document was 630-something pages long and I have been with many colleagues here from that side and on this side and when I looked at over 1760 pages of information and if we have to cross reference, as most of us sometimes do just to understand the principle. I measured the height of those documents; they are almost 5 inches high. If we are here as responsible representatives what is a day or so of giving us a little bit more time?

The Honourable Minister for Tourism said how much time? You see I am not speaking for the Opposition when you look at what the people say and with your permission, I would like to read just a couple of lines from the *Compass* of Tuesday the 17th.

The Speaker: Please proceed. Order!

Mr. Anthony S. Eden: Thank you. This is what I am talking about Madam Speaker; historically, the country's Budget and the Financial Secretary's Budget Address have always been delivered to the Legislative Assembly on a Friday with the actual debate on the Budget's contents beginning on the following Wednesday. This convention was adopted for a good reason; it allows Members of the public as well as all Members of the Legislative Assembly (MLAs) a reasonable opportunity to study the contents of the Budget.

MLAs on the Government Benches have traditionally not needed any time to study the Budget; they are usually privy to its ingredients well before its delivery. You see, Madam Speaker, as I said earlier we sat on both sides. Opposition MLAs on the other hand will not have enjoyed that privilege and do need a reasonable length of time in which to peruse its pages. On the other hand, the people who have not really had the privilege of fully studying the document in any depth before debate begins are the hard-working ordinary members of the community whose daily hours are not their own.

Finally, it says, in the interest of democracy . . . This is what we all talk about so much. I so fondly remember sitting on that side and as I look at many of my colleagues there and I know holy hell would have been raised if some of them were still here and this had happened. I am not complaining about the situation but we tend to have short memories. In the interest of democracy all citizens should have a reasonable amount of time go over the Budget in order for their comments can be passed on to their MLAs who in turn have a fair opportunity to examine them before presenting their views and concerns on the document to the House. It is hoped that such a time frame for the Budget Address and the Budget debate will recur. The people's right to examine and comment on the document must be respected. That is what I am talking about, Madam Speaker. These are the little things, that if we do not comment on and let people be aware that we have concerns (and they are concerns) they will just slip by.

In the second part of the Government's Strategy and Key Policy Actions, the eleven goals, I am speaking specifically of numbers 4 and 7: "A strong Caymanian community and culture, a safe and secure country for residents and visitors." Madam Speaker, it seems like we are importing some of these cultures. Once again with your permission, I would just briefly read from the *Cayman Net News* editorial dated 4 June.

The Speaker: Please proceed.

Mr. Anthony S. Eden: Thank you. **"*Cayman's Changing Morality.***

"In recent months, the question of morality has been raised over a number of events in our beloved Cayman Islands, impacting particularly on issues that clashed with our traditional culture.

"There was the whining and grinding and scanty dress of Batabano. Then there were topless women sunbathers on Cemetery Beach. Most recently, the Leader of Government Business advocated legalised gambling in the form of a national lottery, and we heard tales of public ganja smoking at a concert.

"At conflict are the traditional values of the Cayman Islands and the values of an ever-developing, sophisticated and multi-cultural country that counts people from other lands as half of its inhabitants.

"Gone are the days when the Cayman Islands was largely isolated from the rest of the world except for some reading materials and tales brought back to the country by its many seafarers.

"As recently as the 1970's, most people in Grand Cayman adhered to traditional values of family, faith and humility. Times have certainly changed."

How true, Madam Speaker.

I was looking again at an article in the *Caymanian Compass* from last month. It was actually a letter to the editor where it indicated that one of the service clubs sponsored a junior carnival for adolescents and young people. The writer was talking about the kind of music. I think the terminology used was "pornographic" and it was just unbelievable trash or words to that effect. Madam Speaker, I wonder who was monitoring this, whose responsibility was this? I am not saying that as Legislators we have to be in these areas. What I am trying to do is sensitise us as

legislators and Cayman as the public to what is happening; the culture that we are getting into, the type of music. Once again with your permission I would like to read a few lines from another editorial of Friday to Sunday, 23–25 May.

The Speaker: Permission granted.

Mr. Anthony S. Eden: "Music should reflect Caymanian culture. We have heard quite a bit of commentary about last Friday's well-attended concert at Pedro Castle billed, '*Some kind of Blue*'. Someone told us the musicianship was excellent and others said the food was fabulous. That pretty much sums up the positive remarks we have received. On the negative side we have received a fair amount of comments including; comments of foul language, obscene gestures, confrontational lyrics, public ganja smoking and that the music was very loud.

We have also heard that many people left early finding the musical genre either offensive or not to their liking. However, we do find ourselves baffled as to why the Cayman Islands (Department of Tourism) DoT has decided to champion this particular kind of music. For one thing hip hop music in particular espouses ideas very much against our own society's predominant values.

I draw this example, Madam Speaker, because I am sure that sponsoring some of the entertainment that comes here has been done innocently. However, are we sure that this is what our young people should be involved in? I do not need to be a nuclear physicist to know that this kind of music influences and pressures our young people, not to mention the television.

This is where I take my hat off to the Second Elected Member for West Bay. In an earlier debate in the Legislative Assembly he talked about R-rated stuff on television at certain times when young people are there. I do not think, to my knowledge, anything has been done about it. No government can, and we Legislators cannot, legislate morality but we need to look and monitor. We should not be surprised about our deteriorating family structure when we see what is happening. We have to be careful. Young minds are easily moulded.

Another situation also reported in the paper was about a young Caymanian, who was attacked by a gang. They thought that this young man was a tourist. It so happened he was a Caymanian. As one of my colleagues said, he was a Caucasian and when some of the people were questioned the comment was made that they thought he was a tourist. This is frightening because — and there have been minor attacks on tourists in the past — the day that a tourist is seriously injured or killed in the Cayman Islands and the State Department decides to issue a travel advisory against Cayman we are going to be in some difficulties.

As I am saying Madam Speaker—

The Speaker: Honourable Member, sorry to interrupt but I am going to ask my deputy to deputise for a few minutes. I will not ask for a suspension we will just change Chairs.

[Deputy Speaker in the Chair]

Mr. Anthony S. Eden: Thank you and welcome, Mr. Speaker. I beg for anticipated mistakes in the event that I should use the wrong gender

[Laughter]

However, it is good to have you in the Chair.

One of the areas that I wanted to touch on and I know a number of us were invited to meet with the University of West Indies (UWI) Chancellor, Sir Shridath Surendath Rampal. In his revelations, Mr. Speaker, he talked about the free trade of the Americas and the World Trade Organisation and the possible serious and grave impact that may have on these Islands when it is fully implemented by the super powers that surround us. I am sure I do not need to bring this to the attention of the Government. I certainly hope this will be dealt with, because in listening to him there could be some very difficult times ahead if an agreement is not come to with the Mother country. I am not sure about the Mother country any more, Madam . . . Mr. Speaker we are almost treated as bastard children in recent times. However, Thank God, we are weathering the storm and if we all work together we can get through these difficult times, but all of us must be involved. One side cannot do it by themselves, we have to work together. This is our Cayman. These are our Islands and if this gets away from us … I thought the mosquitoes were gone but they came back last weekend, a couple of weeks early. Nevertheless there is no way for us to go.

Just to speak briefly on the National Roads Authority. In speaking with the Leader of the Opposition after what he was saying to me this morning in regard to that Authority, was that the 220,000-plus would be seed funds in there. He did not see where the $13.83 million was in the Budget for that when it comes along. I am sure we will hear more details on that as we go. Once again the possibility, as said earlier on, the off balance sheet dealings. Mr. Speaker, if I am lost others have been lost with me and I served on (Executive Council) ExCo with some of those in the past but these things happen and it would be a funny world if we all thought the same way. Once again, I am not trying to be critical I am just trying to come to something that is good for Cayman! This is our country! You have one point of view, I have one and it will not necessarily agree but as one speaker said earlier we all want the same thing and the best thing for these Islands!

Yesterday I spoke briefly to the Minister for Roads and I saw about the development by Hirst Road in the paper. I am not complaining. I just wondered why I had not been notified of it and he indicated to me that it was a slip-up and I take that for

what it is worth. I would remind him I am still the representative for the people of Bodden Town. It was a photo op and I still roll along, I take the good and I take the bad. I am pleased to know that this has been going on and it has been on the drawing board for a long time, even when I was in government. It is good to see it coming to fruition and I thank the Honourable Minister that this is happening because all of us who come from the east in the morning know what the congestion in that tall tree area is like.

With your permission, Mr. Speaker, I would like to congratulate the Bodden Town Quincentennial committee led by Ms. Mary Lawrence and the sterling work done by Nurse Josie Solomon who sold so many of the pavers for the Bodden Town monument; also the dozens of persons who helped with them. I know the Minister of Community Services was there last night. The exhibition was absolutely incredible and I invite all of my colleagues in this House to stop by for a short while. I think the exhibition ends this weekend as there will be a graduation there next week. I think it was the greatest display of memorabilia, history and culture ever done in these Islands. I certainly take my hat off to those. I know my colleagues feel the same way as they attended most of these functions.

Mr. Speaker, just to touch briefly on the Health Services. I was grateful for some of the information that was shared with the Legislative Assembly, however there are still some concerns there and this has not necessarily been since the Minister has taken over. I am sure he is aware of some of the disgruntled and very unhappy staff. I am speaking specifically about some of our young Caymanian doctors who came back and had to deal with the medical director. They have been very disillusioned and what I am going to do now, going into my 12th year in Parliament, I will be old enough to say, through you to him, Mr. Speaker, to look at removing the Medical Director. I call for his resignation because I understand the type of management that he runs within the Hospital is why — and he does not have to agree with me — the Minister is having so many headaches in this management and personnel area. Dr. Heap.

An honourable Member: Tell him heap to fire in on him.

Mr. Anthony S. Eden: Mr. Speaker, *the marl road* has even indicated to me that when he was a Chief Medical Officer (CMO) and eventually a Medical Director that he did not even visit the tertiary care places to see some of the services that are available. How in the name of Moses can you have someone running your institution that does not know what is available?

[Inaudible interjections]

Mr. Anthony S. Eden: I leave that to the Minister and I know his resolution in these things. When something is pointed out and he understands he will act. I am pleased to see that Mental Health, which was in the plans from way back, will be opened shortly. It is a very critically important area in the development of the Hospital.

The Dental Clinic has been a headache *from the time Jesus was on Revera Beach*. Trying to get an appointment there, and I do not have to point this out to him because I know some of this still exists; the slow and long drawn out time it takes to get an appointment.

Health Insurance, as he touched on earlier. The Minister has put a tremendous effort into Health Insurance with, at times, little support from his United Democratic Party (UDP) colleagues to quorate committee meetings. Anyway, we look forward to this amending legislation which will come down here soon.

In retrospect, I wonder if it would not have been better to have left Mr. Ezzard Miller's health insurance plan in place and build on that instead of stopping it in 1993.

An honourable Member: I did not go in until 1994.

Mr. Anthony S. Eden: For the Minister of Tourism's information, I said, In retrospect I wonder if it would not have been better that we had not left Mr. Ezzard Miller's health insurance plan in place and build on that.

I am not afraid to admit there are problems in the Law brought down here and it continues to be. The abuse of the utilisation of insurance by the people, and not to mention the insurance providers. The people once again, the companies refused to try and educate, and let them know how things should be done because this was a novel thing to the Cayman Islands. I think with what is coming from the present Minister should alleviate many of the problems. Mr. Speaker, I am fully convinced that health insurance is a great necessity especially in cases of catastrophic sickness.

In wrapping up, with your permission once again, I want to read a few paragraphs from a publication from your district, Wesleyan Christian Academy. This goes back to how I started and I guess will continue to be branded a right-winger but so be it. These are things that I feel I have to point out and some of these areas are so touching because the first article was by a student. It said, "What a shame". This will carry you back to where I started about the family and the social problems and so on. He opens with a quote from the Bible, Habakkuk 2:15, **"Woe unto him that giveth his neighbour drink, that puttest thy bottle to him, and makest him drunken also, that thou mayest look on their nakedness!"**

It goes on say: "It is a shame that the liquor licence is so high in our Islands, we know the dangers, physically and spiritually; the accidents, the broken homes, the crying children and the lost souls yet there are more licences being granted all the

time. Now it has not engulfed bars and restaurants but also children's entertainment".

This came out when the application for the Stingray Bowling Centre was in.

"It was brought to my attention that the Stingray Bowling centre, a place where many children have come to love and look forward to going with family, school or church groups, has applied for and has been granted a liquor licence. I sincerely dislike acts like these and I will name a few: It is another place to buy liquor and where there is drinking there is almost always smoking and where that lethal combination is present, most parents do not allow their children to go in.

"I do not have a father who drinks, but I know some children whose fathers do. I also know that when they go out to drink they do not stop at one or two beers, they will drink their entire pay day right away and then there is the family relying on the earnings of the mother only.

"Children who become accustomed to a drinking environment will likely become drinkers themselves and therefore the drinking cycle is prolonged. With these reasons before us I strongly admonish all Christian parents to take a stand against this act".

In that same article, Mr. Speaker—and I would like to table this little publication. It is entitled, "True North, the Little Compass Pointing in the Right Direction".

I continue to read. This was by Mr. Case, the Principal. I think we all should listen keenly to this, I think he has hit this one right on the nail head.

"This is a time of great change in the Cayman Islands. We hear of new docks, new fees, constitutional reviews, new laws and new political parties with new government leaders. We are looking for new answers to age-old problems, new methods and new ideas for solving those problems. We have new technology, new schools and new programmes. Talk about the future includes discussion of new civic centres, new high schools and new parks. We anticipate new seven-storey condos, new jails and more community development projects.

"Here at Wesleyan we anticipate a new church building, the buying of new property and new school buildings. We will be getting a new principal, a couple of new teachers and some new students. New computers will be purchased with the latest technology and new materials will be ordered and new paint will be applied to needy areas of the school.

"While we rejoice and anticipate the changes taking place I believe it is time to sit down, take a big breath and reflect. Many times when new things come our way we make way for them by throwing away the old. So very true of what is happening here in Cayman today; the morals, the standards that we lived up to in the past.

"I would like you to consider some old things we cannot afford to throw away while bringing in the new. First of all we cannot afford to throw God out of our culture. This country has a great heritage of Christian principles and Godly examples that have been passed down for generations; the history of our culture, including churches, family and Christian living

"Batabano, carnivals and other such activities are new items that have been brought into our culture. We cannot afford to throw out the Holy Word of God, the very foundation of all political decisions, laws and constitutions must be word of God. There is nothing wrong with a Bill of Rights as long it is built on God's word. While bringing in a new constitution, we do not have to throw out the word of God. Right and wrong are still judged according to the Bible which supersedes any law of man. We cannot afford to throw church out while bringing in new programmes. Civic centres, community projects, movie theatres and places of entertainment must not replace the church. While the pleasures gained through entertainment may last for a moment the experiences gained through going to church will last a lifetime. We cannot afford to throw away the family while bringing in new ideas and methods for solving the problems of our society. The very reason our society is experiencing its problems is due to the dismantling of the family".

We hear that everyday and we have seen it all around us, we are touched by our families. None of us are exempted from this.

"Whatever our family structure; whether a single-parent family, a two-parent family or a family where other relatives are raising a child, we must take the responsibility of raising the next generation seriously. As a parent I am held responsible for training and rearing my own children while trying to solve the problems of our youth by establishing youth night clubs, community youth hangouts, places of entertainment and even wholesome programmes such as church youth groups, a youth place or some other new programme. We have begun to delegate the responsibility of raising our children to other groups of individuals. Do not throw away the family.

"Although I have only scratched the surface in mentioning the changes coming to these lovely Islands, I trust you have been given something to consider. Every time you see a change being proposed take a look and see if something of value is being thrown away in order to bring in the new item. Not all change is bad, in fact, there are many changes that are desperately needed. It is up to you, the Christian community, to set the standard by which the necessity of change is measured".

As I sit down, and I am not doing this to be critical, I think it is incumbent on me as a legislator to express my concerns. We look at the paper every day and what I have said here today echoes what is being said in the public. I will close with this brief sentence: Our greatness lies not in being strong but in the right use of our strength. Thank you.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak?

The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker. As I rise to make my contribution to the Budget Address of 2003-2004 year, I am reminded of what John F. Kennedy said:

"Economic policy can result from governmental inaction as well as governmental action".

I wish for a moment to ask you to picture this amazing picture with me: the Leader of Government Business is standing in bathing trunks at the end of a jetty in East End. There are five or six persons in the sea who are in difficulty and appearing to succumb. They are clearly not able to help themselves and appeal to the Minister for help. As they shout in desperation for help the Minister shouts back, "Don't worry I am stationing lifeguards here next week". That is the picture we have.

The people of this country waited for the last two weeks in anticipation of the Budget Address which was to be delivered by the Third Official Member, as he had done on so many occasions in the past. ,They waited to see if the Budget would at long last address the issues of concern to them and offer some salvation. Those who were still interested in this annual event sat glued to their television sets and tried to follow the less-than-exciting presentation of the Third Official Member. Somewhere in there I thought that I was alone in being lost after the first four or five minutes. However, I was somewhat stunned to receive an e-mail from a friend that very evening.

[Certain words were ordered by the Honourable Speaker to be expunged from the record]

The dilemma that exists with the current financial Budget is that it is difficult to determine what actually constitutes the surplus. Is this a cash surplus, a phantom surplus or a combination of both? What exactly is it? If this surplus is real why do we have to borrow additional funds? It is ironic that items are being removed from the Government's balance sheet yet they are still in control of the Government. Government's funds must still be used to keep these entities afloat. Is this transparency in accounting or is it manipulation of financial data [Certain words were ordered by the Honourable Speaker to be expunged from the record] In order to create —

Point of Order

Hon. W. McKeeva Bush: Mr. Speaker, on a point of order.

The Speaker: Can I hear your point of order?

Hon. W. McKeeva Bush: Mr. Speaker, I have sat and listened to the Member talk — [Certain words were ordered by the Honourable Speaker to be expunged from the record] for quite a while and I was wondering where he was going. [Certain words were ordered by the Honourable Speaker to be expunged from the record] Is the Member comparing that situation to the presentation of this Budget? If that is what the Member is saying, then I want to know because he must prove what he is saying.

Hour of Interruption—4.30 pm

The Speaker: Honourable Member, can we have some clarification as to where the comparison was being drawn?

Before, we move forward, Members, we have reached the hour of interruption. Can I have a motion?

Suspension of Standing Order 10(2)

Hon. W. McKeeva Bush: Mr. Speaker, as we have given notice and as Business Committee has decided we propose to go at least until 8 o'clock. I would move that Standing Orders 10(2) be suspended in order to continue up until 8 o'clock.

The Speaker: The question is that his House do continue until 8 pm.

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

Ayes.

The Speaker: The Ayes have it.

Agreed: That the Standing Orders 10(2) be suspended to allow proceedings to continue until 8 pm.

The Speaker: Honourable Member, can we get some clarification as to the intent being used in the comparison you were making so that the Chair can make a ruling?

Mr. V. Arden McLean: Mr. Speaker, at the outset I said that I had received an e-mail from a Caymanian that evening. Now, that e-mail was explaining his interpretation of what is going on in his country. I was merely reading the words from the e-mail that I received from my friend.

The Speaker: Honourable Member, in the interest of relevance to the debate we need to know whether you were trying to draw an analogy or trying to say that the situation of the existing Budget is similar in comparison to Enron. What was the point of the e-mail?

Mr. V. Arden McLean: Mr. Speaker, I did not get it that this Budget is the same as— [Certain words were ordered by the Honourable Speaker to be expunged from the record] because [Certain words

were ordered by the Honourable Speaker to be expunged from the record] was a company. I think what was being drawn to my attention was the fact that this was what happened [Certain words were ordered by the Honourable Speaker to be expunged from the record] and at the end of this we will see how this gentleman comes to a conclusion with regard to Government and how Government must operate.

The Speaker: Honourable Member, if the reason is not to draw a comparison then it is not going to be relevant to this debate. If it is going to be used to draw a comparison then I would warn the Member to be careful. As you said, it is a situation where that company was found in contravention of laws and found liable and criminal. In fairness we need to know if it is a comparison because if it is not the question of relevance comes into play. If it is that you are drawing a comparison with the activities of Enron and the activities of the current Budget we need to know if that was the intention.

Mr. V. Arden McLean: Mr. Speaker, it appears like the Government at all times refuses to accept certain responsibilities. I will just move on___

Hon. W. McKeeva Bush: No! Mr. Speaker, on a point of order. I raised the point of order because if he is comparing— [Certain words were ordered by the Honourable Speaker to be expunged from the record] to the Cayman Islands Budget that was presented by the Financial Secretary of this country, then he has to prove where that is correct. Or otherwise, that it be withdrawn and struck from the records of this Honourable House. Furthermore, if he has a document that he was sent that he is reading into the record of this Honourable House, I am therefore asking that that record be laid on the Table of this Honourable House. That was what he did; read it into the record.

The Speaker: Honourable Member, can you either make the comparison or we will ask that the record in reference to Enron be withdrawn.

Mr. V. Arden McLean: Mr. Speaker, I am merely telling the story of a company that failed.

The Speaker: Honourable Member, that would have no relevance to this debate if you are just doing a story. If it is not relevant to the debate I will ask that the reference to Enron be withdrawn and struck from the record. Unless, the Member is willing to make the comparison and show the relevance to the Cayman Islands 2003 Budget debate.

Mr. V. Arden McLean: Thank you, Mr. Speaker. I will withdraw the relevance to Enron. However, when it comes to relevance in this House so many have stood here and have heard–

Point of Order

Hon. W. McKeeva Bush: Mr. Speaker, on a point of order. The Member raised a matter to which I raised the objection under the Standing Orders. You have asked him and he has given an order since. Either that is complied with or I am asking the Chair to direct. Also, Mr. Speaker, I have asked that Honourable Member to lay on the Table of this Honourable House the document he was reading.

The Speaker: Honourable Member, the ruling that I have made is that either you do or withdraw–

[Inaudible Interjections]

The Speaker: The order from the Chair is that the reference to Enron be withdrawn and that it be expunged from the records. You may continue Honourable Member.

Hon. W. McKeeva Bush: Mr. Speaker, I am asking—

Mr. V. Arden McLean: Thank you, Mr. Speaker—

Point of Order

Hon. W. McKeeva Bush: Mr. Speaker, on a point of order.

The Speaker: I will hear your point of order.

Hon. W. McKeeva Bush: The Member, as other Members have read from documents into the record, no one questioned but it is my right (any Member's right) to ask that that document be laid on the Table of this Honourable House.

The Speaker: Honourable Member, you did challenge the reading of the record and we have ordered that it either be clarified or expunged. Since it has been removed from all records in Parliament I will not request it. I just request that all references to the letter that was made and all statements referring to Enron be removed from the record of this House.

Hon. W. McKeeva Bush: Mr. Speaker, are you saying that the matter that he read into the records of this Honourable House verbatim is being expunged? Is that what you are directing the Clerk to expunge?

The Speaker: All references made to any e-mail and references made to Enron should be expunged.

Hon. W. McKeeva Bush: Thank you, kindly.

The Speaker: Honourable Member, if you would continue.

Mr. V. Arden McLean: Mr. Speaker, as I continue on this debate it is quite ironic that the Government sees it necessary to call Members on relevance on this side of this Honourable House. Especially the Leader of Government Business, he loves doing that: relevance! We sit over here and let everyone do as they please and the Chair (your good self Mr. Speaker and the Speaker of this Honourable House) gives so much latitude to everyone in this Honourable House.

The Speaker: Honourable Member, could I just break a minute here to explain. When you make reference to the latitude that was given, latitude was also given to you until a point of order was brought. So, let us not make the assumption that the Chair in any way is restricting your latitude. The restriction came on a point of order which you have the ability to bring as well.

Honourable Member, you may continue.

Mr. V. Arden McLean: Mr. Speaker, I thank you Sir, but the intent was not that the Chair was restricting me. I do apologise to you if that was a misunderstanding of what I said. My contention is that the Government continues to bring points of order on relevance and other matters as soon as a Member of the Opposition rises. The Chair allows debate to go on and as soon as the Government sees something that they do not like they jump on their feet. However, that same Caymanian who expressed some concerns to me is one of those Caymanians who was waiting in anticipation to hear what innovative mechanisms the Government would be been proposing to assist young Caymanians to start their own businesses. Many young professional Caymanians are out there with aspirations of working for themselves and they are unable to do so.

Mr. Speaker, the Government must understand that the Opposition is not alone in questioning the manner in which they are financially running this country. The public is also questioning it. Many residents are sceptical particularly of these off balance sheet financial commitments the Government is negotiating with private individuals and entities. I understand that Government is going to defend themselves. Many years ago while following politics in this country and in particular we will all remember Motion No. 3/90 whether we agreed with it or not.

I particular remember the then Minister for Education in his address on that same Motion saying, the Opposition must be allowed to have its say that Government will always have its way. If it was not that way the tale would be wagging the dog, but the Government should not curtail the 'say' of the Opposition. We have heard in here that the current Opposition opposes just for opposition sake with no alternatives. However, I want the Government to tell us how we are expected to propose alternatives when they do not tell us what they are doing and how they are doing it. I think the Leader of the Opposition called it sound bytes; that is exactly what it is. It is nice to put on paper but nothing of any consequence comes of it.

Mr. Speaker, those same young Caymanians out there are concerned that they have no way of ever being anything other than an employee. We heard the Minister for Education talking how Caymanians coming back into the workforce out of college or otherwise, have no way of getting involved in this country. That is so true. We see the United Democratic Party Government constantly talking about creating an environment for the people of this country so they can get employment. Those are the buzz words in the UDP camp.

Mr. Speaker, the Third Official Member in his Budget Address said, "Key economic development strategies therefore to control and where possible reduce the operating cost faced by the private sector". I agree with him that we have to ensure somehow that that is done. Somehow we have to control the operating cost in this country, but that control and reduction should not only mean that it is for the foreign investor to come to our country. It should also translate into an environment where young Caymanians can succeed.

I have looked through the Budget Address, and yes, the Third Official Member has said that the Government proposes to spend an additional $1.5 million on promoting new overseas investments and business opportunities in the Cayman Islands over the next year. Then for new local and small micro-businesses it is only an additional $350,000. That tells me that the Government is concentrating more on attracting business which will give our people 'jobs'. This is fine, I have no arguments with that but we know what those investments are.

Let us look at the Ritz Carlton: hundreds of millions of dollars of investment. Can we honestly say that spending $400,000 per year to assist the young Caymanians who want to start a little business to do the maintenance at Ritz Carlton because we cannot spend the hundred million. Can we honestly say that that is sufficient to give them the encouragement? I spoke earlier about the high cost of doing business. That has to be driven down because $350,000 cannot start that many businesses. I am amazed that the Government will contend that they are doing so much for the people of this country.

More and more as I look at our young Caymanians coming back here, they are coming back qualified. They are not even satisfied anymore with a first degree, they refuse to come home and work with a first degree now. They do not even come home to get work experience after a first degree; they continue their education and go to post graduate degrees. That is what we want. We hear the Minister of Education talking about the many scholarships that we give to our people. Let us give them all, everyone that applies, let us get them educated, but let us create the environment in this country when they come back they are not for the rest of their lives subjected to working for someone else.

Mr. Speaker, not everyone will want to go out and do businesses but those who want to do it have no chance because you know, Mr. Speaker, and we all know that to start a business you have to mortgage your mother, your father, your sisters, your brothers, your family estate; whatever you have is going to be mortgaged. The lending institutions in this country are taking no risk other than with a car that is properly insured. I hear the Second Elected Member for West Bay and he is right. Not everyone can be a businessman. However, I warn that any country that does not have a vibrant middle class ownership of that country, the country is going to fail. It will be forever catching up with those who are less fortunate. It will try to play catch up for the rest of our lives and our children's lives! For sure, if I cannot get into the middle class bracket then my children cannot get there. My children will be down there where they will be a burden on the government of their time. That is what I am trying to show.

Mr. Speaker, we do not only talk about the Cayman Islands Investment Bureau. That is fine, quite innovative and in England, in Cayman, in America, because from day one our economy has been built on foreign investment. The time has come to create an environment where the Caymanian who wants to share in this success can do it. How many times have we (ask anyone of us in this Honourable Chamber to name the many times they have) heard Caymanians saying who are we developing for? Mr. Speaker, you think that is said because the buildings are going down? That is part of it. There are saying it because they are not sharing in it, there are no opportunities and as a country we must make those opportunities.

Reading from the Budget Address: "The Bureau and the Cayman Islands Development Bank are also involved in encouraging and supporting the establishment of new businesses if Development Bank will increase its loan portfolio for small and micro-businesses $350,000 over the 2003-2004 fiscal year".

"The promotion of new investment is being done with the assistance of the Growth Management Board which is a joint venture with the private sector. This is to ensure that new business proposals are sound and focused in a way that reflects Cayman's competitive strengths". I want to know, Mr. Speaker,—and the Government needs to answer this—does that extend to a little young Caymanian who wants to start a little cottage industry? Is that assistance also given to him or her? That is what we need. We will develop a vibrant middle class if we assist along the way. The Government says we criticise – I am saying this is what the Government needs to do.

For too long our people have not shared in the success and for too long our stock market has been measured on how much construction we can do. That is it! If we see the buildings going up we are wealthy, we are vibrant, the economy is good – and then we have to import people to do the work. Then people come to our country and start landscaping or the maintenance business. Why do they come here and do that? We all talk about how Caymanians are fronting for this one and that one. If Caymanians are fronting for someone they are doing it because they cannot do it for themselves. We do not support them. There is no mechanism in place to allow them to go in to the Growth Management Board and sit down with their ideas—because there are many ideas out there___.

The Speaker: Honourable Member, could I beg your indulgence so I could switch chairs with the Speaker.

[The Speaker in the Chair]

The Speaker: Please be seated. Please continue the Honourable Member for the district of East End.

Mr. V. Arden McLean: Madam Speaker, (please forgive me if I slip there) I was saying that we are not providing the environment where Caymanians, if they so choose, can have their own businesses. Where are the soft loans for these young Caymanians who want to be businessmen, who have these brilliant ideas but they do not have the ability to borrow the monies to do it? It is Government's responsibility to start prioritizing and having the mechanism in place that if those Caymanians so choose they do not have to front for someone for 10 per cent, they can own 100 per cent of it. The mechanism must also guide these people along the way. Provide soft loans for three years and in the mean time watching them; five years - soft loans. That is a concentration that we have to start thinking about.

The Leader of Government Business spoke in his Policy Statement of how the country developed so fast and so many Caymanians were ill-equipped or are ill-equipped to deal with that fast pace. They are now temporarily seeking financial aid, and we have to get them off it. I agree with him, he talked about . . .and lest I be stopped again, Madam Speaker, just let me read from page 28 of The Policy Statement, "Madam Speaker, over the years the Cayman Islands have grown from the Islands time forgot to one of the major financial centres of the world.

As many of our people are not equipped to handle this rapid development, many found themselves seeking temporary and permanent financial assistance from the Department of Social Services. Some of these people in many instances are simply just in need of retaining, retraining or retooling. Like the saying goes, "*Give a man a fish you feed him for a day but if you teach a man to fish you will feed him for a lifetime"*. It is time, Madam Speaker, that we focus on retraining and retooling our people so that they can all secure jobs". Jobs, again! Jobs, jobs, jobs! Nothing to say that we as a people are going to further put mechanisms in place to try and retain some of the wealth that is going out of this country from the small businesses. Jobs created with one

hundred percent Caymanian ownership will also create jobs.

Madam Speaker, I contend that the Government is . . . while I am critical of the Government in this regard, I must point out that successive governments have failed to identify or even think much less try to plan, to put the mechanism in place to develop the middle income in this country so that it can be retained here. We need it to stay here but our problem is—all of us— that we do not want to see the Caymanians with it. The more rich Caymanians we have in the middle class or well-to-do Caymanians in the middle class the better it is for us. If they are not sending their wealth out, it stays here. It is going to be better off for us and the time has come for us to address it and use government's resources, the people's resources to assist in that regard. I do not know when the UDP Government is going to start but I would encourage them not to get caught up like the rest of governments. Let us move towards looking at these Caymanians in the same way that we look at the big investors when we try to attract that to keep our economy buoyant.

Madam Speaker, the Leader of Government Business talk about retooling and retraining of these people and he used the old cliché about giving a man a fish, feed him a day, and I support that but Government must go further. I want to see the programmes that they have put in place for the retooling and retraining. Let us see them.

Point of Elucidation

Mr. Rolston M. Anglin: Madam Speaker,

The Speaker: Do you have a point of order, Member for West Bay?

Mr. Rolston M. Anglin: No, Madam Speaker, I have a point of elucidation.

The Speaker: Will the Member give way?

Mr. V. Arden McLean: No, Madam Speaker.

The Speaker: Please continue.

Mr. V. Arden McLean: Madam Speaker, I am not going to give way on that because the Leader of the Opposition laid out a lot in asking questions of Government and they have not yet been explained. The majority of the Government Bench have already spoken. So why do I have to give way? As a matter of fact the same good gentleman (the Second Elected Member for West Bay) went to great lengths to try and get political mileage out of this same thing but he fell woefully short of how the UDP Government will achieve their goal. I did not hear anything about that. Maybe the Leader of Government Business, when he gets up to debate, also the Third Official Member when he winding up, will let us know how it is going to be achieved.

The Speaker: Please refer to the Third Official Member *Honourable*, Elected Member for East End.

Mr. V. Arden McLean: Yes, Madam Speaker, that was a slip.

The Second Elected Member for West Bay also went on to say that these programmes cannot be measured in overnight success. However, I contend that the UDP nights have turned into days and then weeks and then months and now years and we are still at the planning stages when it comes to the implementation of tangible results for the masses. Select few!

[Inaudible interjections]

Mr. V. Arden McLean: Select, few! Masses, No! The select few is benefiting from the UDP Government. Masses, No!

An honourable Member: Preach on brother!

Mr. V. Arden McLean: Madam Speaker, I will now show how the masses pay under the UDP Government Administration; for the success of a select few. The Leader of Government Business went on in his Policy Statement to explain how his government has completed the deregulation of the telecommunication industry and the result will be indirect and direct savings to the people of this country.

Madam Speaker, as you will recall the Minister responsible for Communications refused to answer a question submitted by me requesting an update on the deregulation process on Wednesday, 11 June 2003. The Minister then under privilege made the statement on the same subject on Friday, 13 June 2003. In that statement he outlined the heads of agreement reached between Government and Cable and Wireless. Now that I have had the opportunity to review these heads of agreement it is painfully obvious that the UDP have again succeeded in negotiating millstones around the ordinary man's neck.

Madam Speaker, in the Minister's 8-page progress report he outlined the six main points of agreements reached between Government and Cable and Wireless. I now beg your indulgence that we look at these agreements objectively and try to find out where the real savings are and where the real increases in rates are.

[Inaudible interjections]

The Speaker: Order.

Mr. V. Arden McLean: Madam Speaker, I am referring to statement made in this Honourable House by the Honourable Linford A. Pierson, OBE, JP, Minister of Planning . . .

The Speaker: Member for East End, please refer to him just as the Minister as he made it in his ministerial capacity.

[Laughter]

Mr. V. Arden McLean: Thank you, Madam Speaker. I was just reading from the statement; but I will.

From that statement after laying out first the reasons and the likes, he . . . and I will show that the Minister was being very unfair to me when he replied that he had already given me an update on this subject. He admitted in his statement and I read, "I last formerly updated this Honourable House on the progress on telecommunication liberalisation as part of my response to a parliamentary question asked in June 2002 by the Elected Member for East End . . ." Then he went on to read the statement. So, Madam Speaker, it was one year to the month that I asked the previous question.

Madam Speaker, I now turn to those six heads of agreements and the Minister statement says, "On the signing the main agreement, on the 10 June 2003:

a) Applications for all types of telecommunications licence may be issued including the resale of Cable and Wireless International services.
b) Competition for the provision of domestic telecommunications may commence.
c) New entrance licence to provide other services, such as mobile may begin to construct their networks.

Madam Speaker, I am not an accountant, therefore if I am wrong the Minister is here and I am sure he can correct me. However, I am going to apply it the way I know, then the Minister can correct it, if I am wrong. The next head is on the 1 November 2003, four months after the main agreement is signed,

a) Alternative internet services providers may begin operation.
b) Cable and Wireless will standardised their local and inter-island call charges to fix lines at 9 cents for the first minute and 2 cents per minute thereafter.

Madam Speaker, let us just stop at that one and look at it for a minute. Currently, the charges for local calls within Grand Cayman is 9 cents for the first three minutes and 3 cents for every three minutes thereafter. What that says to me is that for the first three minutes you pay 3 cents per minute, after that you pay 1 cent per minute. If I am wrong someone needs to tell me so.

Government has negotiated with Cable and Wireless. I contend and I submit – at 200 per cent increase on the first three minutes and 100 per cent on every minute thereafter. Madam Speaker, maybe I need to repeat that: 200 per cent increase on the first three minutes and 100 per cent on every minute thereafter.

From Grand Cayman to Cayman Brac that is much more expensive as it is now. It works out approximately 27 cents per minute from Grand Cayman, to Cayman Brac and Little Cayman, vice versa.

I will read b) again; "Cable and Wireless will standardized their local and inter-island calls charges to fix lines at 9 cents for the first minute and 2 cents per minute thereafter". If that is the case between Grand Cayman and Cayman Brac then we have gotten some relief, so to speak. However, my concern is that theoretically, we have increased residential cost for telephone in this country by 100 per cent. Let us use—

Point of Order

Mr. Cline A. Glidden, Jr.: Madam Speaker,

The Speaker: The Fourth Elected Member for West Bay, what is your point of order?

Mr. Cline A. Glidden, Jr.: Madam Speaker, the Member is misleading the House. For him to say that we have increased residential calls he would have to say what portion of residential calls they make on an international basis. If he is saying that in increase residential calls, residential calls would make up all calls that I make from my residence. He is misleading the House in saying that there a significant increase when there is no way of him knowing, depending on my make up of my international calls and my local calls. He cannot say what the increase to my residential calls would be.

The Speaker: Elected Member from West Bay, are you endeavouring to make a distinction between the terminology of residential and local?

Mr. Cline A. Glidden, Jr.: Yes, Madam Speaker. What I am saying is that when he says that residential cost on the Island has increased . . . he cannot make that call unless he knows what the mix of local calls . . . when I say local calls he also has to know what the local calls that I was making to the Sister Islands before he can say what the increase would be.

The Speaker: The Elected Member for East End, I understand the Fourth Elected Member for the district of West Bay point of order. Technically speaking the Chair would find you misleading the House if it is your intention for residential to incorporate local and international. Could you indicate what you intended to imply by the utilization of the terminology 'residential'.

Mr. V. Arden McLean: Madam Speaker, there may have been a slip of the tongue. It is not residential bill; it is the residential rates per minute.

The Speaker: The Elected Member for East End, that is for Grand Cayman only or for the country? I think it was two points the Member for West Bay said were misleading. Could you clarify please?

Mr. V. Arden McLean: Madam Speaker, I explained that when I said that between Grand Cayman and Cayman Brac and Little Cayman the rates are currently approximately 27 cents per minute. If this extends to that it means that it is a reduction in the rates. I am talking about the rates per minute. Earlier I said the residential cost of phone but not the bill. I am talking about rates. My contention is that the rates have gone up by 200 per cent in the first three minutes and 100 per cent in every minute thereafter in Grand Cayman.

The Speaker: That is for the local rates, and that is your assertion, yes?

Mr. V. Arden McLean: Yes, Madam Speaker. I further went on to say if that is extended to the rates and be the rates between Grand Cayman and Cayman Brac then the rates will be much better because that rate was a separate rate altogether. It has always been a separate rate.

The Speaker: Thank you. The Chair would wish to rule and then I will acknowledge the Member for West Bay. The Chair has accepted that the Member for East End did not by intent wish to mislead the House but it was more of a Freudian slip. I would ask the Member for East End in the future to be specific, now that there is a distinction made referred to Grand Cayman when it is so applicable and to refer to local rates as opposed to residential rates. Thank you.

The Fourth Elected Member for the district of West Bay.

Mr. Cline A. Glidden, Jr.: Madam Speaker, while I respect your ruling that the Member did not intentionally mislead the House, I would like to bring to your attention that I also have in front of me the statement that he made that; if it is meant to include the other; I have a difficulty with him not being able to understand. It says, "Cable and Wireless will standardised their local and inter-Island rates". So for him to say 'if it applies' it is misleading because I have a copy of the document and it clearly states 'and inter-Island call charges'. He was really intent on not misleading the House he would not have had reason to say 'if'.

The Speaker: Thank you, Member for West Bay. I think the Chair has made it clear that the facts are as being represented that the Member has to refer to the local rates if it is intention not to mislead the House.

Please proceed Elected Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. I am going to say this, it is my considered position, and I submit that the residential cost in this country to use a phone is going to increase. If the rates have increased then I see no reason why the cost is not going to increase if you use the phone. I—

The Speaker: The Fourth Elected Member for West Bay.

Point of Order

Mr. Cline A. Glidden, Jr.: Madam Speaker, another point of order.

The Speaker: Please state it.

Mr. Cline A. Glidden, Jr.: Again, the Member is trying to mislead because he is still saying 'if the rates have increased'. He just clearly said that the rates have increased in some instances but have decreased in other instances. Now he is saying that if the rates have increased the residential cost will increase. That would happen only if there had been an increase. Since he has acknowledged that there has been an increase and a decrease he cannot make the assumption that rates will increase. Unless he knows specifically that everyone makes more than one type of call than the other.

The Speaker: Thank you. Elected Member for East End, in my opinion the statement you just made would fall in the category of speculation which would be tantamount to a rebuttal position. I believe that the Fourth Elected Member for West Bay has rebutted that presumption and I would ask you to refrain from making a conclusive statement, unless you have evidence to back it up or you are willing to say it is an opinion, purely.

Mr. V. Arden McLean: Thank you, Madam Speaker. I will—

The Speaker: My Clerk is informing me that *Radio Cayman* needs to change tapes so could we have your indulge for a few moments. I would be grateful.

[Pause]

The Speaker: Order. We can reconvene. The tape has now been restarted.

The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. Continuing on this same subject I understand how the Government in their point of order is saying that if a person is in Grand Cayman—I cannot assume how the rates will increase because I cannot assume that the residential cost per month has increased —the person could have been making calls to Cayman Brac where the cost has now been reduced. My contention is that anyone who does not call Cayman Brac will certainly see an increase in their residential. The same way we can make assumptions that peo-

ple will call to Cayman Brac, which will balance it out, I can make that same assumption that people do not call Cayman Brac and it will not be balanced out. I contend in those instances we have 200 per cent increase on the first three minutes and 100 per cent increase thereafter.

Madam Speaker, the third bullet head says—

The Speaker: Honourable Elected Member, you have 1 hour remaining according to the Clerk's calculation.

Mr. V. Arden McLean: Madam Speaker, "On the 1 December Cable and Wireless business line rental will increase to $30 per month. At the same time all international call charges will be reduced on average by at least 40 per cent for residential and business subscribers". That is very nice, that is the intent of deregulation. It must be reduced. Madam Speaker, but again in the event someone does not . . . how many calls does the regular person make overseas? My contention is that the effect is going to be negligible – whatever it is (40 per cent) on a few calls overseas for residential people. The greater effect is going to be the increase on the rates in the residential sector.

Madam Speaker, on the 1 January 2004 (in six months) Cable and Wireless residential line rates will increase from $6.25 to $9 per month. As far as my little arithmetic can work that is 44 per cent increase on line rental. At the same time Cable and Wireless is going to introduce a light-user scheme with a line rental charge of $8 per month and a rebate of up to $3 per month on the cost to local fix telephone. Three dollars in rebate, Madam Speaker, let us look at that rebate. A light-user scheme (because I do not have the details of this) which the Minister said he was not going to provide at this time. What it says to me is—and they have a right to stop me—that anyone who wants to go on that light-user scheme can apply to do so. It is for only $8 but that is an increase of $1.75 on the line rental. When we say there is a $3 rebate it is not really a $3 rebate; it is really only $1.75 rebate.

Madam Speaker, when we look at April 2004, 9 months after the main agreement was signed – The monthly line rental will increase from $9 to $12. That says to me that there is a 92 per cent overall increase – just to have a phone in your house. The difference between $5.75 and $12 is certainly an increase of 92 per cent. I . . .

The Speaker: Do you have a point of order, Fourth Elected Member for West Bay?

Point of Order

Mr. Cline A. Glidden, Jr.: Yes, Madam Speaker. I hate to do this, but the Member is misleading the House again and maybe it is just a mathematical mistake, but $5.95 to $12 would have to be a bit more than 95 per cent.

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: Madam Speaker, I recognise the mistake, as I made it.

The Speaker: Is this an appropriate time to take the afternoon break?

Mr. V. Arden McLean: Yes, Madam Speaker, it is an appropriate time.

The Speaker: 10 minutes.

Proceedings suspended at 5.40 pm

Proceedings resumed at 6.10 pm

The Speaker: Please be seated. Proceedings are resumed.

Continuing the Budget Address, the Elected Member for East End with a remaining time of 55 minutes.

Mr. V. Arden McLean: Thank you, Madam Speaker. When we took the break I had made a mistake in my explanation on the 92 per cent increase on residential monthly line rentals on Cable and Wireless. I should have said that it has increased. It will increase by April 2004 by $5.75 which is 92 per cent of what it is currently. It is being increased from 1 January which is $6.25. Just to make sure that everyone understands that I understand, and it was just a slip, for the benefit of the Fourth Elected Member for West Bay.

One of the things the Minister said in his progress report was that this would certainly make business easier to do in the country. I totally agree with him because the overseas calls will be reduced by 40 per cent. However, the object of deregulation is hopefully to reduce and everyone saves. Certainly the residents who make overseas calls will benefit as a result of that. I am sure they are looking forward to that. My contention was always the rebalancing locally in the residential sector and the Minister has said that if the charges were not more closely aligned with cost they would act as a significant barrier to the introduction of competition in the domestic telecommunication service.

Well, Madam Speaker, I find it kind of ironic Cable and Wireless has been here all the time with it and now we are going to allow other people to come in and not be required to provide local services at cost that Cable and Wireless has been doing all this time. Someone has been paying for it. Cable and Wireless has been paying for the cost of operating the local by other places they have been taking the money from. I see that the objective of Government was to try and rebalance it so that that would pay for itself. However, there are other things in the ICT Law, which will assist with that, for example, the universal fund, et cetera. When we did the ICT Law I spoke of

not allowing one company tap into the services that was most lucrative, that they all had to share by providing services to this country. But of course we will wait and see how it works out with Government.

Madam Speaker, I listened to the Minister of Education and how he talked of record and his plans. However, ever since I have been a Member of this Honourable House I have asked for improvements to the East End school as well. Again, I see nothing of significance in the Budget. There are a number of improvements that are needed at the East End school and I have not seen anything of significance to do what is necessary at the East End school. Certainly when Finance Committee comes around we will address that one.

Madam Speaker, I noted that the Honourable Third Official Member spoke of policing and $800,000 for additional community policing, and an additional $100,000 for criminal investigation work. While the police and the country have to be grateful for $800,000, from the word 'go' when I entered this Honourable House I supported the police force. The Government needs to go further; we need to provide the tools for the police force. I have called for planes, boats and helicopters (maybe a helicopter and a fixed wing plane) go give to the police force). The Government has always complained that these things were going to cost too much.

Recurrent expenditure! Well, we are seeing what has, in my opinion, translated into what is now increasing crime. We are putting more police on the road but maybe they are not giving them the tools to do the job. We need to ensure that the police get the tools. Maybe the Leader of Government Business will provide more tools for the—

Hon. W. McKeeva Bush: Madam Speaker?

The Speaker: Yes, Honourable Leader, please state your point of order.

Hon. W. McKeeva Bush: The point of order is that the Member is misleading the House. He said we have not provided any tools. No! The Member is saying that and he says that I should provide it and the fact is that provisions have been made in the Budget. What he should now say is what he desires the Government to do.

The Speaker: The Elected Member for East End, would you repeat what you said for clarity?

Mr. V. Arden McLean: Madam Speaker, I said the Government needs to provide more tools!

The Speaker: Are you saying that the Government has provided tools but you would wish to see more tools being provided? Is that your contention?

Mr. V. Arden McLean: Madam Speaker, I went on to say I called for a helicopter and a fixed wing plane, more tools. Police certainly do not have a helicopter nor a fixed wing plane. I said in the absence of these necessary tools it is my contention that we now see what it results in – more crime.

The Speaker: Thank you. In light of what you said the Chair does not find that you are misleading the House, in that, you are not saying that the Government has not provided tools. In fact, you have said that the Government has provided tools but you are extending the additional tools that you would like to see. Please proceed.

Mr. V. Arden McLean: Thank you, Madam Speaker, for making the Leader of Government Business understand what I said because he . . .

The Speaker: The Elected Member for East End, Member for East End.

An honourable Member: The day that she can do that, give her a medal.

Mr. V. Arden McLean: Thank you, Madam Speaker. Because of time constraints I am going to go on.

An honourable Member: He must be tired.

[Laughter]

Mr. V. Arden McLean: Madam Speaker, the Minister for Health spoke of insurance quite extensively in his debate and how insurance companies seem to be anticipating every time he speaks in this Honourable House to new measures or whatever the case may be. I know the troubles the Minister for Health is going through with these insurance companies. I recently brought to his attention that I heard the insurance companies were sending out letters informing clients they were reducing their policies to the basic policy.

The Select Committee, of which the Honourable Member is chairman, has been working for quite some time whenever we get a quorum (I have always been there). We need to review, revamp that whole Law and ensure insurance companies play their part in this country. We hear too many complaints of our people being taken advantage of. Then it came to my attention that the other side of the insurance companies (motor insurance) are now refusing to insure anyone under 21 years of age. For instance, it appears that some are still insuring at 17 of 18 years of age but their parents would have had to be clients prior to them coming of age.

Madam Speaker, the Government needs to look into this. By law we give our young people the privilege right now to drive at 17 years of age. I am not arguing whether that is too young or not; one year following that we say that those young people have reached the age of majority – 18. Then we as politi-

cians go out and ask them to make a responsible decision and action and come to vote for us. The insurance companies may say that these young people's premium will be higher than yours or mine but it unfair to refuse them insurance! That is not fair. The Government needs to look into this seriously. These are the types of things that cause disillusionment with the young population in this country.

[Inaudible comments]

Mr. V. Arden McLean: Madam Speaker, I did not say this is the thing; I said these are the types of things that are causing it when you do not give them their equal rights. I wonder what is going to happen when the Bill of Rights comes in play.

Madam Speaker, I find Government lacking in these regards. I find that they do not pay attention to these very serious matters. They are more concerned with FMI, PFI and we could very well be selling our country to one or two or a few individuals.

An honourable Member: It is time for you to go back to East End!

Mr. V. Arden McLean: Madam Speaker, I note that the Leader of Government Business tried to get political coverage again by speaking at length about the new Roads Authority and outlined the district road programmes, traffic improvements and the likes. I take note that of the $1.3 million only $150,000 has been allocated to road works in East End. The Minister responsible for Roads knows that the road from mid East End into Colliers is heavily used, even by himself. He knows that the reason the repairs were postponed is because the Water Authority was putting in the main lines to Tortuga Club for the Minister responsible for the Water Authority. It appears that $150,000 in my opinion may not be enough to properly rehabilitate that complete road.

Madam Speaker, the Minister for Social Services once said that the responsibility for the distribution of government's resource falls with the Ministers. How they are going to distribute it is entirely up to them but they must understand the needs and they must see where it is most needed. We have the biggest time share establishment in this country being accessed by that road and it is in a serious state of disrepair. It needs repair and it needs it badly. I know the Minister has indicated that he will make his rounds this time in July and maybe he will come, maybe he will not but like always, if I am invited to join him to show him the needs I will. I again call on the Minister to ensure that that road is repaired in its entirety this year.

Madam Speaker, I have not seen anything in the Budget concerning the dock in East End. So, I take that to mean that the Government has now decided that this is not a good idea like the people of East End have indicated and they have withdrawn that. I am sure the Honourable Leader of Government Business has ensured that it was not placed in the Budget. So, I guess that has now fallen by the wayside, or the Minister is so busy with his dock in West Bay and the one in George Town that he has forgotten that he was planning to put one in East End. Well, we have not forgotten and we know on record there are a number of signatures with the Governor's office right now.

I notice no provisions have been made in here so I suspect they have now dropped that, which is good. They have dropped the idea because they knew it was impossible—

The Speaker: The Honourable Leader of Government.

Point of Order

Hon. W. McKeeva Bush: Madam Speaker, on a point of order. The Member is misleading the House when he says we have dropped the idea of the dock in East End.

Mr. V. Arden McLean: I never said that, I said they may have now dropped . . .

The Speaker: Order.

Hon. W. McKeeva Bush: Well, Madam Speaker, if the Member is going to say one thing one minute and say another thing another minute then I cannot raise the point of order.

The Speaker: Does that mean you do not wish to elucidate Honourable Leader?

[Inaudible response]

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. Maybe the Minister was not listening while I was saying it but what I said was that I did not see any provisions in the Budget. Therefore, it appears to me like the Government may have not dropped the idea, which is good. I respect that. If he wants we can stop and get the *Hansard* and then go until midnight.

Madam Speaker, I am not going to go on much more but I must say that I know the Second Elected Member for West Bay said that we will all get up and talk about how we did not have sufficient time to review the Budget and what have you. I do not want to disappoint the Second Elected Member for West Bay—because I really respect that his debate was much better than it used to be—I must say that it is quite surprising and it is unfair that the Government decided not to give the Opposition more time to review the Budget. I respect the time constraints but that is not my fault and the people of this country should not be punished as a result of the Govern-

ment's inefficiency or inability to get the Budget ready in time.

Madam Speaker, the Government must respect that we are here on equal grounds with equal responsibility to represent our people the best we can. It is only fair. Everyone on the Government Bench would have had access by someway or the other to the Budget process. There is nothing wrong with that that is the way it should be, Madam Speaker. However, when the Opposition has to rush to try and do a response within less than 48 hours that is not fair. Forget about us, if we had to stay up all night and use match sticks in our eyes to keep them open . . . we are secondary and the people of this country is first.

The Government, in particular the Honourable Leader of Government Business, must respect that we too are here to represent people. It is not only the people in East End that I represent; it is this whole country. If I cannot have the time which should be afforded me, then I will not go any where near doing the job that I am asked to do. However, that is legacy of this UDP Government. They have crossed and destroyed everything that was pure and conventions and the likes. They do as they please. I do not know how long that will go on but certainly time is not as long as it has been. I can assure them of that and all of us will have to face the public and give account for our stewardship. I hear many of them talk about they are going from one constituency to the other. I do not think any of us will have any time to leave any constituency, not in this next election. However, we will be around too. The People's Progressive Movement will be available for the people to make a choice.

The Speaker: Honourable Member, you have 27 minutes remaining.

[Inaudible interjections and laughter]

Mr. V. Arden McLean: Madam Speaker, my last point which I would like to deal with, although I had not planned on it but since I have twenty-seven minutes left I can get through that so that the Minister of Communications can get up out of his seat.

Madam Speaker, finally I would like to deal with Cable and Wireless. We talked about that earlier. Maybe for a second we need to look at CUC too and as to who is responsible for that. Not for a second am I defending CUC. When I worked for them I was loyal to them. I now work for the people of this country and I am loyal to them. That is how it works. However, much has been said about that too and how much it cost for electricity. There is no denying that, everyone in this country knows; but let us think about it, and no offence to CUC.

CUC's contract was executed in January 1986, the supplementary licence which reduced taxes on the engine they were bringing in then was done in October 1989 and an application of 10 per cent of duties on anything thereafter was applied. Duties on fuel, up to 1990, were 13 cents per gallon. In July 1990 the then Government increased it to 25 cents – 12 cents added. Then in October 1991 there was another increase, just over a year, by 25 cents making it 50 cents to where it is today. Now, if the Government is interested in assisting the poor people of this country, yes, renegotiate CUC's contract too but more importantly is the fuel cost on CUC's bill range around 20 per cent of the cost. Let us reduce of that, eh, since the same Minister who put it there is here now. We can take the 12 cents off or we can take the 25 cents off. Look at their contract.

There has been a lot said about how it should be; there should not be a ceiling on profits. I heard that it should be reduced. Maybe all of those can work if we can get to negotiate it properly. CUC just made a statement saying that since July last year they have made a proposal. I have not seen that proposal; it is not for my eyes, Madam Speaker, but I will soon ask a question in this Legislative Assembly on it. Then it will be for my eyes. Or maybe I will be refused again like I was recently but that is fine. That will not stop me from doing what I have to do. We are talking about whether or not we keep on the cap and whether or not it is too high. I am here to tell this country that I believe that it is too high but I believe the cap has to stay on. Enough said, Madam Speaker. A cap needs to stay in place and I will stand and support nothing else than a cap on profits being in place.

Madam Speaker, I warn this Honourable House. I give the Minister my support but I ask of him—he may not need that, that is true—to negotiate around a cap. We currently have 15 per cent ceiling on depreciable assets, —a cap on the return on the capital investment. I implore the Minister to make sure some kind of arrangement along that line stays in place. As much as he says I do not give him suggestions, that is one right here and it is a good one.

Madam Speaker, I shall sit and I note that the Minister for Social Services is here but I think my other colleague will deal with him appropriately when the time comes. The other thing I ask the Government is, in their response, not because I did not touch on it, they should at least respond to the Leader of the Opposition and his debate. They may not reply but the fact is that he says they were facts and the Government can refute it they need to do that because he has said they have laid the facts out on the Budget. Now, the Government needs to refute anything that the People's Progressive Movement has put forward.

I thank you, Madam Speaker.

The Speaker: Thank you. Does any other Member wish to speak?

The Fourth Elected Member for the district of West Bay.

Mr. Cline A. Glidden, Jr.: Thank you, Madam Speaker. It is getting late and I will try to make my comments as brief as possible. After having such a good Budget presented on behalf of the Government that I am proud to be a part of (the United Democratic Party Government) I sure that I would not find it necessary to get up. I expected that we would have had good, constructive debate from the Opposition and if they were genuine they would have recognised, even with their limited abilities, a good budget. However, Madam Speaker . . .

The Speaker: The Second Elected Member for George Town, please state your point of order.

Point of Order

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, on a point of order. The Honourable Fourth Elected Member for West Bay is suggesting that the Opposition is not genuine. I am not sure what he means by that but if he is imputing any improper motive or characteristic to us . . . he is imputing that we are not genuine from which I understand he is imputing that we are dishonest.

An honourable Member: No, no, no.

The Speaker: Order!

Mr. Alden M. McLaughlin, Jr.: I ask you Madam Speaker, to rule on the point of order and ask him to withdraw that remark.

The Speaker: Thank you. The Fourth Elected Member for West Bay, were you stating that to be a matter of fact or was it was respected and considered opinion?

Mr. Cline A. Glidden, Jr.: My respected and considered opinion, Madam Speaker.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: The Member is misrepresenting what he said. He said, '*if we were genuine.'*

An honourable Membert: In my opinion

Mr. Alden M. McLaughlin, Jr.: If we were genuine, he did not say that in his opinion we were not genuine. That is a statement of fact.

The Speaker: Thank you. The Chair rules that the Fourth Elected Member for West Bay is not in a position to state as a matter of fact that anyone in the House is not genuine. The Chair will permit an opinion. That is my ruling.

Mr. Cline A. Glidden, Jr.: Thank you, Madam Speaker. I want to clarify that no ma'am, I do not know that as a matter of fact and it is strictly my humble opinion.

Madam Speaker, looking at such a good Budget prepared under very difficult circumstances it was very disappointing to see all the uproar that was referred to as a *storm in a tea cup* that was made over the limited time that was given for the Members to debate. Even today some 75 hours the Member that just got up also made mention of the fact that he had limited time to prepare. I could understand the first Member that got up to debate saying he had limited time but even today, 75 hours later, we are still talking about limited time. I guess next week if some of the Members continue . . .

Mr. V. Arden McLean: On a point of order, Madam Speaker

The Speaker: Please state your point of order.

Mr. V. Arden McLean: Madam Speaker, I did not say that I had limited time. I said the Government gave us limited time to respond.

Mr. Cline A. Glidden, Jr.: So, what were you doing? Were you not responding?

Mr. V. Arden McLean: Madam Speaker, the response first came from the Honourable Leader of the Opposition.

Mr. Cline A. Glidden, Jr.: I referred to your response.

The Speaker: From what you said, Elected Member for East End, it is my understanding that you were speaking from your personal perspective that there was limited time. Was that what you said?

Mr. V. Arden McLean: No, Madam Speaker, I did not say that. I said__

An honourable Member: But you had time.

Mr. V. Arden McLean: The Government should ensure that the Opposition gets more time to respond. There was limited time given to the Opposition and to the country before debate was started in here. There was much more limited . . .

The Speaker: Let me just make sure I understand what you are saying. When you referred to the Members of the Opposition in that particular statement, is it your intent to include yourself in that statement?

Mr. V. Arden McLean: Madam Speaker, how I see this is that the Leader of Government Business do their policy statement, the Honourable Third Official

Member does the Budget Address and as soon as that is over the Opposition responds at the next Meeting. That is the time that I am talking about. That is the limited time that we were given. Those of us who are further down the line then that is a different matter but whomever gets up from the Opposition respond to the Leader of Government Business's policy statement and the Budget Address – there was limited time compared with what has been the norm over the many years.

The Speaker: Can you please respond to my question? Are you saying that you have included yourself and not having sufficient time or is that a broad statement to the Opposition excluding yourself? I am not quite clear, Member for East End.

Mr. V. Arden McLean: It was to all of us, Madam Speaker. We had to work together for two nights straight to be able to respond to the Budget Thursday morning. That was Tuesday from 12 o'clock or thereabouts, to Thursday.

[Inaudible interjections]

The Speaker: In listening to both sides it is my understanding that the Member is saying that the Opposition proper had limited time, however, I cannot take it that that is the situation for subsequent Members as more hours have elapsed. I sought to get a clarification as to whether he was saying that he himself today did not have enough time and I think it is clarified that he has not concurred that that is the position.

The Speaker: The Honourable Leader.

Hon. W. McKeeva Bush: Madam Speaker, this is very important. Is the Member saying that he did not have sufficient time to do his debate that he just did?

The Speaker: Honourable Leader, from what I understood he said, the Leader of the Opposition speaking generically to the Opposition Members. On the day that he spoke did not have sufficient time but he as the individual Member for East End obviously had sufficient time. If that is not correct then he can clear it up at this time, otherwise, please let us move on.

Hon. W. McKeeva Bush: Can he clear it up, No.

Mr. Cline A. Glidden, Jr.: Thank you, Madam Speaker. Since we have clarified that I would assume that all Members of the People's Progressive Movement should be competent representatives of the people. If the Member is now admitting that he has had enough time the whole issue of the Opposition not having enough time for response should go by the wayside because they have now admitted that they did have sufficient time. Maybe not for their first speaker and maybe that is why his presentation was so lacking. We would give him excuse for that but their other four Members as equal representatives of the people admitted that they have enough time. So, we should not hear any more discussion concerning the limited time that they had. Hopefully, whatever mistakes or lack of time he had they were able to compensate for now with their adequate time to prepare.

Madam Speaker, I am not sure exactly how we got to the position. The Member just mentioned that they laboured together for the period of time. We all laboured in here as well listening to the response and I had a good idea of how confusing the response of the PPM was going to be when in his third sentence (19 June 2003 Unedited version of the *Hansard*) . . .

The Speaker: When you refer to his are you talking about the Member for East End or the Leader of Opposition?

Mr. Cline A. Glidden, Jr.: The Leader of Opposition during his response. I am sorry.

The Speaker: Thank you for the clarification.

Mr. Cline A. Glidden, Jr.: Its says, **"As we laboured deep into the night over the last 36 hours to prepare for this debate. . . "**. That was really a concern for me because we were debating a budget and the Budget is obviously the financial document, which leads the country for the year. When we have a Leader of Opposition who jumps to his feet to give a response on behalf of the PPM . . . he refers to the last 36 hours. That would have been 10 o'clock on Thursday.

I am not a qualified accountant either but if the Budget was delivered at 1 o'clock, we adjourned at 1 o'clock on Tuesday, 1 o'clock on Wednesday would have been 24 hours and 1 o'clock on Thursday would have been a total of 48 hours and were in here at 10 o'clock. That, to me, would give a calculation of some 45 hours. He is talking about only having 36 hours. That is 25 per cent error, Madam Speaker. Only 36 hours we are talking about and they have 9 wrong out of that. I realised very quickly that we were in for a long and laborious time.

[Laughter]

Mr. Cline A. Glidden, Jr.: It was going to be a long day with many errors, even though they had more time we heard a little while ago the Member for East End with the errors that he was giving in his percentages as well. So, I really do not think it had anything to do with timing, Madam Speaker. They may have been using the same wrong calculator but really nothing to do with timing.

While we are all listening and we are tired, I guess we can find it humorous, but it is bothersome to know they are offering themselves up as the alter-

nate government, the government in waiting. We have such disappointing debate from those Members. I guess I cannot be too critical of the Members that followed because they were only following the level at which their leader left.

In quoting from his debate he said, **"It is amazing how the Leader of Government Business had made a deliberate effort to apparently to copy and adopt all the negative aspects of governance in other countries. He has adopted this system of providing a one-day break between presentation of and debate on the budget from at least two Caribbean nations namely, Barbados, St Kitts and Nevis. What he has not said, however, is the low debts to which the standard and quality of debate in those parliaments have deteriorated as a result of that practice".** Madam Speaker, why I find that statement so hypocritical again is that in one statement the Member is saying how low the quality of debate in those parliaments are. If he is using the example to say the Government does not give enough time it would mean that the Government is not giving enough time to the Opposition so it means that the Opposition debate is of low quality. Why that is so amazing is because the People's Progressive Movement has used the Leader of Opposition of Barbados as their main advisor. So, if the Member is saying here that the quality of debate is so low in those countries why would any responsible government or leaders want to use that country as advisors to the Government in waiting for the Cayman Islands?

Madam Speaker, now I understand because in his statement he has told me that the opposition debates in those countries have fallen to a low level. We all know who their advisor is and now we know why their level of debate has dropped as low as well. That is scary again, while they offer themselves up for the alternate government, the government in waiting. They are getting advice from a country which they have acknowledged has a low level of debate.

Madam Speaker, I could go on with the many, many errors that were made during the debate of the Leader of Opposition. He talked about not being here for one-upmanship. He also said in his statement on page 2 that, **"When you deny the Members a chance** to get information from local and overseas . . .". Madam Speaker, it is evident to me that is their big problem, not that they did not have enough time to prepare for the reply. What happened, as in the past, the needed enough time to get to their overseas consultants and because that did not happen the statement was derogatory remarks of those consultants in Barbados. I can understand why they are upset with the limited time because if he had more time to look over their speech I am sure he would not have allowed them to get up here and make those kinds of statements about the Parliament of Barbados.

The Speaker: Is that your opinion Honourable Member?

Mr. Cline A. Glidden, Jr.: Strictly my opinion, Madam Speaker.

In yesterday's newspaper there was reference made to a headline. They feel their real job is to tear down the Government. They were quick to jump up and talk about the headlines in the paper—

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, I wish to bring it to your attention that there is not a quorum in the House.

The Speaker: Thank you.

[Pause]

Mr. Cline A. Glidden, Jr.: Thank you very much, Madam Speaker. It was so interesting that the Second Elected Member for George Town would bring that point that the House did not have a quorum when there is no Member besides himself on the Opposition who has decided to stay and listen to the Government's debate on the Budget. It is really disrespectful that the Members would have expected the House to sit here to listen to—what was difficult at times—debate from their side but not willing to offer the same respect to the other side. However, I know, Madam Speaker, that you really have no control over that. That shows the people of the Cayman Islands how interested those Members are in doing their business when they get up and talk about how much interest they have in the people.

Madam Speaker, when the Leader of Opposition got up and was so quick to jump on the housing issue that the newspapers decided to run and are trying to make into a negative issue; they made reference to the headlines and concerns of the public. A little later on the Leader of Opposition talked about the low morale and the problems in the Health Service Authority with regards to staff leaving. It was disappointing to me that the same article of that newspaper reference was made to a procedure being performed at the Hospital – the installation of a pacemaker at the Cayman Islands Hospital, a procedure that has never before been done in the Cayman Islands. That is the same low morale on the budgeted hospital that the Member referred to.

Madam Speaker, I think that the indications are—even though everyone might not be happy, and we know that change never comes easy—that the changes in the Health Service Authority, when we look at it from a financial position as well as the new services that are being provided, I think that we do have a long way to go but we have come a long way as well. Again, in my opinion, if those Members were genuine in giving the right impression to the country they would have acknowledged the positive measures and improvements that have been made in the Health Services Authority and not only try to find areas to criticise.

One of the reasons for finding the need to make a contribution to this debate even though the time is late, is that the Member for East End who debated just before me went to great details to try to show that the Government . . . and he made a good point in saying that not only this Government but also prior governments (of which he was a part of in 2000-2001), had done nothing to try to encourage or stimulate small businesses and to allow Caymanians the opportunity to enter into businesses. He made a specific issue of the Caymanians who go overseas to become professionals in their respective categories. Many of them are deciding not to only go for one degree but to go for a second degree, and in many cases, a master's degree.

Madam Speaker, in credit to that Member he did give acknowledgement to the Government for spending significant sums in this Budget to attract foreign investment. However, he was concerned about the $350,000 for small business and he thought that was not enough. What that Honourable Member seems not to understand is that United Democratic Party Government has made provisions in all their budgets for the small businesses. To prove that point I go back to 2001-2002 Budget, the first budget of the United Democratic Party increased and placed fees in many of the professional categories. When I look at the Trade and Business schedule we see a very specific exemption that was made for accounting firms, law firms, other professional categories where any of the companies with 1 to 5 professional members pay no trade and business licence.

Now, Madam Speaker, that in itself is a very big incentive for a government that is finding themselves financially challenged However, they have taken the time to make provisions in their budget to encourage those young professionals who come back to be entrepreneurs and to start their own businesses. Not only have they been given assistance in the form of Development Banks and the Investment Authority but they have also been given exemption in fees where it was possible to encourage business. While the Member has brought up a very good point as a young businessman in Cayman I know the difficulties with the cost of doing business. The Government is cognizant of that fact and it has represented that in its policies to show this Government does give some to small businesses.

Madam Speaker, when the Member said that those who want to start their own businesses have no chance, I would say to all of those out there that they can be thankful that the United Democratic Party Government has seen it possible, even in these difficult times, to make exemptions for those people. I can remember when the policy was being prepared and when we had objections from the Members of this Honourable House some of whom are in those same professions. There was great exception to the fact of the whole staggering of the increase in fees. The reason for that is that the fees start to stagger after it went from 5 professionals because at that point in time it is hard to still see that as being a small business. However, even so we do not expect those small businesses to start off and be as large as the large businesses. We have created a graduating scale that I am sure you remember, Madam Speaker, took much criticism from the Opposition. Now we come back and hear them saying that more should be done to assist small businesses. However, a short time ago the graduating scale was not the correct way, it should be one fee across the board, large and small, give no exemption. It is funny how time passes and those positions change. It is obvious to see that while the PPM is full of flowery talk when it comes to the substance they are lacking, in my opinion.

Madam Speaker, I fully recognise that some of the difficulties . . . and I know that the other speakers will clarify. Maybe it was that calculator again that caused the difficulty with understanding where the $22 million came from the bond issue – they referred to that as being a loan. I will leave other colleagues to clarify that position. I take note of the *Hansard* when the Leader of Opposition said, "**Mr. Speaker, the indebtedness of these and all other government authorities and companies certainly have not taken into account by the government in the preparation of this year's budget so the debt service ratio of 5.3 per cent of which the Honourable Third Official Member has boasted about really does not reflect the true picture when you take those into consideration. I submit that this picture would not have been so pretty had the indebtedness of these companies been taken into account. "**

Madam Speaker, the point that needs to be made in this is that what the Member was saying is that the 5.3 per cent of debt service ratio would have to be wrong if we used the indebtedness. He used before that a few examples; the Civil Aviation Authority, Cayman Airways, Health Services Authority, Cayman Turtle Farm. He says, "**Mr. Speaker, so that it is absolutely clear I am not suggesting that any one of these entities are bordering on insolvency or anything like that".**

Madam Speaker, if we had to take into account the indebtedness we will also have to take into account the revenue that those companies generate.

[Applause]

An honourable Member: And their assets.

Mr. Cline A. Glidden, Jr.: . . . And their assets. Now, Madam Speaker, if the Member is saying that they are not insolvent he would be saying that their cash position is in a positive. So, if their position is a positive why would those debts as liabilities change the 5.3 per cent? If anything they should be making the 5.3 per cent less.

Madam Speaker, when we look at the strength of the Water Authority we have been getting

options, people have been trying to buy it. We talk about the strength of the Port Authority, the Civil Aviation – all of those Authorities. However, in this cloud of confusion that the Members of the PPM try to paint to the public; they would like to include the debt but they do not want to include the revenue or the assets. That again is why when we talk about these sounds bytes we see that it is either creative accounting or, like my colleague, the Second Elected Member for West Bay said; maybe the Leader of Opposition should do accounting 101. He could come over and get some advice from the Government Bench. When you look at the Budget you see that there is a lot of good resources on this side. If they were not so proud they would come over and ask for some advice and save themselves much embarrassment.

An honourable Member: True! Preach, brother, preach!

Mr. Cline A. Glidden, Jr.: Madam Speaker, it is the good to hear the Second Elected Member for George Town says he is coming. I knew it would not be long before he saw the light.

Hon. W. McKeeva Bush: And if he would come maybe we could make something out of him.

[Laughter]

Mr. Cline A. Glidden, Jr.: Madam Speaker, I want to send a little warning out to the people. We are still a distance away from the election and all indications still show that the PPM has not been successful in misleading the majority of the public. It really scares me as a resident and a member of this community and a Caymanian; to know it is possible that those Members on the other side are actually willing to offer themselves up in a leadership position when they express and show so much lack of leadership.

When the Member for East End spoke a little while ago he talked about how much . . . He basically gave a wish list, he talked about how he needed more work done on the roads in East End, he has been asking about school buildings in East End and then he went on to say that we need to give our police more tools. He made references to planes, helicopters, boats. Madam Speaker, he had a real long and expensive wish list. If in the year that his Leader of Opposition was leader he had a budget where he admittedly brought a $19 million tax package – we increased the tax package by $19 million to $20 million and we increase our public debt with borrowing of $56 million. That is $76 million in increased revenue. You know, Madam Speaker, even with all of that money coming in ($76 million increase, $56 million as loan and increased taxes to $19 million) we still did not get all of those planes, trains and things that the Member from the PPM is asking for now. If we could not get them with those kinds of tax increases and borrowings and the Member is going to get them when the PPM comes into power what is this country to expect our public debt to be at that point? It has to paid for from somewhere so we know it will be more taxes or more borrowing. It is scary to say that we have such irresponsible Members in the PPM.

Madam Speaker, hopefully the country will continue on in this same position with those Members sitting on that side criticising and asking their questions. However, when it comes down to making the real prudent financial decisions we need a government like the UDP.

An honourable Member: Here, here.

Mr. Cline A. Glidden, Jr.: That is evident, Madam Speaker, when we see a good balanced budget like the one we currently have in comparison to their budget. They were still short of all the things that they felt were necessary.

Madam Speaker, the point that I need to get to is the point that the Member for East End tried to make pertaining to telecommunications. I intentionally used the phrase 'tried to make' because as you would remember we found ourselves in a very confusing position. At the end we found that he may have been using a broken calculator for his calculations and so we have a flawed contribution. I would give him the benefit of the doubt to say that it was a flawed calculator and not his lack of ability.

Madam Speaker, I will now try to clarify the true position of the proposed heads of agreement that has been reached with Cable and Wireless. All Members, and even the general public, are aware of the long negotiations that have been ongoing with Cable and Wireless. There was a situation with a company that had a monopoly on telecommunications here who provided us with good service over the years. They had a remaining eight years on their exclusive contract and the government entered into negotiations to try to terminate an exclusive agreement to liberalise telecommunications.

The intention was not only to reduce prices but also improving the quality and the rate of time in which we get new services on the market. The agreement reached with heads of agreement states that, "On the signing of the main agreement which is expected to happen around 10 July, applications for all types of telecommunications licences may be issued including the resale of Cable and Wireless International Services. Competition for the provision of domestic telecommunications may commence. A new entrance licensed to provide other services such as mobile may begin to construct their networks".

Madam Speaker, a fundamental flaw in the understanding of this agreement with the Member for East End is that when he talks about residential rates; as soon as Cable and Wireless is given permission to increase rates at the same time competition can begin in the domestic market. So if the price

increase that he is referring to consistently is so significant and the profits will be so good in that market, the fact that the market will be liberalised will mean that we will have competition which will significantly reduce those prices. If we do not find competition in those markets . . . and it is all a matter of opinion at this point in time as to who feels that Cable and Wireless rates are high or low or who feels that they make a big margin of profit. I have never heard anyone yet complain about domestic rates except the people who live in the good Islands of Cayman Brac and Little Cayman who have to pay the high rates to call Grand Cayman or even between those two Islands.

As far as the people in Cayman are concerned the domestic rates were never an issue. The rates that people have complained about were the data rates, the international rates and the mobile rates. The reason people complained about those rates and not the domestic rates were because our rates were actually below cost. We did a comparison with the US and their estimated domestic rates are around 3 cents per minute. The increase that Cable and Wireless has been allowed under this agreement is from 1 cent to 2 cents per minute. While that is an increase within the Cayman Islands, because we are going to a flat rate, it is actually a decrease overall. Like the Member for East End said, the cost to Cayman Brac and Little Cayman was some 27 cents per minute and that has now been reduced to 2 cents per minute. I know it would be difficult for him with his faulty calculator to calculate percentage reduction so I would not ask him to do that, but obviously the reduction would be a significant one.

Madam Speaker, if he is correct in saying that the increase in rates are significant but at the same time that they have permission . . . actually prior to them getting permission. On 10 July when we signed the agreement so we can have competition coming in and offering lower rates in the domestic market. Cable and Wireless does not have permission to increase until November. So, we are giving competition the opportunity to say, 'L*isten what they are saying is wrong, their 2 cents a minute is a very profitable and lucrative business and we want to come into the market*.' Now if that happens we can be assured that Cable and Wireless in their smart business sense will not increase their business. If we do not get competition in the domestic market that will be a very clear indication that the 2 cents per minute is not an exorbitant increase, it will show that rate is close to cost and it is not a profitable business for anyone else to come and challenge Cable and Wireless.

Madam Speaker, I see the Members over there looking a bit confused. . . I hope that if there is any point they need clarification on, I will be sure to give way, as the Member for East End asked me to do, which I have found it necessary to do. That is the whole intention on this because obviously they were a bit confused about the agreement.

Madam Speaker, we have a line rental increase. I note the Member said—when he touched on the $30 per month for business—they were going to reduce international by 40 per cent. So he thought that was the way rebalancing should go. It is interesting that being in the business he was in that he would think rebalancing would only go one way. The reason for rebalancing is that for the liberalisation process to work we need to get the services being provided closer to the cost of providing those services.

So, the way of finding that out is to increase . . . he said that someone has been paying all along, Cable and Wireless has been subsidising their local rates by charging high international rates. Well, now they want to be competitive and they are going to reduce the international rates by 40 per cent on average and they are also making the reduction and just so everyone will know, to simplify the rate structure instead of having off peak times. Basically the reduction will be 40 per cent for all times. When we have calculated that it works out to be about 50 cents to just about anywhere in the world at any time of the day. When we go from the average call of being around $1.20 per minute . . . or even if we use a dollar as average and a reduction down to 50 cents we are talking about a savings of 50 cents on every minute of international time.

The reason I had a great difficulty with the Member when we . . . and let me explain, it is going down to 50 cents because I said on average we have some calling areas that are up to $3 per minute. So the 40 per cent reduction average means that all rates would come down to approximately 50 cents. I think there are about 6 countries that are not included but that is due to difficult arrangements with them. but on a whole the places that are called the most the reduction is around 40 per cent, to bring the rates down to 50 cents virtually to anywhere in the world that we call. Madam Speaker, if we look at a 50 cents reduction using a dollar as the existing rate even thought it is closer to $1.20 if we had 50 cents—if we use a US as an example since that is where the majority of calls go—reduction on international calls. If I make 10 minutes of international calls per month times that 50 cents savings it would equate to $5.

On other hand, if I increase from 1 cent to 2 cents a minute and spend an hour on the phone before it would cost me 60 cents. Now if I spend an hour on the phone it will cost me $1.20. So, it is an increase of 60 cents for every hour of talk time that I speak within the Cayman Islands. If that is 60 cents increase in 10 hours time I would have increased my bill by $6. That is 10 hours of domestic calling and now that is 10 hours regardless of which Island or phone I call within the Cayman Islands, in some cases 27 cents per minute under the old system. Now we are going to an additional 60 cents per minute. Let us just stick to the Member's argument whereby we just stick within Cayman: I only make calls within Grand Cayman. Before my rate was 60 cents and now it is 1.20, an increase of 60 cents; 60 cents times 10 hours is an increase of $6 to my

phone bill. That is 10 hours of talk time and I increase my bill by a whopping $6. For 10 minutes of international calls I reduce my bill by $5.

Now, Madam Speaker, when we looked at the average calls that are made in Cayman the majority of bills in Cayman have significantly more than 10 minutes of international calls, especially seeing that we are an Island and we are dependent on the other main lands for everything that is imported. Most of us have family overseas, we have students in schools so 10 minutes of international service would equate to 10 hours of domestic calls. In reality it is actually 12 minutes.

Now we know that those Members on the other side – when we look at those numbers and see that the Government has been able to reach that agreement . . . and that is prior to the introduction of competition. So upon the introduction of competition we are expecting even lower rates. I think the country owes this Government a debt of gratitude for being able to negotiate such a good agreement especially with a company that had an eight year exclusive licence remaining.

Madam Speaker, there was a reason for the rebalancing. Of course we would have preferred not to have an increase, but if the cost was subsidised by international rates and if we were demanding that international rates had to come down, and genuinely wanted the introduction of competition; if the cost of providing the service was below the retail price they were getting how could we then expect competition? Why would a company come into Cayman to compete in a market that was below cost? If it is not below cost time will tell because as competitive a market as telecommunications is we can guarantee that if there is profit to be made on the now 2 cents per minute then competition will come.

Madam Speaker, we also need to the point that we were able to negotiate a light-user scheme which was there for the senior citizens who do not use the phone significantly but need a form of communication with the outside world, family calling to check up on them, 911 free calls, and we wanted to make sure provision was in place. So the Member is correct. Anyone who wants to apply for that . . . it is a limited service there are no bells and whistles, you do not get data services, you do not get everything else but the folks who only want plane old telephone service they will have the ability for $8 per month to have their phone in their home . . .and Madam Speaker, I hope the Member realises what the $3 per month does, it is actually over 2 hours of call time. It is 2 cents per minute, 1.20 per hour; $240 will be two hours so it is more than two hours of time which would be included in their $8 per month.

Therefore, when he asked the question about the elderly folks, there was no provision in place before but this Government has once again taken into account and put a fixed . . . so they will not have to worry about a large bill at the end of the month, they will know that as long as they do not talk for more than two hours on the phone their phone bill, including line rental, will only be $8 per month. All the incoming calls that they want! So family can check up on them, and if they do go over that then it goes to the normal rates which is at 2 cents per minute. Again, an agreement that this Government has negotiated with Cable and Wireless for the people of the Cayman Islands!

Madam Speaker, I think it is important as well to recognise that this liberalisation process, as acknowledged by Cable and Wireless has been accomplished in the shortest time within the Caribbean region. The phase liberalisation process is the shortest process negotiated within the Caribbean and it is within three months of projection that the Minister, when he said we were hoping for July 2004, we were actually able to accomplish full liberalization by April. I understand that the Member whose responsibility it was to make the PPM's contribution concerning Cable and Wireless would have great difficulty understanding that type of arrangement because he is used to an arrangement at our other monopoly provide to CUC.

In my opinion that is much less satisfactory for the Government but we have made a commitment. The Minister has made it quite clear that we will be going after that monopoly agreement as well. It is very challenging within four years to take on two of the biggest monopolies in the country. The Member talks about not doing anything to encourage and stimulate business in the Cayman Islands and not doing anything for the masses, however we recognise that telecommunications and the cost of utilities like electricity is significant to the cost of the masses and to the cost of people who are interested investing in the Cayman Islands. This Government is committed to fighting those high costs and looking out for the people we serve.

Madam Speaker, I hope I have been able to clarify the confusion that the Member for East End or probably the Opposition had with that because I am not surprised. It is such a good agreement that they are not familiar with anything good like that for the people. They expected they would be able to come here and criticise it and tear it down and jump up and make noise about it but at the end of the day this is an agreement that can stand the criticism. We will see and hopefully now they will realise . . . I know the Member for East End talked about a question that he was going to ask before and he was refused. In all fairness I think it was a good thing that the Minister refused the question at that time because even with the additional information given to him he was still very confused, so at that point in time he would had a difficult time understanding it.

Even though we have a former senior employee of CUC who has admitted that the rates are too high, I do hope that when the pressures are put on we can depend on the support of the PPM. It is a bit concerning though, because once again I notice a

little bit of loyalty or self-interest because when the Member talked about the possibilities, the ways of dealing with CUC he quickly jumped on that if Government wanted to do something they could reduce the duties that were being charged. As a representative of the people I would expect that he would have talked about a reduction in the profits of the company but instead of that he said that he thinks the Minister should offer a cap on the profits.

That is what currently exists. That is what we are trying to get out of – a cap, a 15 per cent cap. CUC (of which that Member in his former life) is the company that goes around and we tell people that they should get more efficient A/C units and we should do things like *power-smart* and we should reduce electricity. We reduced our power consumption this year and CUC makes less than their 15 per cent return and the next year they come back and say they made less last year because of the reduction so they have to raise the rates this time. That Member thinks that our way of dealing with them should be a profit cap or a reduction in the duties the Government charges? If we reduce those duties where is he going to get that money for all those planes, trains and things that he wants?

The Speaker: Honourable Member, you have 1 hour remaining.

Mr. Cline A. Glidden, Jr.: Madam Speaker, I am winding up now, ma'am.

Madam Speaker, I know the Members that come behind me are more than capable of further expounding on a great budget. I just want to end by saying that this country recognised that we have to make difficult decisions. The first of those difficult decisions was a motion made on 8 November 2001. Which moved us from a government that was being led by an individual who felt that the way of balancing the Budget was going out and borrowing significant sums of money. To a more proactive, innovative type government led by the current Leader of Government Business; who has come out with very innovative ideas and ways that the Members of the Opposition seem to have a difficult time grasping.

That is why the people wanted us to be the Government and for them to be the Back Bench because they understood that they would never be able to grasp those innovative ideas. We could only continue so long borrowing to balance the Budget. When we changed the Government in 2001 and we had a short fall, (I was the Member of the Government) the same $55 million that the Government had to put a tax package on to balance. At that point, up until 8 November there was still no plan as to where that short fall was going to be made up. What we expected to happen is a similar thing that happened the previous year – $56 million in 2001 and then another $56 million again in November when the Budget was coming. I heard the explanation as to why that money had to be borrowed because there was no choice.

The Member said that when the Government took over the fees for January were already paid and they would not have had an opportunity. Well, Madam Speaker, when he was removed as leader on 8 November, it was there not sufficient time to do it by then, if his plan was to implement any fiscal measures? Or was he going to wait again to bring the Budget in March sometime and then come back with the same story: 'W*ell it is past January and everyone has paid their fees so we cannot charge them again*.' The truth of the matter is that was the same way we were going to finance the Budget. That is why we took the difficult decision to put people in place who have the innovative ideas, who have the best interest of the country at heart and that is why the country is moving forward.

The main thing that the Opposition needs to understand is that (when they talk about the PFI and their confusion with that) now we have, even with all their stories of despair and when they get irresponsible and run around the streets with wheelbarrows trying to drive away investor confidence in the Cayman Islands, we have investors who have looked at the Cayman Islands and who have the trust and confidence in Cayman that they are willing and committed to make the private investments. It shows the confidence that they have in the Cayman Islands and this Government.

They need to understand that regardless of all their concerns about PFI and regardless of the fact that the Government has used that to present and prepare a Budget that makes the country proud and moves the country forward. The confidence has been rebuilt by the United Democratic Party Government of which I am proud to say I am a member. I look forward to the Government continuing on this good fiscal path, as long as the country continues to place their support behind a good government like the United Democratic Party.

Thank you, Madam Speaker.

The Speaker: Thank you. Does any other Member wish to speak? Does any other Member wish to speak?

[Inaudible interjections]

The Speaker: Does any other Member wish to speak?

Order!

Last call, does any other Member wish to speak?

The Second Elected Member for the district of George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker. This is a national disgrace and a mockery of the democracy. The Government is attempting yet again to curtail the right and ability of the Opposition to properly debate this Budget. What have we come

to in this country and in this Honourable House? Not only were we presented with 40 hours, or 36 or whatever the case may be, but too short a time to be able to properly consider this matter and to prepare our proposals and a response to the Budget Address but it is 10 minutes to 8 on Friday night and the Honourable Leader of Government Business and his Government is insisting that this House continue because he wants to curtail us, he wants us to grow weary, he wants us not to have a proper opportunity.

[Deputy Speaker in the Chair]

Point of Order

Hon. W. McKeeva Bush: Mr. Speaker, a point of order.

The Speaker: Please state your point of order.

Hon. W. McKeeva Bush: Mr. Speaker, the Member has misled the House yet again and it seems like he wants to rile up and he begins that way because I am a good one for him for to pitch on as usual. The Business Committee said at its meeting that we would work between 6 and 8 o'clock and if we desire to go on we could until 10 o'clock. Yes we did.

An honourable Member: Nobody said that.

Hon. W. McKeeva Bush: Mr. Speaker, that was what the Business Committee said. We have said now that we would continue until 8 o'clock. If at that time we feel like going on I will put it to the House and if the House says no, fine. However, the Business Committee of which that Member is a part (and also the other Members in this House) and who was at that meeting. He cannot say he was not at it – you the Member for George Town was at that meeting.

Point of Order

Mr. Alden M. McLaughlin, Jr.: A point of order, Mr. Speaker. That is completely untrue! The Minister is lying.

Hon. W. McKeeva Bush: Mr. Speaker, look the Member was at two meetings. He was at a meeting that we had, he missed one but the one that we said we would go on was the first one and then the second one we said we would go from 6 to 8 and we felt like going on we would go on until 10. And that meeting . . . the Member was not at that meeting but he was at the first meeting. We said we would go on. Maybe he was not listening but that was certainly what we said.

The Speaker: Honourable Member if we need to adjourn to get a decision, if the Business Committee who sets the business of the House has indicated that we will go on obviously there was an agreement to go on until 8 o'clock. If it is the wish of the House to continue then the House will continue.

However, if it was set in the meeting to say that we would go to 8 o'clock I cannot understand how the Member can say to this Honourable House that there has been an attempt to curtail because it is still 5 minutes to 8. So, for the Member to say that we have done something outside of what was agreed I find to be misleading.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I will not get in an argument with you, Sir. I would simply ask that you adjourn and let us examine the minutes because the Minister does not have the truth in him.

Hon. W. McKeeva Bush: Mr. Speaker, I have sat here and have heard that Member say these things and I am tired of it. What he is doing, Mr. Speaker, is trying to kill time and he knows that is what he is doing and that I have to stand on my feet. He knows that and that is why he is doing it. But you know what? We are going to have to continue.

The Speaker: Honourable Member, if there is a question as to whether it was stated in the Business Committee that they would continue later if necessary, is that what you would want to check the minutes for or is it your attendance at the meeting. I did hear the Minister say that you were not at the meeting but if you want to confirm . . .

[Inaudible comment])

The Speaker: What he said is that you were not present at the meeting where that decision may have been taken. However, if the Members of that committee cannot confirm that that was the decision taken, then your presence (while we can confirm whether you were there or not) is not the issue. It is whether the decision was taken at that committee. Is that what we are adjourning for?

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, if I might explain, Sir. The Business Committee of this Honourable House is made up of four Members of the Government and the sole Member of the Opposition is me. The meeting to which the Honourable Leader of Government Business is referring was a meeting called without notice when I was absent from these precincts. It was the same day that the Budget was delivered and we left as quickly as we could to try to prepare in the shortness of time that was provided for. Therefore, for the Government who were the only Members present during the meeting, to take that decision unilaterally and then to come here and try to say that I have agreed or the Opposition has agreed to go beyond 8 o'clock is completely untrue. Now, if the House will do as it wishes—

Hon. W. McKeeva Bush: Mr. Speaker—

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I am on my feet on a point of order. The Honourable Minister has no right to stand now! He has no right to stand!

The Speaker: Honourable Minister—

Hon. W. McKeeva Bush: On a point of order.

Mr. Alden M. McLaughlin, Jr.: You cannot have a point of order when I am dealing with a point of order!

The Speaker: Order, Members.

Hon. W. McKeeva Bush: Mr. Speaker—

The Speaker: Honourable Minister, the Second Elected Member is making his point of order. Could we allow him to continue his point of order?

Hon. W. McKeeva Bush: He is going to debate the point of order?

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, the point that I am asking is if they have taken that decision they have done so without my knowledge and without my approval. Now, if that is the case we will have to be bound by whatever they want to do because the House will do what it wants, it does it all the time. I am used to unfairness but they will have to demonstrate by virtue of the minutes that that is what the Business Committee has decided because I do not know about that.

The Speaker: Honourable Member, when you say what the House does what it wants; the House is doing what the majority of Members want. Now, if the Business Committee, which runs the affairs of the House have decided that the meeting will continue your presence there or not, like you rightly said, would not make a difference. It is a majority decision and if the majority of the Members have decided that the House will continue and if it is the will of the House at this point in time to continue and if it is the will of the House at this point in time to continue then the House will continue.

Mr. Rolston M. Anglin: Mr. Speaker . . .

The Speaker: The Second Elected Member for West Bay.

Mr. Rolston M. Anglin: I rise as a member of the Business Committee on a point that the Second Elected Member for George Town is as usual, insistently, consistently, misleading this House. Mr. Speaker, that Member knows that before November 2001 the sole Member of the Opposition at that time was the current Honourable Minister of Health. He gets up at every opportunity and leads this House to believe that because he the sole Member of the Opposition now, it is so unfair and is so contrary to practice.

He insistently and consistently does it and I have heard for the last time. He misleads this House at every opportunity and it is my submission that if anyone in this House does not have the truth in him as he said about the Leader of Government Business, it is him! Mr. Speaker, I would say that the Member is again misleading this House by saying he had no knowledge of it because if he had no knowledge of it the Clerk of this House lied because she informed the Business Committee that he had been contacted on two occasions.

The Second Elected Member for George Town has said that the meeting was called without notice. The Clerk informed this Committee and when I was at the meeting that he was give notice of the meeting. He may get up and say it was inadequate notice. However, it is a standard practice that while Parliament is in session we call the meetings as we need them. We know also that most Business Committee meetings are very short so for the Member to say that he had to leave to address the Budget is again misleading because he knows that the meetings are very brief. What were we going to put on the Business paper to debate the Budget? We also know that the Member is misleading the House because he now says he has no knowledge of the fact that we were going late. You said until we were going late and you said you had no knowledge of us going late or going beyond 8 o'clock. Those are the two things that I clearly heard you say.

The Speaker: Honourable Members . . .

Mr. Rolston M. Anglin: However, you see Mr. Speaker, that arrogant Member also in his little haste he may have said that mistakenly but that is what he said. I sat here and calmly listened to him. Mr. Speaker, I say that the Member is misleading the House by continually inferring that because he is on the Business Committee that there is something wrong. There is nothing wrong! That is the standard practice. When he and his colleague, the First Elected Member for George Town were the Government, the Members were: First Elected Member for George Town, a government member, himself [Mr. Alden M. McLaughlin, Jr], a government member, myself [Mr. Rolston M. Anglin], a government member, the currently Leader of Government Business, the Honourable McKeeva Bush, a government member and Mr. Gilbert McLean, the Second Elected Member for Bodden Town, the sole Opposition. So, nothing is different than it used to be.

Mr. Speaker, I say that the House is being misled because we have been informed that the Opposition knew as to what the decision was of the Business Committee. We know we have to get the Budget, Finance Committee and the supplementary Budget completed by 1 July. We did say at the meeting that if we needed to go late we were going to go until 8 and if we needed to go later we would have to

do that because we needed to get through the Budget.

The Speaker: Honourable Members, the ruling of the Chair is, if there is an agreement, which there obviously was, that we would go until 8 o'clock, and this House has said we would go until that time, when the Second Elected Member for George Town made the statement that the Opposition was being curtailed in an attempt I do find that to be misleading. It was 10 minutes to 8 and there had been no indication of this House at that time that were going anywhere pass the hour of 8 o'clock and he has acknowledged that we agreed to go until 8 o'clock. So for him to say that anything unfair was being done at 10 minutes to 8 I find to be misleading and I request that it be withdrawn.

Mr. Alden M. McLaughlin, Jr.: To the extent, Mr. Speaker, that I said the ability of the Opposition (and me in particular) to debate this matter and properly prepare was being curtailed because we were going beyond 8 o'clock, at your order, Sir, I withdraw that remark. I just note Sir, that it is now 5 after 8.

The Speaker: Honourable Member, the Speaker is ready to return so at this point I will ask that we . . .

[The Speaker in the Chair]

The Speaker: Please be seated.

As I understand from the last few seconds of having the opportunity to listen to my deputy making his ruling it is now 5 minutes after 8 o'clock. If it is the intention to work beyond that then I would have to recognise the Member on the Floor for a motion to that regard. Otherwise, I will call for the adjournment.

Hon. W. McKeeva Bush: Madam Speaker, in an effort to help with the Budget to get us to Finance Committee stage I am going to move that we continue until 9 pm. However, before I do that I am going to ask that the exchange and the Member for George Town's remarks – that that *Hansard* be got and I reserve my right to deal with that on another day.

The Speaker: Madam Clerk, you have heard the Honourable Leader make the request.

Could you past it on to the appropriate staff.

Hon. W. McKeeva Bush: Madam Speaker, the veracity of my statement has been seriously challenged by the Second Elected Member for George Town. I would like to challenge it at this point but I crave the indulgence of the House in order that I can get an absolutely clear verbatim what was said.

Having done that I move that we continue until 9 o'clock.

The Speaker: The question is that the Honourable House continues its business until the hour of 9 o'clock pm. All those in favour please say Aye. Those against, No.

Ayes and one No.

The Speaker: I believe the Ayes have it.

Mr. Alden M. McLaughlin, Jr.: May we have a division Madam Speaker?

The Speaker: Certainly Member for George Town.

Madam Clerk.

Division No. 2/03

Ayes	No
Hon. W. McKeeva Bush	Mr. Alden M. McLaughlin, Jr.
Hon. Linford A. Pierson	Mr. V. Arden McLean
Dr. the Hon. Frank S. McField	
Hon. Samuel W. Bulgin	
Hon. George A. McCarthy	
Capt. A. Eugene Ebanks	
Mr. Cline A. Glidden, Jr.	

The Speaker: The results of the division are as follows: 7 Ayes, 2 Noes and 8 Absentees. The Ayes have it.

The House will continue its business until the hour of 9 pm.

The Second Elected Member for George Town continuing with his Budget Address debate.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, sadly by now I have grown used to the intimidatory tactics of the UDP Government and in particular the Leader of Government Business.

Point of Order

Hon. W. McKeeva Bush: Madam Speaker, on a point of order.

The Speaker: Please state your point of order.

Hon. W. McKeeva Bush: The Member is using insulting language. There is no one over here offering any intimidation to the Member.

The Speaker: The Second Elected Member for George Town. I draw your attention to Standing Order 35(3), and I would ask that you would, in the way I know you can, refrain from being in breach of that Standing Order.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker. I do my best in difficult circumstances most of the time to follow standing orders and to behave in manner that is becoming of a Member of this Honourable House. However, I must say and perhaps it is because I take so seriously the job that I was elected to do that I become so impassioned, when I believe

that my ability to carry out that sacred function is being compromised because of the way the Government behaves. That is what has transpired in relation to this matter, Madam Speaker.

They make light of how much time is necessary to properly prepare for something as important as this. They call Business Committee meetings when I am already engaged in the process and then complain that I am not here to participate in that. The Leader of Government Business up until today, in the Common Room, is making snide remarks that somehow we did not need time to prepare because there is somebody or some-bodies within the civil service who are giving us this information.

Point of Order

Hon. W. McKeeva Bush: Madam Speaker, on a point of order.

The Speaker: Please state your point of order.

Hon. W. McKeeva Bush: That is not in the Budget debate. That is not within the remit of this House to debate at this time and that was said in the Common Room and I have my opinions and when I rise I might just answer him. However, I said under the point . . . (in response to a comment) well, you go on the radio, you always do that.

Madam Speaker, the Member must stick to the Budget debate and I am going to watch my Standing Orders from hereon now.

The Speaker: The Second Elected Member for George Town, as I understand what you were about to refer to from your admission, was a discussion within the Common Room. I am sure there is a more appropriate forum if you so wish to deal with it. However, within the precincts of this House I would ask you to refrain from referring to any statement that was made outside the regular sitting time of Parliament; if you would, please. Thank you. Please proceed.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, I observe your ruling but this is not the end of the matter. I can tell the Honourable Leader that and if I have to take it up with the Governor I will.

Madam Speaker, we talk about open and accountable government, we talk about it so much these days that we forget what it means, if we ever did know – some of us. However, I am going to, with your permission, Madam Speaker, give some examples from this budget process and matters arising from it about how open and how accountable this Government truly is. They want to insist that I go on until 9 o'clock tonight, they will listen. They can go until 10.

Madam Speaker, page 8 of the Budget Address under the sub-head, Strategy and Key Policy Actions, other Outcome Areas. In relation to housing needs in 2003-2004 the Government will continue with the construction of low-cost houses. Two hundred houses will be built over the life of the project and the Government is establishing a new statutory authority called the National Community Housing and Development Trust to oversee the project and administer the low-cost housing scheme.

On page 220 of the Annual Plan and Estimates it deals with the section entitled Administration and Technical Support for the affordable housing programme. On Page 467 of the Annual Budget Statements makes provision for $168,185 to be allocated to that particular item. Now, I have searched these documents, I have had my colleagues searched these document, I see no provision in any of them that deals with the funding that is necessary for this initiative being undertaken, that is, the construction of these 200 plus houses. I see no provision whatsoever for anything over the course of the next year other than the provision of these administrative costs.

Therefore, in the interest of this open and accountable government of which we so fondly speak, I ask the Honourable Third Official Member, where is the funding provided for in the government Budget for the project that is well under-way? I have heard that there is something called an advance account that the Government runs for which it provides funding for certain projects. I cannot find any evidence of this account but I hear it being talked about. I would like to know, and I believe the country would like to know. Where is the money coming from to build the affordable homes which are under construction and for which 200 are scheduled to be completed over the course of the next year?

This National and Community Housing Development Trust, which sounds to me like a wonderful idea, what will it administer? Is it going to be involved in ensuring that this construction takes place? What about the award of the various contracts which are clearly necessary, and have clearly taken place? Some of them enabled the project to get to the present stage. Who is providing the necessary scrutiny and oversight of that? Certainly not this Parliament! Certainly not Finance Committee because we have not seen it, we have not heard about it. However, the project is going ahead and as I said in the interest of this broad outcome, open, efficient and accountable government, I ask please tell us this information.

Madam Speaker, if I may beg your indulgence to refer to the *Cayman Net News*, dated Wednesday, 18 June 2003 . . .

[Pause]

The Speaker: Thank you, Honourable Member, please continue.

Mr. Alden M. McLaughlin, Jr.: Sorry, Madam Speaker, I was asking permission to refer to an issue of *Cayman Net News*, Wednesday 18 June 2003.

The Speaker: Certainly, please proceed.

Mr. Alden M. McLaughlin, Jr.: There is a headline article on the front page, "Cubans erect low-cost homes." I have selected excerpts from it and if you wish I could lay it on the Table of this Honourable House for Members to see, I will do so.

"At least nine Cuban nationals are working on the government's low-cost housing development and at least some do not speak English. The project is scheduled to build 200 two and three bedrooms homes that will be available for $50,000 or less. And yet the quality of construction is such that it could reportedly withstand winds of 145 miles per hour. According to project manager, Mr. Andrew Gibb. . . " and he is a very important fellow and his importance will become more obvious as I go through this section of my debate, **" . . .the Cubans are here on a supervisory role because of their familiarity with the particular type of pre-fabricated homes being erected in the project. Mr. Gibb said that he did not know the names of the Cuban workers or any of the other details concerning them because they were hired by one of the chief contracting companies, Vetromeccaniche Investments**.

Although it has been suggested that the Cuban workers are here only as supervisors, *Cayman Net News* witnessed Cuban workers providing hands-on labour when the project site was visited last Monday. It has also been suggested that the Cuban workers are only being $200 per month although benefits like food and housing are provided as well. When questioned about whether the Cubans had been granted work permits or had been screened in any way, prior to their arrival here, an immigration official said that all inquires on the subject had to be referred to the Ministry responsible for Housing. Reached for comment about the situation the Minister responsible for Housing, Dr. the Honourable Frank S. McField said, **"We are not allowing any news on this for a few weeks, we have nothing to impart".**

Those, Madam Speaker, are really the relevant excerpts which I would like to read. So the mystery grows. I am going to deal with some very important matters arising out of that and out of other aspects of this project. However, I cannot help at this point but to reflect on the very erudite and impassioned debate of the Honourable Minister responsible for Education, Culture and Employment Relations and ask if he is a member of this same Government that is reportedly privy to at least, if not party to, information on a major government project like the affordable housing project. We have imported labour who are earning $200 a month at a time when there are still people in the construction industry, Caymanian people, who are out of work.

Point of Order

Dr. the Hon. Frank S. McField: Madam Speaker . . .

The Speaker: Honourable Minister for Community Services.

Dr. the Hon. Frank S. McField: On a point of order.

The Speaker: Please state it.

Dr. the Hon. Frank S. McField: It is my opinion that the Member is misleading the House because the Member knows since we have had the possibility to discuss this press release by the *Net News* that there is no evidence to support any of the claims that are being made in the paper.

I have decided to do a statement to this Honourable House, which I intended to do this morning. However, for the Member to now use this opportunity to mislead this House and the general public when there is an easy possibility to clarify the situation. Therefore, no accusations should be made against the Minister for Education who is also responsible for Labour. So, the point that I am making is that the Member is debating the article as if it is factual. I am here to say that it is not factual. Therefore to use the article as factual is misleading the House.

The Speaker: I have listened to both sides of the argument and it is the Chair's ruling that unless the Second Elected Member for George Town is in a position to say that what has been reported he has the requisite evidence to substantiate, the Chair would ask you to refer to it as a newspaper report in which you are unable at this particular juncture to substantiate, having heard what the Minister says. If after the Minister has made his statement, the Second Elected Member for George Town still has an inquiry there is provision under Standing Order 30(2) for short questions to be asked and there are other forums as well.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker, I am entirely happy to do that. The Minister had a number of opportunities before I got up to say what his position was in relation to that and other aspects of his Ministry. So perhaps___

Point of Order

Dr. the Hon. Frank S. McField: Madam Speaker, on a point of order.

The Speaker: Please state your point of order.

Dr. the Hon. Frank S. McField: The Member is again, misleading the House. I have not had any opportunity, the Member just has the intention of trying to discredit and destroy the affordable housing scheme to help poor people.

The Speaker: The Second Elected Member for George Town, I believe I would be correct in saying that the Member would have only usurped the opportunity to debate if he did not rise and the motion had been concluded with the question. Seeing that there is still remaining time for debate Members who have chosen not to speak still have that right. That right is not in any way susumed until the Motion is put on the Second Reading of the Appropriation Bill. Therefore it would not be correct to insinuate that the Minister had not taken an opportunity to speak because that opportunity is still available to him. I would ask that you continue on a factual basis and if you wish to refer to the newspaper item then you have to condition those statements.

Thank you.

Mr. Alden M. McLaughlin, Jr.: I am happy to do that Madam Speaker.

The Speaker: I should also add if you would indulge Member, that as all Members are aware, the Honourable Minister for Community Services did intend, as was stated on the order paper, to make a statement. We have all voted on the Motion that that statement would come at the close of the business day so there will be an opportunity to hear the contest as that stage as well. As I have indicated Standing order 32 will give Members the ability to ask short questions in relation to that statement so you would not have lost your right in that regard.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker. The Second point arising from the newspaper report—which I am quite happy to say I have no idea whether it is factual or not—is the issue as to the alleged immigration status of these workers on the site. The question is, and one which I do hope the Honourable Minister will address, whether these individuals have work permits or whether the requirement for their work permits has been waived or whether they are in breach of the Immigration Law. Those are the questions I would really wish for the Honourable Minister to answer.

Madam Speaker, there are other aspects of that project which I must, in light of the information that I have received, call into question. This is a project that is funded by the Cayman Islands Government and for which no provision is made in the Budget. However, as I said, contracts have apparently been awarded in relation to the supply of services and good to the site for the construction of that project. Principal among these is the clearing and filling of the site. Now, perhaps to avoid interruption by Members on various points of order, I should take it from the top and refer to what the requirements are in relation to the award of government contracts, particularly those which exceed $100,000. Then deal with the information which I have and again, I am sure the Honourable Minister will take the opportunity to refute, agree with or disagree with as he sees fit when he finally stands up to respond to the Budget Address.

The Public Management and Finance Law contains a savings provision—and if you wish, Madam Speaker, I can read the exact section but I do not think that I need to do so—from the former Public Finance and Audit Law which means that awards of contracts and tenders are still governed by the provisions—

The Speaker: Honourable Member, would you be so kind to state the section so I may follow your line of argument?

Mr. Alden M. McLaughlin, Jr.: Very well, Madam Speaker. The Public Management and Finance Law 2001, Section 81 (2), contains the savings provisions. It says, **"The Public Finance and Audit Law (1997 Revision) and regulations made under that Law shall be deemed not to have been repealed, but to remain in full force and effect in relation to financial transactions relating to any financial year ending on, or before, 30 June, 2004".** The effect of that is that the provisions of the Financial Stores Regulations continue to apply in relation to government financial transactions in relation to any financial year up to 30 June next year.

The relevance of that is this: Chapter 8 of the Financial Stores Regulations is in the following terms: General principles, section 8(1),"**The principal governing the purchase of goods, works and services for government departments and offices is that they must be acquired by the most economical means commensurate with quality and efficiency so as to obtain the maximum value for the public monies expended"**. I will skip that next sentence. **"Moreover goods, works and services must be obtained openly and competitively so that not only do all potential suppliers of the goods, works and services have an equal opportunity to bid for public contracts but the award of such contracts is seen by the community at large to be fair and equitable. To this end except for purchases not exceeding $10,000 in value all goods, works and services required locally by the government will be obtained by contract after public tender. In no circumstances may a purchase or project be broken down into smaller components for the purpose of evading tender or contract requirements."** That is the provision that applies to the award of government contracts.

Now, Madam Speaker, I crave your indulgence to refer to a number of pieces of correspondence which have been given to me by either the author or the receiver of those documents.

The Speaker: You may so refer providing it is laid on the Table and it does not contain any material that would be *sub judice*.

Dr. the Hon. Frank S. McField: Madam Speaker.

The Speaker: Yes, Honourable Minister.

Dr. the Hon. Frank S. McField: I crave your indulgence to perhaps, with the understanding of the Member, just mention a point with regards to the question of the *sub judice* issue.

The Speaker: It would be in way of an elucidation which would require the Member to give way but I would ask for him to consider if in fact he is going to be specific to a *sub judice* matter which would perhaps save some time.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, perhaps the Member can say what is the *sub judice* . . . He seems to be able to anticipate what I am going to deal with.

The Speaker: Honourable Member, if you could confine your remarks as to what would place the comments into a *sub judice* category.

Dr. the Hon. Frank S. McField: Madam Speaker, I was not suggesting that the remarks would be in a *sub judice* category because I am not in a position to make that determination simply from my position. However, since the author of the letter appears to be the person who is aggrieved by the decision of my Ministry, I would think that if that person aggrieved no longer thinks that he has a legal position or a possibility to seek remedy in the courts, then I would think that the Member is correct in reading this information.

However, if he reads the information he is obviously depriving that person, perhaps, of the opportunity of seeking the remedy in court. He is a lawyer who knows this better than I do, so maybe he is just accepting the fact that the person has accepted that there is no legal ground for the complaint against the Government.

The Speaker: In order for it to fall within Standing Order 35 (1) **"Reference shall not be made to any matter on which judicial decision is pending in such a way as might, in the opinion of the Chair, prejudice the interests of parties thereto".**

Having reference to that Standing Order (35), unless given an indication from the Honourable Second Official Member, I shall listen carefully to the submission from the Second Elected Member for George Town to ensure that the Standing Order is not in any way contravened.

Please proceed.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker.

In a telefax to Paul A. Bodden, Heavy Equipment Limited, on the letterhead of the Cayman Islands Government, Ministry of Community Services, Women's Affairs, Youth and Sports, sent by one, Andrew Gibb, there appears the following—

The Speaker: Honourable Member, before you proceed to read can you just inform the Chair as to how you intend to make this relevant to the Budget Address, please? Would you connect it?

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker.

I have said that we are dealing here with an expenditure that is referred to in the Budget Address, an expenditure, which clearly involves the award of contracts which will be paid by government money. There is no provision in the Budget, the documents themselves showing where this money is to come from, or indeed how it is spent. It is a matter of critical importance to this country and it is my duty to inquire into how the Government's money is being spent. That is part of my role.

I am concerned based on the information that I have as to whether or not provisions of the Financial Stores Regulations which govern the award of government contracts (which I have to vote money for) are being complied with. The information which I am reading is relevant to that and arises, in my respectful view, quite clearly from the Budget Address. There is a paragraph in the Budget Address which deals specifically with the housing initiative and the establishment of a Trust to administer it. If I cannot—

Dr. the Hon. Frank S. McField: Madam Speaker . . .

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, I am addressing you.

Point of Order

Dr. the Hon. Frank S. McField: On a point of order.

The Speaker: Honourable Member, if you could let him complete his address and then I will take yours.

Mr. Alden M. McLaughlin, Jr.: I am addressing her, I am not debating. If I cannot in the context of a debate on the Budget for the finances of this country enquire into this then I believe is something is very wrong.

The Speaker: The Second Elected Member for George Town, the Chair has sought clarification because there is obvious potential for *sub judice*. I am unable to make that ruling until I have sought such a clarification. I also wanted to assure myself that there was relevancy in what you were saying and that is the only reason and motive to so inquiry and not in way, shape or form to infringe on any minority rights or such. So I just wish to clarify that.

The Honourable Minister, I now give way as he was responding to a question I had put to him. Thank you for your indulgence.

Please address the Chair if you so wish, now.

Dr. the Hon. Frank S. McField: Madam Speaker, at that particular time I thought I heard the Second Elected Member for George Town referring to the issue on the National Housing and Community Development Trust. I just want to make him aware of the fact that the Trust is not the issue that he is debating from the point of view of the tendering of contracts. So in referring to the National Housing and Community Development Trust he is not referring to the affordable housing initiative. Not at this particular stage. They are two different exercises.

Perhaps, if I am allowed to say rather than have him making a case for special interest perhaps he should wait to find out what the explanation we are going to make with regards to our statement. Therefore, rather than bringing this special interest into the Budget debate (when this does not form part of the debate) simply because there is not that particular initiative being spoken about in the Budget. If he has a problem with the fact that it was not included in the Budget I am quite sure that the Third Official Member will be able to answer him when he comes up. However, for him to be able to bring it into the Budget debate when there is no information in Budget with regards to this, I think is a mistake.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, I wish to make this absolutely clear. I do not represent any special interest; I represent the people who elected me. My duty here is to question what appears to me, in my judgment, from the information I have before me, whether or not there has been a breach of the Financial Stores Regulations in relation to the award of a government contract which I have to vote money for this time around. That has nothing to do with any special interest. I just want to make that observation before you make your ruling, Madam Speaker.

The Speaker: Point taken. I would beg the House's indulgence and ask the Second Elected Member for George Town and the Honourable Minister if they would meet with me in Chambers for about 5 minutes.

Proceedings suspended at 8.46 pm

Proceedings resumed at 8.53 pm

The Speaker: Please be seated. Proceedings are resumed. I thank Honourable Members for their indulgence. Having had the opportunity to discuss the matter in a more intimate basis with both Members the Chair does not find that at this juncture that the matter is *sub judice*. I would ask the Second Elected Member for George Town to proceed to and ensure that it stays within the realm of relevancy.

I should also remind Members that it has almost reached the hour of 9 o'clock. If we are intending to stop then I will ask for the Motion of the adjournment. If not there will have to be another Motion.

The Second Elected Member for George Town. You have 1 hour and 30 minutes remaining, Sir.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, I hate to anticipate but in light of your caution about relevance, I wish to indicate so that all Honourable Members understand, that the train of correspondence from which I intend to now read all relate to the same issue. As I understand you have ruled that this is relevant to the Budget Address and to debate thereon.

Madam Speaker, it is by my watch 3 minutes to 9. This is going to take me some time. I reckon this will take me 20 minutes to half hour to conclude this aspect of it and I would therefore ask, notwithstanding all that has gone on before, that perhaps it would be better if we deferred my commencement of that discussion until the House next resumes.

The Speaker: Honourable Leader of Government, you have heard the request from the Second Elected Member for George Town. Does the House so mind to continue until 9 o'clock or would you wish to make an adjournment motion at this time.

ADJOURNMENT

Hon. W. McKeeva Bush: Madam Speaker, if I was as bad as often as he paints me I would say let us take the remaining evening but we did say we would close at 9. He has certainly used up all that time talking all these things and he has requested that we adjourn. We will accommodate . . . Madam Speaker, you know the Member for East End ought to keep quiet sometimes because you can only take so much. The Holy Bible says you must be . . . anyway . . .

Madam Speaker, I do move the adjournment of this Honourable House until 10 am on Monday, next.

The Speaker: Thank you. The question is that this Honourable House be adjourned until 10 am Monday, 23 June 2003.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 8.58 pm the House stood adjourned until Monday 23 June 2003 at 10 am.

OFFICIAL HANSARD REPORT
MONDAY
23 JUNE 2003
10.29 AM

Seventh Sitting

The Speaker: I will invite the Third Elected Member for the district of Bodden Town to grace us with prayers.

PRAYERS

Mr. Anthony S. Eden: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Executive Council and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 10.32 am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies for the following Honourable Members: the Honourable Minister responsible for District Administration, the Honourable First Official Member and the Honourable Minister responsible for Planning.

STATEMENTS BY HONOURABLE MINISTERS AND MEMBERS OF THE GOVERNMENT

The Speaker: I have received notice of a statement by the Honourable Minister responsible for Community Affairs.

Affordable Housing Initiative

Dr. the Hon. Frank S. McField: Madam Speaker, I would like to inform this Honourable House that on Wednesday, 18 June 2003 an article appeared in the *Cayman Net News* entitled "Cubans Erect Low-Cost Homes". This article gives the impression that the Government's Affordable Housing Initiative is questionable and in my opinion, the sub-text of this article suggests that it is not possible to build affordable homes that can withstand 135 mph winds.

The journalistic quality of the *Net News* article is poor, in that it states that houses will be available for CI$50,000 or less and yet we have repeatedly said that our most expensive unit will likely be priced at CI$59,500 and the smaller unit at CI$48,500.

The article which is in part based on conversations with the Project Manager, Mr. Andrew Gibb, a former employee of Public Works Department, gives the impression that the project is being built entirely by Cuban workers. Mr. Gibb informed my office that he was approached by the *Net News* for information and he was under the impression they wanted general information about the Affordable Housing Initiative and not specifically about the Cuban workers and or their ability to speak English.

I was not aware that Mr. Gibb had been contacted by the *Net News* nor that anything he said would have been printed. Therefore, when I was contacted by the *Net News* to make a statement with regards to the Affordable Housing Initiative, I assumed that the information being requested was about the general state and progress of the Initiative. I informed the reporter that we were not allowing any new statements for a few weeks, at which time I assumed we would have completed three model homes.

There has been so much said about Government's Affordable Housing Initiative that I did

not think it was necessary at this time for any further comments, as I have generally kept the public informed. However, the *Net News* reported that the Minister said he had nothing to impart. The context within which my statement was published creates an impression that I had nothing to say with regards to the employment of Cubans by the main contractor for this project.

The engineering methods used by Vetromeccaniche are new, therefore the Government accepted their request for some members of their Cuban workforce (whom they employ in Cuba) to be employed in this project. In keeping with section 28 (1)(b) of the Immigration Law (2001 Revision), Executive Council approved, on 15 April 2003, the exemption for the overseas construction team of Vetromeccaniche Invest Ltd., from the requirements of work permits. This exemption was subject to the following three conditions:

(a) A medical report to be completed on the prescribed immigration medical form with the lab/blood work being performed in the Cayman Islands.

(b) A police clearance certificate from the country of residence of the worker, valid for at least six months; and

(c) Medical and police clearance certificates to be forwarded to the Chief Immigration Officer for his perusal and records.

Similar exemptions have been given to other government entities and projects over the years.

It is worth noting that the Project Manager did report on Tuesday 17 June 2003 that the Member for East End and Member for North Side visited the project on Friday 13 June 2003 and made enquiries about the presence of Cuban workers. I am by no means suggesting that there is any connection between the Members of the Opposition's visit to the Windsor Park site and the front-page article in the *Net News* of Wednesday 18 June 2003. However, it must be said that, in my opinion, the Parliamentary Opposition and members of the People's Progressive Movement (PPM) have done all they can to frustrate and to cause delays to the Government's Affordable Housing Initiative.

Point of Order

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, on a Point of Order.

The Speaker: The Second Elected Member for George Town, please state your point of order.

Mr. Alden M. McLaughlin, Jr.: The Member is asserting that we have deliberately frustrated his Affordable Housing Initiative. There is absolutely no evidence that he has produced or otherwise to that effect and he is misleading the House. I would ask you, Madam Speaker, to cause him to withdraw that remark.

The Speaker: Honourable Minister of Community Affairs, I know you prefaced it to say that it was in your opinion. Do you have any evidence to take it to a level other than your opinion at this stage?

Dr. the Hon. Frank S. McField: Madam Speaker, if I am allowed to read my statement maybe the Member will see that I have some evidence. Or maybe we should just turn it into a courtroom and I should bring some of the people to whom they have talked, to give evidence.

The Speaker: I do not think that would be necessary because it is two separate and distinct things. Continue with it and I will listen to satisfy myself whether it is evidence. The Members from the Parliamentary Opposition, I think will also be listening keenly and there will be room for further introduction if the evidence does not suffice.

The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, if what the Honourable Minister has said is his opinion that is fine. However, he should not be allowed, in my respectful view, to continue down the train that he has started, where he has stated as a fact that we are frustrating—

[Inaudible interjections]

The Speaker: Order.

Mr. Alden M. McLaughlin, Jr.: __the Affordable Housing Initiative. That is a grave allegation.

The Speaker: Second Elected Member for the district of George Town, as I listened to it, I did hear the Honourable Minister of Community Affairs preface what he was about to say by saying that it was in his opinion, hence the reason I did not interject at that stage. Until it reaches a level where he wishes to state "as a matter of fact" that it is not his opinion, then I cannot consider it as misleading the House because his opinion can only match up to everybody else's opinion, including yours. The public will be the jury which is still out.

Member for Community Affairs**.**

Dr. the Hon. Frank S. McField: Madam Speaker, one member of the PPM is actively telling people in the district of George Town that they should have nothing to do with these houses.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, again the Minister is—

The Speaker: One minute please. Minister of Community Affairs, that is a statement of fact and in order to make that statement you would need to be ready and prepared to substantiate that. Are you in a position to so do?

Dr. the Hon. Frank S. McField: Madam Speaker, we could call, and I will call, the people who have told me which Member it is and I will bring them in here and they can make their statements to this House, but I stand with that as a fact.

[Inaudible interjections]

The Speaker: As far as the Chair is concerned, I cannot consider it a fact until one of two things. I either see a sworn affidavit or I have an opportunity in my Chamber to have both Members in with the person who told you that.

Dr. the Hon. Frank S. McField: Madam Speaker, I said one member of the PPM is actively telling people. I did not say the PPM, I said one member and I am willing to bring the sworn affidavit to your Chamber to prove that I have been told this.

The Speaker: Can you say Honourable Member, whether it is one Member of the Elected PPM or is it one member of the Party membership?

Dr. the Hon. Frank S. McField: One member of the PPM, Madam Speaker.

The Speaker: Not the Elected.

Dr. the Hon. Frank S. McField: Not the Elected. I made a difference between the Parliamentary Opposition and the PPM and I particularly singled out one member of the PPM because I can prove it. I would like to get the opportunity to bring it in this House to prove exactly which member it is at this time.

The Speaker: Thank you, Honourable Member. In light of the fact that he has made it abundantly clear that it is not an Elected Member of the PPM, I think it would be suffice to request the Member to, at his earliest convenience, supply the Chair with a supplementary sworn affidavit. At that time, we can deal with that. If, at any stage, any comments are directed to an Elected Member of the PPM or the Parliamentary Opposition, it has to be prefaced with "your opinion" or it has to be substantiated by evidence.

Please continue, Honourable Member responsible for Community Affairs.

Dr. the Hon. Frank S. McField: Madam Speaker, nevertheless, in spite of this and other door-to-door efforts by the PPM to disable the Initiative, approximately 800 persons have listed their names to purchase these homes. Government's Affordable Housing Initiative features advanced engineering systems, modular construction techniques, socio-economic support systems and contractual obligations. It is not a joke. It will be managed by competent, caring Caymanians who will comprise a National Housing Trust to ensure that the community will be vibrant, cohesive and sustainable. The fact that we can and we will, in spite of opposition, produce homes for families has much to do with our love of the people, our social conscience and our determination.

Madam Speaker, the Government's intention is to build 200 homes within a 14-month period (if God is willing). This cannot be done with the nine workers from Cuba that the *Net News* reported working on the site. We are monitoring Vetromeccaniche and ensuring that they are fulfilling the requirements of their contract to employ as many Caymanian subcontractors in areas such as: filling of lands, electrical, tiling and general erection of buildings. Presently the foundation slabs and preparation of the sites are done by Caymanian businesses. As a matter of fact, choosing which Caymanian company can produce its own challenges. That brings me to addressing a letter written to the *Net News* on 6 June 2003 by Mr. Paul Bodden, wherein he cast doubts on the Government's tendering process and the Affordable Housing Initiative.

The Ministry of Community Services, Youth, Sports and Gender Affairs has attempted to provide Mr. Paul Bodden with an explanation as to why the contract was not awarded to him, although he had been a successful bidder on the contract to fill lands for the Affordable Housing Scheme. He has voiced his dissatisfaction by asking his attorney to write to the Ministry. When this did not produce the desired result he wrote to the *Cayman Net News* making several unfounded allegations.

The Ministry called for bids in January 2003 for the supply, delivery, spreading and compaction of material to three sites under development by us as residential communities under the Affordable Housing Initiative. Bids were returned to the Central Tenders Committee on 17 January 2003. Five bids were submitted to the Central Tenders Committee, the lowest bid being that submitted by Paul A. Bodden Heavy Equipment Services Ltd. This bid, inter alia, quoted rates for supplying, spreading and compacting "shot rock" and "Cayman rock" material for the George Town sites at CI$15.76 and CI$16.76 per cubic yard respectively; and for the West Bay site at CI$17.76 and CI$18.76 per cubic yard, respectively.

The Ministry elected not to accept the bid submitted by Paul Bodden Heavy Equipment, as it was decided in the interest of reducing overall project costs, to try to negotiate with a contractor to supply and compact fill material at rates per cubic yard substantially lower than those submitted by Paul Bodden Heavy Equipment.

The Central Tenders Board Committee was informed of the Ministry's decision not to accept Paul Bodden Heavy Equipment's bid in terms of clause 8 of

the notes and instructions to tenders. As accepted by the bidders (which provides for the Ministry not being bound to accept the lowest or any bid received by them for this contract) and was requested to inform Paul Bodden Heavy Equipment accordingly.

Negotiations were undertaken with Caristef Construction Ltd to supply, spread and compact fill material to the Windsor Park site at the rates of CI$12.90 per cubic yard for "shot rock" and CI$14.40 per cubic yard for "Cayman rock", reductions of CI$2.86 and CI$2.36 per cubic yard, respectively.

In voicing his concerns over Government's tendering process with regards to the Affordable Housing Initiative, Mr. Paul Bodden stated in his letter that his company's attorney had written to the Permanent Secretary at the Ministry of Community Services, Youth, Sports and Gender Affairs on the 5 February, 2003 and again on 28 February, 2003 seeking an explanation as to why their successful tender was withdrawn; to date they had received no response.

That statement forms just a small part of several of the unfounded allegations made by Mr. Paul Bodden against this Ministry. Our records show that the Legal Department wrote to his lawyer on 13 March 2003. The Legal Department explained as follows:

"I have been asked by the Permanent Secretary, Ministry of Community Services, Women's Affairs, Youth & Sports to reply to your letter to him dated the 5th February 2003 in connection with your client's response to Tender #AHI/03/002.

"It is essential to point out that until a contract in the form of the FIDC Conditions of Contract for Works of Civil Engineering Construction (1987 Edition) has been properly and duly executed between the Employer and any contractor responding to a Government request for bids (a "Tender"), no binding agreement exists in relation to any invitation to bid.

"The letter from the Central Tenders Committee ("CTC") dated January 21, 2003 makes it abundantly clear that there remained several conditions precedent to the execution of such a binding contract which contract has not therefore been executed.

"Nor is the letter from the CTC an "acceptance" of your client's bid, which your letter seems to assert in paragraph 4 thereof. Indeed, the letter from the CTC makes it clear that any acceptance of your client's bid would only come from the Ministry in accordance with the relevant documentation sent to Bidders. In any event an "acceptance" of a bid does not constitute a binding contract as the bid documentation makes clear and which your client acknowledged by submitting his Form of Bid. Therefore, contrary to your assertion, there has not been, as a matter of law and construction, a "successful tender" by your client even if it were accepted that a "successful tender" had any legal meaning. It does not.

"I am not quite sure what, if anything, your letter seeks to obtain from the Ministry. There appears to be no reason why your client's responses to Invitations to Bid in the future would be prejudiced.

"If you have any further specific question arising out of this Invitation to Bid I would be grateful if you would address all correspondence to me. I shall be happy to take instructions if necessary. You do not need to address copy correspondence to any other Government entity other than myself".

As can be seen by the above explanation, Mr. Bodden was given a reply by the Government's Legal Department on this issue. To the best of my knowledge Mr. Bodden has not pursued this matter.

The Ministry of Community Services recognises that the use of creative value engineering means that all issues are constantly evaluated or re-evaluated in order to find the most cost effective way of producing affordable homes for our Caymanian people. The fact that many suppliers of materials, as well as contractors, feel that their needs or desires to make money should be looked at before the interests of so many Caymanians who cannot afford homes being built by these same individuals, is well known. We do not condemn individuals and companies for displaying self-interest in a free enterprise system, nevertheless this Government reserves the right to develop strategies that will, within the realms of the law, make affordable houses possible for working people.

Thank you, Madam Speaker.

The Speaker: Madam Clerk.

GOVERNMENT BUSINESS

BILLS

SECOND READING

The Appropriation (July 2003 to June 2004) Bill 2003

Debate on the Budget Address delivered by the Honourable Third Official Member responsible for the Portfolio of Finance and Economics on Tuesday 17 June 2003

(Continuation of debate thereon)

The Speaker: The Second Elected Member for the district of George Town. Honourable Member, you have one hour and a half remaining for your debate.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker.

When the House adjourned late on Friday evening, I was dealing with that section of the Budget Address entitled, "Strategies and Key Policy Actions: Other Outcome Areas", which is expressed on page 8 of the Budget Address in the following terms:

"In relation to housing needs, in 2003/2004 the Government will continue with the construction of low-cost houses. Two hundred houses will be built over the life of the project and the Government is establishing a new statutory authority called the National Community Housing and Development Trust to oversee the project and administer the low-cost housing loans scheme."

I had expressed concern that although this statement has been made and although the work on this project is proceeding apace, no provision appears to have been made in the Budget to cover the substantial capital cost of this development. The omission of these costs is striking and alarming in a budget which runs to some 1767 pages and which virtually every Member of the Government who has spoken, has claimed that no prior budget has contained this degree of detail. They have also congratulated and applauded themselves on this basis as being an open, efficient and accountable Government. So, Madam Speaker, such an omission in a Budget that is so replete with detail gives rise to grave concern.

How can such a complete Budget omit from its provisions the funding of a multi million dollar project such as the Affordable Housing Initiative? The omission, in my respectful view, is grave and almost sinister because a number of questions arise from that omission. Where is the money coming from to fund this project? How much is it costing? Perhaps the most important question of all is why is this project not subject to Parliamentary scrutiny and to the scrutiny of Finance Committee in the way all other Government projects are supposed to be? As the Leader of the Opposition said — and this is just another example to prove the point — the statements that "this Budget is a balanced one and it is presented in the context of an open and accountable Government" are misleading and downright disingenuous.

I had expressed concern that, based on information I had received, it appeared to me that the requirements of the Financial Stores Regulations, which regulates the award of Government contracts, had been breached in the award or awards of contracts in connection with the Affordable Housing Initiative; in particular, in relation to the clearing of the site in Windsor Park and its subsequent filling.

On Friday evening when we adjourned, I had outlined the requirements of Regulation 8 of the Financial Stores Regulations which requires that all contracts for goods, works and services which exceed $10,000 be put out to public tender. I was going on to demonstrate, on the basis of that information which I had received, that this process had not been properly followed in relation to the clearing and filling of the Affordable Housing Initiative site at Windsor Park.

Now, Madam Speaker, it appears that those submissions, which I made on Friday evening, have motivated the Honourable Minister to deliver the statement which he gave to this Honourable House this morning.

Point of Order

Dr. the Hon. Frank S. McField: Madam Speaker, a point of order.

The Speaker: One moment, Minister of Community Affairs. Second Elected Member for George Town, if Honourable Members would remember, a statement was to have been delivered last Friday morning. The Honourable Minister responsible for delivering the statement was not in the Chamber at the time, so at the will of the House and a Motion we all agreed that it would have come later that afternoon. We all remember what transpired; time got the best of us, hence it came on for this morning.

Honourable Minister of Community Affairs, did you wish to rise on that point of order for clarification or was it on a separate point you were rising to your feet?

Dr. the Hon. Frank S. McField: Madam Speaker, it was on a point of order that the Member was misleading the House because the Member knew quite well that the statement was to be made this morning.

The Speaker: I believe I would be correct in saying that the Member knew, or all Honourable Members knew, that the statement was going to be made, but the statement was just distributed so it would not have been in any Member's remit to know the content of any statement. However, the Chair can say that the statement was not as a result of what transpired Friday afternoon because it was down for Friday morning.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker. I am happy to withdraw the statement that the submissions motivated the Honourable Minister to make the statement that he did.

The Speaker: Thank you.

Mr. Alden M. McLaughlin, Jr.: I will just observe, Madam Speaker, that it is a remarkable coincidence.

The Speaker: Honourable Member for George Town, I accept your withdrawal, but I will not accept a conditional one. The Chair can say, because I noted and read the content of the statement as it was on my desk and I have record to show when I received it on Friday morning. All Members voted for it to be put down. I cannot say the motivation that is left for the Member himself, but I can say it was not as a result of what you said Friday night unless by some ESP (Extra

Sensory Perception) that Member had sight of what you were going to say in your statement before you made the statement.

Please continue.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker.

It appears that initially the procedure and process set out by the Financial Stores Regulations was followed in relation to the award of this contract or, at least, dealing with the tendering process involving this contract.

In his statement delivered this morning, the Honourable Minister has set out some detail in relation to this and I thank him very much for having read at least one of the pieces of correspondence because it will avoid me having to do so. However, I believe that because of the concern which I have raised in relation to whether or not the Financial Stores Regulations which have force of law by virtue of the Public Management and Finance Law have been breached or not, it is important that I set out quite clearly, not only the nature of the concern (which I have done), but the facts in relation to this particular case, so that all who hear my voice and have heard what the Honourable Minister has said (and will no doubt continue to say) will be able to judge for themselves whether or not the provisions of the Financial Stores Regulations have been complied with. Madam Speaker, if, as is my view, they have been breached, it is a matter for the Honourable Financial Secretary and for Executive Council to investigate quite carefully and to ensure that there is no recurrence of this type of action.

At the point where we adjourned on Friday evening I was about to start reading that particular train of correspondence, which starts with a telefax on letterhead of the Ministry of Community Services, Woman's Affairs, Youth and Sports, with the subtitle Affordable Housing Initiative addressed to Paul A. Bodden Heavy Equipment Services Ltd. from Andrew Gibb.

The Speaker: Second Elected Member for George Town, sorry for the interruption, but I wish to make a statement, which may help steer the direction of this correspondence and perhaps future correspondence.

The Chair is of the view that there should be the liberty to communicate between one's constituents and a Member of Parliament without any Member of Parliament feeling obliged to disclose it. I will view it similar to prejudice if that Member wishes to disclose in this forum or another forum. They may so do once they are fully cognisant of the fact that they then open that correspondence up to become a public document.

Thank you. Please proceed.

Mr. Alden M. McLaughlin, Jr.: I am grateful for that, Madam Speaker.

The telefax reads–

"Sirs:
Ministry of Community Services, Women's Affairs, Youth and Sport
Affordable Housing Initiative Phase 1
Site Clear, Fill & Grade: Issue of Bid Documents

We thank you for your interest in the above project work, and confirm receipt of your notice of intention to submit a Bid in this regard.

Bid Documents will be made available for collection by you by no later than noon on Friday 10 January 2003 and you will be notified accordingly. Please note that the return date for this Bid has been set out to Friday 17 January 2003."

It is signed by Andrew Gibb, Consultant Project Manager for Ministry of Community Services, Women's Affairs, Youth and Sport. It is copied to the Permanent Secretary of the Ministry of Community Services, Women's Affairs, Youth and Sport. Madam Speaker, quite curiously at the top of it, it appears to have been faxed from a fax machine at Quarry Products, for their name appears on the top of it.

I intend to lay this and all of the correspondence which I am reading, on the Table of this Honourable House and I will do so in a compendium once I am through.

The Speaker: Accepted.

Mr. Alden M. McLaughlin, Jr.: The second letter faxed is again from Mr. Andrew Gibb on the Ministry of Community Services letterhead. It is addressed to all bidders, it is dated 10 January 2003 and is in relation to the same item, that is site clear, fill and grade–

"Please note the following information;

"1. Bid Documents will be available for collection by you from Reception, Ground Floor, Glass House on Elgin Avenue GT from 09h00 Monday 13 January 2003. You will be required to sign for receipt thereof.

"2. **Bids are to be returned In accordance with Bid Instructions, to the Central Tenders Board c/o Department of Finance, 2nd floor, Glass House, Elgin Avenue GT by no later than 09h00 Friday 1 January 2003.**

"Yours sincerely, Andrew Gibb, Ministry of Community Services, Women's Affairs, Youth & Sport."

Again it is copied to the Permanent Secretary in the Ministry of Community Services, Women's Affairs, Youth and Sport.

This letter, Madam Speaker, does not indicate where the fax came from.

The next document is the actual bid submitted by Paul Bodden Heavy Equipment. It is in relation to three parcels described as property A, B and C.

Property A is Block 4C Parcel 86 West Bay.

Property B is Block 13E Parcel 38 Rem1 142-144, 147-150, 153-154 George Town.

Property C is Block 14E Parcel 329 George Town.

The price tendered for Property A was $552,524.80, Property B $161,885.98 and Property C $385,219.82 for a total price for all three sites of CI$1,099,630.60.

That bid was submitted on 17 January 2003 and there is a letter addressed to the Affordable Housing Initiative at the Ministry of Community Services on their letterhead signed by Mr. Paul Bodden, the owner and manager of Paul A. Bodden Heavy Equipment Services.

That letter of 17 January 2003, in the line of correspondence which I have, is followed by a letter from Mr. Joel Walton, Chairman of the Central Tenders Committee, copied to the Permanent Secretary, Community Services, Women's Affairs, Youth and Sports and to the project manager, Mr. Andrew Gibb. It is dated 21 January 2003 and, as I said, it is marked "without prejudice", addressed to Mr. Paul Bodden and it reads–

"Dear Sir:
Re: Affordable Housing Initiative: Phase I
Site Clearing, Filling & Compacting Contract: 3 Sites

"This letter serves to advise you that, subject to the letter of acceptance from the Ministry of Community Services, Women's Affairs, Youth & Sport, the Central Tenders Committee agreed that the above-mentioned tender be awarded to you. The award is subject to the Project Manager calculating an adjustment downwards to your submitted tender of CI$1,099,630.60, for the works that have taken place by others, prior to or during the tender period.

"The Project Manager will contact you to complete the formalities relating to the contract and the adjustment of your submitted tender, as well as your agreement to this procedure, prior to issuing the above letter of acceptance."

Now, Madam Speaker, I pause here to note that it is clearly in the mind of at least the Chairman of the Central Tenders Committee that it is simply a matter of formalities to be completed to ensure that the award of this contract would go to Paul A. Bodden Heavy Equipment Services Limited.

Point of Order

Mr. Lyndon L. Martin: Point of order, Madam Speaker.

The Speaker: The Second Elected Member for Cayman Brac and Little Cayman, please state your point of order.

Mr. Lyndon L. Martin: Madam Speaker, the Member is building a case using a series of correspondence. For the comprehensiveness of the other Members' records, I would ask the Member to table that correspondence so that we may have a copy.

The Speaker: Member for Cayman Brac and Little Cayman, the Second Elected Member for George Town, before he began sharing the documentation said that he would be tabling all documents which he referred to, but he would do so together.

Leader of the Opposition, did you have a point of order?

Mr. D. Kurt Tibbetts: Madam Speaker, perhaps I need not say anything more because I was just going to enquire what kind of point of order the Member was asking for.

The Speaker: The Second Elected Member for the district of George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker.

As I was saying, we were at a point, certainly in the mind of the Chairman of the Central Tenders Committee that it was simply a matter of formalities to be completed, the contract to be awarded and work to begin. A point I should also make which arises from some of the earlier correspondence is that the intention was that this job was to commence on 22 January, one day after the issue of this letter by Mr. Joel Walton, Chairman of the Central Tenders Committee.

Then we have a fax from Mr. Andrew Gibb, again on behalf of the Ministry of Community Services Affordable Housing Initiative. It is dated 1 February 2003 and addressed to Mr. Paul Bodden. It refers to the same Affordable Housing Initiative and to the same tender for site clear, fill and compact work with now a new subtitle, "Decline Acceptance of Bid".

"I refer to a letter to you from the Central Tenders Committee dated 21 January 2003 an in the above regard.

"Following a meeting held on 21 January 2003 with the Honourable Minister and the Permanent Secretary, it was decided not to make an award to you or any other Bidder for this work, as some of the Sites Identified for the Initiative are now under review, and that further value engineering of the Initiative as a whole, needs to be undertaken as a matter of urgency.

"In the light of the above, I have been instructed to decline acceptance of the Tender as submitted by Paul A. Bodden Heavy Equipment Ltd or any Tender submitted. In terms of Clause 8 of the Notes and Instructions to Bidders dated 13 January 2003 and as Issued to and accepted by you.

"Yours sincerely Andrew Gibb, Ministry of Community Services, Consultant Project Manager

for the Ministry of Community Services, Women's Affairs, Youth and Sport" copied to the Permanent Secretary in that Ministry and the Secretary of the Central Tenders Committee care of the Portfolio of Finance.

Therefore, Madam Speaker, what we can derive from that correspondence is that the tendering process was put in train, it took place, bids were submitted — the Honourable Minister said in his recent statement that five persons or entities bid on it — Mr. Bodden's was the lowest bid and the Central Tenders Committee recommended that the contract be awarded to Mr. Bodden. That was followed by a meeting between the Minister and the Permanent Secretary at which it was decided that in fact the contract would not be awarded to Mr. Bodden or any other bidder and they were going to review this whole question and issue as a matter of urgency.

Up to this point I do not believe that anybody could have cause for a complaint. It is entirely within the remit and authority of the Minister to decide that he is not going to go on with a particular initiative. The persons may have been disappointed, but nobody could complain too strongly about it.

Mr. Bodden clearly felt hard done by and he went to see his lawyers, Quinn and Hampson who on 5 February 2003 wrote to the Permanent Secretary in the Ministry of Community Services in the following terms–

"We act for Paul A. Bodden Heavy Equipment Service.

"We refer to the letter from the Chairman of the Central Tenders Committee dated the 21 January, 2003, a copy of which is attached for ease of reference. We also refer to the letter dated the 1 February 2003 from Mr. Andrew Gibb directed to our client, a copy of which is also attached.

"We are instructed that Mr. Paul Bodden and his son, Andrew,—

The Speaker: Second Elected Member for George Town, one moment please.

Would the Chair be making the right assumption that the fact that you are reading correspondence which at some time or the other involved legal representation that it is no longer the intention of the client to pursue any legal remedies?

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, these documents were handed to me by Mr. Paul Bodden himself. I spoke to him this morning again to tell him what I intended to do and to ensure that there have not been and there is no intention to bring legal proceedings in relation to this matter.

The Speaker: I thank you for the clarification. Please proceed accordingly.

Mr. Alden M. McLaughlin, Jr.: " … met with you on Monday the 3rd February, 2003 in relation to the above matter. You will appreciate that our client expressed concern at the contents of the letter dated the 1st February 2003 especially in view of the somewhat equivocal wording of that letter. We note that the letter states that "some of the sites identified for the initiative are now under review". We are instructed that not all the sites are seemingly under such review. Indeed, our client appreciates and understands certain concerns that have been raised in connection with the viability of the proposed West Bay site and the proposed George Town Courts site. However, this appeared not to be so with the Windsor Park site.

"You kindly indicated to our clients that you would review the situation with regard to the Windsor Park site. As clearly was expressed by the Chairman of the Central Tenders Committee, the bid for all sites individually submitted by our client were the ones accepted.

"Our client has residual concerns that, as a result of the perceived lack of feasibility of two sites, our client will be prejudiced in relation to the remaining site or indeed, in relation to proposed alternatives. Our client is most anxious that this will not happen. Our client has expressed to you such concerns and additional concerns in relation to conflicts of interest which we are instructed that we need go into no further in this letter but which we believe you readily appreciated.

"Accordingly, we invite your usual prompt response to our client's expressed concerns. Our client looks forward to the project manager contacting our client in relation to completion of the formalities relating to the contract that relates to the Windsor Park site as indicated in correspondence.

"If there are problems with the two other sites upon which our client successfully tendered, and if other locations have to be identified, then we would also seek reassurance that our client will have equality of bidding power.

"In view of the expressed concerns of our client, we have copied this letter to the Project Manager, Mr. Andrew Gibb and to Mr. Joel Walton, the Chairman of the Central Tenders Committee.

"With thanks for your assistance. Yours sincerely, Quinn & Hampson, Graham W. Hampson."

Now, Madam Speaker, the importance of that letter in the context of all of this is that it clearly demonstrates a certain disappointment and anxiety on the part of Mr. Bodden about whether or not he would be allowed to participate in the work if there was to be work in the future in relation to these sites or any other sites identified for the Affordable Housing Initiative. Further, it puts on record quite clearly his demonstrated interest in participating in those works when this whole thing had been reviewed and the concerns,

which had been flagged up, had been resolved to the satisfaction of the Minister. That letter is 5 February.

On the 25 February 2003 Mr. Hampson again wrote to the Permanent Secretary referring to his letter of the 5 February and asking for an urgent response. Then, Madam Speaker, on the 28 February 2003 an urgent letter sent both by hand and by fax to the Permanent Secretary, again by Mr. Hampson of Quinn and Hampson, was in the following terms–

"We refer to our letters of the 25th February 2003 and the 5th of February 2003 copies of which are attached for ease of reference.

"We have today seen our clients and taken further instructions.

"Our clients are concerned to hear that employees, acting in the direct employment of or by way of subcontract to Quarry Products (or their agents), have been asked to mobilise with a view to transporting fill, starting early March 2003, to one or other of the affordable housing sights identified in our letter of the 5th of February 2003.

"We refer to the letter from Mr Andrew Gibb dated the 1st of February 2003 which was copied to you and in which it was stated "it was decided not to make an award to you or any other bidder for this work, as some of the sites identified for the initiative are now under review, and that further value engineering of the initiative as a whole, needs to be undertaken as a matter of urgency.

"You will recall that by letter dated the 21st of January 2003 our clients were awarded the tender for the site clearing, filling and compacting of the three sites under the affordable housing initiative.

"We are instructed that the consultant project manager for the affordable housing initiative still appears to be employed by Quarry Products Ltd, or at the very least is working out of their office at the present time. We cannot see how by any stretch of the imagination this consultant project manager can be regarded as independent and the award of any contract to Quarry Products (or their agents) in the light of previous correspondence smacks of the utmost bad faith.

"You can be assured that if the contents are true, our clients will be contacting their political representatives, and the press as a matter of urgency and considering all legal options. May we suggest that immediate action is taken to ensure that nothing is done to deprive our clients from the benefit of the tender previously awarded. You can be assured that if the contents of this letter are true, a substantial action in damages will be presented by our clients.

"We trust that we will now have the courtesy of an immediate response to our correspondence. With kind regards."

The Honourable Minister, when he delivered his statement a little earlier, sought in my view, to give the impression that these claims of correspondence not having been referred to, were unfounded, However, the reality is that the letter which he read and which I have from Mr. Steven D. Hall-Jones, Senior Crown Council (Civil) on 13 March 2003 followed these three previous letters from Mr. Bodden's attorneys and, in particular, the last one which threatened legal action.

In the interest of time and everybody's patience I will not read the letter again (that is the letter from Mr. Hall-Jones which the Minister read when he delivered his statement) but it is included in the train of correspondence which I have. I will, however, read the response to that letter, which is dated the 10 April 2003 from Mr. Hampson. He writes to the Acting Solicitor General–

"Dear Sir,

"I thank you for your letter of the 13th March 2003 in relation to the above-referenced matter.

"With the greatest of respect to yourself and the Permanent Secretary, your letter fails to address the fundamental concerns of our clients contained in our letter of the 28th February 2003.

"The letter from Mr. Andrew Gibb (a former and/or current employee of Quarry Products Limited who also is the project manager of the Affordable Housing Project) dated the 1st February, 2003 clearly indicated "it was decided not to make an award to you or any other bidder (emphasis added) for this work as some of the sites identified for the Initiative are now under review and that further value engineering of the Initiative as a whole needs to be undertaken as a matter of urgency". This appears now to have been a complete and utter misstatement of the truth. Indeed, our clients have photographic evidence which show that the work now being done at the Windsor Park site is being done with equipment that clearly belongs to Quarry Products Limited. In our letter of the 28th February, we indicate: "we are instructed that the Consultant Project Manager for the Affordable Housing Initiative still appears to be employed by Quarry Products Limited, or at the very least is working out of their office at the present time". Earlier faxes sent by Mr. Gibb on the Affordable Housing Project letterhead were sent from Quarry Products fax machine.

"Are our clients correct in assuming that after Mr. Gibb's letter of the 1st February 2003, a contract has been awarded in relation to this matter? If so, we repeat our client's contention that there is more than prima facie evidence of bad faith in relation to this matter.

"Our letter did not in any way seek to debate legal niceties in relation to contracts but merely pointed out to the Permanent Secretary that a certain state of affairs had been represented to our client by the Central Tenders Committee in

their letter of the 21st January 2003 and that Mr. Gibb, in his letter of the 1st February 2003 clearly indicated that no award was to be made to our client or any other bidder. This has proven to be totally untrue.

In view of the fact that our clients allege a complete lack of faith in the whole system surrounding the tendering for this project, we have been asked that an urgent explanation as to how this contract was awarded to a company by the name of Caristef, who were an original bidder on the project. It appears to our clients that Caristef is an "alter ego" or a company closely affiliated with Quarry Products Ltd.

We are sorry to say that the whole process surrounding the award of this contract "smells to our clients in a most unpleasant way".

Our client looks forward to receiving a more direct response to our letter of the 28th February 2003 and in particular, a full explanation of the circumstances as to how Caristef were awarded the contract in place of our clients contrary to the initial letter by the Tenders Committee and the representations of Mr. Gibb in his letter of the 1st February 2003.

Please rest assured that we have instructions to take this matter to the furthest extent. We have instructions to send a copy of this letter and the previous correspondence to Mr. Walton, the Chairman of the Central Tenders Committee. In all, our clients request a full and frank explanation.

Yours sincerely, Graham Hampson."

Then, as promised, Mr. Hampson also wrote to Mr. Walton, Chairman of the Central Tenders Committee on the same day, 10 April on the following terms.

"We refer to your letter dated the 21st January 2003, a copy of which is enclosed, addressed to our above-named clients.

We also enclose a copy of a letter from Mr. Andrew Gibb dated the 1st February 2003, which speaks for itself. Of particular interest, we note that this letter states as follows:-

"Following a meeting held on 21 January 2003 with the Honourable Minister and the Permanent Secretary, it was decided not to make an award to you or any other Bidder for this work, as some of the sites identified for the Initiative are now under review, and that further value engineering of the Initiative as a wholes, needs to be undertaken as a matter of urgency" .

It was with some surprise that our clients heard that despite their successful tender as indicated by your letter of the 21st January 2003, a contract was subsequently awarded to another bidder without any referral back to our client.

We wrote to the Permanent Secretary on the 5th February 2003 and we did not have the courtesy of a response. We attach a copy of our letter dated the 5th February 2003 together with a follow- up letter of the 25th February 2003 again, to which we did not have the courtesy of a response.

We wrote, again, to the Permanent Secretary on the 28th February 2003. We had no response from the Permanent Secretary himself. However, we received a letter from the Legal Department dated the 13th March 2003, a copy of which is attached. With the greatest of respect, this letter fails to address any of our clients concerns raised in our letter.

Our clients have been closely monitoring the work being done at the Windsor Park Affordable Housing Initiative site. It is with some distress that we have to report that much of the heavy equipment at the site appears to belong to Quarry Products Limited. We have seen pictorial evidence showing Mr. Dick Christianson, the owner of Quarry Products Limited, regularly attending the site.

It is clear from our letter that Mr. Gibb appears to have been employed (or indeed, still is employed) by Quarry Products Limited, and has been working out of their office. Faxes on the Affordable Housing Scheme letterhead in relation to the project have even originated from Quarry Products Limited's fax machine. As stated in our letter of the 28th February, we cannot see how by any stretch of the imagination this Consultant Project Manager can be regarded as independent and the award of any contract to Caristef (or their agents) in the light of previous correspondence smacks of the utmost bad faith.

It appears that further mobilisation is about to take place in relation to the West Bay Project and we assume that our clients will similarly be overlooked in relation to this contract as well. We are sorry to say it but there appears to be something "very rotten" with the way that this contract has been awarded and in the interests of maintaining public confidence in the integrity of the system, our client would demand a proper and full investigation and a frank explanation as to how this conflict of interest was allowed to prevail.

The integrity of the public tendering system is essential to the proper functioning of this community and we feel sure that you will do all in your power to immediately investigate this seemingly inexplicable state of affairs.

We look forward to your comments as a matter of extreme urgency.

Yours sincerely,

Graham Hampson."

That was the 10 April, Madam Speaker. On the 30 April 2003 Mr. Hampson again wrote to the Legal Department saying–

"I refer to previous correspondence in relation to the above-noted matter and, in particular, to my letter dated 10th April 2003. I would appreciate hearing from you as a matter of urgency."

There has been, Madam Speaker, as far as I have been advised, no response to those last pieces of correspondence.

The Speaker: Honourable Member, are you saying that neither the Legal Department nor the Chairman of the Tenders Committee responded?

Mr. Alden M. McLaughlin, Jr.: To that correspondence, yes.

Now, Madam Speaker, we have had some sort of explanation this morning in relation to the rationale he employed in deciding how to deal with this matter.

The Speaker: Can I just ask then Honourable Member, are you now finished with your correspondence that it could be laid on the Table for circulation?

Mr. Alden M. McLaughlin, Jr.: Yes, Madam Speaker, thank you.

The Speaker: Member for George Town, can you proceed with your question to lay on the Table.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, I beg to lay on the Table that compendium of correspondence in relation to this Affordable Housing Initiative Scheme, which commenced with a letter of the 8 January and ran through to a letter of 30 April 2003.

The Speaker: So ordered. I would ask that every arrangement be made for copies in circulation as soon as possible so that Members can have them for their perusal thereafter. Please continue, Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker.

I was saying that the Honourable Minister, in his statement this morning, has given his rationale for taking the course of action which he did. It is not for me to say whether or not that decision is right or wrong, warranted or unwarranted.

The Speaker: Please do not then, Member.

Mr. Alden M. McLaughlin, Jr.: I will not. However, I am entitled to say this, the Honourable Minister did not seek to say that in taking the course of action which he did, that he had followed the Financial Stores Regulations, that there had been another bid process undertaken which would have given all the opportunity to bid again on this new configured project because if there are concerns—

Point of Order

Dr. the Hon. Frank S. McField: Madam Speaker, on a point of order.

The Speaker: Please state your point of order, Honourable Minister responsible for Community Affairs.

Dr. the Hon. Frank S. McField: Madam Speaker, I think that the Member really is stretching it a bit and misleading the House. As a result, perhaps it is not deliberate when he is talking about the Honourable Minister taking a course of action. I read a statement that reflects the whole of the planning and decision-making process of the Ministry, including the Permanent Secretary and Project Manager. Therefore, for that person to have built an argument and now try to assist the general public in believing that the decision was the decision solely of the Minister, I think is misleading the House.

The Speaker: The Chair has listened to the point of order and technical though I find it to be, it is the ruling that the Minister himself at this juncture cannot be said to have made those decisions, unless there are other submissions from the Second Elected Member for George Town,. Please continue and refrain from that angle, Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker, I am happy to do that. I was not seeking to blame him solely for it, but it was his Ministry.

The Speaker: Second Elected Member for George Town, as you are aware I listen quite intently to words that are spoken by Members and, although the English language is perhaps one of the most fantastic languages in making explanations, the fact that you have responded by saying that you have not blamed the Minister solely gives rise to the irrebuttable presumption that there is some residuary blame to the Minister. At this stage, the Chair cannot accept that so I would ask you to make a statement to the effect that allocates no blame to the Minister until you are in a position to so do. Please continue.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, perhaps I can avoid this argument if I simply read what the Minister has said, how he has described it and perhaps he should not be unhappy with what he has said in his statement.

The Speaker: You may so do, Honourable Member after you have cleared up what I have just asked you to do.

Mr. Alden M. McLaughlin, Jr.: Yes, Madam Speaker, I am happy to withdraw whatever I said that offended the Minister.

The Speaker: The effect of which, at this stage, you are not in a position to put any blame at the Minister's feet.

Mr. Alden M. McLaughlin, Jr.: Yes, Madam Speaker.

The Speaker: Thank you. Please proceed accordingly,

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, the Honourable Minister himself has described the situation thus, in his statement this morning on page 9.

"The Ministry elected not to accept the bid submitted by Paul Bodden Heavy Equipment, as it was decided that in the interest of reducing the overall project cost to try to negotiate with a contractor to supply and compact fill materials at rates per cubic yard substantially lower than those submitted by Paul Bodden Heavy Equipment."

Therefore, Madam Speaker, perhaps I would not offend the Minister if I use "the Ministry" since that is his language.

The point I am seeking to make is that the Ministry engaged in a course of action, as I have just read, to renegotiate this contract and to obtain terms which it believed were more favourable than those that had been submitted, vetted and recommended for award through the tender process and the considerations of the Central Tenders Committee.

Now, in principle, there is nothing wrong with that as long as the playing field remains level and the provisions of the Public Management and Finance Law and the Financial Stores Regulations which operate there under, are observed.

There is good reason for that - basic fairness to start with. However, as important is to ensure that Government does get the best possible deal it can and Section 8.1 of the Financial Stores Regulations is quite clear about that. It says: "**The principle governing the purchasing of goods, works and services for Government departments and offices is that they must be acquired by the most economical means commensurate with quality and efficiency, so as to obtain the maximum value for the public moneys expended."**

It goes on to say: **"Moreover goods, works and services must be obtained openly and competitively so that not only do all potential suppliers of the goods, works and services have an equal opportunity to bid for public contracts, but the award of such contracts is seen by the community at large to be fair and equitable. To this end, except for purchases not exceeding $10,000 in value, all goods, works and services required locally by the Government will be obtained by contract after public tender. In no circumstances may a purchase or project be broken down into smaller components for the purpose of evading tender or contract requirements."**

The Speaker: Honourable Member, could you oblige the Chair by supplying a copy when the Serjeant comes back in, as I do not have sight of one, and as it was read into the record verbatim. Thank you.

Mr. Mr. Alden M. McLaughlin, Jr.: Yes, Madam Speaker, I am happy to do that.

The Speaker: Perhaps it would be best for it to be tabled when the Serjeant returns then all Members can have sight of it in addition to the Chair.

[Chapter 8 of Financial Stores Regulations laid on the Table]

Mr. Mr. Alden M. McLaughlin, Jr.: I am happy to do that, Madam Speaker. I beg that a copy of the Financial Stores Regulations chapter 8, in particular, be laid on the Table of this Honourable House**.**

The Speaker: So ordered.

Mr. Mr. Alden M. McLaughlin, Jr.: Madam Speaker, in the otherwise comprehensive statement which the Honourable Minister has made, he has not yet explained why it is that this course, which is demanded by the Financial Stores Regulations, was not followed. He has not said how many other persons or if anybody else was given the opportunity to bid or even to negotiate on this particular contract. In my respectful submission there is the clearest of breaches of the provisions of the Public Management and Finance Law and the Financial Stores Regulations in the handling of the award of this contract of the filling of the Windsor Park Site.

What is particularly ominous about that is that none of us know how much that contract has been awarded for. The process has not been open and it certainly has not been accountable because there is not one single word about it in the Budget documents, which we have here and which I spent some time over the weekend going through very carefully to ensure that I would not be making statements which could be considered to be misleading.

There is no provision in there for this project at all, except for the administration of the office, which I dealt with on Friday evening.

One moment, Madam Speaker.

The Speaker: Honourable Member, I think the Clerk is trying to ascertain whether the entire chapter 8 had been read. Please proceed.

Mr. Mr. Alden M. McLaughlin, Jr.: Madam Speaker, I wish to record the Parliamentary Opposition's grave concern at this non-compliance with such important regulations.

Actions like these undermine confidence, not just in the integrity of the tendering and award of contracts process, but in the administration of the finances of this country generally. It is bound to cause persons—and it has caused us on this side—to ask the question, can we trust the system to deliver equitably and fairly? Can we be satisfied that Government is getting value for money when contracts are

awarded if the process which is stipulated is avoided and the Central Tenders Committee is not given the opportunity to review and consider which contracts are in the best interest of the Government and the people of the Cayman Islands, then something is fundamentally and radically wrong. It leads us, as we have said since we began this debate on Thursday, to question the validity of the figures contained in the Budget when they speak about a balanced budget.

We do not know how much this whole project has cost thus far because there is nothing about it in the Budget and we certainly do not know what this contract cost.

The money has to come from somewhere or has had to come from somewhere and will continue to have to come from somewhere. Where is it going to come from to fund this project? From general revenue, from money shipped shifted from one capital project to another to supplement the coffers of whichever account this money has been run through? Where is the accounting for it, Madam Speaker? I asked the Honourable Third Official Member on Friday evening and I ask him again: please tell this Honourable House and members of this community where this $4.5 million — or whatever the sum is that has thus far been spent on the Affordable Housing Initiative — where is it coming from and how is it being accounted for? Inquiring minds want to know and certainly the Parliamentary Opposition wishes to know.

Madam Speaker, in this context I would wish to refer to Part B of the Financial Stores Regulations entitled, "Responsibilities for Finance, Accounts and Audits" and, in particular, the responsibility of the Financial Secretary.

The Speaker: Permission granted, but please also proceed to lay it likewise.

Mr. Mr. Alden M. McLaughlin, Jr.: I would be happy to, Madam Speaker.

Paragraph 2(11)(i):

"As indicated in General Orders, Chapter 13, paragraph 1, the Financial Secretary is the senior financial officer of the Government and is the chief advisor to the Government on fiscal matters. He is responsible in matters of finance for the implementation of all policy decisions of the Governor and of the Executive Council and Legislative Assembly. He shall so supervise the finances of the Government as to ensure that a full account thereof is made to the Legislature and for this purpose he shall, subject to the directions of the Governor and of the Legislature, have the management of the revenue and expenditure of the Government and the supervision, control and direction of all matters relating to the financial affairs relating to the Government."

The next paragraph:

"The Financial Secretary shall give such direction an instructions as may appear to him to be expedient for the advantage economy and safety of public monies, stamps and securities, stores and other public property. He has overall responsibilities to the Governor for ensuring that all regulations, orders, direction and instructions relating to the receipt, disbursement, safety, custody and control of public moneys, stamps securities, stores and all other public property are brought to the notice of all persons affected thereby and are duly complied with."

Therefore, Madam Speaker, we say on this side of this Honourable House that the provisions of the Financial Stores Regulations have not been complied with and we call upon the Honourable Financial Secretary of this country to give a full and frank explanation to this Honourable House as to the reasons therefor and to the steps that have been or will be taken to ensure that further breaches of these Regulations do not occur.

The Speaker: Member you need to lay the document which you just referred to.

Mr. Mr. Alden M. McLaughlin, Jr.: Madam Speaker, I beg to lay on the Table of this Honourable House, Part B of the Financial Stores Regulations entitled, "Responsibilities for Finance, Accounts and Audit" and I would ask if the House could take the morning break at this point.

The Speaker: So ordered for the laying of the document. You have 30 minutes remaining and at this time we will take a 15 minute morning break.

Proceedings suspended at 11.54 am

Proceedings resumed at 12.24 pm

The Speaker: Proceedings are resumed. Continuing the debate, the Second Elected Member for the district of George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker.

Picking up where I left off in referring to the various duties of the respective organs of Government and of Ministers and Members of Executive Council, I would like to refer, with your permission, to chapter 2 of the Financial Stores Regulations entitled, "Financial Control part A General Power to Authorise Expenditure".

The Speaker: Certainly.

Mr. Alden M. McLaughlin, Jr.: This particular provision deals with the role of the Legislative Assembly in this whole process.

It reads, **"It is a fundamental and inviolable principle of the control of public moneys that the exclusive right to authorize public expenditure,**

whether recurrent or capital expenditure is vested solely in the Legislature through the approval of annual Estimates of Expenditure and the enactment of Appropriation Laws and, except as provided in the Public Finance Law or under general or specific authority delegated by the Legislature it is not within the competence of any public officer to vary the pattern of spending approved in the Estimates or to initiate or incur public expenditure which is not covered by the prior authority of the Legislature."

That sets out very clearly the role, which I and all Honourable Members of this Legislative Assembly have to play in scrutinising the expenditure of Government funds and the conduct of the Government in the award of contract which will be paid for by those funds. It is a duty which I and, I believe, all Members of this Honourable House take seriously and I know that I have caused certain Members of this Honourable House some discomfort this morning. It has been said that perhaps I am seeking to impugn their character. Nothing could be further from the truth. I may believe that there has been dereliction of duty; I may believe that Members or Ministers may have acted inappropriately, but I certainly am not seeking to impugn anyone's character.

Lest anyone should misunderstand me I wish to make it absolutely clear that the sense of duty which I have to this job to which I have been elected and which I hold sacred, requires me to disregard any friendships, any relationships or even any sympathy I might have for any Member or Minister of Government in the discharge of my sacred duty. I will do my duty and be blessed or do my duty and be damned, but I will do my duty. If the people of this country are unhappy or dissatisfied with how I have carried out my duty, how I have performed the functions of my responsible office then they will know what to do when the time comes. However, until that time comes, I look any Member of this Honourable House straight in the face and say, "I am going to do my job whether you are happy or unhappy about it". When I sit down, those of you who wish to stand up and respond to me or to say that what I have said is not so—

The Speaker: Please refer to them as Honourable Members rather than as a subjective pronoun.

Mr. Alden M. McLaughlin, Jr.: Yes, Madam Speaker, they are all Honourable Members. However, it will be their turn and their opportunity to show what is wrong with the case I have made; to show what holes there are in my arguments and to, I would hope, offer some explanation for what seems to be a course of action which is not in keeping with the provisions of either the Public Management Law or the Finance Stores Regulations.

Madam Speaker, there are a number of questions which must be answered.

Caristef Limited was one of the initial bidders. When the process was initiated they were unsuccessful and Paul Bodden Heavy Equipment was the lowest bidder. The Minister said that in his statement. The Ministry had concerns about the overall cost and decided to negotiate to obtain a lower price, but as best we know the only contractor with whom they negotiated was Caristef. If Paul Bodden Heavy Equipment had proposed the lowest bid in the first place and had been recommended for the award of the contract by the Central Tenders Committee, why were they, and others, not invited to participate in this second process? We would like an answer to that.

Who undertook the review to which the Minister has referred and where is the report on that review?

I am going to conclude with this: On behalf of the Parliamentary Opposition, I am calling on the Governor of these Islands to establish a commission of inquiry into this particular matter.

The Speaker: Honourable Member for George Town, before you proceed could you enlighten the Chair as to how you wish to tie that into the relevance of this debate as opposed to bringing it on a substantive motion.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, the Commissions of Enquiry Law simply says this:

"The Governor may, whenever he deems it advisable, issue a Commission, appointing one or more Commissioners, and authorising such Commissioners or any quorum of them therein mentioned, to enquire into the conduct or management of any department of the public service, any public or local institution or the conduct of any public or local officers of the Islands or of any Island or district thereof, or into any matter in which an enquiry would, in the opinion of the Governor, be for the public welfare".

I am hanging my submission on that penultimate line of subsection 2(1), **"…into any matter in which any enquiry would, in the opinion of the Governor, be for the public welfare."**

The Speaker: Honourable Member, it is not the position of the Chair that the Law does not permit that. What I was trying to draw your attention to was Standing Order 35(7) which says that:

"The conduct of Her Majesty, members of the Royal Family, the Governor, the Presiding Officer, Members, Judges and other persons engaged in the administration of justice or of Officers of the Crown may not be raised or impugned except upon a substantive motion; and in any amendment, question to a Member of the Government or debate on a motion dealing with any other subject any reference to the conduct of any such person is out of order."

I have allowed your debate based on your initial submissions and I found them to be relevant so far. Now that you have embarked upon your conclusion which I could not have foreseen, not having privy to a conversation with you or your debate which I am not obliged to have, the Chair would be very strained to interpret your submission as being relevant to what you have put forward thus far and not bringing within the Standing Order that I have. Hence, I was subtly suggesting to you that you needed to refresh your memory to that Standing Order so that you could have brought it on a substantive motion if that was the desire of the Parliamentary Opposition or from your personal perspective. In that vein, I will not entertain a submission or backdoor substantive motion at this stage.

For the abundance of caution, I would like to make it abundantly clear that the Speaker, nor the Chair, is infringing on any rights of Parliament, but merely carrying out the Standing Orders as have been laid down for generations. If any Member wishes to change it there is an appropriate course to so do.

Please continue.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, I wish to make it absolutely clear again that I am not seeking to impugn the character of anyone in the context of all of this. I am not going to go down the road that you have told me not to go, but I just wish to make that absolutely clear.

The Speaker: I understand that, Honourable Member, but if you would look at Standing Order 35 (4), it deals with imputing. I am looking strictly at the interpretation of 35(7) which brings into question the conduct. Generally speaking, the Chair feels that it is the more appropriate avenue open to you and would not allow the Budget Address to be used a backdoor entry when a substantive motion is the more appropriate process.

Mr. Alden M. McLaughlin, Jr.: Fine, Madam Speaker, that is the ruling and I am not going to argue about that.

Therefore, Madam Speaker, I have concluded my debate and my submissions on this matter. I regret very much that this course of action has been necessary. The matter, I believe, could have been handled much better otherwise. However, as I said, it is the duty of every elected Member of this Honourable House and particularly those of us on this side who are invested with the tremendous responsibility of scrutinising the conduct and actions of the Government, to ensure that when matters such as these come to our attention that we take the necessary action to bring them to the House's attention. For if we do not, confidence in the integrity of not just the tendering process, but the integrity of the administration of Government is called into question and the day that this country loses confidence in the financial integrity and the conduct of the finances of this country is the day that I think we might as well pack up our bags and say let us go somewhere else.

The Speaker: You have 37 minutes remaining.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, it is in the interest of that and in the interest of our assuring the continued good stewardship and confidence in the system of government in these Islands generally, that these uncomfortable matters sometimes have to be raised and dealt with on the Floor of this Honourable House.

As I said before, it is done without malice and entirely in the discharge of the important function that I understand my colleagues and I on this side of the Honourable House have to discharge.

I will sit down now, Madam Speaker, and will not proceed to deal with any other aspect of the Budget. My colleagues, the Leader of Opposition and the Third Elected Member for Bodden Town and the Elected Member for East End have, I think, dealt rather comprehensively with other aspects of the Budget Address. I think all things considered, they have done a commendable job in discharging their function as well.

Madam Speaker, I sit down and I await the barrage.

The Speaker: Does any other Member wish to speak? The Honourable Minister responsible for Community Services.

Dr. the Hon. Frank S. McField: Madam Speaker, I had not intended to speak because we are pressed with time. It is unfortunate that there is a situation where we have to try to finish the country's business in order to make sure that we do not get bogged down and that we are, in fact, moving forward and progressing with very important issues that people are concerned about. However, I did feel that some of the issues raised by the Second Elected Member for George Town and put in some type of legal argument with regards to the tendering process, the Stores Regulations, affordable housing funding and questions with regards to the Financial Secretary, almost imputing improper motives on that Member's part …

I believe that the Financial Secretary will have his opportunity to address many of these issues, clear them up for the general public and show again that the Second Elected Member for George Town is very good at trying to move the public's attention away from what is needed in the country and away from how this Government is working to make certain types of achievements and trying to get them to concentrate on his legal arguments about irregularities in the system. I am not saying that it is not important to observe the process but that Member (The Second Elected Member for George Town) needs to be more cognizant and concentrate more on results rather than delving always on how people do things or how things

are done. I have not heard him say anything about the merits of the housing system; I have not heard him talk about how it could be done differently; I have not heard him talk about how we could use different materials or any way to deal with this problem.

When one listens to the Opposition one has the feeling that all we have in this country to deal with is basically looking at what they consider to be the mistakes of this Government. Everything that the Government does that is successful is conceived by the Opposition as mistakes. It is important that not one of the five Members of the Opposition got up here today to speak about the merits or demerits of the Government's Affordable Housing Initiative. Yet the Second Elected Member for George Town claims that he is from an un-privileged class in the society who is supposed to have great sympathy and understanding for those persons who are now and have been for many years, in a position where they could find no solution to their desire to own their own homes, and not just to own their own homes but to have some place that was adequate and affordable, whether or not it was by paying rent or by outright purchase. He has great sympathy for them yet he does not mention them in his debate. He spends his time talking about a dissatisfied heavy equipment operator, but he does not mention the normal, local grass root Caymanian that we are trying to build these affordable homes for. Not one mention has this person made in his debate. He spent all of his time . . . two hours he was allocated and he has left 37 minutes and he has not mentioned the people that have elected him. He has not mentioned them in this Budget. He has just mentioned what I consider to be special interest.

Madam Speaker, there is a question that was just asked by the Lady Member for North Side, but I would not want to say that over the microphone because I might be imputing improper motives on the part of Members of the Opposition and I do not want to do that.

The Speaker: Please do not embark on those high seas.

Dr. the Hon. Frank S. McField: …because I can get sworn affidavits to prove certain points in here.

The Speaker: Order.

Dr. the Hon. Frank S. McField: Madam Speaker, the point being that the Opposition is concerned with getting into Government; they are not concerned with governance. They are two different things; getting the job and doing the job are two different things. What they do is that they try — especially with the housing project because it is important — they seriously believe that the Government that can deliver affordable housing in this country will win the next election. Therefore, they have to sabotage and work on finding ways to make that government's initiative look as if it is not an honest or credible one. Everything is questionable about the way in which we have done things, according to the Second Elected Member for George Town.

It is important . . . because I do not want to get into trying to somehow pretend that I understand the Government Finance and Stores Regulations, even as well as the learned lawyer, the Second Elected Member for George Town. However, as I said, perhaps my unfortunate position is as a result of the fact that I have been more concerned in doing things for the same poor people that this Member has not even mentioned in his debate. I have not had the time to read the tedious regulations that he now speaks about, but I am quite sure that my Permanent Secretary is familiar with it, and I am quite sure that the Financial Secretary is familiar with these regulations as well.

I, as Minister, know exactly what my job is: my job is to make sure that I develop policies; my job is to motivate those persons who are responsible for the implementation of those policies. The policy of the United Democratic Party Government is to try to develop as many affordable housing units for the people of this country so that they can own something and are not always denied by contractors, by heavy equipment operators and by all the people who have held a monopoly on those resources in this country over the years. It is about time that we begin to attempt to break this monopoly from that class of people that this Second Elected Member for George Town represents. They have done things solely in their own interests and it is about time that the interests of those persons that I hear them talking about . . .

Oh, yes we can talk about the drug users and the crime in society, but the drugs and the crime problems in society are created by other problems too. They are created by the fact that people do not have access to the jobs and to the resources that are necessary to pay for housing, training, and for other things that they need in the society. That is what they could talk about, but no one is talking about the need in this country for decent accommodation.

Did we hear one Member of the Opposition talk about the need in this country for housing? Yes, we will talk about the need for more police, but not the need for more housing. We talk about the need to give more money to the police, but no money towards trying to improve the ability of single mothers to mother their children in such a way that they will not become a need for policing at this particular time These are people who are reacting to the crises that their class of people have created over the years. That is what they are doing. They are so hungry for the job that they forget the fact that to get the job they are going to have to be able to perform some things that will satisfy those people in this country that have been without representation for a very long time.

I hear them talking as if I am responsible for the social problems in this country—that I, and the

little time that I have been in the Ministry, have really been responsible for the lack of social engineering in this country. They give one the impression that the crime in the country, the dysfunctional families, youth with problems in this country, must be blamed on Frank McField. However, I was just looking at an old copy of *The Nor'wester*, dated August 1979. It was sent by someone from North Side; and it was put on my desk this morning.. It speaks about: 'Ezzard's departure from government service'—

The Speaker: Honourable Minister, would you wish to read it into the record?

Dr. the Hon. Frank S. McField: Madam Speaker, if I was allowed to read this into the record I think . . .

The Speaker: Please proceed.

Dr. the Hon. Frank S. McField: "Ezzard's departure from government service follows briefly after that of Dr. Frank McField, social development officer with the National Council of Social Service for two years. After some months of running dispute with the Health, Education and Social Services portfolio, it was announced that he had been dismissed by the Public Service Commission for breach of public service regulations. His contention was that secondment to the NCSS meant that he was subject to the regulations but the ruling went against him.

"Again, it seems a pity that a well-qualified young Caymanian's services are lost to government and again there is the conjecture as to the likelihood of Frank seeking a political role in the future".

This was 1979, and I can tell you that when I look at the picture therein, I get a little shock seeing that I had been young once.

The Speaker: Would you also wish to proceed with laying the document, Honourable Minister?

Dr. the Hon. Frank S. McField: Yes, Madam Speaker, I would like to lay a copy of that on the Table.

The Speaker: So ordered.

Dr. the Hon. Frank S. McField: Madam Speaker, I just want to make sure that everyone understands that I am not responsible for the social problems. I am not responsible for the fact that we have crime. As a matter of fact, had those persons that I was trying to give a message to back in 1979, not decided to shoot the messenger, we might not be here rowing about who is responsible for crime in the Cayman Islands. We might not be talking about the lack of affordable housing. Many of these problems might have been solved or, at least, there might have been some kind of genuine attempt to find solutions to these issues. Now, for Members to try to pretend somehow that this Government lacks a social conscience; that this Government does not care; that the reason we are having the types of problems we have now is because of our mismanagement.

It is not so Madam Speaker. We realised a very long time ago that there could be no serious social management without that management being proactive; without that management having strategies that would prevent certain types of behaviour from being created and being institutionalised and becoming part of a criminal sub-culture in our country. We realise that for there to be a sensible social management policy, housing would have to be one very important element of that policy. There was no point in me coming and talking about social engineering—like all the other geniuses on the other side talk about—without at the core of that social engineering, having houses being available to the people that we wanted to somehow impact and affect.

What kind of preventative programmes would we have where housing was not an important consideration? Where the supply of affordable housing was not an important consideration? What kind of policy would that be? That would be an empty policy. That is the kind of policy you hear coming from the Opposition. That is the kind of policy that we have had;—a policy that was empty; a policy that was impotent because it was not based upon considering what was absolutely necessary and essential from the very beginning which was proving shelter for people; providing an environment where they could begin to parent.

We are always talking about blaming parents, but at the same time when people work on jobs and are not being paid enough to create the conditions where there is not a living wage, where the people cannot afford the goods and services that are produced in the society, then at the end of the day we have issues. I decided not to concentrate now on the income, but on the outcome because sometimes the income can be small, but the outcome can be great. It means that I am not out there writing a minimum wage bill, but at the same time I am creating affordable houses to allow those people who might be earning the lowest wages in society to have access to something that they psychologically and physically need in order to improve their self-esteem and their parenting.

We have a whole strategy that we are developing and I am not in a position to come and speak about this all at once today because it is a complex thing and it is something that I believe does not necessarily have to be politicised. I think we really need to deal with it on an administrative level. However, there are social strategies and ways that we will have to deal with this housing issue that will make it work; that will mean that we will not be creating ghettos. People have been talking about it. We are creating a National Housing Trust and there are ways that we are going about selecting people, managing people, helping

people with social issues, seeing the investment as a real social investment on the part of the Government. However, I did not come to argue with the Opposition about this because they know very well that otherwise they would have been talking about something else besides the breach of the Government Finance and Stores Regulations.

The Opposition would be talking about something else other than the fact that they do not see in the Budget any more money than $150,000 for the National Housing and Community Development Trust. Those $150,000 are administrative funds for that particular unit that is a part of Government's social investment. That is a definite expenditure that the Government has incurred.

I am not going to get into issues that the Financial Secretary is capable of dealing with, but I do understand from having seen other situations that there is such a thing as an advance account. I do understand that there have been advance accounts before that have paid for medical situations. I will not get into it since it is not my area, but I do know that we were allowed to pay out money from an advance account and not out of general revenue. It was a specific advance account marked for the Affordable Housing Initiative. The Financial Secretary, as far as I know, did that out of the goodness of his heart because he realises how difficult it has been in this country to break this cycle of trying to get affordable housing for people. It was time that the Government stood up and tried to do something to break this cycle. I thank him and thank his Christian beliefs. I know he is an honest and good man, and for the Second Elected Member for George Town to try to build a case to cast aspersions on the Financial Secretary for doing this is a shame!

The Speaker: Is this an appropriate time for the luncheon break?

Dr. the Hon. Frank S. McField: Yes, Madam Speaker.

The Speaker: We will reconvene at 2 pm.

Proceedings suspended at 1 pm

Proceedings resumed at 2.20 pm

The Speaker: Proceedings are resumed. Continuation of the Budget Address by the Honourable Minister responsible for Community Services.

Dr. the Hon. Frank S. McField: Madam Speaker, I am a bit disappointed that the Members of the Opposition have not showed up here after the lunch break in order to be able to get an answer from me with regards to the many accusations and questions which the Second Elected Member for George Town brought before this House this morning.

I think that his concentration on the process represented, in my opinion, his involvement with special interest where he is trying to suggest somehow that the project manager acted out of a conflict of interest. I think that we need to look more at exactly how this particular process with the tendering of this contract for the fill of the affordable housing sites develops.

I was also upset by the fact that he tried to cast aspersions on what I thought was the good name of the Financial Secretary, the Third Official Member, who is a good person and who has shown more sympathy for this Affordable Housing Initiative than many Financial Secretaries have shown.

I think, Madam Speaker, that the Government's Affordable Housing Initiative has not only taken a very long time to get to this point — some thirty years — but it is a special project with special difficulties. The mere fact that the Opposition concentrates only on trying to find faults with the tendering process and the way in which Government is supporting this project, goes to show that the Opposition's main concern is not with the people and not with the results that this process will be able to achieve.

I would like first of all to bring to the attention of this Honourable House that the Second Elected Member for George Town seemed to have been representing Mr. Paul Bodden, one of his constituents - perhaps one of my constituents as well; I am not sure whether or not he does live in the district of George Town now or in the district of Bodden Town, but I know that he is a George Towner from birth. In bringing up that in all of the correspondence that was tabled in this Legislative Assembly, all of the accusations that were made this morning about the tendering process, the Second Elected Member for George Town failed to say, if he did know, perhaps he did not, that Paul Bodden Heavy Equipment's bid went into the Tenders Committee twenty minutes late and that bid should not have been entertained since two other bidders that were late were sent away. Mr. Paul Bodden was called back and his bid was registered.

I am in the position to prove to this Honourable House that the Deputy Financial Secretary, Mr. Joel Walton, Chairman of the Central Tenders Committee consulted with the project manager, Mr. Andrew Gibb and at the end decided to call Mr. Paul Bodden back in order to allow him to be included in the tendering process. The fact that the bid was already twenty minutes late, the fact that two other sets of bidders were sent away because they were late, the fact that Mr. Paul Bodden was accepted, goes to show special interest and favouritism from the very beginning.

However, the Second Elected Member for George Town who is a part of that class, who is a part of that thinking, who is a part of that network, did not come here to talk about that. Anyway, Madam Speaker, the bid was accepted.

The Second Elected Member for George Town seems to be accusing us of not going according to the Financial Stores Regulations, but, in fact, we did put the filling of the sites out to tender, we did receive bids, we did examine those bids and, as a result of examining those bids, we found that the prices that were being offered to us were not what would make our project affordable and the whole concept of the Affordable Housing Scheme had to be taken in to account.

Therefore, I had a meeting with Mr. Gibb who sought a meeting with the Auditor-General on Wednesday, 19 February to discuss the issue of the tendering of the Affordable Housing Initiative contract. Out of an abundance of caution, Madam Speaker, the project manager, Mr. Andrew Gibb, asked me to write to the Auditor-General explaining the Affordable Housing Initiative procurement concept. I wrote to the Auditor-General on 21 February 2003 and I shall read from this letter with your permission and I would like to table it as well.

The Speaker: Please proceed.

Dr. the Hon. Frank S. McField: "Dear Sir, following ratification by Executive Committee, the Ministry of Community Services, Women's Affairs, Youth and Sport is now to embark upon the procurement stage of the Affordable Housing Initiative. I have retained the services of Mr. Andrew Gibb as project manager responsible for the procurement and execution of the assembly, erection and delivery of two hundred houses under phase one of the initiative and over a period of time not exceeding 14 months.

"The Ministry has embraced the concept of "value engineering" in order to achieve the procurement of these houses at the least possible cost and over the shortest possible time frame. As purchase prices for these houses are determined by affordability to purchaser rather than the sum of total input costs, we are committed to a dynamic process of cost/benefit analysis on an ongoing basis, and as such, have already embarked on a fast tract procurement programme that challenges traditional construction methodologies and related costs.

"I have directed the Project Manager to spare no effort in applying rigorous cost-reduction criteria to every stage of the procurement and delivery process. In achieving the cost and time targets that I have set for this project, he will have to ensure that everything procured for the initiative will have to be at the lowest possible cost within the shortest possible timeframe, and in so doing, will comply with Government's requirement for best value for money.

"I thank you for your interest and cooperation in this exciting project, and assure you of our continuing adherence to best procurement practice in the execution of the Affordable Housing Initiative.

"Yours sincerely, Dr. the Hon. Frank McField, Minister."

Madam Speaker, I would also like to table the note with regards to the meeting between the Auditor General and the project manager.

The Speaker: So ordered.

Dr. the Hon. Frank S. McField: Madam Speaker, it is fundamental for us in this Honourable House and the listening public to understand that it was not the intention of the Second Elected Member for George Town to look at both sides of the story here. We must understand that it was not the intention of the *Net News* when they published their stories to look at both sides, but to try and cast aspersions for what reasons I am not in the position to say.

However, we elected not to use any of the bids that came in because all of the bids, including the lowest bidder, were too high; it would make it more difficult for us to achieve our objective of building affordable homes. As a result, Madam Speaker, we were invited to discuss with someone who had been willing to supply us at a much cheaper rate - Caristef, as I said in my statement this morning. We are talking about more than $2.00 per cubic yard.

The fact that this company is referred to by Mr. Paul Bodden's attorney as the alter ego of Mr. Dick Christensen from Quarry Products, is the opinion of the attorney. It is obviously the opinion of the Second Elected Member for George Town, but I am aware that this company is owned by one Steve McLaughlin who is a cousin of the Member for East End, who worked at CUC with that Member for East End and who has been trying to pay his bills to build a company and to create himself as a small Caymanian businessman.

We hear people saying that we do not want to help small Caymanian business people. In cases like this, he shows us how he can support us in our desire to build affordable houses; how he can fill and compact the site at a price which is well below that which we received in the lowest tender. What were we supposed to do? Send him away? Madam Speaker, we put the contract to fill and to compact the land out to tender and we received back that process and we did not go out and hire someone that was more expensive than the lowest bidder; we hired someone that was less expensive and much less expensive.

The point that the Second Elected Member for George Town is making is that this person is the alter ego of Dick Christensen from Quarry Products. I would just like to remind this Honourable House and remind the listening public that many people know Dick Christensen from Quarry Products and many people have received some support from Dick Christensen one way or the other. Many Members of the Opposition have received support from Quarry Prod-

ucts for projects that they have been doing in their communities and other things that they have been doing. If they say it is not true, then I would like to be given the challenge to go out and collect the proof.

The mere fact that we have known this man as an entrepreneur in the society— and many of those people have known him—does not necessarily mean that somebody has committed some kind of offence. Mr. Christensen seems also to be involved in many of these quarrying exercises in the Cayman Islands. So it appeared to me that what the Member is saying is that Mr. Steve McLaughlin from Caristef is the alter ego which means that he is getting a certain amount of support from Dick Christensen.

This might be true. In other words, Dick Christensen might be helping him, but that was not what the Ministry did. The Ministry made a contract with a young Caymanian from the district of East End who was trying to save his business, who was showing us that he could get fill and supply us with fill at a cheaper rate. Our job is to make sure that our project can be affordable, not to guarantee Paul Bodden, or any other Bodden, a livelihood or a job. Therefore, if I am being criticised by the Second Elected Member for George Town for getting things cheaper, for making the project successful and more affordable for the people to be able to have a house, then I guess I have to take that criticism.

However, I do not believe that members of my staff, members of my Ministry or the Financial Secretary, should be criticised and aspersions should be cast on them when the Deputy Financial Secretary, who as Chairman of the Central Tenders Committee, accepted Mr. Paul Bodden's bid late when it should not have been accepted in the first place. Perhaps all of this that is going on here today would not have had to go on had the Deputy Financial Secretary, a friend of the Members of the Opposition, as far as I know, not accepted this man's bid outside of the time.

Now what should have been cast on their friend is being cast on his superior partner in the Ministry of Finance, the Third Official Member.

The Speaker: Is that your opinion, Honourable Member?

Dr. the Hon. Frank S. McField: That is my opinion, Madam Speaker, and I wish the Opposition were here.

Madam Speaker, I will go over it again because I think it is important in terms of my argumentation.

If irregularities took place, they must have begun with the way in which late bids were handled. The fact is as I have stated in the letter to the Auditor-General, I have proceeded with the concept of value engineering, continuously evaluating and re-evaluating costs, trying to save costs, trying to keep the project on an affordable course. I have heard the Second Elected Member for George Town say that–or people say that they have heard that it is over-budgeted. That means that we have to work even harder if that is the case to make sure that we bring down the cost. That should be our primary consideration, not the interest of one or two individuals in society who have always felt that they are members of the privileged class and that they should always be first and the people should be last.

We have signed, as a Government, an agreement with Quarry Products some time ago that Quarry Products would be allowed to pay Government back for a debt which Quarry Products owes Government because Quarry Products operated/quarried on Government land. That is a long story and Government has said, "Pay us back in materials". Thus, we have a contract with Quarry Products and that allows them to do that and that has been amended a few times.

However, I must say that long before this process went to bid for the fill of the land, that an agreement was signed between my Ministry and Quarry Products to allow them to pay that and it was also then signed by the Public Works Department. We agreed that, rather than go out and spend cash we would collect the debt by way of bartering, by way of materials. Therefore, it is not to disassociate our knowledge or ourselves with any particular individual here; we do not have to do that.

To accuse Mr. Andrew Gibb, the project manager, of having a conflict of interest simply because he worked with Quarry Products, that he left his job at Quarry Products to come to work for the Ministry as a project manager, does not necessarily follow because many people change jobs. We have a right to change jobs; many people have changed jobs. Does it mean that the Member for East End just because he left CUC and came to work for the people of the Cayman Islands in the Legislative Assembly is now going to have a conflict of interest? Does he have a conflict of interest when he is debating issues dealing with CUC?

At the time in which Mr. Gibbs was involved in this situation, he was not an employee of Quarry Products. However, he had access to Quarry Products' office and, at that particular time, because he had been an employee of Quarry Products we had not provided him with any accommodation. We were trying to move our projects ahead and so he regrettably faxed from that particular office, but he never tried to hide the fact that he faxed from that office. If he had something to conceal maybe he would not have faxed from that office, but from a different office. The mere fact that he faxed from Quarry Products' office does not mean that there is a conflict of interest; it does not mean that he is not aware of what the procedures are. The man worked with Public Works before. He is very aware of the Financial Stores Regulations and he has been very aware of the fact that he must protect his own position, his own reputation on the job and in this country and I do not think he is going to allow me or

anybody else to involve him in anything that is not above board.

The mere fact that the Opposition is concentrating on what has been done wrong rather than trying to give the Government some kind of credit for what has been done right, just goes to show, Madam Speaker, exactly where their minds are at.

I notice that there are still Members of the Opposition absent, especially those from the district of George Town. Madam Speaker, I am not going on about this issue of tendering, any more, because I think I have explained it. I think the Financial Secretary can explain about the advance account and how these things are going. Thank God, again, something is going and they want to mash it up. They cannot say that we did not use the tendering process — that we have subverted. We used it as required by law! We used it but we were not satisfied with the lowest bid and we found that we had access to better value for money and that is exactly where we went.

As I said, Madam Speaker, the fact that Mr. Paul Bodden was allowed to register his bid when he was late like three other companies, and his bid was accepted, had to do with the fact, in my opinion, that he has contacts and was able to use his contacts to be included. When we can prove that his bid was twenty minutes late and should have been excluded, we should not be talking at this particular level in this conversation.

There are so many other points, but I am not going to deal with them because time is important and I believe that the Government needs to get into Finance Committee and the Government needs to get this Budget passed. We need to get back to our jobs of trying to create affordable homes and trying to create better conditions in the Social Services Department to allow it to work more specifically with families where we have a more holistic view of problem solving; where we do not just look at drugs, but we look at the causes; where we do not just look at bad parenting, but we look at the causes of poor parenting; where we do not just blame the parents, but also blame the governments that have over the years failed to help to support poor working people in gaining the conditions for decent Christian living.

The Second Elected Member for George Town is a thorn that has come not to assist, but to discredit, to show how superior he is because although he continuously says that he is not privileged, looks are deceiving. I believe that he is privileged, that he does view reality from a superior position, that if he were to see the need he would be out there working to try to make sure somehow that we can get those houses tomorrow; that we can get the social structures in place to be able to do this.

I have invited Members of the Opposition, Members of the whole House, you, the Governor and everybody to tour the Windsor Park site and the Fairbanks site with us tomorrow at 4 o'clock. I noticed that when I passed out the invitations the Member for North Side tore her invitation up, so that I could see that she was destroying hers. I guess she prefers to go there on her own, to ask her own questions rather than to go with us, to see what we have, what we need to do and where we are going.

I will be looking forward to seeing the Opposition joining the Governor, who they are calling to do a commission of inquiry, accompanied by the Financial Secretary and all those Members of Government that can be there, to see what has been done and what needs to be done. Let us see if we can push this project forward.

See, Madam Speaker, the Member for North Side just cannot take it.

The Speaker: Please continue with your debate, Honourable Minister responsible for Community Affairs.

Dr. the Hon. Frank S. McField: Perhaps North Side needs a few homes too, but I get the attitude that would not be appreciated.

Point of Order

Ms. Edna M. Moyle: Madam Speaker, on a point of order.

The Speaker: Please state your point of order.

Ms. Edna M. Moyle: The Honourable Minister seems to be a total female hater. Why is he always picking on me when I have said nothing? I am tired of it. He is misleading this House that I am leaving because he is speaking.

The Speaker: Honourable Minister—

Dr. the Hon. Frank S. McField: Madam Speaker, why would I be a female hater simply because I am watching the reaction of the Member for North Side. I saw her tear up her invitation very aggressively. I have seen her aggressive posturing at the moment and I have brought it to the attention of the House and the general public. That does not make me a female hater.

The Speaker: Honourable Minister, the Chair does not find that it is misleading. Please continue with your debate. Member for North Side, please contain yourself.

Dr. the Hon. Frank S. McField: Madam Speaker, I would like to end my debate by saying that I think that there would be other opportunities that I will have to debate. However, I would also like to remind the general public that because the Government did not go out to borrow a whole lot of money and because the Government has not brought taxes again on the poor people, it does not mean that the Budget is no good.

The Government, because of its social conscience, because of its prudent management has been able to avoid new taxes and massive borrowings. Since the Government has been able to do that, the Government has created a totally different reality by showing the people all that is wrong. However, *All-to- All* in the *Kingdom of Everything* could not do anything. Now *All-to-All* would like to come back to tell us all what *All-to-All* will do when *All-to-All* controls the *Kingdom of Everything* again.

This is not an all-to-all Budget, but it is for all the people and all the people will realise that the annual plan and estimates for the Government - whether or not the Opposition was given enough time to peruse it or not - is not an attempt to deceive the people or to deceive this Legislative Assembly; it is a rational attempt to try to manage the country's finances and to be able to give some of those people who need something.

The Government is going to spend $1,037,747.00 on policy advice and ministerial servicing support for the Ministry of Community Services, Youth, Sports and Gender Affairs. The Ministry will be spending $566,675.00 on the construction and maintenance of recreational facilities. It will spend $1,051,727.00 on public education and social issues; $519,878.00 on training and support for adults with disabilities; $1,689,166.00 on support for persons with substance abuse problems and $1,580,439.00 on sports coaching and community activities. The Government, unfortunately, still has to spend on prisons, but it will spend $7,174,764.00 on custody and escorting supervision of prisoners. It will spend $1,041,526.00 on prisoner rehabilitation programmes, $4,769,382.00 on provision of social services to families and $943,402.00 on supervision of offenders doing community services, and the beat goes on and on.

This Government, Madam Speaker, will spend $40,000.00 this year on the hosting of the Caribbean Regional Inter Primary Athletic Competition. We suggested to the Athletic Association that we would like to see competition in the primary schools raised because we know that is where we need to spend our money and where we need to raise our athletes. We will spend over $200,000.00 for the support of battered women and $1,600,000.00 on youth rehabilitation programmes. We will spend money on community development and beautification programmes, on after school programmes and on lunch programmes. The Government will spend $245,112.00 on school lunch and uniform programmes in this Budget and money on the management of the Pines Home, supervision of pre-school children and foster care. We will also spend $137,600.00 on attendance at pro-social youth events which is for football.

I noticed that they talked about the $150,000.00 to get the administration for the National Housing Community Development Trust, because the Trust needs to be about more than providing and maintaining houses; it needs to provide and maintain the social structure to make sure that people can achieve some of their human worth.

I said I was going to give over to other Members of this Honourable House because I do have other forums to make my discussions, but I think the position of the Second Elected Member for George Town, in particular, needs to be examined because when it comes to issues that are dealing with assisting poorer people, he always seems to want to tear it apart and to ridicule it. Had he looked at the issues objectively and seen that the person who he came in here to represent this morning, Mr. Paul Bodden from Bodden Equipment—

Point of Order

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, on a point of order.

The Speaker: Please state your point of order.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, the Minister, in his usual way, is misleading the House again. I have said on at least four occasions that I hold no brief for anyone. My concern was and remains the acknowledged non-compliance with the Financial Stores Regulations and the Public Management and Finance Law and he should withdraw his last allegation.

The Speaker: Honourable Minister for Community Affairs, I believe you have entered into the realm of speculation in order to specifically express what another Member's motives were and I would ask you as far as it relates to that specific aspect of your contribution, to please withdraw that.

Dr. the Hon. Frank S. McField: Madam Speaker, no problem in withdrawing that. I would just like to make the House aware of the fact that I never admitted that there was no compliance with the Financial Stores Regulations. As a matter of fact, I have spent the last 45 minutes arguing that it has been complied with and that the Second Elected Member for George Town has tried to mislead the House by trying to say that there was not compliance with the Financial Stores Regulations. However, he was not here to hear that because he was not interested in hearing that from me.

I would like to finish up by saying that on 20 February 2003 Quinn and Hampson who are supposed to be the lawyers for Mr. Paul Bodden, did end their letter by saying: **"You can be assured that if the contents of this letter are true, a substantial action in damages will be presented by our clients."**

Before the Second Elected Member for George Town finished speaking, he said that there would be no action brought, so how is it that the lawyers can talk about the fact: **". . . you can be assured**

that if the contents of this letter are true, a substantial action in damages will be presented by our clients."

That goes to show that the contents of the letter are not true; by the evidence which he has presented himself it cannot be true because if it were true he has the possibility to go to the Court for the remedies. Why is it that he came here to bring it? Because it could not be brought to court so he needed a place to wash the dirty laundry in order to make people feel bad; in order to cast aspersions on people.

The Speaker: Is that your opinion, Honourable Minister?

Dr. the Hon. Frank S. McField: Madam Speaker, I feel that is a fact. That is a fact. That is not an opinion any more. That is a fact; that is what he did. Why would he come here with stuff that could not stand in the courts and use it in Parliament? He is a lawyer. He knows that it could not stand up in court because he wants to accuse us of being in breach of the Financial Stores Regulations when we have said that the breach occurred when Paul Bodden Heavy Equipment was allowed to be entered into the bidding process when he was 20 minutes late and that is document and that was a decision made by the Chairman of the Central Tenders Committee, but they refuse others who were jointly late.

I rest my case, Madam Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Last call, does any other Member wish to speak? If not, I will recognise the Leader of Government Business.

The Member for the district of North Side.

Ms. Edna M. Moyle: Madam Speaker, I rise on a matter of clarification. Is the Leader of Government Business contributing to the debate or is he winding up the debate on a Motion and the Appropriation Law that the Honourable Financial Secretary, the Third Official Member brought to Parliament? If so, on what grounds, what Standing Order?

The Speaker: Member for North Side, it is my understanding that the Leader of Government Business is doing exactly what he did last year, closing the debate.

Leader of Government Business.

Hon. W. McKeeva Bush: I do not want to keep the debate longer, but I am much afraid that I will have to take my two hours.

The mark of a good budget is the amount of prattle the Opposition makes on it and no one can say that there has not been enough of that. One thing the Opposition has been good at since 8 November 2001 is blowing matters out of proportion and making it look genuine. However, they always fail when the Second Elected Member for George Town and the Member for East End speak. They somehow always give away their hidden intentions and strategies. The Opposition's claim that they or the public were not given enough time to review the Budget is baseless. I would like to ask this Honourable House and the newspapers as well, when in the history of budget presentations to this Honourable House did the public get the budget in between it being presented and debated in the House by the Opposition. When, except for the excerpts carried in the newspapers after delivery of the Budget? When?

Best of all was the East End Member's admission that he did not need more time to peruse and analyse the Budget, but his Leader needed more time. This is a clear example of why the Leader of the Opposition is the interim Leader and not the Leader substantive.

I want to ask the Leader of the Opposition when did he ever wait for the budget to be presented to get information? The Member remarked about efficiency and accountability. Madam Speaker, the truth is the Member does not know anything about being efficient and open and, as far as his accountability is concerned; he threw that out of the window when we elected him as Leader in this Honourable House in 2000.

The interim Leader of the Opposition referenced to an elected dictatorship and that one person should not have all the say is correct. We agree with that principle wholeheartedly. The way we operate as a government is that all government decisions are made by consensus or by a majority of the elected Members. There is no elected dictatorship, but surely the interim Leader of the Opposition cannot say that we should not have a leader.

Perhaps the reason why he seems to advocate this is because he cannot see himself in that leadership position or he himself is not in that leadership position now. I see that he said they would give more time, and I ask the question, how can anyone believe that when after eight years in Opposition and making all kinds of noises and promises he finally got the power to lead, but languished there for an entire year and went to sleep like Rip Van Winkle and when he awoke his gun had rusted and time had passed him by.

Now they wake up to find the 21st century facing them. Consequently, I now have to drag him and his four satellites kicking, screaming and making all kinds of funny noises in this 21st century. I make no apologies for the PPM's lack of foresight and understanding of the big issues. The United Democratic Party has made it a priority to tackle the big fiscal issues of this country. It was extremely pleasing, Madam Speaker, to hear the Baroness Amos publicly commend the United Democratic Party Government and my leadership for taking the very difficult decisions that were needed to balance the Budget. I say to the Opposition and to the interim Leader of the Op-

position, face the reality, the old ways of doing business are gone and they must make a concerted effort to try and understand the big issues that are facing the country.

Whoever assisted the interim Leader of the Opposition in writing his speech did a good job of misrepresenting every thing he spoke about. I was unavoidably late and out of the House when the interim Leader of the Opposition spoke, but I have seen what he said. Anyone familiar with the present budgetary process as he is, should be able to take the Budget, analyse it within 45 hours and be able to create a position and debate it.

Since the implementation of the new budgetary procedures and the Public Management and Finance Law, we have had several meetings with all Members of the House to inform them about it. In fact, all Members were given a draft Budget so that they would be familiar with the format and be able to analyse it quickly. I also laid the strategic policy statement in December 2002 which laid out the procedures and the manner in which the new budgetary process would be handled, and also gave them an insight into strategies and priorities that would be taken by the Government in developing this year's Budget.

They also had Tuesday afternoon, Tuesday night, Wednesday and Wednesday night to further study the papers to be able to debate on Thursday morning. You want to tell me that the First Elected Member for George Town, the interim Leader of the Opposition is going to tell me and tell the public of this country that he did not have enough time? Nonsense! What more time did they need?

The Member for East End had until Friday and he was still complaining that he did not have time. The Third Elected Member for Bodden Town—I see that they are gone out of the room—and the Second Elected Member for George Town had until Friday, yet they were still complaining about time.

Besides, as I asked the question before: When has the interim Leader of the Opposition ever had a problem in getting information? Unfortunately for all of us, the Budget could not be tabled before the 17th. If it could have been done, believe me, we would have done it. The Government, too, is handicapped for time because of all the other commitments we need to fulfil. According to the Law, the Budget must be passed before the 1 July.

The Opposition has nothing to do. The Opposition's main job, it seems is to criticise and when they get tired of that they spend time making up things to complain about. For example, one of them took an hour and a half on something that was already aired and publicly screened, and statements were made in the House in speeches about the process and the procedure because the Honourable Minister for Community Services and Housing had done that before.

Can you believe that the interim Leader of the Opposition would continue to try to accuse us of being influenced by politics in other Caribbean islands? Can you believe, Madam Speaker, that the Leader of the PPM would have the audacity and the bare-faced gall to say that? When the interim Leader of the Opposition was the one who dragged leaders from other Caribbean countries in the threes to advise his party to speak and advise them. I also understand that they have another one too. I wonder how much he is costing the PPM; $250,000? If anyone is learning tricks from other countries, if they exist, it is the Opposition, the PPM! I understand —and by the way they kept repeating that allegation (I believe what I have been told) — that they have been advised by their Caribbean advisor to always find something that they can accuse the United Democratic Party of and that is exactly what they have done and continue to do.

The truth is that none of us ever operated the way they are carrying on and the way that I see them operating politics. We might have had to have some demonstrations, but certainly you did not see us all the time on the television and radio running this, spreading this. You never saw more in your life. The way they oppose it is plain to me that they are the ones being advised by someone. Let me repeat: we have no advisor from outside these Islands other than the executive of the United Democratic Party—nobody! They have!

I wonder who this Hartley Henry is anyway. Can they answer? I would like them to get up and tell us where he comes from. What else does he do besides being advisor to the People Progressive Movement? Is he living here in the Islands? How much is he paid by the People's Progressive Movement. Since they have been accusing the UDP wrongly, they need to clear the air on this. I understand that Mr. Hartley Henry also ran in a general election in Barbados and got 38.7 per cent of the vote. He has been a consultant to Caribbean politicians including the Democratic Labour Party (DLP), and we know who led the DLP of which David Thompson was the leader and who lost the elections. He was also advising the PPM down here.

They have to stop being hypocrites, Madam Speaker; they have to stop employing these dirty tricks, like I heard here this morning, then accuse the Government of doing so. We have none; nobody from outside! You know what? I do not need any because I have won five elections on my own know-how, on my granny wits and the other Members have been returned time and time again. Why do we need anyone from the outside to advise us on whom to deal with? They are so pitiful as a party to call themselves a party. They do not have the conviction to run a country because they cannot take the hard decisions when hard decisions need to be made.

I was hoping, and I am going to encourage one of the Members there to go and look for the Third Elected Member for Bodden Town, because there are a few things he needs to listen to. I would ask that he comes back in this House because I am going to refer

to what he said. I want him to be present so that he can correct me if I am wrong. So, I will ask one of them, the Member for North Side, to go and fetch him.

[Inaudible comments]

Hon. W. McKeeva Bush: No, Madam Speaker, we have business to conduct. Perhaps the Serjeant can ask the Member to come inside the House. I have had enough of him and of hypocrisy. I respect born-again Christians and I respect people who get saved, but by God you must come here and not be a hypocrite.

I want to deal, Madam Speaker, with the remarks made by the Third Elected Member for Bodden Town and I want to agree with him on the statement that he made about impacts on our culture. However, I ask him — and he is in the Chamber now — did Batabano carnival bars selling liquor and ganja-smoking only start in these Islands since 8 November 2001? Where has that Member been all of this time? Were these things not happening when he was the Minister responsible for Social Services?

The truth is that during his years in managing social services I did not hear one squeak. I did not hear *quey-hey* about it from him in this Honourable House. His then colleague, Mr. Truman Bodden, who was here this morning in the gallery when the Second Elected Member for George Town was carrying on his tirade, would not even admit we had gangs in school. Now they get up here as pious as a pope. I ask the Third Elected Member for Bodden Town what happened to the family study that I commissioned and sweated over and left with him as the Minister responsible for Social Services in 1997. What are the results of the recommendations that were made in that report?

I cannot stand hypocrisy! Social development under my guidance as Minister of Community Development has begun to pay dividends. You know what? I faced the challenges, I took *the licks* from within Council and outside. I took the conniving and the back-stabbing within Council and suffered the fallout afterwards. Let us look at the record and look at theirs. The people asked for housing programmes and I delivered. I have much sympathy this morning because if I were not a big man perhaps I might have cried this morning when I heard the accusatory way that was being carried on by the Second Elected Member for George Town. Not only on an Elected Member of this House and the Minister of Housing, but on an honourable man; a man that I believe has an impeccable character, the Financial Secretary, the Third Official Member. I have some memories of that.

You cannot get housing in this country unless you would have done and had the nerve to do what the Minister of Housing has done. I remember what happened when I tried to get it. Everyone came down on me like a ton of bricks, "got to get the banks to do it, the banks must do it". Well, what happened? A good programme was thrown out and we got the banks. The government-guaranteed scheme helped over 180 people all over the Island to get houses.

I was told the same thing, "You are stopping the local contractors and the local developer. You are hindering a Caymanian from getting it", and in between 1993—ten years to date—you tell me . . .

This Honourable House should go to the *Caymanian Compass* and tell them how many real low-income houses this country got in ten years. How many and when were we ever going to help? As soon as they see the dollar sign, as I said, out of every six pounds made in George Town they want to get two shillings. That is the problem.

In my time, people asked for parks and they got them; the people asked for sport facilities and sports programmes and I delivered; the people asked for after school programmes and I delivered; the people asked for youth workers for the churches and we assisted (until the Member for North Side got in there and cut some of it); the people asked for benefits for the veterans and the elderly and for sports scholarships and I delivered when I was the Minister; and for the elderly in need, I delivered. The people asked for health centres in the district and I started that programme too. The people asked for half-way houses and I started that programme; the people asked for drug rehabilitation programmes in the prison and I delivered. I have nothing to be ashamed of. My record when I was Minister responsible for Social Development speaks for itself.

However, let me say to the Third Member for Bodden Town that no matter what Government does, care, protection and discipline learning begin at home for the elastic minds of children. Government cannot do that. Government must enforce the rules, but where are the rules? If people do not want curfews for the children and young people who are eight, 10, 11 and 12 years old who are out all hours of night, the Government cannot enforce it.

The UK took the strap out of the school; Government cannot reinstate it under the present Constitution. If the criminal can kill without fear for his own life because of the laws that the United Kingdom has forced upon us, then what can we do in the UDP but tell the police to chase the criminals, without guns, because that is what we have to do while the criminals have them. It makes no sense to me. We have given the police more cars. I heard them screaming out there. We have given them more equipment. We have given them more officers and even a boat to ensure that they perform their jobs to the best of their abilities. The police can catch some criminals — and they do — who may get off due to a legal technicality and if they get a sentence they are back on the road in four months or a year depending on what they did, all by the prerogative of his Excellency, the good Governor of these Islands.

What I need as Leader, and since my name was called, is a unified House in battling the criminal elements within our society. I am going — and I have

not talked to any of my colleagues about this yet, this is just me at this time — to propose to the Governor that the law must be changed so that anyone found with an unlicensed firearm must be given a mandatory life sentence of hard labour. People who do not need guns should not have them. The so-called bad boys should be given a mandatory life sentence if they feel it necessary to use guns to threaten the society and safety of these Islands. The mandatory life sentence that I am going to talk to the Governor about, in my opinion, would also be extended to anyone convicted of rape or the importation and distribution of illegal drugs.

Criminals convicted of the same hard crime on more than one occasion should also be given the mandatory life sentence. The small drug sellers must also pay for their crimes. After all, they are the ones assisting the importers and distributors while selling their horrible drugs to this country.

Reading papers about what a pastor said cannot convince the criminal to behave. The pastors preach in church every week. That does not convince them to behave. Serious crimes deserve hard punishments and I will be suggesting to His Excellency the Governor that laws be enacted so that criminals receive punishments to fit their crime. Bad boys deserve a very good flogging and punishment every time they commit a crime. We cannot sit back and watch this country fall into the same problems that some of our neighbours have fallen into—and that is where we are heading. We must implement plans to protect the children from these criminal elements so that they can be productive citizens.

After all, they are the future of our country. I take this challenge personally as the Leader of Government. We have to make the Cayman Islands safe and secure so that visitors to our Islands can enjoy this country as a tourism destination. Visitors should be able to visit our restaurants, beaches, night clubs and tourism attractions without having to worry about their safety. Just as important, we have to implement the right punishment so that the housewife and the young girls who are being molested and raped and the small business owner whose business is suffering because of it, can sleep without fear. If I am a bad man for that, then tell me about it. Do what you have to do, but that is going to be my position to His Excellency the Governor.

Let us look at something, Madam Speaker. I have been a policymaker at times as I said, responsible for social development. I have heard some of the same bad boys from the 1970s and 80s talking about "Nobody not for me and nobody going to help me". The truth is look at what this country has developed over the past twenty years, since 1984 when I was elected. Look at the things they have. Just this week the Rugby Club had their games; one thousand children in their programme. Little League has probably three thousand in their programme. Cricket has over a thousand in their programme. Swimming has probably over eight hundred in their programme. Therefore, there are things for people to do and there are things for older children to do, but the truth is, the fault lies in us as law-makers and citizens in this country.

Historically, Caymanians have been profoundly ambivalent about the goal of the criminal justice. They have wanted a criminal justice system that apprehends and visits harm upon the guilty, they want punishment, they make offenders more virtuous or, at least, more law-abiding, they want rehabilitation to dissuade would-be offenders from criminal pursuits (deterrents), to protect innocent citizens from being victimized by convicted criminals (incapacitation), and to invite most convicted criminals to return as productive citizens to the bosom of the free community (reintegration). They want the criminal justice system to achieve these multiple, vague and contradictory public goals without violating the public conscience (humane treatment), jeopardising the public law, you have to have constitutional rights, emptying the public purse; you have to have cost containment. Madam Speaker, Caymanians have wanted stern treatment of prisoners without any damage to prisoners' rights and the reintegration of offenders into the community without any threat to public safety. There is no way to reconcile these conflicting public goals and mandates and that is where we have gone wrong.

What administrations over the years have done is to let the problematic pendulum swing with the public mood between liberal and conservative approaches to crime prevention and control. That is where we have gone wrong. Crime is rising and we must make a concerted effort to implement all of the available strategies to ensure that we stop it. We must spend, and we will continue to do that, but we have to punish too. We have to be strong when dealing with criminals and punishing them for their crimes. We have to bring the criminals to their knees and rid the Cayman Islands of their scourge. We cannot tolerate a liberal philosophy on combating criminal elements within these Islands.

If the United Kingdom Government, (or whichever government) wants to continue down that path then let them do so alone. That is why I am pushing for a stronger constitutional hand because we need it. As long as we are in the position that we are in they are going to dictate to us and those are some of the problems that we have today. No, Madam Speaker, we do not need another would-be born-again. That is good and I hope, Madam Speaker, you do not take umbrage to this because I know that you are a born-again Christian. That is not what I am saying. Being genuine is another matter of course.

The Member for Bodden Town should realise that no matter whom he brings in to boost tourism we do not know who is a ganja smoker. I was not there so I do not know if anyone did. I do know that His Excellency the Governor was at that event and he did not make any complaint to me about the event at Pedro Castle. I know the Governor left early, but that is

usual. Others leave early too, but that is usual too. I make no excuses. He did mention that the concert (some kind of blues) which was held in May of this year was promoted by the Department of Tourism as a sound bite to the larger R&B jazz event next year. That Member declared that this is not the type of entertainment that Cayman needed because the lyrics of some of the songs were obscene and encouraged violence. The Member also mentioned that he heard that there was public ganja-smoking at the concert. As I said, I do not know who was doing it and I do not know where he heard it.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Anthony S. Eden: Madam Speaker, on a point of clarification, this was an editorial I read. It was not that I commented and I was not present there.

The Speaker: The Leader of Government.

Hon. W. McKeeva Bush: Madam Speaker, that editorial was read into this House like a Bible leaf and that is why they should understand that not every editorial is correct. They might not have accused us, but the way that the Member spoke you could draw from that that Government was responsible.

I do not know because I was not there, but I did not have any complaints from His Excellency the Governor nor did I have any from my Permanent Secretary who was there. The bad thing about this, if it is being a bad influence, it is that the majority of Caymanians can go on the internet any day of the week, any hour of the day and download these songs for themselves. I do not think we can isolate the population as he was suggesting. That would be living in the Dark Ages. This is the technological age. Boundaries are becoming less relevant in today's world. I would want him to understand about this kind of music; there is nothing wrong with it, not a thing wrong with R&B and Jazz. Now, if it were some hip hop music being played there, I do not like it. I love to dance and I like to dance when I dance, not when somebody is hitting me in the back of my leg with a piece of pine.

I would like to take this opportunity to point out to him and others that, during the weekend of some kind of blues concert, we had some very influential and wealthy executives from major US corporations on the Island for the concert. These are the people that we would like to attract to our shores as investors and many of them have since expressed an interest in doing so here.

What I do know, Madam Speaker, is that the tourism industry needs all the help to ensure that our product remains competitive and I have and will continue to implement strategies to ensure that happens. It is not in my nature to just sit back and wait for help. I am planning to have another musical concert next year on an annual basis in May and I am hoping to attract world-class talent like Aretha Franklin and George Benson. The concert will also include local band, After Dark, and other Caymanian bands and performers.

I say to the Elected Member for Bodden Town, "find something positive to talk about to help the country". Madam Speaker, they need to stop finding fault and start proposing solutions. The Medical Director the Member complained about was hired under his leadership. I think he admitted that. He was hired under his leadership, but just as the new government came in not under his time and we did take the decision to remove him—the Minister did that before Friday as I understand it.

The Health Insurance Law that he complained about was also implemented by him when he was the Minister responsible for Health. He said that he was taking the politics out of it. Maybe that is what he tried to do, but how can you say that when you were the person responsible for implementing something, that has not worked. The only thing that he accomplished in that was to calm the nature of the beast—the insurance companies. Has that helped the masses or the man on the street? I do not think so. So, he left the mess that we found. I am not saying that I agree with all that was done recently in the Health Services because I do not. The Minister responsible also agrees with this and, as a result, has now taken some drastic steps to solve these problems.

Now he mentioned my support for a lottery. I am not a hypocrite: I support the lottery here because of the money that the country is losing. The country is losing well over $50 million a year and this is money the country desperately needs. I do not support taxes so where will the money come from to do the things that are integral to ensure the success of the country; things like proper education for our youth and good social and medical services. Madam Speaker, this is one that I have to grapple with personally because I do respect many people who do not support the lottery. I still have old Sunday school teachers who are alive and pastors whom I know respect and genuinely care for me. This is something that I have to personally grapple with before I make the final recommendation. Having said all of that, I still have to balance all my feelings against what this country is facing and how to fulfil its needs.

Therefore, the Opposition can make all the hints that they want. They can go and whip up the public if they believe that that will help their politics with this lottery thing. However, what I have to do I will do if I have the support, and once I make up my mind. The money from the lottery will go to improve health services; it will help education; it will help social services; it will give our veterans and elderly an additional $200 or maybe $300 a month more and even put additional money into our general reserves.

As far as I am concerned, Madam Speaker, when I make up my mind, that is me, I will put it before my colleagues to see if we have support or not. How-

ever, I do not believe that the money should be going out of the country the way it is today to build up another country. Try as they may, the law enforcement arms and agencies in this country are not going to stop it because everyone is playing it. If you stop the lottery on the basis that it is un-Christian-like to do, then what about all the raffles that you are having? What are you going to do to the community? What are you going to do to the Lions? What are you going to do to Rotary? What are you going to do to the Kiwanis? What are you going to do to the schools and the sporting associations? As I said, I do not cry down anyone's religious belief because I have mine and I respect certain pastors and the Church and I will do anything I can to help them, but what we have to do for the country we have to do.

I would like to move from that. It is very obvious from the Leader of the Opposition's comments that he would not recognise a fiscally sound budget if he saw one. I say this because he has seen one - the 2003/2004 Budget and did not recognise it. The 2004 Budget is the second fiscally responsible budget to be brought to this Honourable House in as many years and I am proud to say it is the UDP that has done it both times. I am not going to repeat what has already been said by the Financial Secretary or my other colleagues. They have all done an admirable job in explaining the Budget. However, I want to explain to the listening public and the Leader of the Opposition and the rest of his team, in simple terms, what fiscal responsibility is.

Fiscal responsibility is preparing a budget that runs an operating surplus; one that can be financed without creating a level of public debt that ruins our children's future. The Opposition can get as technical and as nit-picky as they like. They can try to confuse the people and cloud the waters as the interim Leader of the Opposition did. It does not matter at all because it will not change the facts about the Budget. The fact is that it is a fiscally responsible budget; this Budget creates an operating surplus and we are budgeting to spend less than we earn—we are not borrowing it. The fact is that this Budget reduces public debt. The fact is that this Budget ensures that the Government has $50 million, or thereabouts, in cash sitting in its bank account that it can access in times of real emergency. The fact is that this Budget has been financed without excessive borrowing or new revenue measures. The fact is that this Budget promotes and supports economic growth. The fact is that this Budget supports the education and future development of our people. The fact is that this Budget provides unprecedented levels of social support for those in our society that need it and the Minster of Community Affairs named many of them.

This is a budget that is good for this country. It is a budget that charts a new course for this country and it is a budget that the country can afford. If that is not a responsible budget then I do not know what is.

As the Honourable Member clearly does not know what fiscal responsibility is, I am happy to explain it to him as it was explained to me. Any working person knows that he can only spend what he earns. He also knows the wisdom of building up some cash for a rainy day in case of emergencies and paying off his mortgage and credit card debt as soon as he is able to. We all know that we should only borrow what we can afford to pay back. Although the numbers are bigger and the process is more complex, managing the finances of the government is much the same as managing a family budget and that is what this budget does.

I would specifically like to address the comments of the Leader of the Opposition with regards to reserves. I take his comments as a great compliment. It means we have reserves to argue about, which is totally different from how it was when the UDP became the Government. I would like to make it clear to the Opposition and the country that the cash reserves required by the Public Management and Finance Law are quite different from the old notion of reserves we have traditionally used. The requirements of the Public Management and Finance Law reflect the move to accrual accounting and the abolition of the old method of keeping cash in little jars, if you may, for different purposes. That is very old fashioned and perhaps a silly way to manage the government finances. You and I, Madam Speaker, would not do that with our personal finances and the government should not do it either.

The new accounting system quite deliberately abolishes this archaic way of doing things. The new Law requires that the government maintain a level of cash balances which it can use in times of economic or physical emergency. A dollar is a dollar and it does not matter which bank account it is held in or what it is called. Cash is cash! I am sure the country understands that if there is a significant emergency in these Islands the Government is going to use all the cash available to minimize the sufferings of our people regardless of what bank account the cash is sitting in or what label it has been given. We are certainly not going to say; we cannot use money in the Environmental Protection Fund or the Student Loan Reserve Fund if our people are without food our shelter; if we have a real emergency. The average householder faced with an emergency, such as a hole in his roof or a medical emergency, would use the cash in the account he has available regardless of whether it was earmarked as a college fund, vacation fund or a new car fund.

Government is no different. This is what the rest of the world, whether in private companies or government, thinks about cash reserves and it is time we do that here, too. In fact, the new Law and its requirement to use Generally Accepted Accounting Practice, means we must think about it this way.

Therefore, it is the Opposition, not the Government that is misleading the country by their pretence that a dollar is not cash, as I have explained it.

The Government has nothing to hide about the Budget. It provides more information about government finances than any other in the history of this country. We have been very open (although he is saying we are not) about what our operating result is, how we are financing the budget and how we have built up the cash reserves. Rather than trying to mislead the country, the Leader of the Opposition should have read the Budget more carefully. If he had read page 293—and I am sure he did—of the Annual Plan and Estimates, he would have seen that the Government has explained exactly how the cash reserves position has been improved. He knows that. So that the listening public is clear I would like to quote this short extract from page 293.

The Speaker: Please proceed.

Hon. W. McKeeva Bush: "The net proceeds from the bond issue were used to increase General Reserves by $22.5 million in 2003 (Half-year budget). The net proceeds equated to the difference between the level of Public Debt at the time the refinancing package was first developed and the level of public Debt existing at the time the Bond was actually issued. The $22.5 million put in the General Reserves was the amount of debt that had been repaid but not replaced during that period because of the Government's tight fiscal policy. The increase in General Reserves was therefore a direct result of the Government's expenditure control policy."

In other words, we paid $22 million out on the loans, let us say from January 2002 until December 2003. When we received the bond payment we took that $22 million and put it back into government's savings. Is that wrong? That is what happened!

[Inaudible interjections]

Hon. W. McKeeva Bush: Yes. I am only giving a year, I am not saying that was the year. I am just giving an example to support what I am saying.

The forecast for 2003/2004 provides for the general reserves to be maintained at existing levels. In other words, they have not been used to finance government activity. The Leader of the Opposition referred to the debt ratio of 5.3 per cent of the false figure because it does not include the borrowings of the statutory authorities and other government owned companies. That is true, but that is not new to this country or to the Government. However, while it does not contain the borrowings of those authorities, it also does not include the revenue or assets of those authorities. Therefore, how can you make a claim that the figure is false?

Madam Speaker, this Budget has been for core government spending only, as with all other budgets in the past. This is what governments have always done. Never has there been included any statutory authority budget. There is nothing unusual or surprising in this, so whoever informed the interim Leader of the Opposition has certainly done a good job of misrepresenting everything he spoke about. The Government wanted to be sure that everyone understood, so again the Budget states quite clearly what the reporting entity is. Again, for the benefit of the Honourable Member and his team and the public, I would like to quote from page 283 of the Annual Plan and Estimates: **"A full set of forecast financial statements for the government of 2003/2004 is provided in Part C of this document. The forecasts are for the core government sector only".**

Fully explained, the Leader of the Opposition is clearly trying to misrepresent this to the public to give the impression that we have significant expenditure out of the Budget. You know what? All the others that spoke followed him. This is not true and he knows it even if they do not know it. Nothing has been left out of this Budget. Everything that Government is doing is in the Budget and everything that statutory authorities and government companies are going to do is also reported. This includes the roads programme to be undertaken by the new National Roads Authority and how it is to be financed. No previous budget has ever been this open before. When I came here in 1984, until the new procedure, the only things contained in the budget of expenditure were the amounts and a one or perhaps a two-line sentence saying what they were doing. Now you have all kinds of information. Yet they are saying we are not being open and accountable.

As the Honourable Financial Secretary has said in his Budget Address, this Budget sets the course for the future of the Cayman Islands. It is visionary; it is responsible and it has been put together by a government with a proven record in good fiscal management. The Leader of the Opposition can try as much as he likes, but he cannot change those facts.

Much noise and conjecture was thrown into the debate about how we propose to fund schools and roads. When I received my mandate in November 2000 from the people of the Cayman Islands, I did so and partly I pledged to deliver vastly needed national infrastructure that we believe is central to our collective goals of nurturing a better quality of life here in the Cayman Islands. I know that mandate was given to other Members who are now Ministers and those on the Opposition Bench too. They had the same mandate. So much of our infrastructure was in disarray or was overburdened by the needs of our citizens__

The Speaker: Honourable Leader, sorry to interrupt, but you have one hour remaining.

Hon. W. McKeeva Bush: Madam Speaker, I might have to ask for more time. My colleague, the Minister of Telecommunications says I can get some of his. He is sure the Opposition would not complain about that.

Thank you Madam Speaker.

So much of our infrastructure was in disarray or was overburdened by the needs of our citizens; schools were overpopulated in terms of numbers of children per room and under-equipped in terms of new technologies of the 21st century. Roads were in need of upgrade and simply had too much traffic pressure to withstand normal maintenance schedules. Routes throughout Grand Cayman became very congested at peek traffic periods and throughout the day and night. Port facility assets simply could not keep up with vast increases in cargo and cruise ship volumes. The seat of government, that is, the Glass House and the Tower Building are not fit and cannot keep up with the administrative capability, and the efficiency of government suffers because of it.

As a result of people cramped into small quarters with entire departments being spread over numerous buildings in the downtown core, these are some of the problems we faced in 2000 and some of them we are still facing. Our Government heard the people's call for action on those challenges and recognised these issues to be a national priority. In meeting these challenges, one would be tempted to simply call on our Public Works Department to order some new schools, build new roads and build new government administration buildings.

Tempting? Yes. Prudential? No.

As guardians of the public trust and as the maintainers of the financial system, we must be extremely mindful of our overall public debt and with it the cost of servicing the national debt. Adding infrastructure puts a demand for capital, requiring significant external jobs are internally increases in cash flow from fees, licensing, duties and so on. We are restrained from spending at will by our legal regime which limits the upper amount of our external debt measured in terms of debt servicing costs to revenue interest and repayment. The so-called 10 per cent debt service ceiling.

The UK would have to sign any loan that impacts their contingent liability. We had to do the agreement with the Foreign and Commonwealth Office (FCO), especially after the Leader of the Opposition borrowed US$66 million.

[Inaudible interjection]

Hon. W. McKeeva Bush: Well, we told you there was another route, but the Leader of the Opposition went that way. I think he made mention of that in his Budget reply. We did say he could put on the taxes that we increased, but he did not do that. He borrowed. You borrowed. You cannot say you did not borrow. You were the Leader of Government at the time. Just as well as you point fingers at me now you have to take the *licks* then.

It is worth noting that the debt ceiling is sensitive to the market rates of interest. So debt within interest rates that float, and we have had some of them, could actually increase the burden and use up the ceiling test if interest rates as widely expected, began to increase later this year. This is one of the main reasons why this Government chose to refinance all its current account floating rate debt earlier this year on a 15-year fixed rate basis so that we would eliminate any risk and negative implications of a spike in interest rates. We are committed to keeping our debt below that. Madam Speaker, what then is the Government's choice? How then would we face the dilemma? How does Government answer the people's call to deliver what is needed without unnecessarily burdening current and future generations with debt load and without contravening our debt ceiling limits. That is what the Opposition Leader should have done. He should have examined that position.

The approach is that the first part of that answer lies in developing the difficult set of national strategic priorities among all the possible and the competing calls for development, investment, expenditure and for delivery of assets and services. This is a detailed and collaborative process involving numerous discussions, planning and information sessions, meetings and consultation with the private and public sectors. In our strategic policy statement, we set out the results of this process and established numerous key policy initiatives, focusing solely on initiatives that have a development capital component. These priorities include:

1. build new primary and secondary schools;
2. construct new government administration building;
3. develop new port facilities;
4. improve road networks.

The policy contemplated a three-year context for implementation of these initiatives. The next step is to assess capital expenditure and delivery cost versus anticipated benefits, A difficult analysis process then determines which projects come forward and in what priority. Due to this Government's commitment to limiting further use of its public debt capacity, we embarked upon several alternative approaches to move the financing obligations to the private sector. Under an approach developed in the early 1980s—and the United Kingdom called it the private finance initiative—private sector interest with access to capital markets are willing to step into government's shoes and develop, maintain and own assets and provide them to government under strict guidelines as a service contract.

While the cost of capital is marginally higher than government's own resources, the UK experience is that overall delivery costs are significantly lower given the private sector's competitive interest and determination. Here is the truth: the Public Works Department went out to tender for a high school. We needed a Spotts school for 500 children. They tendered it for 300 yet at $9 million and we have had a proposal to get it for much less. Therefore, Madam Speaker, what I am saying is correct. We are employing the PFI process currently in the development of

the government administration building project and that is not yet finalised. The Minister is moving forward and getting his plans and the plan is not even before Council, but it takes a much longer time to get done, but he is moving in the right direction with it. We have four maybe more groups competing for the right to construct, deliver and finance sufficient new office space to meet the current and future needs of government. As government is not in the business of developing and owning assets as such, but rather in the business of providing essential services to the public, we feel the benefits of the PFI process. for that the administration buildings are significant beyond the potential cost savings and that is in the fact that government is not financing their development nor are we carrying the debt on our books.

Another technique we are employing to gain the benefit of improved capital assets and our infrastructure programme; is in aligning the commercial interest of third parties in the private sector with our needs for new facilities. I am speaking specifically of the improvements currently underway at the George Town Port where we have received undertakings for a third party financing for $26 million of capital improvements to the cargo and cruise ship terminal and a West Bay facility, without making any direct investment. Is this not good, I ask the Leader of Opposition? What is bad about it? This was accomplished by allowing the facilities provider to receive an additional $1 per head tariff on manifested cruise ship passengers in exchange for the delivery of this needed infrastructure. Does this not make sense?

This scheme does not in any way impair government's revenue base nor add to our public debt load. Madam Speaker, rather it is a creative and mutually beneficial arrangement between the parties where the government receives the new port facilities and the provider gains improved handling and aesthetics in its core business with users paying the modest cost per passenger on a broadly based collection system. Again, no use of our public debt capacity was required nor was any further burden placed on our debt service ceiling nor operating expenditure made for these improvements. Therefore, we are getting schools in Spotts and West Bay and a secondary school in Frank Sound. Four strong proposals I understand were received and after analysis an initial proponent was selected to deliver the Spotts school.

I know that I have to cut short, so I am trying to move in that direction. Let me take a minute to say how we are going to do this work and how it differs from directly borrowing the funds. So that the Member from George Town, the interim Leader, understands, these are leases not increases in public debt. The Government determines the precise standard of delivery and the private sector designs, builds and finances these facilities in accordance with these rigid requirements. Government then enters into a long-term lease for their use. A direct loan would require the necessary parliamentary and foreign office approvals which we expect would take six to 12 months; that is, if the Foreign and Commonwealth Office agrees with us.

As we are committed to having the Spotts school fully operational for the commencement of the September 2004 school year, we were impressed by a solution which will deliver all funding in August of this year along with the capital for the immediate commencement of the road works programmes. The cost of funds of the programme, less than six per cent, is in line with what our direct bond alternative might be. It is slightly more expensive than bank borrowing, however it is important to recognise that the term over which these funds are provided is 25 years with interest costs fixed, with global interest rates at its historical lows. We are strongly of the view that it is a low risk and prudential move to be in the market now.

[Inaudible comments]

Hon. W. McKeeva Bush: I hear you saying that you agree. I thought that was what you were saying.

I might add that timing is everything. There has never been a better time in the long-term capital markets than now. I note that had we been able as a Government of the then party Leader (opposite) to deliver similar financing in 2001 to meet Government's stated commitment to deliver schools, roads and other infrastructure, the higher interest rates of that day would have committed the Government and the people of the Cayman Islands to an additional $23.5 million in cost over the life of the financing, approximately 80 per cent of the total cost we are budgeting. That is solely because long bond rates have declined by 3.25 per cent since January 2000. While this Government is not taking credit for the favourable conditions in the long-term capital markets, we are taking advantage of them in the context of delivering our national priorities.

The financing arrangements we negotiated with the proponents of the schools and road works programme is to enter into a long-term lease of the facilities being developed. As we know the capital and interest components of cost, we are comfortable that we are receiving the most value for money. We are following the prescribed accounting conventions and are being advised by two national accounting firms on the appropriate treatment to ensure conformance to these strict standards. We are advised that the lease arrangements we are using will not go on the balance sheets.

We believe that we have effectively met the challenges of responding to the public's call for improved national infrastructure while guarding the security of our economic means to service the cost of providing these assets and services in the short and long-term. We will not hand down to future generations a legacy of bills to pay for today's infrastructure needs. Choosing instead a path of prudential and lowest cost delivery, this Government believes that investing in our children's education and in our essential national

infrastructure, is a wise, timely and necessary initiative and we respectfully seek the support of Members opposite and those who share in these objectives.

Perhaps we could take a break Madam Speaker. Before that, I am going to refer to the claim from the wild rantings of the Member for East End. They claim that nothing was done for the masses. Records show that since we took over as Government from January 2002 until 18 June 2003, we assisted the small Cayman business people with funds, some of which was to either start a business or expand business operations, such as purchases of charter vessels, livestock and so on. We did this in the amount of $4,115,965. If this is not helping our people– small business people, the masses—in the 18 months that we have had control, then tell the Member for East End what is!

As far as I am concerned, this is just another example of the PPM misleading and misinforming the public that made the mistake of electing them. He talks about us not helping people. I can call one name: look at Chester's Woodworks, a good, small Caymanian business. Let us look at some of them: purchased a trencher, completed a laundromat, purchased a bus, purchased a motor vehicle for a water sports operation, equipped a computer teaching centre, purchased stock for local retail business, establishment of a laundromat, refinancing of a bus loan and acquisition of a charter vessel, purchase of supply for business, purchase of parts and repair of vehicle, purchase of equipment and working capital—$4,115,965 in 18 months, Madam Speaker. Yet that Member does not have the common sense to see what is good; talking nonsense about a price cap.

Let me say that this Government could not have lent out over $4 million to small business, middle-class Caymanians, had I and other Members, not aggressively pursued and brought in the foreign investment that he was complaining about. Not only would there not be the funds, but there would exist no opportunity for our people and then he would have had something to make noise about. That is why we need foreign investors.

The action taken with Cable and Wireless is for the benefit of the masses, but he does not recognise that. We must and will deal accordingly with Caribbean Utilities Company which must benefit the masses also. We are not going to do what he, the Member for East End, suggested, that is, a price cap, because it would continue a virtual monopoly with no significant benefit to the masses. That is the PPM for you. They have no idea about running a country. I can tell the people of this country one thing: if we put them in office, *dog eat their supper*. If they believe they have it bad now, put them in office and you will be running for the hills.

The Speaker: Honourable Leader, is this an appropriate time for the afternoon break or would you wish to continue until we reach 4.30, the hour of interruption?

Hon. W. McKeeva Bush: Madam Speaker . . .

The Speaker: I take it that you are going to 4.30.

Hon. W. McKeeva Bush: Sorry, yes.

Building blocks of democracy is not just about telling the Opposition or giving them information; it is also about the Opposition being able to tell the truth, the whole truth and nothing but the truth. The Opposition has not done that in this Honourable House.

The Leader of the Opposition inquired in his contribution to the Budget debate what is being done to prevent a repeat of the FRU and Euro Bank fiasco. Can you imagine that he would come here saying that when they were the ones out there trying to give some back up support to the Attorney-General of the day? Can you believe that? Can you believe that they would come and talk about this when they were the ones who sat in the House and passed each other paper so that I could be ridiculed? He said that Government was not doing anything about it. You know you are really slipping.

It should be recognised that the problems leading up to the collapse of the Euro Bank trial were a result of weaknesses in the system and also a problem with the personal conduct of individuals. The Government is moving very swiftly to correct the weakness of the system and also to ensure that the right personnel are in place in the old Financial Reporting Unit. The Government recognised very early after the collapse of the trial that there was a need to restore confidence and integrity in certain departments of government. To this end the anti-money laundering steering group under the chairmanship of His Excellency the Governor, comprising the Honourable Financial Secretary, the Honourable Acting Attorney General, the Commissioner of Police, the Managing Director of the Monetary Authority, the Collector of Customs and the Assistant Financial Secretary have been working diligently on legislation to restructure the financing reporting authority and to give it legislative recognition.

The anti-money laundering steering group has met with members of the private sector, including major players in financial industry, in fashioning this piece of legislation. The input from the private sector has been very meaningful. Following from these consultations and the deliberations of the steering group, a Bill for a law to restructure the reporting authority has been approved by Executive Council and is due to be dealt with in this Honourable House during this meeting. The law is aimed at more than just a change of name for the Financial Reporting Unit. It is aimed at, among other things, ensuring transparency and accountability and I hope that somehow we can stop the UK from spying on us. It will ensure that we maintain the very delicate but necessary balance of maintaining

the competitiveness of our financial industry while honouring our international obligations in the global fight against money-laundering and terrorism. Members of the Honourable House will have an opportunity to debate the provisions of the Bill and make constructive suggestions on who is to preserve what is so dear to all of us—our financial industry.

Therefore, the Leader of the Opposition again was talking nonsense and once again is proven wrong. However, Madam Speaker, what the Opposition should have done was to stand with the Government in our fight against that situation rather than going off to see Mr. Ballantyne in their professional capacity.

Someone mentioned immigration and hiring practice. I would like to say that the Government has been understanding when it comes to work permits. We need to build our financial industry, but we cannot leave our people behind. Our people who are able, willing and qualified cannot be left to languish behind without opportunity and upward mobility. Therefore, the Government has taken a very strong stand on the permits. Work permits are down probably by 1500 if not more. We are not going to see our people hurt when we can assist them. In all ways, the Government has been doing that.

Hour of Interruption—4.30 pm

The Speaker: We have reached the hour of interruption. Can I have a motion, Honourable Leader of Government Business for the suspension of Standing Order 10? I believe it is the House's intention to sit beyond the hour of 4.30 pm.

Hon. W. McKeeva Bush: Madam Speaker, we intend to sit beyond the hour of 4.30. We will go until 8 o'clock and after I am finished I think there is a statement by the Financial Secretary, the Honourable Third Official Member, after which we intend to move forthwith into Finance Committee.

I move the suspension of Standing Order 10(2) in order to meet until 8 o'clock.

The Speaker: Thank you. The question is that Standing Order 10(2) be hereby suspended to allow the House to continue its business until 8 pm. All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 10(2) suspended to allow the House to continue until 8 pm.

The Speaker: We will take the afternoon break at this time. The Leader of Government Business has 32 minutes remaining.

The Members were inquiring as to the duration of the break. I should wish to reconvene within the 10-minute framework.

Proceedings suspended at 4.29 pm

Proceedings resumed at 4.58 pm

The Speaker: Please be seated. Proceedings are resumed. Can I just make one statement first, Leader of the Opposition?

Leader of Government, you have 32 minutes remaining.

I recognise the Leader of the Opposition.

Mr. D. Kurt Tibbetts: Thank you, Madam Speaker. This is just to advise the House that the Member for East End, the Third Elected Member for Bodden Town and the Member for North Side all have to leave early because they have to attend graduation exercises for primary schools in their various districts. I think the Minister of Education also has had to leave because of a similar commitment. Given the fact that we did not know that we were going to begin Finance Committee this evening, it will not allow these Members an opportunity to participate in the process.

We were not trying to delay anything but genuinely not knowing. We understood that the House was going until eight o'clock, until the debate on the Budget Address was completed, but not by extension that if the Budget debate ended in the middle of an evening beyond eight o'clock, that we would commence Finance Committee immediately. The Government has the numbers and, if they so desire, they will have to do that. I was only making note of it and asking for consideration, so that Members who have other commitments would have an opportunity to participate in the process. If they do not wish to allow that, there is nothing we can do.

The Speaker: Thank you. I recognise the Leader of Government.

Hon. W. McKeeva Bush: Madam Speaker, once again the Opposition is complaining that they did not know, but they knew that we would go on. We said we would continue in the evening until eight o'clock. Now, if other Members had spoken we would have gone on. I do not see the relevance of that complaint. I do understand that some Members have to go to commitments in their constituency. Be that as it may, the House has to continue and that is what we propose to do. Many of us gave up commitments so that we could proceed with the Budget.

The Opposition, in particular the Leader of the Opposition, has misled this country by its oversimplification of the issues facing our tourism industry. While I try not to pander to every criticism, which is either, I am aware that when untruths are frequently repeated they have a way of being mistaken for fact. I

fear this may be the case regarding the supposed correlation between the increase in cruise tourism and the moderate decrease in our air arrivals. I wish it were that simple: that by simply reducing cruise arrivals we would spontaneously increase our air arrivals, but it not that simple.

Following 11 September there was silence in the skies above the United States. For days all planes were grounded, international flights suspended and the public grappled with the harsh reality that more than 2000 lives were lost in the air-related tragedies. Almost two years later, the travel industry is still struggling to overcome the fear that took root in the minds of US travellers and to further complicate this matter there were wars, a weak US economy, a falter in the US stock market and rising US unemployment. Amidst that backdrop, the travel industry has suffered tremendously. In particular, the Caribbean was seriously impacted as the region relies heavily upon air arrivals from the United States. In the immediate year following the terrorist attack, of the total of 30 Caribbean countries reporting to the Caribbean Tourism Organisation, a clear majority of 18 countries experienced a decrease in stay-over tourists in 2002 compared to 2001. Of the remaining 12 countries which experienced only a moderate increase, it should be noted that none were mature tourist destinations like the Cayman Islands which receives more than 300,000 air arrivals per year. In other words, within our category of destinations, the Cayman Islands are doing as well as our competitors regardless of whether they also offer cruise tourism or not.

Therefore, it is simply untrue to suggest that our dip in air arrivals can be directly and solely attributed to the increase in cruise arrivals. The facts simply do not support such a conclusion. Let me add that I have been very open in representing our tourist statistics, regardless of whether or not there was positive news to convey. The Opposition always tries to make a whole heap of noise and big speeches with flowery language about democracy because they do not get to have their way and about no time.

Tourism statistics: as far as this Government is concerned we are more open than any other government because I do not try to take the figures to juggle them to make them look good. They all go out and, even before I see them, they are on the Web and the stakeholders, legislators and others have access to those numbers.

Tourism statistics are now automatically published on the Website, so, as far as I am concerned, this is being very open government. What I find hard to tolerate is the blatant over-simplification and misrepresentation which has occurred in the debate, which is a most dangerous way to treat discussion on what is a very important area of our national economy. They might not realise the damage they are doing, but they are doing it. Perhaps they say, "*Well, others are doing it too",* but there is no reason why the Opposition should jump on the bandwagon, when they do not know. Just because it is a fad—because there are people saying, "*Oh, well you do not need all these cruise passengers*".

In terms of the growth in cruise arrivals, it is worth noting that cruise tourism remains a significant element of the overall Caribbean industry. In fact, the Caribbean is the leading destination region, accounting for 48.5 per cent of the total cruise capacity marketed out of North America in 2002. It should be noted that the growth within the cruise industry has been experienced within the region as a whole and not just in the Cayman Islands, however, generally speaking, within the Caribbean cruise tourism has grown faster than land-based tourism, thereby increasing its relative importance. Therefore, the challenge we are facing is hardly unique.

Within the region cruise tourism accounts for 60,000 jobs both directly and indirectly. I am mindful that this element of our business must be managed and I have taken decisive steps to ensure that, unlike other territories, the Cayman Islands make the most of the opportunities cruise tourism presents by launching an aggressive cruise conversion programme entitled, "Welcome Back".

That programme, Madam Speaker, was launched in March and we are already receiving evidence of positive consumer interest. A wide cross-section of the private sector has come on board with 18 hotels and condo properties, 11 water sport companies and the national carrier having joined the Department of Tourism in its targeted campaign to have the cruise visitor return as an air arrival. In this regard, the Cayman Islands are ahead of our competitors. We are in the testing stage of our "Welcome Back" cruise conversion programme.

Much talk has been on-going about what the cruise passengers spend. While cruise passengers spend significantly less on average than air arrival visitors, the total contribution of cruise visitors within the region was an estimated $1.6 billion in 2001. The Cayman Islands cannot afford to simply turn its back on this industry when every incremental dollar helps to fund land-based attractions, the transportation sector, taxis and tours and retail shops. Let the Second Elected Member for George Town and his partner, the First Elected Member for George Town, go and tell all those shops in George Town stores, "*We are going to cut back on cruise tourism"*. Let them go and tell their supporters that. This works for tour operators and other dependent sub-sectors on the cruise tourism.

It should be noted that the key to sustaining our tourism industry is striking a managed balance and this is the position that I have long advocated and which is supported in the tourism management policy. I will not, however, support short sighted, simplistic solutions which misrepresent the truth and threaten to depress this fragile industry. That is one good thing we have going in a world of uncertainty. Why should I now try to destroy it? That is what the Opposition would like and they would be the first ones coming

back to this Honourable House asking questions about "why you never do something about the cruise industry". As I said, it is ironic that those people who burned down the fire station are the ones who stand on the side-line saying, *"Why in the world government not doing something about that".* So I understand quite well their modus operandi, but I am not paying them any mind.

The other thing that is so evident is there are people who are criticising all the cruise passengers, yet they are the ones trying to get into the business, trying to get buses and trying to bring in boats. Shame on them, they are a bunch of hypocrites! We are beginning to see signs of right-sizing occurring within the cruise industry as I forecasted early in 2002. Our records indicate that in 2004 we can expect approximately 1.4 million cruise tourists as opposed to the approximately 2 million which was forecasted for 2003. This modest decrease is as a result of numerous factors, including better planning by the Port Authority on the number of ships scheduled to visit on a particular day; an element of repositioning as anticipated once cruise lines were better able to mitigate against the restrictions of war and terrorism; and an increasing element of home porting occurring within the United States. Therefore, as predicted, we are seeing a natural adjustment to the cruise figures without imposing heavy-handed measures which were likely to damage the mutually beneficial relationships which are being forged within the cruise lines over recent times. I wish the First Elected Member for George Town had stayed in the room.

Our air arrival figures have not returned to the level prior to 11 September 2001 but again this is consistent with other major tourism destinations. We will continue to strive to accelerate the rate of our recovery, however, we are mindful that we live and work in a time of unprecedented challenges.

The Speaker: From my calculation, Honourable Leader, your time will be up at 5.30.

Hon. W. McKeeva Bush: Madam Speaker, as I said, the country has heard from the Opposition and I venture to say that they too were disappointed just as I was. The Opposition charged that Government's Budget for 2003/2004 did not tell the true story and it was not balanced. That is their usual same old song: blame, criticise, spread propaganda, but never offer any solutions. I do not expect anything else from them. Madam Speaker, that is the cut of their jib, as the old people would say. Blame and criticise. They should be last ones. He took one year to try to get an elevator fixed in the Glass House when he was Minister of Works. One year. Madam Speaker, he came in there, left and it still was not fixed. The new Minister had to fix it, so I do not expect any better out of them.

First, the Opposition has stated that the Budget is not balanced because it is nonsense to talk of a balanced budget in the context of an operating surplus of $5.7 million, projected for the year-end 30 June 2004 when there is an expected overdraft position at 30 June 2004 of $10.8 million. Madam Speaker, the Opposition is once again confused and it certainly has no depth to its argument. The reason why the 2003/2004 Budget, which shows an operating surplus of $5.7 million, is associated with an overdraft at the end of June is that the Government has taken that surplus to invest in the Island's infrastructure, such as schools, maintenance. This is, as far as I am concerned, the right thing to do.

The Opposition's faulty logic and argument means that if we were talking about an individual, that individual would not invest in acquiring a home because the excess of his salary over his expenses - that is, his savings - would not be able to pay for the home. Thus on the PPM's faulty logic a person could not invest in acquiring a home because his savings could not pay for the home outright. Does that make sense? They must be building in the baby houses that they, but certainly not in the real world. In other words, the PPM would conclude that even though a person had acted responsibly and saved some of his salary, he should not buy a home because when the mortgage is subtracted from the person's savings a negative position occurs. This is the kind of ridiculous conclusion one would arrive at using the PPM's decision-making model.

However, you cannot run a government like that and you know that. I ask each and every one of us here in this House today and the public at large, and indeed the entire world, how many people would apply the PPM logic to our own lives and refuse to acquire a home simply because our savings could not buy the home outright. The Government's responsible action of producing a surplus is associated with an overdraft because the Government is investing in the people's and Islands' infrastructure. I need to direct the Opposition to Table 1, page 283 of the Annual Plan and Estimates (AP&E) and Table 7, page 291 and pages 310-312. The references I made to the Tables and the pages illustrate that the Government is investing its surplus wisely.

Another ground on which the Government was attacked was that we did not have 60 days of tax reserves. Again, the basis for this conclusion is faulty. When we talk of the need for the country to have 90 days of cash reserves, we are really preparing ourselves to deal with a drastic situation should it happen. The intent behind this provision of the Public Management and Finance Law is that government should be able to finance 90 days of its normal expenditure levels from its cash balances. In the event of all of government's revenue sources drying up for 90 days or three months, this is the kind of scenario, but it is a drastic scenario. If that were to occur, the government would be in dire straits. The provision of the Law intended that cash balances from all sources would be utilised to deal with such catastrophes. In such an instance, the government would convene an

emergency meeting of the Legislative Assembly and get the House to approve the use of cash balances. The government cannot use cash balances without the approval of the legislature. Therefore, is the PPM saying that in such a drastic situation, if they were in power, they would only use certain accounts but not others while the country suffers? That is the conclusion you would have to draw from what they say.

Madam Speaker, I certainly like to use simple examples that ordinary people can understand. What the PPM is saying is if a person's life is threatened that person should not use funds he had set aside for home improvements to pay for an operation that might save his life. That is the kind of logic that they are using and this is the kind of small mindedness that is characteristic of the PPM. They cannot see that using our operating surplus to help finance our investment in the country's infrastructure is a sensible approach. Would he have preferred us to keep the operating surplus and then borrow US$66.6 million like he did in 2001? That is what he is saying, "Do not use your operating surplus, go somewhere else".

The Government also got criticised because of the source of the planned $22.5 million injection in the general reserves. I repeat this, but it bears emphasis because it was repeated by them. I gave one scenario earlier, let me give another one: the vast majority of this comes from the remaining proceeds of the government's bond issue, after virtually all public debt loans have been repaid. The note issue was originally intended to be finalised very early in 2002 and the proceeds were to have been used predominantly to pay off public debt loan balances that existed at 31 December 2001.

The Government was advised that if it waited a bit longer, we would enjoy a decline in the interest rate that government would have to pay on the note issue. Indeed this stands out to be the case. Of course, Government had to continue to meet its public debt obligations during 2002 and this was done using operating revenues. It is a testament to Government's good management that it was able to do this. The much criticised source of the transfer to general reserves simply results from reimbursement of operating revenues that were used to pay certain public debt loans during 2002.

The Speaker: Honourable Leader you have 10 minutes remaining.

Hon. W. McKeeva Bush: Thank you, Madam Speaker.

The Government has retained the note issue proceeds as part of the operating revenue bank balances. Instead the Government plans to remove the entire remainder into general reserves. Is this not responsible management? If the Opposition had taken the time to look they would have got this explanation from page 293 of the AP&E. The Government has also been criticised about hiding expenditures and debt and statutory authorities and again it is nonsense. Government's relationship with statutory authorities is clearly spelled out in the document called Purchase Agreements for Statutory Authorities Government companies and non-governmental output suppliers. There is no hiding. His document was given to all Members and it is, someone said, 631 pages long. How could the Opposition have missed it?

Madam Speaker, the much talked about National Roads Authority is clearly outlined on page 611 to 617. Statutory authorities have to be audited either by the Auditor General or an auditing firm acting on his behalf. Those reports have to be tabled in this House. Thus, how can things be hidden? What they are talking about is nonsense. The part of the new Finance and Management Law which requires statutory authorities and government corporations to table ownership agreements in this Honourable House gives a time frame of up to 2004/2005 for said authorities and corporations to table the agreements. Some were ready when the Budget was ready to be presented. Therefore, to be seen as open and accountable as possible, those that are ready are here for all to see. Some are still not ready and will be compliant according to the time frame given by the Law. We are not trying to hide anything as the two Members sitting opposite would make the public believe.

The AP&E includes $800,000 to pay for professional fees in connection with the possible new office accommodation building. I say "possible new office accommodation building" because part of that $800,000 will be used to pay for professional services as to whether the building is affordable. We are addressing that aspect. If we go ahead, that money is coming back to government and, if we do not, then we will have a good report as to why we should not go in that direction. We cannot continue. I am not exaggerating when I say this: to have a situation where the roof falls in while the Minister is sitting in his office working. Nor can we have the same problem happening to civil servants with a government accommodating staff in buildings which do not comply with fire code requirements, and where the air quality is poor. People are getting sick and that did not start with this Government nor was the situation with the schools our doing. The people that you all are trying to court now to get in power with, they are the ones you must remember all the hell you gave them. Not true? True yes! Very true! I know it is true. The bunch of you are always talking.

The Speaker: Please pass the comments through the Chair.

Hon. W. McKeeva Bush: Madam Speaker, I am not courting anyone and I hope I have a few minutes to deal with that before I finish because the truth is I am not looking for anything else but new candidates. I will take time out to say this: I will not be in coalition with any one of them. None of them! Not me. If anyone

else wants to do that . . . but I will sit on the Back Bench.

The Member for George Town thinks that I am a little bit like him. I hope that I am not giving the Opposition or the public the impression by commenting on the points made by the Opposition that those points are credible. No, I believe that they are filled with faulty logic and that is why I choose to speak from those feeble points raised by the interim Leader of the Opposition and his satellite there grinning like a Cheshire cat.

Having disposed of the Opposition's hollow points, I want to refocus our attention on the soundness of the 2003/2004 Budget. It is a sound Budget because it embraces the wishes of the people of these Islands as documented in Vision 2008. This Budget proposes legislation for the forthcoming year and outlines proposed expenditures that will give those wishes a real fighting chance of becoming reality. It is a sound budget because we have produced a surplus on our day-to-day activities before turning our attention to capital projects. It is a sound budget because we will use our existing and expected cash balances to finance those capital projects. This will keep the level of borrowing to a relatively small amount. It is a sound budget because we expect our general reserves balance to be $28.3 million. This will be the highest level achieved in the 20 years that I have been in this House. Not since 1984 when general reserves stood at $18.2 million have they been anywhere remotely close to the $28.3 million that we expect.

It is a sound budget because we are planning to invest heavily in capital items while at the same time reducing the overall level of public debt. If we did not already have a name, I would christen the UDP's management as being "Unflinching Dedication to Prudence" (UDP). That is part of the sum total of the United Democratic Party's management.

Madam Speaker, we have managed wisely and I believe I have demonstrated that the UDP Government inspires confidence; unemployment is down, people are coming in, we are giving local people money to spend, local people can start new businesses. This is good at a time when the world is so badly off. The UDP inspires confidence. The country knows where it stands with us at the helm. We cannot rest on our numerous past accomplishments. Challenges do lie ahead and we need captains, not sleepyheads, at the helm that run the ship ashore. Captains who are not afraid of storms! We do not go looking for storms, but when they come we will stop at nothing to save the good ship, Cayman Islands.

Madam Speaker, if we close our eyes many of us can transport ourselves back to primary school days and if we open them again we are in the present. For many of us that simple opening and closing of our eyes spanned 30 to 40 years plus.

The Speaker: Honourable Leader, the Clerk has informed me that you have only three minutes remaining.

Hon. W. McKeeva Bush: Thank you. Time is precious and we must grasp the opportunity now to improve our beloved Cayman Islands. No one else is going to do it for us. We have done our part; we have provided the good ship Cayman with an even keel budget in the form of the 2003/2004 Budget.

Madam Speaker, let me say I hear them talking over there and I know the rumours that they spread, but I am old enough and have been in here long enough for it to roll off like water off a duck's back. What people will understand is the truth; what people will understand is the kind of pronouncements and the hard decisions that I am willing to take as Leader of Government. That is what people understand. People understand if I am willing to take the hard decision against crime and perhaps stand the wrath of some of them because they are likely to be in the midst cursing me for what I am suggesting, but we are going to deal with it. This country is going to be safe. Those that will not stand with me will stand against me. If I stand alone, so be it! Madam Speaker, as to their leadership, I do not think that they can stand the test.

Let me say that in a world of turmoil, this is the worst that I have ever seen it, probably since World War II, as I said in the opening of my Budget statement. The Cayman Islands have much to be thankful for. It is no use us going around making people believe that the Cayman Islands are dropping to pieces. We have got problems, but, thank God, we are able to face those problems. We are attacking every critical issue that we know will benefit the people of this country: Cable and Wireless, CUC, no borrowings, schools, needed infrastructure, social programmes. The one problem we have that we must meet head on is crime. If we allow it to rise none of this would be any good. Therefore, I trust that this Honourable House is going to support me when that time comes. As far as me running with any one of them or anybody to do with the previous Minister of Education, I will never do that!

The Speaker: Honourable Minister, I will allow you to complete that statement as your time is up.

Hon. W. McKeeva Bush: Madam Speaker, I thank you for your indulgence and I am asking and I hope that you will allow this. I am asked about the former Member for East End. I hope that he runs and that he beats the present Member because that Member did a whole lot more than the present Member is doing who is attached to the People's Progressive Movement.

Madam Speaker, thank you very much.

The Speaker: The question is that a Bill shortly entitled the Appropriation (July 2003 to June 2004) Bill,

2003, be given a second reading. All those in favour, please say Aye.

Ayes.

The Speaker: Those against, No.

Noes.

The Speaker: I believe the Ayes have it.

Hon. W. McKeeva Bush: Can we have a Division, Madam Speaker?

The Speaker: Certainly, Madam Clerk, please call the Division.

Division No. 3/03

Ayes: 8	**Noes: 3**
Hon. W. McKeeva Bush	Mr. D. Kurt Tibbetts
Hon. Linford A. Pierson	Mr. Alden M. McLaughlin, Jr.
Dr. the Hon. Frank S. McField	Mr. V. Arden McLean
Hon. Samuel Bulgin	
Hon. George A. McCarthy	
Mr. Rolston Anglin	
Capt. A. Eugene Ebanks	
Mr. Lyndon L. Martin	

Absentees: 6
Mr. Cline A. Glidden, Jr
Hon. Roy Bodden
Hon. Gilbert A. Mclean
Hon. James M. Ryan
Mr. Anthony Eden
Ms. Edna M. Moyle

The Speaker: The result of the Division is as follows: 8 Ayes, 3 Noes and 6 Absentees. The Motion is carried.

That concludes the debate on the Second Reading of the Appropriation (July 2003 to June 2004) Bill, 2003.

Agreed by Majority: The Appropriation (July 2003 to June 2004) Bill 2003 given the Second Reading. The Bill stood committed to the Standing Finance Committee.

The Speaker: I have received notice and granted approval for the Honourable Third Official Member to make a personal explanation under Standing Order 31. Out of the abundance of caution, I will ask the Leader of Government Business to move the suspension of Standing Order 14(1), which allows for the order of business to be changed.

Suspension of Standing Order 14(1)

Hon. W. McKeeva Bush: Madam Speaker, I move for the suspension of the relevant Standing Order to suspend Standing Order 14(1).

The Speaker: The question is that Standing Order 14(1) be duly suspended to allow the Honourable Third Official Member to give a personal explanation at the close of the business day.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 14(1) suspended.

The Speaker: Please proceed, Honourable Third Official Member.

Personal Statement
(Standing Order 14(1)

RE: Criticism of the Budget process, and Attacks on the Reputation of the Financial Secretary

Hon. George A. McCarthy: Madam Speaker, I am grateful to you and this Honourable House for allowing me time to make this brief statement.

I am cognisant of the fact that the Leader of Government Business has wound up the debate on the Budget Address and that, as a consequence, my comments will relate to two assertions. These are erroneous assertions that have been made by two Members of this Honourable House.

I am also of the view that when a person makes it his or her mission in life to look for only what is perceived to be wrong in everything, there will never be any person, situation or event that will ever be found to be above fault. I will submit that the primary mission of these individuals in their criticism of the Budget process, and by attacking the reputation of the Financial Secretary, was to create a state of panic and create the impression that the Budget process is one that was not carefully thought out.

Madam Speaker, how well these individuals would have succeeded can be assessed or determined by the obvious clarity and professional presentation of these Budget documents prepared by the Budget and Management Unit. It is quite obvious, going through the Budget documents and the Annual Plan and Estimate, that complete clarity as to the Government's financial position and where the country stands, have been carefully set out.

Over the past few days, Madam Speaker, the Government and country heard various remarks from certain Members of this Honourable House pertaining to the 2003/2004 Budget Address.

One contention from these Members is that the Budget Address was not a balanced one. Madam Speaker, let us examine what a balanced budget is. A balanced budget is one—

Point of Order

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, on a point of order.

The Speaker: Please state your point of order.

Mr. Alden M. McLaughlin, Jr.: It is my understanding that the Honourable Third Official Member is purporting to give a personal explanation pursuant to Standing Order 31. However, he is, in fact, debating the Budget which is expressely forbidden by the provisions of that Standing Order, which reads as follows; **"With the leave of the Presiding Officer, a Member may make a personal explanation although there is no question before the House; but no controversial matter may be included in the explanation nor may debate arise thereupon."**

Madam Speaker, my point of order is that the line of purported explanation being given by the Honourable Third Official Member is in contravention of Standing Order 31. He is in fact, debating the Budget Address again and he is also raising controversial matters.

The Speaker: The Chair has listened thus far to the debate of the Honourable Third Official Member; I have taken full cognisance of the point of order, which was just stated by the Second Elected Member for the district of George Town. I am fully aware of the extent of Standing Order 31, which allows a person, with my approval, to give a personal explanation because the Financial Secretary indeed also sits in a capacity of the Honourable Third Official Member. I have given the leeway for him to make a personal explanation because the remarks which he wished to respond to were directed to both his personal and professional capacity which is difficult to separate from the role which he plays here.

The last concluding comment that the Chair would like to make is that I took it against the full background. When similar allegations were made to the past Second Official Member, who was not present at the time of the allegations, there was a request from many quarters that in the interest of natural justice the person should have an opportunity to respond in light of the parity and equity which this Chair would wish to exercise. At all material times I have given that same opportunity to the Honourable Third Official Member who is present and, in my humble and respectful submission, should have a right to respond to any allegations made from any quarters therein.

Please proceed.

Hon. George A. McCarthy: Thank you very much, Madam Speaker.

I can assure this Honourable House that I am not being controversial and I have stayed away from even opening the Budget documents although I will have to reference one or two figures.

Madam Speaker, as I was saying earlier, a balanced budget is one in which income or revenue equals expenditure.

The Government has presented a budget that has done much better than this. It has presented a budget in which operating revenues exceeded operating expenditure by $5.7 million. This is, as mentioned earlier, stated in the Budget document itself, which is the Annual Plan and Estimates.

The Government, I will submit, did much better than producing a balanced Budget. It produced a surplus Budget; a surplus on its day-to-day business or operating activity. When these Honourable Members are effectively saying that when capital expenditures and equity investments and other balance sheet activities are taken into account, we no longer have a balanced budget, this is not a correct assertion. This view is wrong and does not accord with normal accounting treatment.

In very simple terms, how many of us in this Honourable House would criticise ourselves if during the course of a month our income exceeded our expenses and therefore we ended up with savings, but we had to use those savings to fix the roof of our house. Would we criticise ourselves? I would submit that the answer is no.

It is completely within the norm for operating surpluses not to be able to meet or cover the balance sheet activity of Government 100 per cent. What is important, as is the case with the 2003/2004 Budget, is that the operating activities make a positive contribution towards the balance sheet activities.

Madam Speaker, if we went back as far as 1984 - almost 20 years ago - there was only two years in which operating surpluses were able to cover balance sheet type activities. These instances occurred in 1986 and 1993. In both instances, it would be true to say that balance sheet activities were only covered by operating surpluses.

It is true that Government's plan for 2003/2004 will give rise to additional financing needs. That position is clearly set out in table 8 on page 293 of the Annual Plan and Estimates. Government needed to obtain $30.7 million to carry out its balance sheet activity during the course of the year and this is clearly set out in the Budget document itself.

How has the Government behaved in this regard? Very responsibly, I should say. Table 8 on page 293 once again shows Government's plan to use all of its existing expected resources before planning to borrow a small amount of $8 million during 2003/2004. This is responsible fiscal management. The Annual Plan and Estimates also shows where the Government plans to do a tempered drawdown of less than $6 million on its overdraft account. I should say that under normal circumstances when we look at the surplus at the end of a period, the surplus for the Government as set out in the Strategic Policy Statement envisioned that it would have been in the region of

$22 million. For the half year it is turning out to be around $21 million.

Representing that surplus was always the difference between advances and deposit account and that was in the region of about $5-6 million, the same extent to which the drawdown will be taking place on the overdraft account. What the Government decided to do was what was set out represents or takes on the format of a statement of cash flows. This is set out in the Budget document that, that differential should not be taken in order to represent cash that would be available. At best, it could be regarded as receivables. This is why, as a matter of prudence, the view has been taken to go for the temporary overdraft.

It is quite likely that those amounts on the advance account will be translated into cash during the course of the year and the need to draw down on the surplus and deficit account to that extent will therefore be avoided.

Madam Speaker, the crowning jewel in these Members' debate has been their attack on the Government's low-income housing initiative plan. The Honourable Second Elected Member for George Town spent 37 minutes short of two hours predominantly on this matter. Comments have been made which was evidently an attempt to tarnish the professional reputation of the Financial Secretary. My responsibility in connection with this matter was ably carried out by the Central Tenders Committee under the Chairmanship of the Deputy Financial Secretary. Not once did this Honourable Member state that he was dissatisfied with the role of the CTC (Central Tenders Committee) or its decision. I therefore take that to mean that as Financial Secretary, I have carried out my duties correctly because no criticism was levelled at the process by this Member, although I observed that he was invited to read the relevant section of the Financial and Stores Regulations by the Honourable First Elected Member for George Town, setting out what the responsibilities of the Financial Secretary are.

I am cognisant of what my responsibilities are as Financial Secretary and I can put my hand on my heart to these Honourable Members, to you and to this country, that I have discharged my responsibilities and will continue to do so within the best interests of the Cayman Islands. I am not saying that I am perfect, but, Madam Speaker, within my limitations I will continue to do my best to serve my country and to serve my God and my people.

Thank you, Madam Speaker.

ADJOURNMENT

The Speaker: Can I have a Motion for the adjournment.

Hon. W. McKeeva Bush: Madam Speaker, we will adjourn until the Financial Secretary is ready to report back. As we had indicated, we will now go into Finance Committee.

The Speaker: The question is that the Honourable House now stands adjourned until Finance Committee completes its business. All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 5.49 pm the House stood adjourned until the conclusion of Finance Committee.

OFFICIAL HANSARD REPORT
MONDAY
23 JUNE 2003
6.40 PM

Eighth Sitting

The Speaker: Please be seated. It has been a long day. I recognise the Leader of Government Business to grace us with prayers.

PRAYERS

Hon. W. McKeeva Bush: Let us pray.

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

Bless our Sovereign Lady Queen Elizabeth II, Philip Duke of Edinburgh, Charles Prince of Wales, and all the Royal family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Executive Council and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together:

Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.

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

Proceedings resumed at 6.43 pm

The Speaker: Please be seated.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies from the Honourable First Official Member, the Minister of Health, the Minister of Education, the Third Elected Member for Bodden Town, the Member for North Side and the Member for East End.

STATEMENTS BY HONOURABLE MINISTERS AND MEMBERS OF THE GOVERNMENT

The Speaker: There have been no statements submitted.

GOVERNMENT BUSINESS

BILLS

REPORT

The Appropriation (July 2003 to June 2004) Bill, 2003

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Madam Speaker, I beg to report that a Bill entitles the Appropriation (July 2003 to June 2004) Bill, 2003 has been considered by the Standing Finance Committee and agreed without amendment.

The Speaker: The Bill has been duly reported and is set down for the Third Reading.

THIRD READING

The Appropriation (July 2003 to June 2004) Bill, 2003

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Madam Speaker, I beg to move that a Bill entitled the Appropriation (July 2003 to June 2004) Bill, 2003 be given a third reading and passed.

The Speaker: The question is that a Bill shortly entitled the Appropriation (July 2003 to June 2004) Bill, 2003 has been given a third reading and is passed. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: The Appropriation (July 2003 to June 2004) Bill 2003 given a Third Reading and passed.

ADJOURNMENT

The Speaker: I recognise the Leader of Government Business for the adjournment Motion.

Hon. W. McKeeva Bush: Madam Speaker, before I move the adjournment of this Honourable House, I would just like to announce that there needs to be a Business Committee meeting shortly after we adjourn.

We would ask that the Clerk make Members know that there will be no meeting tomorrow and that the House will resume on Wednesday at 10 am, Finance Committee having completed its business.

I move the adjournment of this Honourable House until 10 am Wednesday, 25 June 2003.

The Speaker: The question is that this Honourable House be adjourned until 10 am Wednesday, 25 June 2003. All those in favour please say Aye. Those against, no.

Ayes.

The Speaker: The Ayes have it.

At 6.46 pm the House stood adjourned until 10 am Wednesday, 25 June 2003.

OFFICIAL HANSARD REPORT
WEDNESDAY
25 JUNE 2003
11.01 AM

Ninth Sitting

The Speaker: I will invite the Leader of the Opposition to grace us with prayers this morning.

PRAYERS

Mr. Kurt D. Tibbetts: Let us pray.

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

Bless our Sovereign Lady Queen Elizabeth II, Philip Duke of Edinburgh, Charles Prince of Wales, and all the Royal family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Executive Council and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together. Our Father, who are in Heaven, Hallowed be Thy Name. Thy Kingdom come. Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.

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

Proceedings resumed at 11.03 am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies
House Visitors

The Speaker: I have received apologies from the Honourable Leader of Government who will be arriving later this morning. The Honourable Minister for Health who is absent and the Honourable Minister for Education as well.

I also wish to take this opportunity to recognise in the Public Gallery one Mr. Michael Letterlow who will be representing the Cayman Islands Branch of the Commonwealth Parliamentary Association, with Mr. Alexis Bodden as a Youth Parliamentarian at the 4th Youth Parliament to be hosted by the Nevis Branch of the CPA in July of this year; and last year's youth delegates, Kamal Connolly and Laurel Ebanks. This Honourable Assembly wishes them the very best as they debate on behalf of the Cayman Islands.

PRESENTATION OF PAPERS AND OF REPORTS

The Stamp Duty Regulations 2003

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Madam Speaker, I beg to lay on the Table of this Honourable House the Stamp Duty Regulations, 2002 Revision.

The Speaker: So ordered.

Will the Honourable Third Official Member wish to speak thereto?

Hon. George A. McCarthy: Madam Speaker, in accordance with Section 26 (a) of the Stamp Duty Law 2002 Revision these regulations that are being laid this morning are subject to a negative resolution of the Legislative Assembly. The effect of the Regulations, Madam Speaker, is to continue the present 5 per cent Stamp Duty rate until the 12th of November of this year. These Regulations were approved by Executive Council on the 6th of May of this year but they are subject to a negative resolution of the Assembly as I mentioned earlier.

Madam Speaker, the origin and purpose of the 5 per cent stamp duty rate is well known to yourself and all Honourable Members of this Parliament. The Government introduced the 5 per cent rate in November of 2001 as a stimulus measure for the local economy following the devastating September 11 terrorist attack in the United States of America. The Government decided, therefore, to extend the 5 per cent rate to 12 November 2003 because there is strong evidence to suggest that it is having a positive effect on the real estate industry; and borrowing some recent words spoken in this Honourable House, 'it is benefiting the masses'.

Madam Speaker, when the stamp duty rates were 7½per cent and 9 per cent the value of land transfers was $257,000,000. For the first eleven months of 2001 stamp duty rates were 7½ per cent and 9 per cent. The 5 per cent rate was introduced in November 2001. The value of land transfers in that year declined to $173,000,000. Because the 5 per cent rate was not introduced until November, it probably did not have a significant impact upon the land transfers in 2001.

In 2002 when the 5 per cent rate was in existence for the entire year, the value of transfers increased to $270,000,000.

For the first quarter of 2003, Madam Speaker, land transfers amounted to $85,000,000. If this level of activity continues for the rest of the year, the end of year position would be $340,000,000.

Madam Speaker, because of the overwhelming evidence to support the positive impact the continuation of this 5 per cent stamp duty rate is having, it is being recommended to this Honourable House that this concession continues. Thank you, Madam Speaker.

The Speaker: Thank you, Honourable Member.

QUESTIONS TO HONOURABLE MINISTERS AND OFFICIAL MEMBERS

Question No. 34
(Deferred 13 June 2003)

The Speaker: I recognise the Second Elected for Cayman Brac and Little Cayman.

No. 34: Mr. Lyndon L. Martin asked the Honourable Minister responsible for the Ministry of Community Services, Gender Affairs, Youth and Sports, if there has been a bid or interest expressed in the purchase of Cayman Brac Water Authority by any private entity.

The Speaker: I recognise the Honourable Minister responsible for Community Services.

Dr. the Hon. Frank S. McField: Madam Speaker, the Water Authority has not received any bid, or notice of interest, expressed in the purchase of the Water Authority operations in Cayman Brac.

The Speaker: Are there any Supplementaries? If not, we will move on to the next question.

Question No. 36
(Deferred 13 June 2003)

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

No. 36: **Mr. Lyndon L. Martin** asked the Honourable Minister responsible for the Ministry of Community Services, Gender Affairs, Youth and Sports, if the Water Authority Board or Department has undertaken any feasibility assessment for the incremental extension of piped water supply on Cayman Brac.

The Speaker: The Honourable Minister for Community Affairs.

Dr. the Hon. Frank S. McField: Madam Speaker, yes. In 2000 the Water Authority completed a feasibility study into providing piped water supply from West End to Spot Bay in Cayman Brac.

The report showed that even with a contribution from the Cayman Brac Public Works Department in the form of labour, heavy equipment and road reinstatement, the project would still be financially unfeasible due to the high cost of installation, the relatively small potential customer based and the associated small projected water sales.

The Water Authority is very much aware of the desire of the Cayman Brac residents to see extensions to the piped water supply and is cognisant of its responsibility to provide the required infrastructure. During this calendar year, the Authority will undertake the assessment of alternatives and will further review the financial viability of providing piped water supply up to the Faith Hospital area. The Authority realises that the island of Cayman Brac would benefit from this project as it will improve the standard of living plus contribute to the Brac economy during construction as a significant portion of the construction costs would be incurred locally, for example, labour, back fill, material and accommodation. In addition, improved infrastructure may encourage further development on the Island.

Recognising that the cost of extending the piped water system throughout Cayman Brac is a limiting factor, the Water Authority in 2002 invested in a third tanker truck and has increased the production capacity of the Reverse Osmosis Plant to more than double the original capacity. With these facilities in place, the Authority is able to supply excellent potable water in a timely manner by tanker truck to those outside the piped distribution area.

The Speaker: Before asking whether or not there are any Supplementaries, if we could beg the House's indulgence for the Serjeant to re-enter for distribution of the responses.

I recognise the Deputy Leader for the Motion for Question Times to continue beyond the hour of 11 am.

Suspension of Standing Order 23 (7) & (8)

Hon. Linford A. Pierson: Madam Speaker, I wish to move the Suspension of the relevant Standing Orders

to allow Question Time to continue beyond the hour of 11 am.

The Speaker: Thank you. The question is that Standing Order 23, (7) and (8) be suspended to allow Question Time to continue beyond the hour of 11 am. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Standing Orders 23 (7) and (8) suspended to allow Question Time to continue beyond 11 am.

The Speaker: Are there any Supplementaries?

The Second Elected Member for Cayman Brac and Little Cayman.

Supplementaries

Mr. Lyndon L. Martin: Thank you, Madam Speaker. Will the Honourable Minister be able to inform the Honourable House as to the estimated total cost for the extension of the piped water as estimated in the 2000 feasibility assessment?

The Speaker: The Honourable Minister for Community Affairs.

Dr. the Hon. Frank S. McField: Madam Speaker, the estimated cost of the project to extend the piped water infrastructure in Cayman Brac at the time of the original report and using the assistance from Public Works in Cayman Brac was CI$2.9 million. The project is divided into three phases: from the West End to Faith Hospital, from Faith Hospital to Tibbetts Turn, and from Tibbetts Turn to Spot Bay. It is estimated that each phase would take approximately 14 months to complete.

The Speaker: Are there any further supplementaries?

The Member for East End.

Do you have a follow up Member from Cayman Brac? Please continue.

Mr. Lyndon L. Martin: Thank you, Madam Speaker. In the substantive answer, it was stated that a further feasibility study would be done during this calendar year. I am hoping to get an undertaking from the Minister that this feasibility study will look at incremental stages and the feasibility of each stage, rather than at the whole project so we could look at whether it would be feasible to have it to the high school or would it be feasible to have it to the Tibbetts Turn or to the whole Island. So each stage, each phase would be looked at independently to see whether the whole project might not be feasible but there may be one component of it that is feasible.

The Speaker: The Minister for Community Affairs.

Dr. the Hon. Frank S. McField: Madam Speaker, the cost which I gave as a result of the feasibility study is a cost that the $2.9 million would be the result of the Authority doing the job in house. But should they not do the job in house, of course it would cost a lot more. The Ministry is willing to give an undertaking on behalf of the Water Authority to do a feasibility study this year that would give us an idea of the cost to the Hospital and to the High School.

The Speaker: The Member for East End.

Mr. V. Arden McLean: Thank you Madam Speaker. Madam Speaker, the Minister has said that the Water Authority acquired another tanker truck and will now be able to provide water outside the piped distribution area. I am wondering if the Minister can tell us if that is at the same cost as the customers within the distribution area or if any concessions have been put in place.

The Speaker: The Honourable Minister for Community Affairs.

Dr. the Hon. Frank S. McField: Madam Speaker, the cost of the piped water is about $25 per thousand gallons and the cost of the trucked water is approximately $28 per thousand gallons, so there is a price difference, yes.

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: Thank you Madam Speaker. Seeing that it is not feasible for us to put piped water to the rest of the country, I am wondering if the Government is not mindful to give those outside the distribution area, that water at the same cost.

The Speaker: The Honourable Minister for Community Affairs.

Dr. the Hon. Frank S. McField: Madam Speaker, to answer that supplementary; I have been told that the price for the trucked water at the moment sometimes meets the cost and sometimes it does not. However, it would not be something that the Authority would entertain at this time, in order to lower the cost to the point where it was equal to the cost which those residents in the piped water area are paying.

The Speaker: Are there any further supplementaries?

If not, we will move on to the next item of business.

The Honourable Minister for Community Affairs.

Dr. the Hon. Frank S. McField: Madam Speaker, I would like to add that the Water Authority has not raised its rates since 1995. I think that is an important point to mention.

The Speaker: Thank you. Madam Clerk.

STATEMENTS BY HONOURABLE MINISTERS AND MEMBERS OF THE GOVERNMENT

National Roads Plan

The Speaker: The Honourable Deputy Leader.

Hon. Linford A. Pierson: Thank you Madam Speaker. I would like to take this opportunity to provide this Honourable House with an up-date on the preparation of a National Roads Plan. Honourable Members will be well aware of the attempts over the years by successive governments to develop a comprehensive plan for road works and traffic management. In the last 20 years we have seen tremendous growth and development but only a few miles of new primary roadway has been constructed. The Ministry of Planning, Communication, Works and Information Technology has embarked on renewed efforts to address the issue of roads from a more holistic perspective.

This new plan will address the road network but also look at other related issues such as the socio-economic and environmental impacts. Wider roads do not necessarily translate to fewer traffic jams or greater public safety. It is important that not only vehicular movement is considered but other related activities such as pedestrian and bicycle traffic. These activities must be provided for and encouraged for many reasons and the necessary amenities provided so that they can be developed and conducted in a safe manner.

The National Roads Plan will have a 25-year horizon phased into smaller Transportation Improvement Plans. Key elements will include a central Business District Traffic Circulation Plan, a Master Traffic Ways Plan supported by Access Management Plans and the various District Corridor Plans. Amended annually under Section 25 of the Roads Law, the Plan will be a living, working document, and will form an integral part of the Development Plan which is reviewed every five years.

It is anticipated that the National Roads Plan will be completed by June 2004. A core team of specialists has already been assembled within the Roads Division of Public Works Department (PWD) which now consists of three full time individuals qualified in transportation planning. The team is actively working on finalising the required activities in carrying out the study for developing the plan.

Given the dynamic nature of development on the Island and in an effort to provide flexibility in locating roadway corridors, the implementation of the National Roads Plan should be recognised in the context of the ongoing review of the Development Plan undertaken by the Central Planning Authority, which is conducted every five years. Pursuant to the provisions of Section 25 of the Roads Law (2000 Revision) the purpose of the National Roads Plan is to establish the framework and operational parameters that allow the Roads component of the Development Plan to be modified on a more frequent basis (perhaps yearly for the next 5 years) until the formulation of a national ground transportation policy has been adopted.

The Ministry has also assembled a multi-disciplinary National Roads Plan advisory Committee. That includes both public and private sector representatives and this committee is charged with overseeing and guiding the process.

The terms of reference for the National Roads Plan Advisory Committee are as follows:

1. To act as the overall steering committee in the consideration and selection of appropriate and cost effective solutions to plan for ground transportation infrastructure and strategies to improve the performance of the existing road network and its future expansion.

2. Define and finalise the parameters of a National Roads Plan for a 25 year planning horizon having regard to the following goals:

   Access and Mobility: Provide an integrated transportation system that maximizes accessibility and includes a variety of mobility options that serve the needs of residents, visitors, and businesses island-wide.

   Transportation and Land Development: Establish guidelines for creating land development and land use patterns that support public transit.

   Transportation Efficiency: Preserve the Island's transportation system efficiency by creating a roadway network that reduces congestion, vehicle miles travelled, travel times, and improve levels of service.

   Sustainability: Provide an optimised transportation network that fosters the unhindered movement of goods and services island-wide through the implementation of a street hierarchy system which separates local traffic from island-wide traffic; while minimising and mitigating impact on the natural ecosystems wherever feasible. A key element will be appropriate storm water management principles to be incorporated within the implemented transportation network.

3. Identify and define the barriers (institutional legislative, physical and economical) which lead to inefficiencies of the existing infrastructure network.

4. Review and assess the current inventory of transportation infrastructure network (for example roadways, signage and traffic control devices, parking

supply, et cetera) and identify levels of traffic demands and conditions.

5. Analyse the existing population, socio-economic conditions and land use trends, and develop future growth scenarios for the planning horizon of the Plan.

6. Forecast future traffic growth, considering the effect of changes in population, socio-economic conditions and land use.

7. Develop and analyse future transportation network and infrastructure alternatives and evaluate each individual alternative against a cost/benefit analysis approach.

8. Design and develop a framework for the implementation of a National Roads Plan divided into a number of smaller Transportation Improvement Plans namely: Master Traffic ways Plan, Access Management Plans, District Corridor Plans and a Central Business District Traffic Circulation Plan.

9. Develop and recommend a framework for project prioritisation based on sound transportation planning and engineering principles as well as economics.

10. Identify sources of funding and recommend a Financial Plan for the implementation and management of the Plan.

11. Facilitate a Public Involvement Programme that fosters community understanding and support of the Plan.

Madam Speaker communication is critical to the success of this initiative. Efforts are ongoing to develop a comprehensive Public Involvement Program and in this regard special focus group sessions have begun and are being coordinated by Government Information Services personnel who serve on the National Roads Plan Advisory Committee.

Focus group sessions have included the participation of individuals from a wide cross-section of the community such as:

1. Cyclists and Pedestrians
2. Motorists
3. Land Owners
4. Students
5. Taxi Operators
6. Bus Operators
7. Community Development Groups
8. Environmental Groups
9. Land Developers
10. Emergency Services
11. Emergency Services
12. Business and Commercial Organisation
13. Heavy Equipment Operators and Utility Providers; and
14. Elected Representatives of the Legislative Assembly

The first round of focus group meetings have been completed and the purpose was to determine the information from those whom the Plan would impact most directly by discussing the following topics:

- Do they have enough information to make informed recommendations?
- What type of information do they currently have?
- What are their attitudes and expectations about the need for a plan?
- What is their level of confidence in Government's ability to plan, involve the public meaningfully and effectively execute its plans?
- What type of information do they want?
- How willing are they to participate?
- What are their aspirations and needs?

The information gained, Madam Speaker, from these focus groups will allow a better understanding of what the public wants from the National Roads Plan, how much they currently know, and to what extent they would be willing to participate. To that extent, Government Information Services will prepare a report on the outcome of the focus groups, with the aim of sending the report to Steering Committee members for review prior to the next meeting.

The report will organise and analyse the Focus Group information into various relevant areas (for example transportation, public participation, government's role, et cetera). Additionally, it will provide base line data against which to compare people's knowledge and attitudes at later stages. At the 26 June meeting the Steering Committee will discuss the report and agree on a way forward for the Public Involvement Programme.

Work is also ongoing on the gathering and organisation of various socio-economic data. Traffic counts have been conducted along West Bay Road between the intersection of the Galleria Loop and Coconut Place Plaza driveway. The information was collected with automatic traffic recorders as well as manual intersection movement and vehicle classification counts and licence plate tracing survey. Data has been summarised to provide daily and hourly distribution at various survey locations and generate an Origin-Destination Matrix for the study area.

Planning approval and building permit information since 2000 from the Planning Department's Permitting System has also been assembled and analysed. This information has been summarised, at the district level, to determine built development since the year 2000, committed development and anticipated and potential developments over the next three years.

Madam Speaker, a request has been forwarded to the Chief Statistician seeking assistance for the acquisition of demographic and employment information on various parameters from the 1999 Census and other surveys, collated at the enumeration area level. Additionally, input was requested on the development of long-term population and employment growth scenarios. The latest zoning information for the ongoing development plan review update exercise has been obtained and a list of potential data sources on school and student population, economic and tourism activity

has also been assembled. Much work now has to be done utilising the socio-economic data and including the need to analyse information provided by the Economics and Statistics Office to ascertain population and employment characteristics and spatially summarize the data using the mapping software ARC geographic information system.

Geo reference (mapping) the Planning data and cross-reference it against the census information provided by the Economics and Statistics office. Access the completeness and validity of the various data sources, identified above and determine its usefulness in the National Roads Plan exercise. Begin the assembly and analysis of the zoning data in order to define an action plan for developing growth scenarios. The team, Madam Speaker, will also be kept very busy over the coming months undertaking various work, including:-

- Undertaking traffic data surveys at various intersections and driveways of major traffic generators in George Town and the Seven Mile Beach corridor area.
- Conducting a Parking Supply Inventory for the Downtown area and hopefully undertake a parking demand analysis at the main locations.
- Begin the assembly of the transportation road network data in a compatible format for the modelling software. The required information will include roadway widths and lane markings, intersection configuration, such as length and location of turning lanes; location and supply of offsite and on-street parking; signal phasing and traffic control devices, et cetera.
- Carrying out a detailed pavement inventory, then develop and implement a comprehensive pavement management programme.

Madam Speaker, the development of a National Roads Plan is a significant but priority undertaking for my Ministry. I would like to thank all Honourable Members for their continued support and input into the process. I also wish to voice my sincere appreciation to the general public for assisting Government in this important initiative. I intend to keep this Honourable House regularly updated on progress in this important matter.

Thank you, Madam Speaker.

The Speaker: Thank you Honourable Minister. Honourable Deputy Leader, is it also your intention to make another statement at this time?

Please proceed.

Cayman Islands Development Plan

Hon. Linford A. Pierson: Thank you, Madam Speaker. In accordance with Section 13 of the Development and Planning Law (1999 Revision) the Central Planning Authority is required to carry out a fresh survey of the Development Plan every five years. The current review of the Development Plan 1997 is well underway and is on schedule to be presented to the Legislative Assembly in November of this year.

In May of 2001 the Central Planning Authority (the CPA) commenced the review of the Development Plan 1997 through Public Meetings held in each district. At these meetings volunteers agree to participate on district sub committees which undertook visioning exercises to arrive at broad statements that outline their vision for their district. These vision statements were presented to the public in the summer of 2001.

In addition, the Central Planning Authority appointed a Steering Committee for the Development Plan Review. This committee known as the Development Plan Review Committee (DPRC) consisted of representatives from various government departments and agencies, statutory authorities and boards, private sector and the district subcommittees. The Central Planning Authority has been overseeing the review of the Development Plan 1997 and has produced two documents; the Report of Survey and the Proposed Amendments to the Development Plan 1997. Based on the district subcommittee reports, the Development Plan Review Committee identified a number of critical issues and appointed Special Issue Committees (SICs).These Special Issue Committees were technical committees formed to undertake reviews and make special recommendations for amendments to the Development Plan 1997 and the Report of Survey.

The Report of Survey is a culmination of efforts of various community volunteers from the district subcommittees and special issue committees. In January of 2003 drafts of both documents were released in a series of public meetings in each of the districts of Grand Cayman, commencing with the final public review period.

On the 20 March 2003, the public comment period for the proposed amendments came to a close with a total of 137 representations received.

The Central Planning Authority considered each of the representations and on 5 May 2003, the Ministry received copies of each representation as well as the Central Planning Authority's recommendations regarding same. The Development Plan Tribunal will consider each representation during a series of tribunal enquiries scheduled for the 8 - 10July 2003.

On the 30 May, my Ministry sent letters to all those persons who filed representations inviting them to appear before the tribunal in July. Once the tribunal hearings have been completed, a Report of Findings will be submitted to my Ministry and then the Central Planning Authority. The Central Planning Authority will review the Tribunal's recommendations and then submit the Proposed Development Plan including any amendments proposed as a result of the Tribunal's recommendations to the Legislative Assembly.

Madam Speaker, I would like to thank all the members of the public who have given of their time in this comprehensive and nationally important initiative and I look forward to bringing the Development Plan

amendments to this Honourable House in November 2003.

Thank you, Madam Speaker.

The Speaker: Thank you, Honourable Minister.

GOVERNMENT BUSINESS

BILLS

FIRST READING

The Loan Bill, 2003

The Speaker: The Bill was deemed to have been read a first time and set down for Second Reading.

SECOND READINGS

The Registered Land (Amendment) Bill, 2003

The Speaker: The Honourable Deputy Leader.

Hon. Linford A. Pierson: Madam Speaker, I beg to move the Second Reading of a Bill entitled, A Bill for a Law to Amend the Definition of the Expression Opportunity of Being Heard for the Purposes of the Registered Land Law (1995) Revision.

The Speaker: The Bill has been duly moved.

Does the Honourable Member wish to speak thereto?

Hon. Linford A. Pierson: Thank you, Madam Speaker. Under Section 15(5) of the Registered Land Law the Expression Opportunity of Being Heard is defined to include a person's failure to attend before the Registrar of Lands after not less than 90 days notification of the proposed date of attendance.

This Bill, Madam Speaker, seeks to shorten that period of notification to thirty days in order to improve the administration of the principal law. Madam Speaker, the Registrar of Lands has over the last year received enquiries from a number of interested parties including landowners, surveyors and developers indicating that the existing ninety-day notice period is excessive and inefficient for many business transactions. For example, a reduced notice period will facilitate shorter periods for the completion of registration of fixed boundary surveys as well as the more obvious occasions of a registrar's hearing. There is a pressing desire for all government activities to be undertaken in as short a time as possible, and wherever change is simply and readily accommodated I think government should take that action.

Accordingly, Madam Speaker, this is as can be seen a very short Bill and I can I recommend that it be approved in order to reduce the period for notice or Registrar of Land hearings from 90 days to 30 days. Thank you, Madam Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Last call. Does any other Member wish to speak?

The Elected Member for the district of East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. I rise to give, on behalf of the Opposition, our support to the amendment before us on the Registered Land Law. We believe, like the Minister, that efficiency and effectiveness should be the order of the day within government. Therefore, we quite gladly give our support to him and to this Bill in the interest of making government more efficient.

We thank you, Madam Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Last call. Does any other Member wish to speak?

If not, does the Honourable Deputy Leader wish to exercise his right of reply?

Hon. Linford A. Pierson: Yes, Madam Speaker. I wish to thank the Honourable Member for East End and my esteemed cousin for his support on behalf of the Opposition and indeed for the tacit support of Members of the Back Bench and other Government Members. Thank you, Madam Speaker.

The Speaker: Thank you, Honourable Deputy Leader. The question is that a Bill shortly entitled, The Registered Land (Amendment) Bill, 2003 be given a second reading. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: The Registered Land (Amendment) Bill 2003 given a Second Reading.

The Development and Planning (Amendment) Bill, 2003

The Speaker: The Honourable Deputy Leader.

Hon. Linford A. Pierson: Madam Speaker, I beg to move the Second Reading of a Bill entitled, A Bill for a Law to Amend the Development and Planning Law 1999 Revision to further extend the temporary reduction of amounts payable as contributions to the infrastructure fund; to further extend the temporary reduc-

tion of building permit fees and to make provision for incidental and connected matters.

The Speaker: The Bill has been duly moved. Does the Honourable Member wish to speak thereto?

Hon. Linford A. Pierson: Thank you, Madam Speaker. It may be useful to Honourable Members if I provide a historical background on these initiatives to date.

The Development and Planning (Amendment) Temporary Provisions Law 2001 enable the temporary reduction of contributions payable to the infrastructure fund. The amount of the contribution was reduced by 50 per cent for a period of one year and commenced on the 14 November 2001. The Development and Planning (Amendment) Temporary Provisions Law 2001 which provided for the 50 per cent reduction in building permit fees for one year, commenced on the 20 November 2001.

The Development and Planning (Amendment) No. 3 Bill 2002 extended the one year concession on infrastructure fees by another six months. The Development and Planning (Amendment) Extension of Temporary Provisions Regulations 2002 providing for the extension of building permit fee reductions for another six months.

Madam Speaker, the Development and Planning Amendment Bill 2003 now seeks to extend the existing 50 per cent fee reductions to the 12 November 2003. In the case of the contribution to the infrastructure fund and the 21 November 2003 in the case of the building permit fees. Clauses 1 to 4 of the Bill address the points made earlier and clause 5 seeks to validate the collection of building permit fees after the 22 November 2002 at the 50 per cent reduced rate as earlier pointed out.

Madam Speaker, I would ask for the support of this Honourable House for the Development and Planning Amendment Bill, 2003 which seeks to provide incentive for continued development construction activity and the strengthening of the economy in general. Thank you, Madam Speaker.

The Speaker: Thank you.

Does any other Member wish to speak?

The Elected Member for the district of East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. I rise again to support the continuation to further extend the temporary reduction of amounts payable on contribution to the infrastructure fund, and to further extend the temporary reduction of building permit fees and to make under the Development and Planning Law 1999 Revision. We believe that it has served its purpose. Like the Honourable Third Official Member said (borrowing a few words from me), at least this one has the masses and we totally support that.

We believe that especially in this time of economic hardship that it is necessary to further extend it. We will support a further extension at a later time, if necessary, when this one expires. We believe that it will and has stimulated Caymanians into building their homes and other things such as commercial buildings. It is not only for the foreign investor, but certainly foreign investment is also stimulated. That has what we often refer to as the trickle down effect and particularly at this time, we believe that that is necessary in our economic situation.

Madam Speaker, we give our full support to the Minister. As usual we support him in the development of the country. His effort in this regard is commendable and we thank him for once again extending these reductions.

I thank you, Madam Speaker.

The Speaker: Thank you. Does any other Member wish to speak? Does any other Member wish to speak?

Last call. Does any other Member wish to speak?

If not will the Honourable Deputy Leader wish to exercise his right of reply?

Hon. Linford A. Pierson: Thank you, Madam Speaker. It seems like the future augurs well because the Opposition has given their undertaking to support me on these issues.

I want to thank the Honourable Member for East End again for his support on behalf of the Opposition and indeed for the tacit support of those who did not speak on the Bill. I agree with him that these initiatives have indeed stimulated the economy. There is of course a sister initiative to this which has been dealt with by the Honourable Third Official Member. That is, is the reduction in stamp duty on transfer within certain areas. Again, I thank the Honourable House for their support on this most important amendment. Thank you.

The Speaker: Thank you. The question is that a Bill shortly entitled, The Development and Planning (Amendment) Bill, 2003 be given a second reading. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: The Development and Planning (Amendment) Bill 2003 be given a Second Reading.

The Speaker: Would Members wish to entertain a break now or would you wish to go with the Honourable Third Official Member's Loan Bill.

Suspension of Standing Order 46 (1) and (2)

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Madam Speaker, I move the suspension of Standing Orders 46(1) and (2) to allow the Loan Bill 2003 to be read a second time.

The Speaker: Thank you. The question is that standing Order 46(1) and (2) be suspended. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Standing Order 46 (1) and (2) suspended to allow The Loan Bill 2003 to be read a second time.

The Loan Bill, 2003

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Madam Speaker, I beg to move the Second Reading of a Bill, The Loan Bill, 2003.

The Speaker: The Bill has been duly moved.

Does the Honourable Mover wish to speak thereto?

Hon. George A. McCarthy: Thank you, Madam Speaker.

The Loan Bill before Honourable Members was circulated earlier with the budget. It seeks to borrow up to $8 million to assist in the financing of the 2003/2004 fiscal year Budget. Honourable Members will know that the capital development programme for core government is $12.1 million. This loan will therefore assist the government in the carrying out of this programme.

If Honourable Members will refer to page 316 of the Annual Plan and Estimates, they will see that in the Balance Sheet Activity Statement (under Financing Activity) inflows of $8 million for borrowing and outflows (that means repayment) of approximately $9.1 million. This means that the government is reducing its public debt by approximately $1.1 million for the year 2003/2004.

I would like to highlight some of the major capital development projects that will be carried out by core government in the 2003/2004 fiscal year. The detailed schedule of capital projects is contained on pages 275 to 281 of the Annual Plan and Estimates. The more significant projects are:

Refurbishment of the Legislative Assembly	$0.9 million approximately
New land facility in Cayman Brac	$0.3 million
New facility for the mosquito research and control unit	$0.4 million
Land purchase for additional land at the landfill in Grand Cayman approximately	$0.435 million
Land acquisition cemetery sites for Bodden Town	$375,000
School maintenance programmes	$775,000
Land for secondary school	$600,000
Public library extension	$400,000
Temporary classrooms	$420,000
Abattoir to be located in Grand Cayman	$0.5 million
Facilities for sports development	$400,000

Madam Speaker, the government normally borrows on the open market at the three months LIBOR (London inter-bank offered rate). As of today the three months LIBOR is 1.1 per cent. There is normally a spread that is applied and it ranges from 1 per cent to 1.5 per cent. Therefore, it is likely that the highest interest rate the government will be paying against this loan, and assuming that interest rate will continue to hold the way they are for the short-term, will be 2.5 per cent. The 5.3 per cent debt service ratio mentioned as a part of the Budget Address include this borrowing of $8 million so this ratio will not change. Since the details to support the budget were set out in the Annual Plan and Estimates and the other documents that were provided. I therefore, with these remarks, commend this Bill to Honourable Members.

The Speaker: Thank you, Honourable Member. Does any other Member wish to speak? Does any other Member wish to speak? Last call. Does any other Member wish to speak?

If not, would the Mover wish to exercise his right of reply?

Hon. George A. McCarthy: To say thanks to Honourable for their support.

The Speaker: The question is that a Bill shortly entitled, The Loan Bill, 2003 be given a Second Reading. All those in favour please say Aye. Those against, No.

Ayes

The Speaker: The Ayes have it.

Agreed: The Loan Bill 2003 given a Second Reading.

The Speaker: Honourable Deputy Leader, is it the intention to the go through the Committee Report and conclude today's proceedings?

Hon. Linford A. Pierson: Yes, Madam Speaker.

The Speaker: The House will now go into Committee to consider the Bills

House in Committee at 12.06

COMMITTEE ON BILLS

The Chairman: The House is now in Committee. With the leave of the House may I assume that as usual we will authorise the Honourable Second Official Member to correct minor printing errors and such the like. Would the Clerk please state each Bill and read its respective clauses.

The Registered Land (Amendment) Bill, 2003

Clauses 1 and 2

The Clerk:

Clause 1	Short title
Clause 2	Amendment of section 155 of the Registered Land Law 1995 Revision – meaning of "Opportunity of Being Heard."

The Chairman: The question is that clauses 1 through 2 stand part of the Bill. If there is no debate I put the question that clauses 1 through 2 stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 1 and 2 passed.

The Clerk: A Bill for a Law to Amend the definition of the Expression 'Opportunity of being Heard' for the purposes of the Registered Land Law 1995 Revision.

The Chairman: The question is that the Title stands part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Title passed.

The Development and Planning (Amendment) Bill, 2003

Clauses 1 through 4

The Clerk:

Clause 1	Short Title, commencement and expiry
Clause 2	Application of section 4 of this Law
Clause 3	Amendment of section 41 of the Development and Planning Law 1999 Revision, Infrastructure Fund
Clause 4	Amendment of second schedule to the Development and Planning Regulations 1998 Revision, building permit fees.

The Chairman: The question is that clauses 1 through 4 stand part of the Bill. If there is no debate I will put the question that clauses 1 through 4 stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes

The Chairman: The Ayes have it.

Agreed: Clause 1 through 4 passed.

Clause 5

The Clerk: Clause 5 Validation.

The Chairman: The question is that clause 5 stands part of the Bill. If no debate, I put the question that clause 5 stands part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 5 passed.

The Clerk: A Bill for a Law to Amend the Development and Planning 1999 Revision to further extend the Temporary Reduction of Amounts payable as contributions to the infrastructure fund to further extend the temporary reduction of building permit fees and to make provision for incidental and connected purposes.

The Chairman: The question is that the Title stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Title passed.

The Loan Bill, 2003

Clauses 1 through 3

The Clerk:

Clause 1	Short title
Clause 2	Power to borrow
Clause 3	Principal and interest of loan

The Chairman: The question is that clauses 1 through 3 stand part of the Bill. If no debate I put the question that clauses 1 through 3 stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 1 through 3 passed.

The Clerk: A Bill for a Law to authorise the Borrowing of up to Eight Million Dollars.

The Chairman: The question is that the Title stands part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Title passed.

The Chairman: The question is the Bills be reported to the House. All those in favour please say Aye. Those against, No.

Ayes.

Agreed: That the Bills be reported to the House.

The Chairman: This concludes Committee Stage.

House Resumed

REPORTS ON BILLS

The Speaker: The House is resumed. Please be seated.

The Registered Land (Amendment) Bill, 2003

The Speaker: The Honourable Deputy Leader.

Hon. Linford A. Pierson: Madam Speaker, I have to report that a Bill shortly entitled, The Registered Land (Amendment) Law 2003 was considered by a committee of the whole House and passed without amendments

The Speaker: Thank you. The Bill has been duly reported and is set down for the Third Reading.

The Development and Planning (Amendment) Bill, 2003

The Speaker: The Honourable Deputy Leader.

Hon. Linford A. Pierson: Madam Speaker, I have to report that a Bill shortly entitled, The Development and Planning (Amendment) Bill, 2003 was considered by a committee of the whole House and passed without amendment.

The Speaker: The Bill has been duly reported and is set down for the Third Reading.

The Loan Bill, 2003

The Speaker: The Honourable Third Official Member

Hon. George A. McCarthy: Madam Speaker, I have to report that a Bill shortly entitled, The Loan Bill, 2003 was considered by a committee of the whole House and passed without amendment.

The Speaker: Thank you. The Bill has been duly reported and is now set down for the Third Reading.

THIRD READINGS

The Registered Land (Amendment) Bill, 2003

The Speaker: The Honourable Deputy Leader.

Hon. Linford A. Pierson: Madam Speaker, I move that a Bill shortly entitled, The Registered Land (Amendment) Bill, 2003 be given a third reading and passed.

The Speaker: The question is that A Bill shortly entitled, The Registered Land (Amendment) Bill 2003 be given a third reading and passed. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: The Registered Land (Amendment) Bill, 2003 given a Third Reading and passed.

The Development and Planning (Amendment) Bill, 2003

The Speaker: The Honourable Deputy Leader.

Hon. Linford A. Pierson: Madam Speaker, I move that a Bill shortly entitled, A Development and Planning (Amendment) Bill, 2003 be given a third reading and passed.

The Speaker: The question is a Bill shortly entitled, The Development and Planning (Amendment) Bill, 2003 be given a third reading and passed. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Development and Planning (Amendment) Bill, 2003 given a Third Reading and passed.

Suspension of Standing Order 47

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Madam Speaker, I move the suspension of Standing Order 47 to allow the Loan Bill, 2003 to be read a third time.

The Speaker: The question is that Standing Order 47 be suspended. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Standing Order 47 suspended to allow The Loan Bill, 2003 to be read a third time.

The Loan Bill 2003

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Madam Speaker, I beg to move that a Bill shortly entitled, The Loan Bill, 2003 be given a third reading and passed.

The Speaker: The question is that The Loan Bill 2003 be given a third reading and passed. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: The Loan Bill 2003 given a Third Reading and passed.

The Speaker: Honourable Deputy Leader, I recognise you for a motion for the adjournment.

ADJOURNMENT

Hon. Linford A. Pierson: Madam Speaker, I beg to move the adjournment of this Honourable House until 2 pm Thursday, 26 June 2003. The late start is to allow all Honourable Members who care to attend, to be able to do so, the official opening ceremonies of the 7th Annual Caribbean Postal Union which is being held at the Hyatt Conference room and to further remind that this conference commences at 9 am. All Honourable Members have received invitations.

Thank you, Madam Speaker

The Speaker: Thank you. The question is that the Honourable House be adjourned until 2 pm Thursday, 26 June 2003. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 12.17 pm the House stood adjourned until Thursday 26 June 2003 at 2 pm.

OFFICIAL HANSARD REPORT
THURSDAY
26 JUNE 2003
2.20 pm

Tenth Sitting

The Speaker: I will invite the Honourable Minister responsible for Planning to grace us with prayers.

PRAYERS

Hon. Linford A. Pierson: Let us pray.

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

Bless our Sovereign Lady Queen Elizabeth II, Philip Duke of Edinburgh, Charles Prince of Wales, and all the Royal family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Executive Council and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together:

Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.

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

The Speaker: Please be seated. Proceedings are resumed.

Proceedings resumed at 2.23 pm

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies for non-attendance from the Honourable Minister responsible for Education.

PRESENTATION OF PAPERS AND OF REPORTS

Quarterly Reports for Ministries and Portfolios—The Government of the Cayman Islands for the 1st Quarter ended 31st March, 2003; and

Quarterly Report of the Government of the Cayman Islands for the three months ended 31st March, 2003

The Speaker: I recognise the Honourable Third Official Member.

Hon. George A. McCarthy: Thank you, Madam Speaker. I beg to lay on the Table of this Honourable House the Quarterly Reports for Ministries and Portfolios—The Government of the Cayman Islands for the 1st Quarter ended 31st March, 2003; and Quarterly Report of the Government of the Cayman Islands for the three months ended 31st March, 2003

The Speaker: So ordered.

Would the Honourable Minister wish to speak thereto?

Hon. George A. McCarthy: Yes, Madam Speaker.

The Speaker: Please proceed accordingly.

Hon. George A. McCarthy: Madam Speaker on behalf of the Government, it is my pleasure to table the two Quarterly Reports which I have just done for the quarter ended 31 Mach 2003.

In accordance with the timeline established by the Public Management and Finance Law 2001 the quarterly report was gazetted within eight weeks of the end of the quarter. Concurrent with its gazetting, the reports were also published on the government's website.

In accordance with the Law the Report is being tabled in this Honourable House at the first available opportunity after gazetting. Also being tabled is the Quarterly Reports on the eight Ministries and Portfolios, the Judicial administration and the Cayman Islands Audit office. The tabling of this Quarterly Report is the second major milestone in the implementation

of the financial management initiative. It marks the beginning of regular comprehensive and timely reporting of the actual performance at both the whole of government and ministry level. This new level of transparency means that for the first time the Legislative Assembly and the public will have regular information with which to monitor the performance of Government during a financial year.

The Government Quarterly Report is in three parts which are preceded by an introduction. Part (a) reports actual policy actions taken during the first quarter compared to the policy action specified in part (a) of the Annual Plan and Estimates. This plan is organised by type of intervention with the biggest of course being the outputs delivered. The section on output delivery performance reports the cost spent on each output group during the quarter together with the quantity, quality, timeliness and location of outputs delivered. An explanation of the major variances is also provided. Part (a) also provides a summary of the Government's overall financial performance for the quarter.

Part (b) reports actual appropriations used compared to the appropriations granted by the Legislative Assembly through the Appropriation half-year law 2002.

Part (c) provides detailed financial statements for the quarter. The format of these statements mirrors those in the Annual Plan and Estimates but include some additional statements. These new statements are a statement of loans, which includes the advances, a statement of borrowings, a statement of accounting policies and notes to the financial statements. These new statements represent a step toward the accrual financial statement that will be produced from the 2004-2005 fiscal year.

Madam Speaker, I will now turn to the performance reported for the quarter. Overall the actual intervention performance for the first quarter is in line with the Annual Plan and the financial performance is better than budgeted. The progress on legislative measures is reported in section (3) on page 17. Of the thirty legislative measures specified in the Annual Plan and Estimates 1 has been enacted, 5 have been finalised and await introduction, 14 are in the process of development and 10 have been deferred.

Output delivery performances reported in section (4) begins on page 20. The mix of outputs actually delivered during the quarter was the same as that specified in the Annual Plan and Estimates and all but a few of the specified outputs were delivered during the quarter. In other words, delivery is in line with the plan for the period.

The output reports show a range of variances between the actual and the budgeted quantity, quality, timeliness and cost. For the most part these variances indicate that a lesser quantity of outputs was delivered compared to the first quarter's budget. It appears that this reflects ambitious budgeting rather than a lower level of service delivery compared to previous years. This is not too surprising given that this is only the first year that the Ministries and Portfolios have budgeted and reported on this output basis.

One unbudgeted output was delivered during the quarter. This was output ICT 1 which is regulation of the IT (Information Technology) and communication sector. This, Madam Speaker, was more of a technical change than a new activity. It resulted from a decision to pay all course of revenue relating to the communication sector to Central Government. The budget, when prepared, had assumed that the revenue would be retained by the ICT Authority to fund its outputs.

Transfer payments performance is reported in section (5) on page 265. These payments were in line with the budget for the quarter. Financing expenses are reported in section (6) on page 268. Interest on public debt is significantly less than budgeted due to the later than expected finalisation of the bond issue. This variance resulted from the fact that the budget assumed that the bond repayments would be made into a sinking fund each month. However, this payment was not required in the first quarter.

Other Executive expenses are reported in section (7) on page 269. These are also in line with that expected for the first quarter. A number of subscription payments are not due in the first quarter. This is why there were some zero actual amounts reported. There are two new Other Executive expenses reported. These relate to the Euro Bank's defence cost and terminal benefits to the previous Attorney-General.

Equity investment made is reported on page 272. Again, these reflect the budget although some payments will not be made until the second quarter. There is one additional equity investment. This is a payment to the ICT Authority to cover its office fit out expenses. Ministry and Portfolio capital acquisitions are reported on page 274. These are running at only 62 per cent of the budget for the quarter, which is fairly usual at this point in the financial year. The variances expected to be timing difference and will correct itself in the second quarter.

Capital development expenditure is reported on page 275. Again this expenditure is in line with the first quarter's budget. The major expenditures relate to land settlement for the Linford Pierson Highway and the development call for Quincentennial Square. Neither of these was included in the Annual Plan and Estimates but has been paid under the authority of a warrant.

Loans made are reported on page 283. As Honourable Members can see no loans were made in the first quarter. However, loans have been made, commencing in the second quarter. Borrowing is reported on page 283. Temporary new borrowings amounting to $833,000 occurred in the first quarter. This was short-term bridge financing and resulted

from a later than expected finalisation of the bond issue. The borrowing was repaid in the second quarter when the proceeds of the bond were received.

Madam Speaker, I would now like to outline the Government's financial performance for the first quarter. As I mentioned earlier, this is reported in detail in part (c) of the Quarterly Report and summarised in section (9), which begins on page 284. The operating surplus for the quarter was $61,775,000. This was $16.9 million or 38 per cent better than the budget for the quarter. Operating revenue was $123.179 million. This was $7.2 million or 6 per cent better than the quarter's budget. Operating expenditure was $61,404,000. This was $9.6 million or 14 per cent less than the quarter's budget. This expenditure includes unbudgeted expenditure of $2.22 million resulting from the dismissal of the Euro Bank's trial and resignation of the previous Attorney-General.

Madam Speaker, some of the more favourable items are appearing in the first quarter. These are timing differences and certain assumptions were made that these payments would have been made during the first quarter. However, such will not be the case. These expenditures will be incurred in the second quarter. So these are items that will correct themselves.

Some of the variances are permanent and are expected to flow through to the final operating result for the half-year. On the asset side, net balance sheet activity before new financing for the quarter was an outflow of $9.498 million, which was around $5.4 million worse than budget. This results primarily from the unbudgeted capital expenditure relating to road settlements and the Quincentennial Square project. I mentioned these two items earlier.

Net balance sheet activity also reflects the impact of the deposits and advances, including advances relating to low cost housing project. Historically, neither advances nor deposits have been included in the budget forecast, however, they provide or consume cash and so have been included in the financial statements for the quarter to ensure those statements actually reflect the activity and cash position for the quarter.

Madam Speaker, I will digress a bit to mention that in respect of the affordable housing the advances that have been provided by the Government in order to fund the project up to this time it is anticipated that those monies will be recovered. This is why they were not showing in the financial year budget for the 2003-2004 fiscal year—because it is expected that these monies will be recovered in full. To the extent that there are variances or amounts that will not be recovered, these, when become known, will then be included as an expenditure item in the Supplementary Appropriation Bill on the year that will be submitted to this Honourable House. However, it is anticipated that the bulk of the funds that will be advanced to the point of seeing the units through to a given stage of construction will be recovered in full. This is the plan of the Government and it is expected that this plan will be realised.

Historically, as I said earlier, Madam Speaker, neither advances nor deposits have been included in the budgeted forecast. However they provide or consume cash and so have been included in the financial statements for the quarter, to ensure that those statements actually reflect the activity and cash position for the quarter. Adding the operating surplus and the net balance sheet activity together gives the overall surplus. The overall surplus before the temporary financing was $52.277 million. This was $11.4 million or 28 per cent better than the budget for the quarter. This is an excellent financial result for the quarter and indicates that the Government is on track on achieve the financial performance for the half-year-end established in the budget.

Madam Speaker, as I mentioned earlier when the strategic policy statement was tabled in this House it was anticipated that the Government would have realised (I am going by memory now) a surplus of $26 million. However, when the Annual Plan and Estimates was tabled it was then shown that the Government, after revising its figures for the half-year ending 30 June, would have realised a surplus of $22 million. Preliminary figures so far indicate that the surplus for the period will be in the region of $21 million and $16 million out of that will be represented by way of a cash balance. This is what has been carried forward in the Budget for the fiscal year 2003-2004.

The difference of $5 million, up until recently the net position between the advances and deposits were always taken to represent a cash position that would be realisable. This is on the basis that advances will always exceed deposit and advances represent an asset balance to the Government. Upon looking at this item very carefully it was felt that this item should best be classified as a receivable rather than as a cash balance. This is why it has been proposed by the Government that there should be a temporary draw down on the overdraft account to the value of $5 million. It is likely that the draw-down may not occur because during the course of the year what is now being regarded as a receivable balance will quite likely translate itself into cash. However, going along on the side of caution, Madam Speaker, the view was treated as a receivable balance.

Madam Speaker, preparing quarter reports is not an easy task. It requires a large change in the management culture of Ministries and Portfolios. It also requires the collection of information not previously collected. This in turn requires the development of information gathering processes and systems in each government agency. While significant progress has been made the development of these systems is a significant task and as envisaged in the implementation strategy for FMI is an ongoing effort. At this stage of implementation there is limited actual performance

data available for some outputs. Further, in a few departments the process for collecting time sheet data are still being developed, meaning that output cost are based on only partial data. Given that this is the first Quarterly Report these data efficiencies are to be expected.

It is important that Members of the Legislative Assembly take account of the learning curve, which is going on in Ministries and Portfolios, when reading and assessing the documents that have tabled today. Madam Speaker, notwithstanding these comments, the tabling of this Quarterly Report is a significant achievement. It represents another important landmark in the modernization of financial management practices of the Government of these Islands.

I must take this opportunity to say thanks to the Budget and Management Services Unit and also the chief financial officers within the various Ministries and Portfolios that have contributed to the compilation of these documents. Thank you, Madam Speaker.

The Speaker: Thank you. I recognise the Honourable First Official Member responsible for Internal and External Affairs.

Hon. James M. Ryan: Thank you, Madam Speaker. I beg to lay on the Table of this Honourable House the Personnel Department Employment Information and Personnel Activity Report 1st January, 2002 to 31st December, 2002.

The Speaker: So ordered.

Does the Honourable Member wish to speak thereto?

Hon. James M. Ryan: Thank you, Madam Speaker. I will be very brief in my comments.

Madam Speaker, the document that I have just tabled is a document that will largely give statistics. Quite often Members of this Honourable House, as well as the press, indeed the wider general public, will want information on the civil service. The number of Caymanians in the service, et cetera. This document (I do not know if all of the answers) but it will give a fair bit of information for the year 2002. I am not going to take up the time of the House to go into detail but Members will have the chance to peruse. I trust that it will be found useful.

I thank you, Madam Speaker.

The Speaker: Thank you.

Government Minute on the Report of the Standing Public Accounts Committee on the Auditor-General's Report on the Audited Accounts of the Cayman Islands Government for the Year Ended 31 December 1999

The Speaker: I recognise the Honourable Third Official Member.

Hon. George A. McCarthy: Madam Speaker, I beg to lay on the Table of this Honourable House the Government Minute for 1999 on the Report of the Standing Public Accounts Committee on the Auditor-General's Report on the Audited Accounts of the Cayman Islands Government for the Year Ended 31 December 1999.

The Speaker: So ordered.

Does the Honourable Member wish to speak to the Paper?

Hon. George A. McCarthy: Just briefly, Madam Speaker, to say the normal practice would be to read through certain sections or to lift certain excerpts from the report. However, there has been such a transition between 1999 and now. In those days we were talking about heads, subheads, items and, at best, inputs. Now we are talking about outputs, outcomes, strategic policy statements and all of these. To go into details on these would just confuse the issue so I will just lay it for information.

The Speaker: Thank you.

The Second Elected Member for the district of. . .

I recognise the Leader of Government for the suspension of Standing Order 23(7) and (8).

Suspension of Standing Order 23(7) and (8)

Hon. W. McKeeva Bush: Madam Speaker, I move the suspension of Standing Orders so that the questions can be asked after 11 am.

The Speaker: Thank you. The question is that Standing Order 23(7) and (8) be suspended to allow Question Time to commence and continue beyond the hour of 11 am. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Standing Order 23(7) and (8) suspended to allow Question Time to continue beyond 11 am.

QUESTIONS TO HONOURABLE MINISTERS AND OFFICIAL MEMBERS

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

Question No. 35
Deferred 13 June 2003

No. 35: Mr. Lyndon L. Martin asked the Honourable Minister responsible for the Ministry of Community Services, Gender Affairs, Youth and Sport, if all applicants and past recipients of seaman ex-gratia, veteran's pay and permanent financial assistance have been assessed or re-assessed under the new qualifying criteria.

The Speaker: The Honourable Minister responsible for Community Affairs.

Dr. the Hon. Frank S. McField: Not all applicants and past recipients of Seamen Ex-gratia, Veterans pay and Permanent Financial Assistance have been assessed or re-assessed under the new qualifying criteria. Below is the status for each of the categories:

1. **SEAMEN EX-GRATIA:** The present criteria for the seamen ex-gratia benefits, which were last changed in March 2002, are:

- The applicant (Seaman) must be Caymanian.
- The applicant (Seamen) must be retired from sea.
- The applicant (Seamen) must have gone to sea for a period of not les than three years. If the applicant is not a born Caymanian, he should have had Caymanian Status for at least three years of his/her seagoing career.
- The applicant (or surviving spouse) must be 60 years of age or older. The only exceptions are:

a. The applicant seaman is unable to work due to medical reasons. This must be proven by a medical certificate from a recognized medical practitioner as registered by the Cayman Islands Health Practitioner's Board.

b. The applicant seamen died at sea while on duty and the surviving spouse is unable to meet the needs or her and surviving dependents.

c. Any benefit that can contribute to his/her income has been listed and is deemed to be insufficient to meet the needs in b above. Both b and c above shall be determined by a standard means test.

d. He/she MUST NOT be receiving any income, benefit, gratuity or other form of subsidy or payment that total more CI$1,500 per month (inclusive of this grant).

e. The applicant or surviving spouse MUST NOT own or operate a business.

Since the last revision to the criteria for the benefit, the staff of the Ministry has called all existing and past recipients to ensure that an Affidavit of Income was submitted. Additionally, there are 45 (forty-five) past recipients who have not submitted an Affidavit of Income. The Ministry has contacted all of these by telephone requesting this information.

2. VETERAN (EX-SERVICEMEN): The only change to the original criteria for the Ex-servicemen benefits was done in September 2001, when a decision was made to exclude all Ex-servicemen living overseas. As these individuals are living overseas it is very difficult to check on whether these ex-servicemen or their surviving spouses are still alive. Additionally, the Cayman Islands Government would not have access to information or benefits that these Caymanians living overseas are receiving. Therefore, the decision was made previously to discontinue both the Seamen and Ex-Servicemen benefits to Caymanians who are permanently living overseas**.**

The Ministry has no outstanding Ex-servicemen applications.

3. PERMANENT FINANCIAL ASSISTANCE: All new applicants for Poor Relief (previously known as Permanent Financial Assistance) assessed since May, 2002 were assessed under the new criteria. Persons who were reassessed prior to that time were reassessed under the previous criteria. Since the new criteria has been utilised, a total of 109 new applications for Poor Relief have been reviewed.

New applicants reviewed since 31 May 2002 to 31 May 2003: 109.

	BT	EE	GT	NS	WB	CB	TOTAL
Approved	9	10	20	2	22	2	65
Denied	4	3	5	0	5	2	19
Deferred	3	2	3	0	8	0	16
Withdrawn	2	0	2	0	0	0	4
Deceased	0	0	1	0	0	0	1
Left Island	0	0	1	0	0	0	1
Referred for other services	0	1	0	0	0	0	1
Already receiving	0	2	0	0	0	0	2
							109

Meetings:

11th July, 2002	23 cases
16th July, 2002	8 cases
25th September, 2002	8 cases
1st November, 2002	14 cases
15th November, 2002	20 cases
7th February, 2003	20 cases
14th February, 2003	3 cases
8th April, 2003	13 cases

Of those, the following is the outcome of the cases:

- Deaths from 31st May, 2002 to 31st May, 2003 = 33 deaths.
- May 2002 recipients = 722 (722—33 deaths = 689)
- Terminations on reassessments since 31st May, 2002 = II (BT—I; BE -2; NS—2; WE -5; GT—I) Terminations due to placements in Pines/DSS Homes = 6 Terminations reinstated: 5 (NS—3; GT—I; WB—I)
- Recipients May 2003 (689 + 65 new cases—17 terminations + 5 Reinstated) = 742
- Cases Reassessed and reviewed under the new criteria since 21st May, 2002: 54 cases.

The Speaker: Are there any supplementaries? If there are no supplementaries we will move on to the next question.

Question No. 37

The Speaker: The First Elected Member for George Town, Leader of Opposition.

No: 37: Mr. D. Kurt Tibbetts asked the Honourable Minister responsible for the Ministry of Planning, Communications, Works and Information Technology: in a Public Notice published in the *Caymanian Compass* of Friday 21st March 2003, there was a proposal for alterations to the Development Plan 1997, whereby the Central Planning Authority is considering the rezoning of 60 plus acres of crown land, West Bay North Block 10A Parcels 227 and 43 Rem 2 from low density residential, public open spaces and mangrove buffer to Hotel/Tourism and mangrove buffer. Is it the Government's intention to dispose of the Crown land?

The Speaker: The Honourable Deputy Leader.

Hon. Linford A. Pierson: Madam Speaker, I would like to address this question in two (2) parts: First, to respond to the question of the proposed change of zoning; and second, to respond to the query about Government's intentions regarding the land. I would note at the outset that neither the change of zoning, nor the sale of Crown land can take place without the approval of this Honourable House.

First, regarding the issue of zoning, I can confirm that the Central Planning Authority has considered rezoning the subject lands from Public Open Space and Mangrove Buffer to Hotel/Tourism and Mangrove Buffer. In accordance with section 14 of the Development and Planning Law (1999 Revision), the proposal was advertised in a local newspaper inviting members of the public to view the proposal at the Planning Department and make representations in support or opposing the proposal. To my knowledge only one, (1) such representation was received. In accordance with the Law, since a representation was received, the matter has now been referred to a Development Plan Tribunal for an enquiry where the Tribunal will hear from the objector and the Central Planning Authority. I understand that this enquiry is scheduled to take place on 8th July 2003.

Once the Tribunal prepares its report and/ or recommendations, the Central Planning Authority will consider the matter again to determine whether to recommend that Government proceed with the proposed change of zoning. Executive Council will review the CPA's recommendation and if Council recommends in favour of the proposed change of zoning, then the matter will be forwarded to the Legislative Assembly. In short, like any other amendment to the Development Plan, this proposed change of zoning cannot take place without the approval of this Legislative Assembly.

Second, regarding the question of Government's intentions for the land, I can confirm that these are indeed Crown lands and in accordance with the Governor (Vesting of Lands) (Amendment) (Dispositions) Law, 1997, Government cannot dispose of Crown lands without first tabling the matter in the Legislative Assembly.

I can also confirm that Executive Council has not taken a decision to recommend disposal of the lands. If Council does take such a decision in the future, as I indicated earlier, such a decision will be subject to tabling the necessary reports in the Legislative Assembly in accordance with the Governor (Vesting of Lands) (Amendment) (Dispositions) Law, 1997.

Supplementaries

The Speaker: Are there any Supplementaries?
The Leader of Opposition.

Hon. D. Kurt Tibbetts: Madam Speaker, understanding what has been read by the Honourable Minister in the substantive answer leads me to the fact of this public notice in the *Caymanian Compass* dated Friday 21 March. It says (and I am going to turn it into a question) "This is to announce to the public that the Central Planning Authority is considering . . ." So, the Minister has answered that there has been no decision from Government regarding any rezoning.

If the Central Planning Authority is considering the rezoning, then I would have assumed that there has been some type of application for them to consider. The fact is the property is Crown land so I wonder where such application could come from if the Government did not make the application for the rezone.

The Speaker: The Honourable Deputy Leader.

Hon. Linford A. Pierson: Madam Speaker, the Honourable Member is correct. There was a directive to the CPA or the Planning Department for the rezoning to be given consideration.

The Speaker: The Leader of Opposition.

Hon. D. Kurt Tibbetts: Can the Minister state if that directive came from Executive Council or from the Ministry or from whom.

The Speaker: The Honourable Deputy Leader.

Hon. Linford A. Pierson: Madam Speaker, this directive came from the Ministry, not through the Executive Council.

The Speaker: The Leader of Opposition.
Hon. D. Kurt Tibbetts: Thank you, Madam Speaker. Could the Minister state the reasoning behind the Ministry's directive?

The Speaker: The Honourable Deputy Leader.

Hon. Linford A. Pierson: Madam Speaker, this rezoning was considered and directive given to the CPA in the event that Government considered developing this area. The existing zoning of public open place would preclude most investment-oriented developments. In addition a higher zoning designation such as hotel tourism, if this was indeed approved, is not only in keeping with surrounding land uses and zoning, but would result in a higher return to Government; if it did decide to dispose of the property.

The Speaker: The Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you. I want to be very clear, the Minister if I heard him correctly, just referred to the possibility — if Government wanted to develop it. Is that suggesting that the rezoning might be because Government is considering going into the hotel tourism business.

The Speaker: The Honourable Deputy Leader.

Hon. Linford A. Pierson: Madam Speaker, the answer to that would be no.

The Speaker: Are there any further—

Hon. Linford A. Pierson: Madam Speaker, as I said earlier, it is being rezoned in the event it becomes necessary for Government to give permission for this to be used for such a purpose. However, there is no specific application on the table at this point in time.

The Speaker: The Leader of Opposition.

Hon. D. Kurt Tibbetts: Thank you. Madam Speaker, there was also a public notice on Friday, 17 January 2003 in the *Caymanian Compass* with proposal for alterations to the development plan. The map in this public notice shows some 13 parcels which either *'button and bind*' (as we term it) these two pieces of property that belong to the Government or the adjoined properties to that is a continuum. The application for this rezoning is from low-density residential neighbourhood commercial tourism and mangrove buffer to hotel tourism. The first important part is that it says nothing about mangrove buffer. However, secondly, in my view, because these two pieces of government properties adjoin these and there is some time between the applications, but there seem to be some relation.

The Speaker: Honourable Member, could you please turn it into a question.

Hon. D. Kurt Tibbetts: Yes, I certainly will, Madam Speaker, but I wanted the Minister to be absolutely clear as to where I am coming from so forgive me.

Could the Minister state if there is any relationship between the public notice application of Friday, 17 January and the one on Friday, 21 March?

The Speaker: The Honourable Deputy Leader.

Hon. Linford A. Pierson: Madam Speaker, it is my understanding that there is no formal relationship between the two. The one in January was from the private sector and the one referred to in March was from the Government.

The Speaker: The Leader of Opposition. I will allow two more Supplementaries.

Hon. D. Kurt Tibbetts: Thank you, Madam Speaker.

Based on the fact, the present zoning of the government properties are not what is being considered. From a value point it is simply the Government's intention to have it rezoned so that it is valued more. There is absolutely nothing specific to this application for rezoning with regards to any type of development. So, to be absolutely clear, are we to understand that the government properties published on Friday, 21 March, are being considered for rezoning?

Hon. Linford A. Pierson: Madam Speaker, the Honourable Member is quite correct in his assumption.

The Speaker: Are there any further Supplementaries? If not we will move on to the next question.

The Elected Member for East End.

Question No. 38

No. 38: Mr. V. Arden McLean asked the Honourable Minister responsible for the Ministry of Planning, Communications, Works and Information Technology, to give the names of companies that have applied for a telecommunication licence.

The Speaker: The Honourable Deputy Leader.

Hon. Linford A. Pierson: Madam Speaker, until the present negotiations with Cable and Wireless have been completed, the Information and Communications Technology (ICT) Authority will not be in a position to accept licence applications from alternative providers of telecommunications services. The answer to the question therefore is that no companies have applied for such a licence.

Supplementaries

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. Based on what the Minister just said, does that mean all the advertisements by potential applicants currently being run in the media, is out of speculation and anticipation for jobs, for customers and the like?

The Speaker: The Honourable Deputy Leader.

Hon. Linford A. Pierson: Madam Speaker, I think I understand what information the Honourable Member is trying to obtain. Technically, the Authority cannot accept applications until the negotiations with Cable and Wireless are over. Yes, there have been expressions of interest that they want to come into the telecommunications market once the liberalisation process is being completed but no formal applications have yet been submitted.

The Speaker: The Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker.

This is my last supplementary. I wonder if the Minister can say if Government's intention is to control the number of companies that will be given a licence or is it going to be open to whoever qualifies?

The Speaker: The Honourable Deputy Leader.

Hon. Linford A. Pierson: Madam Speaker, although we have received a number of expressions of interest, the decision on the successful applicants will be made by the ICT Authority under that Law. However, it is correct that from a Ministry and Government's point of view, we would not wish to see so many people in the market so no one is really making a profit. So, I think that will be taken into account.

Secondly, it has been made very clear that anyone coming into the market will not be able to 'cherry pick' but will have to take a cross section of the services—the good with the bad.

The Speaker: The Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. I wonder if the Minister could say why Government has not made known publicly, the position that they are only going to issue two or three licences or whatever the number. The public will then know how many licences the Government will issue and it does not mean that more people will not be able to apply.

The Speaker: The Honourable Deputy Leader.

Hon. Linford A. Pierson: Madam Speaker, in consultation with my colleague he did remind me that there are many areas of the telecommunication services. Therefore, various people will want to apply for various sections; some for ISP, some for mobile services, some for international services and may be we will find some that will be interested just in the domestic services. So, it is difficult to say at this stage whether there will be one or two or three licences issued. I can say to the Honourable Member that up to this point in time we have had expressions of interest, which he would appreciate, is confidential at this point, from at least a dozen people.

The Speaker: Are there any further Supplementaries? If not we will move on to the next question.

The Second Elected Member for West Bay.

Question No. 39

No. 39: Mr. Rolston M. Anglin asked the Honourable Minister responsible for the Ministry of Planning, Communications, Works and Information Technology, who inspects gasoline pumps for accuracy and how often are they tested.

Hon. Linford A. Pierson: Madam Speaker, in the past the industry has been self-regulating. Service station dealers normally do daily sales reconciliation to determine if they are gaining or loosing product by comparing tank dips to meter readings. Based on excessive gains or losses a contracting party calibrates the meter on the pump or dispenser, using a test measure. Test measures are shipped to the USA and tested by the Office of Weights and Measures according to the National Institute of Technology (NIST) then returned to the local petroleum company. Both oil companies are now calibrating retail meters on an annual frequency.

Additionally, in order to independently verify that the public is receiving the correct amount of fuel as purchased, Regulations are being drafted that will provide for the Chief Petroleum Inspector to witness the annual meter calibrations and for the meter to be sealed and a sticker bearing the date and signature of the person carrying out the calibration to be placed on the pump or dispenser.

The Petroleum Handling & Storage Bill is expected to be brought to this Honourable House during the September 2003 Meeting.

The Speaker: Are there any Supplementaries? If not we will move on to the next question.

Question No. 40

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

No. 40: Mr. Lyndon L. Martin asked the Honourable Minister responsible for the Ministry of Tourism, Environment, Development and Commerce, if the Department of Tourism has a dedicated individual assigned to the marketing and promotion efforts for Cayman Brac and Little Cayman.

Hon. W. McKeeva Bush: The Department of Tourism currently has a Manager, who is responsible for addressing both the marketing and the product development projects in Cayman Brac and Little Cayman. The responsibilities of this position include:

- Meeting on a regular basis with the Sister Islands Tourism Association (SIT A) and the District Administration to discuss and plan joint promotional activities.
- Reviewing collateral material requirements for Cayman Brac and Little Cayman and working with the appropriate parties to develop produce and distribute them as necessary.
- Working as a member of the Cayman Brac and Little Cayman Project Team for product enhancement, such as the recent sinking of the Oceanic Voyagers Statue, which took place in Cayman Brac earlier this year.

The Department of Tourism is currently working on a number of marketing and promotional initiatives with the Sister Islands, some of which include:

- The development of a Nature Cayman brochure for the Little Cayman nature product.
- Working closely to promote the new Family Week programme in Cayman Brac with carefully crafted publicity and specific 'family' oriented Visiting Journalist familiarisation trips to Cayman Brac.
- A new Sister Islands ad for use in domestic publications that will target visitors and local readers and will encourage them to visit Cayman Brac and Little Cayman, either as a day trip add-on or for longer stays.
- Facilitating requests from consumers on the Cayman Islands web site who want to receive a bi- annual Cayman Brac and Little Cayman Tourism Association Newsletter.
- Working closely with the Sister Islands Tourism Association to develop specific Sister Island familiarisation trips for the travel trade. So far in 2003, four travel trade industry familiarisations and three visiting journalist trips have been planned.

The newly developed Domestic Industry Familiarisation trips to target front line employees who work in the tourism industry in Grand Cayman, and take them for a visit to the Sister Islands, so that they are in a better position to promote the Sister Islands to visitors who are in Grand Cayman.

The Speaker: Are there any Supplementaries? If not we will move on to the next question.

The Second Elected Member for Cayman Brac and Little Cayman.

Question No. 41

No. 41: Mr. Lyndon L. Martin asked the Honourable Minister responsible for the Ministry of Tourism, Environment, Development and Commerce, if there is any intention of positioning a tourism-marketing agent in Cayman Brac in the not too distant future.

The Speaker: The Honourable Leader.

Hon. W. McKeeva Bush: Madam Speaker, as of May 26th, District Administration has filled a full time tourism officer post based in Cayman Brac. This officer will liaise with the Department of Tourism on all Sister Island initiatives.

Additionally, the DoT has agreed to provide an internship programme in the Grand Cayman offices, as well as in the North American offices, to give the new officer hands-on experience with the fully integrated marketing communications program that the DoT is currently executing.

The Department of Tourism has two full-time employees in Cayman Brac. The DoT manager responsible for marketing the Sister Islands works closely with members of the Sister Islands Tourism Association and with District Administration, and is always available to travel to either Cayman Brac or Little Cayman for meetings, projects or events as necessary.

To date, feedback has confirmed that the current approach is highly effective. The numerous examples of collaborative promotional activities specifically targeting tourism in the Sister Islands further supports the continuation of this arrangement.

The Speaker: Are there any Supplementaries?

Hon. W. McKeeva Bush: Before you do so, I would like to thank publicly the First Elected Member for Cayman Brac and the Second Elected Member for Cayman Brac in supporting and requesting, over the

past two years, someone to work fulltime in Cayman Brac.

The Speaker: If there is no supplementary that concludes Question Time. Is this an appropriate time for the afternoon break or would Members wish to go on?

STATEMENTS BY HONOURABLE MINISTERS / MEMBERS OF THE GOVERNMENT

Beach Review and Assessment Committee

The Speaker: I recognise the Leader of Government.

Hon. W. McKeeva Bush: Madam Speaker, as Members of this Honourable House are aware my policy address on 17 June I provided an over view of the major findings contained in the interim report recently prepared by the Beach Review and Assessment Committee. The report deals specifically with the areas of Seven Mile Beach, north of Crescent Point. The Committee is in the process of developing recommendations for the area south of Crescent Point and other beaches.

In the interest of time I will not repeat that presentation. It is my intention to make this interim report a public document for the immediate information of all stakeholders and other interested persons. I also want to thank all persons who have served on this Committee and members of the public who contributed to the preparation of this document. The interim report effectively tackles the highly sensitive and complex issues surrounding beach erosion. Further, it offers effective and practical recommendations of both the short and long-term handling of this phenomenon.

It is important to note that the current status of the Cayman Islands coastlines including the most famous stretch of Seven Mile Beach has resulted from decades of both natural and man made factors. Therefore, combating this issue will equally require long-term resolve and interventions to turn the tides on this problem. However, as they say, Madam Speaker, *the journey of a thousand miles begins with the first step*. Accordingly, I am confident that we have achieved with the preparation of this report significant strides to combat the erosion of our precious beaches.

Madam Speaker, I would invite Members to visit the boat ramp in West Bay, at the junction of Town Hall Road and Northwest Point Road. There Government built a boat ramp some time ago and that was built on iron shore. In all of my years (48 years old) I have never seen that area of iron shore become a beach and today that is exactly what it is—a beach. It only shows that nature takes control when it so desires whether it is El Niño, or whatever affects islands, it is certainly affecting us. It would do the public and Members well to look at that because it is very telling what has happened there and what is happening to our beaches.

Madam Speaker, I now beg to lay on the Table of this Honourable House the interim report of the Beach and Review Assessment Committee.

The Speaker: So ordered.
I believe you have a second statement, Honourable Leader?

International Initiatives

Hon. W. McKeeva Bush: Madam Speaker, Honourable Members will recall the comments that were made on the various International Initiatives by the Honourable Financial Secretary and myself during the presentation of the Budget. I want to say to Honourable Members that the relationship between the Cayman Islands and the US Government is excellent and growing even better every day.

Our recent trip to Washington was both a reflection of this as well as an opportunity for us to improve upon the relationship. So many of the representatives, senators and staffs with whom we met, numbering over 20 from both the Democratic and Republican Parties said that they learned a great deal about the Cayman Islands from what we had to say to them. Several commented that the opportunity to meet face to face was of great value and that they came away from our meetings with a new appreciation of the Cayman Island's importance to the United States and vice versa.

Many of those we met were chairmen of critical committees and subcommittees determining the legislative course on issues essential to the Cayman Islands. They included the chairman of the Joint Economic Committee, the chairman of the House Financial Services Committee, the chairman of the trade subcommittee of the House Ways and Means Committees and the chairman of the subcommittee on Financial Institutions of the Senate Banking Committee. We also met with the US Department of Treasury, Justice Department and State Department and the New Homeland Security Department where we explored many issues of bilateral concern ranging from co-operation and anti-terrorism issues, information exchange and future expansion on tax agreements. We expressed our interesting in ensuring that through their internal public relations and outreach efforts as well as when testifying before the United States Congress that they mentioned, when appropriate, strides made by the Cayman Islands new agreements and co-operative initiatives made between the Cayman Islands and the United States.

While we pursue these initiatives because they are the right things to do; they comply with our beliefs and are good for our citizens and those of the rest of the world. We also welcome being recognised publicly for these accomplishments. We, the Cayman

Islands, have been trailblazers within the Region and have become models for several agreements; the Mutual Legal Assistance Treaty and the Tax Information Exchange Agreement. If indeed that is the case we would not mind deriving appropriate benefits for having led the way.

It was evident in each meeting that the United States officials are interested in continuing the dialogue with Cayman and a host of subjects with potential mutual benefit. We were pleased to have members of the private sector join us on this trip. Our public private partnership in the Cayman Islands has been a defining element of our strength and growth. This did not escape recognition by those with whom we met in Washington. We insisted on keeping our delegation together in meetings with the Executive and Legislative Branches. That demonstrated the spirit of mutual support and cooperation between our government and private sectors, a subject familiar to the Washington policy makers as well. In that regard, I delivered a speech in Washington at the Heritage Foundation, the powerful free enterprise think-tank.

I reminded the audience of the misconceptions many hold about off shore financial centres. I will quote one paragraph, **"I am sometimes asked whether it is hard to see such regular criticism of so-called tax savings off shore or even specific mention of my own home land, the Cayman Islands. What many financial experts will tell you is; that on shore versus off shore has essentially ceased to exist. What matters now is that international standards be upheld everywhere to the same level no matter how big or how little the jurisdiction itself. Quality business will be drawn to and remain in those places and I believe the Cayman Islands is one of the premier jurisdictions where international standards are not just met but exceeded day in and day out."**

Due to that recent visit, Madam Speaker, and also the ongoing work performed by our consultants in Washington; there is a much better understanding in Washington regarding what an important financial centre Cayman has become. When we began our effort to improve Cayman's relationship in Washington nearly a year ago, we sought to convey to members of the United States Legislative and Executive Branches, as well as members of Civil Society in America, the extraordinary progress that has been made by the Cayman Islands. A host of issues important to the United States; including our contribution to the war against terror and transparency and financial matters affecting security, drug smuggling and other Washington priority issues. I can now safely say and accurately report that Washington has begun to recognise and appreciate that progress. Our next goal is to capitalise on this growing relationship with Washington to seek the support of policy makers there on some issues of importance to the Cayman Islands. I trust that the Government can count on all of us here to continue to cultivate these relationships.

I have invited many of those with whom we met to visit us here to meet with Members of the House and other business people to see for themselves and to get to know us better. I will call upon Members of this House to share their own views. It is only through relationship building that we will meet our objectives.

Thank you, Madam Speaker.

The Speaker: Thank you. I now recognise the Honourable Deputy Leader for two statements.

Matters Relating to Petroleum Storage and Handling

Hon. Linford A. Pierson: Madam Speaker, I would like to take this opportunity to update this Honourable House on Matters Relating to Petroleum Storage and Handling. As Members will recall the Cayman Islands Government previously commissioned an evaluation of our petroleum storage and handling activities and the reports of the consultants ERM Business Risk Solutions were tabled in this Honourable House in 2001. The specific objectives of the review were to:

- assess whether industry was adequately managing its obligations to safeguard environment, health and safety; and
- assess whether existing government capabilities and infrastructure provided an adequate framework to over see industrial activities in this regard.

The evaluations concluded that more needed to be done to protect the environment health and safety and that changes in government were needed to oversee these industrial activities. A number of recommendations resulted from these evaluations with key ones being that government should:

- Begin to address land use planning and existing land usage issues near hazardous industrial sites through a formal risk assessment of specific petroleum storage and handling operations
- Recruit and appoint a qualified chief petroleum inspector to conduct a variety of duties including annual inspections of facilities tied to renewable licences.
- Revise and update the Petroleum Storage and Handling Laws of 1996 and promulgate regulations thereunder.

Madam Speaker, progress has been made on each of these key recommendations.

The formal risk assessment process identified in the first key recommendation has been initiated and progress achieved. On 3 September 2002 a contract was signed with Advantage Risk Solutions Inc for a selected quantitative risk assessment of bulk propane or liquefied petroleum gas marine tank or off loading liquid petroleum gas pipeline and terminal facilities bulk liquid petroleum fuel marine tanker off loading at

Jackson Point terminals and a screening assessment of the Jackson Point terminals.

This work is being conducted to provide additional information regarding the hazards and risks posed by these industrial facilities and for better decision-making in managing the risk. In mid October 2002 initial meetings were held between Esso, Home Gas and Texaco and Advantage Risk Solutions in order to review the marine off loading sub sea pipeline, and terminal facilities and to gather the necessary data for the quantitative risk assessment. Advantage Risk Solutions was also able to observe marine tanker propane off-loading activities. The project kick-off meetings were completed at this time as well as initial risk and additional work under the original quantitative risk assessment.

Much of the original scope of work will be nearing completion at approximately the end of June 2003. While assessment efforts continue to also include all home gas facilities and proposals in their application to the Central Planning Authority. The addition of the home gas quantitative risk assessment extension takes completion of the technical analysis (for all currently ongoing evaluations) to early September 2003. The draft study results and draft reports are expected to be available for review by my Ministry and the local petroleum industry in October 2003. That is, approximately one month following completion of the draft technical analysis.

The Government's overall quantitative risk assessment and evaluation process is already resulting in positive benefits to the Cayman Islands people with improvements in safety and protection of the environment. This includes a new home gas underground propane pipeline from the shoreline to the terminal with leak detection and isolation capabilities, installation of and proposed plans for improved designs including new propane terminal facilities at Home Gas and improvements at Texaco and Esso, new fire systems, improved operating procedure within facilities and a number of other beneficial changes. In addition, Madam Speaker, Cayman Brac Power and Light have upgraded their fuel trucks for fuel deliveries thereby improving the level of safety.

Following up on the second key recommendation to recruit a qualified chief petroleum inspector, Government concluded the selection process in the search for a suitable individual for the post. Interviews were conducted in October 2002 assisted by the consultant during his visit. A Caymanian, Mr. Gary McTaggart, was recommended and hired as the chief petroleum inspector. Mr. McTaggart began his duties on 6 January 2003. Some of the initial activities of the chief petroleum inspector are as follows:

- The Home Gas Caribbean Utilities Company and Texaco pipelines have now been added to the land information system database.
- Development of working relationships with key government agencies involved in regulating industry partners such as Fire, Panning, Environment and the Water Authority.
- All industrial and wholesale customers of the petroleum fuel companies have been identified, located and data prepared for entry into the land information system.
- Initial inspections of marine terminals on Grand Cayman and Cayman Brac have been completed.
- A 'One Call System' has been initiated to better respond to accidental, external impacts on buried pipelines due to excavation. This is accomplished by a single phone call by the excavating party to all other parties involved in response. Research is also being done by Cable and Wireless on the possibility of dial out telephone base system. That can be used in the event of an emergency to simultaneously alert potentially affected neighbours with a pre-recorded message advising them of the emergency.
- Drafting instructions for regulations providing for an annual calibration of all retail pumps and dispensers have been prepared. These regulations will ensure that customers receive the correct amount of fuel as purchased.
- The chief petroleum inspector participated in the March 2003 meetings between the petroleum industry and consultant and is involved in ongoing efforts in advancing data collection efforts.
- The chief petroleum inspector has been included in the Department of Planning's list of commenting agencies with regards to planning applications.

Madam Speaker, the chief petroleum inspector's future plans include:

- Continued assistance in data gathering and assistance to advantage risk solutions.
- The Education of the general public and petroleum hazards such as static electricity, approved fuel containers, and inhalation health hazards associated with siphoning-off gasoline.
- The introduction and use of material safety data sheets, more generally in the Cayman Islands, to raise the awareness of hazards associated with the use of various fuels and chemicals and to improve the level of safety and protection of the environment.
- Continued monitoring of all petroleum sites.
- The development of an annual operating permit system whereby all industrial and wholesale fuel storage sites are closely monitored and upgraded as necessary.
- The introduction of new regulations to safeguard the environment and human health and safety.
- Recruitment of an assistant petroleum inspector is underway and it is my Ministry's intention to fill this post with a Caymanian who can understudy and provide support to the chief petroleum inspector.

Madam Speaker, the third key recommendation, to Revise and Update the Petroleum Storage and

Handling Laws of 1996 and promulgate regulations there under, is also currently being addressed. A draft of the Petroleum Handling and Storage Bill, 2003 was recently produced and the final Bill should be completed during this month, June 2003.

Madam Speaker, much progress has been made in the local petroleum storage and handling industry. My Ministry intends to continue to work closely with our private sector partners and the various government agencies in an effort to provide better and safer products and services in the national interest.

Thank you, Madam Speaker.

The Speaker: Thank you, Deputy Leader. You may proceed with your second statement.

Update on Solid Waste and Garbage Fees Issue

Hon. Linford A. Pierson: Madam Speaker, Honourable Members will recall that a prior report entitled, Alternate Systems Analysis (ASA) Solid Waste Feasibility Study for Grand Cayman was completed by the Department of Environmental Health (DeH) along with consultants from Post Buckley Shoe and Jernigan of the United States and was tabled in the Legislative Assembly in 2002. This report reviewed, discussed and costed various options for consideration but did not clearly recommend a particular collection treatment and disposal system for solid waste management in the Cayman Islands.

Today I am pleased to announce than an interim report which deals with these waste issues has been completed and submitted to my Ministry and EXCO for review. This recent report was prepared by the Waste Disposal Options Review (WDOR) Committee, which was established in July 2002 by Executive Council under the auspices of my Ministry. The WDOR Committee's task was to evaluate, select and make recommendations on the preferred solid waste treatment and disposal options in accordance with the agreed terms of reference.

This interim report reviews historical and technical information and makes recommendations for the preferred technology options as well as time lines, planning, land acquisition, fee structure and management issues. A time frame of 20 years was used as the planning period for the new solid waste treatment and disposal facility. The WDOR committee was chaired by the director of the Environment Health and comprised of selected government agencies, including the Department of Environment, Planning, Public Works, Water Authority and private sector representations from the fiscal advisory group.

Madam Speaker, some of the key recommendations and observations of the committee as follows:

- The existing George Town landfill will reach capacity in 2005 at the current disposal rate.
- A reasonable estimated time for a new treatment and disposal facility to become fully operational in early 2006.
- The new waste treatment and disposal facility to be located at an adjacent to the present site.
- The preferred technology for the treatment and disposal of solid waste is a hybrid system comprising (a) waste to energy component which is a type of autoclave system (b) composting of the yard waste (c) shedding of waste tires (d) recycling aluminium, ferrous materials, waste oils, lead acid batteries and (e) disposal of mainly biologically inert materials that is; glass, plastics and building rubble on a properly engineered landfill.
- The waste treatment and disposal system is to be acquired by government under a lease to purchase agreement, that is, the successful company will finance a hundred per cent of the capital cost and be operated by private interest under contract.
- The pre-qualified companies will bid on this project in accordance with the Central Tenders Committee and public sector investment committee guidelines.
- Selection of treatment and disposal for the Cayman Brac and Little Cayman will be determined after a final decision has been made for Grand Cayman.
- The existing garbage fee structure is to be abandoned a new system of cost recovery implemented.

Madam Speaker, I would also like to inform this Honourable House that a subcommittee of the WDOR Committee is now actively analysing the feasibility of up front fees as a way to collect revenue to directly fund the treatment and disposal of municipal waste. The fees are a most essential and critical component of this system, as sufficient money is needed to manage the entire operations. If this approach is adopted it would be a much fairer garbage fee system for everyone. That is; (a) persons will now pay their garbage fees based on user-pay philosophy, which spreads the collection of revenue throughout the year and the existing billing of annual garbage fees will be discontinued. (b) Government will be able to collect its waste treatment and disposal fees at the time the goods enter the country to cover its expenses including contracted obligations and related services; such as the collection of indiscriminate dumping, litter control and beach and roadside cleaning. (c) This method also eliminates many problems which currently exist with the cost of revenue collection, waivers, delinquent fees and uncollectible debts.

Madam Speaker, I would also like to state that ongoing works are continuing for the proper closure of the existing waste disposal facility on the south side of Cayman Brac and the development of a new Cayman Brac landfill site to become operational within the next 18 months. This matter of collection, treatment and disposal of municipal solid waste is a very important

one for any community and my Ministry to arrive at solutions to the related issues and in an environmentally conscious and financially viable manner utilising private sector partners.

I would also like to thank all of the committee members for their time and efforts in compiling the report within such a tight deadline. I would also like to say that the Ministry is anticipating the completion of the review process very shortly. Therefore, we can proceed to the public pre-qualification and tendering phases within the next three months.

Thank you, Madam Speaker.

The Speaker: Thank you.

I will allow for a short question under Standing Order 30(2) by the Second Elected Member for George Town.

Short Questions—Standing Order 30(2)

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker. In his statement he Honourable Minister has said that the existing George Town landfill will reach capacity in 2005 at the current disposal rate. In answers to questions and in previous statements to this Honourable House, the Honourable Minister said capacity at the landfill would be achieved by 2002. I wonder if the Honourable Minister can say what has transpired in recent times for the Ministry to have a more optimistic view about the capacity of the current landfill site to be able to accommodate refuse through 2005.

The Speaker: The Honourable Deputy Leader.

Hon. Linford A. Pierson: Madam Speaker, the management of the landfill is an ongoing process and it is correct that information given some time ago has changed up to date. This is as a result of various factors, some being that solid disposal material has been shipped off the Island to Cuba and other arrangements made at the landfill. I do not have all of the details as to the reason the director of the DoE (Department of Environment) or the WDOR Committee (that was chaired by that director) has now estimated that the landfill will be able to go until 2005 or until it reaches its capacity in 2005. Therefore, that is the information that has been made available to me by my technical staff and provide I have provided herewith.

The Speaker: Thank you. We will now take the afternoon break for 15 minutes.

Proceedings suspended at 4.01 pm

Proceedings resumed at 4.19 pm

[Deputy Speaker in the Chair]

The Speaker: Please be seated. Proceedings are resumed. I recognise the Honourable Leader of Government Business.

ADJOURNMENT

Hon. W. McKeeva Bush: Mr. Speaker, we move the adjournment of this Honourable House until 10 am Friday, 27 June 2003. Mr. Speaker, I am advised that we should be meeting at 11 am instead and so I move the adjournment until 11 am tomorrow.

The Speaker: The question is that this Honourable House be adjourned until 11 am Friday, 27 June 2003. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 4.20 pm the House stood adjourned until Friday, 27June 2003, at 11 am.

OFFICIAL HANSARD REPORT
MONDAY
30 JUNE 2003
10.55 AM

Eleventh Sitting

[Deputy Speaker in the Chair]

The Speaker: I invite the Second Member for Cayman Brac and Little Cayman to grace us with Prayers.

PRAYERS

Mr. Lyndon L. Martin: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Executive Council and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 10.58 am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies from the Honourable Minister for Communications and the Honourable Minister for Community Affairs, who are both off the island on Government business. I have also received apologies from the Speaker who will be arriving later on during the Sitting and I have received apologies from the Second Elected Member from West Bay who is also out on official business.

Presentation by His Excellency Mr. Bruce H. Dinwiddy, CMG Governor of the Cayman Islands

The Speaker: I would also like to take this opportunity to inform Members that the Governor is coming to the House later this morning to present Instruments of Appointments to the Leader of the Government and the Leader of the Opposition.

The plan at this stage is that we should take a break to suspend proceedings around 12:20 pm to await his arrival. So, around 12:20 pm we will ask for a motion to suspend to await the arrival of the Governor.

PRESENTATION OF PAPERS AND OF REPORTS

The Budget 2003 (Half) Supplementary Annual Plan and Estimates for the Government of the Cayman Islands for the Six Month Financial Year ending 30 June 2003

The Speaker: I recognise the Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I beg to lay on the Table of this Honourable House the Budget 2003 Half Supplementary Annual Plan and Estimates for the Government of the Cayman Islands for the Six Month Financial Year ended 30 June 2003. This document is to support the Schedule to the Supplementary Appropriation Bill when that Bill is presented.

The Speaker: So ordered.

Would the Honourable Member wish to speak thereto.

Hon. George A. McCarthy: Not at this time, Mr. Speaker. I will offer comments when I deal with the Supplementary Appropriation Bill.

The Speaker: Thank you.

QUESTIONS TO HONOURABLE MINISTERS AND OFFICIAL MEMBERS

The Speaker: In the absence of the Ministers for the questions, could I ask for a motion for the deferment of the questions until a later Sitting?

Hon. McKeeva Bush: Mr. Speaker, I move that under the Standing Orders. . .

[Interjections]

Hon. McKeeva Bush: I thought Members were in agreement with moving the Motion. . . if Members want to ask the questions, then they can go ahead, but I will have to defer each question asked.

The Speaker: Whatever the will of the House is.

The Second Elected Member for the district of George Town.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, it is not a question of us not agreeing to it. We understand the Ministers are not here. It is just that the provisions of Standing Orders require that the questions be asked and then deferred, Sir.

Hon. W. McKeeva Bush: Mr. Speaker, I am in the hands of Members.

The Speaker: Honourable Members, whichever way is easier, we could move for the suspension of that Standing Order and then also do the deferral.

Hon. W. McKeeva Bush: Mr. Speaker, that is what I was proceeding to do, until I was interrupted by the other side. I do not know which direction they want to take. However, that is what I was going to propose: we suspend the Standing Orders and I move that the Questions be deferred until a later Sitting.

The Speaker: Honourable Members, if that has the acceptance of the House, if I could have the Motion for the deferral of the Standing Order.

Can we have the Motion for the suspension of that Standing Order?

Suspension of Standing Order 23(5)

Hon. W. McKeeva Bush: Mr. Speaker, that is what I was proceeding to do. I was going to ask that Standing Orders be suspended in order to defer questions until a later sitting.

The Speaker: The question is that Standing Order 23(5) be hereby suspended to allow for the questions to be deferred.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Standing Order 23 (5) suspended to allow for the questions to be deferred.

The Speaker: Can we also ask for the motion to suspend Standing Order 23(1), just in the interest of the Members?

Suspension of Standing Order 23 (1) and (2)

Hon. W. McKeeva Bush: Mr. Speaker, I move that Standing Order 23(1) be suspended so that we can defer questions to a later date. Out of an abundance of caution—so that I can satisfy the other clerk on the other side—I also move that Standing Order 23(2) be suspended.

The Speaker: The question is that Standing Orders 23(1) and (2) be hereby suspended.

All those in favour please say, Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Standing Order 23(1) and (2) suspended.

The Speaker: Could we now get the motion for the deferment of the questions?

Hon. W. McKeeva Bush: Mr. Speaker, I believe I am safe in moving that questions be deferred until a later sitting. That is, because the Honourable Minister of Planning is away and also the Honourable Minister of Sports .

The Speaker: The question is that Questions No. 42, 43, 44, 45, 46, 47 and 48 be deferred until a later sitting of this House. All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Questions Nos. 42, 43, 44, 45, 46, 47, and 48 deferred until a later sitting.

DEFERRED QUESTION 42

No. 42:*The Second Elected Member for George Town to ask the Honourable Minister responsible for the Ministry of Planning, Communications, Works and Information Technology: What is Government's policy with respect to the hiring of vehicles for the use of Government Departments or employees, and what*

amount has Government paid for hire of vehicles since 1st November, 2001.

DEFERRED QUESTION 43

***No. 43**:The Elected Member for East End to ask the Honourable Minister responsible for the Ministry of Planning, Communications, Works and Information Technology to give an update on efforts made by Government to attract E-business since November, 2001.*

DEFERRED QUESTION 44

***No. 44:**The Second Elected Member for Cayman Brac and Little Cayman to ask the Honourable Minister responsible for the Ministry of Community Services, Gender Affairs, Youth and Sports what is the policy toward the provision of low cost housing on Cayman Brac and Little Cayman.*

DEFERRED QUESTION 45

***No. 45:** The Elected Member for North Side to ask the Honourable Minister responsible for the Ministry of Community Services, Gender Affairs, Youth and Sports If the 'Learn to Swim Program' at the Lions Pool is available to all Primary School children.*

DEFERRED QUESTIONS 46, 47, 48

The Elected Member for North Side to ask the Honourable Minister responsible for the Ministry of Community Services, Gender Affairs, Youth and Sports

***No. 46:** Will the Juvenile Facility at Northward Prison be able to accommodate both male and female?*

***No. 47:** If a decision has been taken as to which properties will be utilised for the Affordable Housing Initiative.*

***No. 48:** How does a person qualify to purchase one of the homes being built under the Government's Affordable Housing Initiative?*

STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE GOVERNMENT

The Speaker: I have received no notice of any statements.

Suspension of Standing Order 45

The Speaker: Can I have the motion for the suspension of Standing Order 45 to allow for the First Reading of the Supplementary Appropriation Bill?

Hon. George A. McCarthy: Mr. Speaker, I move that Standing Order 45 be suspended to allow for the First Reading of the Supplementary Appropriation (January to June 2003) Bill 2003.

The Speaker: The question is that Standing Order 45 be suspended.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Standing Order 45 suspended.

GOVERNMENT BUSINESS

BILLS

FIRST READING

The Supplementary Appropriation (January to June 2003) Bill 2003

The Speaker: The Bill has been deemed to have been read a first time and is set down for the Second Reading.

SECOND READING

The Supplementary Appropriation (January to June 2003) Bill 2003

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker I beg to move the Second Reading of a Bill entitled, The Supplementary Appropriation (January to June 2003 Bill) 2003.

The Speaker: The Bill has been duly moved. Does the Mover wish to speak thereto?

Hon. George A. McCarthy: Mr. Speaker, I have spoken a number of times about the many facets and phases of implementation of the Financial Management Initiative (FMI). I consider that changes brought about by FMI to the Budget process are the most visible and most significant of its many facets.

The Budget documentation has provided all Honourable Members of this House and the general public with detailed information on what Government intends to do and how it plans to spend the public's money.

The recent reporting documentation in the form of the first quarter's report for 2003 details the

performance of Government. The third set of documents is called the Supplementary Annual Planning Estimates which I am proud to present today and which I tabled earlier, Mr. Speaker.

Honourable Members will recall that previously when expenditure was different to the approved Budget, those differences were scrutinised and approved by Finance Committee and then incorporated into a Supplementary Appropriations Law at a later date.

Section 25 of the Public Management and Finance Law requires that the process be changed. The Supplementary Annual Planning Estimates and Supplementary Appropriation Bill that is before this Honourable House today has been prepared to comply with the implementation of the Public Management and Finance Law.

The new procedure requires that any changes to the original appropriations will be made through a legislative process that mirrors the main budget. This involves the tabling of the Supplementary Annual Planning Estimates and the introduction and enactment of a Supplementary Appropriation Bill.

Mr. Speaker, this is like having to present a mini budget. As with the main budget the process will involve Finance Committee stage where any additional expenditure and variation in output classifications can be scrutinized.

However, Mr. Speaker, the Supplementary Annual Planning Estimates is prepared on an exception basis. This means that only those items that have changed from the originally enacted 2003 half year budget are included in the Supplementary Annual Planning Estimates.

The structure and contents of the Supplementary Annual Planning Estimates is similar to that of the main annual budget and estimates. The document is in three parts:

Part A: details changes to the annual Planning Estimates for the 2003 half year;

Part B: details changes to the Appropriations;

Part C: shows revised forecast cash financial statements.

Honourable Members who would like to get an overview of what the Budget contains can turn to pages 5—7 of the Annual Planning Estimates, as this gives a three-page summary of the main points.

Mr. Speaker, before I provide an overview of the Supplementary Annual Planning Estimates I would like to inform Honourable Members that the revised financial forecast contained in the documents before, are the same as the half year comparative figures as was shown in the 2003—2004 Budget which was recently passed by this Honourable House. The forecast projects an operating surplus of $54.6 million compared to the original budget of $43.1 million. These forecasts take into account the supplementary expenditure being requested today.

For information to Members, I would like to briefly highlight some of the main changes outlined in the Supplementary Plan and Estimates. I will begin with Legislative measures: Twelve of the thirty planned legislative measures that were specified in the annual plan and estimates have been deferred until the 2003—2004 fiscal year. The details of these are on page 9 of the Supplementary Annual Plan and Estimates.

Changes have been made to a range of outputs and most of these changes are fiscally neutral. These changes are easy to reflect a change in the quantity and therefore a change to the costs of an output or in some cases to reflect a technical change to an output cost. The technical changes reflect changes to the way in which outputs are being costed compared to the method used in the original budget.

Mr. Speaker, I would like to suggest that Honourable Members of this House do not look too harshly at these variances. I will explain, Mr. Speaker. The 2003 half year budget was the first output based budget ever for this country, and I am proud to say that it puts the Cayman Islands on the cutting edge of public sector reform in the region and indeed the world. The Financial Reform team provided a great deal of training and support in the area of output costing.

However, for Ministries and Portfolios to change from an input to an output focus and to keep records of civil servants' time so that outputs could be properly costed was a huge change in the way of doing business. Some agencies have no culture of recording time and consequently no historical data was available to base their estimates on. This is the reason why Honourable Members can see a number of variations, or part of the reason.

Over the course of the last 6 months, Mr. Speaker, a time recording system has been introduced so that all civil servants can record their time against outputs they produce. This has improved the quality of the data and the 2003-2004 output costs are much more robust and will continue to improve each year. Honourable Members will note that the reasons for the changes are detailed at the bottom of each output group.

Mr. Speaker, one new output has been added and that is the ICT1 which is the Regulation of Information and Communications Technology sector. This was a technical change that resulted from a decision to pay all coercive revenue to Government rather than allowing it to be retained by the Authority to fund its outputs. This decision was taken after the Annual Planning Estimates for the 2003 half year was approved by this Honourable House.

Output NGS 40 Investors in People's Programme has been removed as this output will not be delivered in the 2003 half year.

Mr. Speaker, the total amount of transfer payments is unchanged, but the allocation between TP 10 and TP 11, both of which relate to education scholarships has changed to reflect a different timing than originally planned.

Turning to other executive expenses: There are a number of small changes to other executive expenses due to timing differences and forecast expenditures being different than the budget. However, there are two new substantial items that were not included in the original budget and so require supplementary appropriations. These are the payments of (1) the defence legal cost relating to the Euro Bank trial which is $1.95 million, and (2) terminal benefits to the previous Attorney General amounting to $296,000.

Mr. Speaker, I would now like to turn to Equity Injections. Although this is not an appropriation issue, I would like to draw Honourable Members' attention to page 125 as it shows that cash injections to the Health Services Authority has been reduced by $1.3 million. A subsidy to the Authority is still necessary, but it is at a level less than what was originally budgeted. However, the Government decided to make a new capital injection of $387,500 to the ICT Authority to fund its fit-out costs of their new offices and to provide some working capital. This was not budgeted for.

Mr. Speaker, there are a number of changes proposed in the area of capital acquisitions and capital development. I would like to start with capital acquisitions. The major changes to capital acquisitions are in respect of four ministries and portfolios. The portfolio of Internal and External Affairs is requesting an additional $364,000, primarily for vehicles and equipment for the Police Department and also to replace the Governor's car.

The Ministry of Planning, Communications and Works is requesting $518,000 for urgently needed garbage trucks.

The Ministry of Education, Human Resources and Culture, is requesting $1.6 million for computers and other related hardware for the ITALIC project.

The Ministry of Community Services, Women's Affairs, Youth & Sports is requesting $137,000 for vehicles and equipment for the prison services.

Changes to the Capital Development Expenditure are twofold: firstly, as a result of the new projects not budgeted for, and secondly, increased expenditure on budgeted projects. Mr. Speaker, the significant new capital projects are:

Repairs to the Legislative Assembly building	$280,000
Construction of Chapter House	$150,000
Upgrade to parks and sports facilities	$100,000
Quincentennial Monuments and Square	$340,000
Repairs to the George Town Primary School	$300,000

Mr. Speaker, the major expenditure increases on budgeted projects are purchase of lands—$690,000

Road settlement of Gazetted claims	$1,900,000
Road projects—Little Cayman	$110,000

Mr. Speaker, under the category of Loans made, a single change is being made which relates to a loan to a school which was not budgeted for.

As I said earlier, the revised financial forecast contained in the documents before Honourable Members are the same as the 2003 half year comparative figures as set out in the Annual Budget for the fiscal year 2003—2004.

The revised financial forecast for the 2003 half year shows a revised forecast operating surplus of [$54.6 million.] This is around $11.5 million more than that originally budgeted for in the 2003 half year. This resulted from an extra $7.6 million in revenue and a [$3.9 million] reduction in the originally budgeted expenditure figure.

Mr. Speaker, as I mentioned during the presentation of the annual budget, we have got the case where as part of the cash balance that we have been using to support the surplus is the difference between advances and deposits.

Now advances in normal terms would represent monies that are expected to be recovered in the short term. However, this is not proving to be the case especially with overseas medical advances. So, at some point in time, soon, this will have to be addressed. An approach was taken in order to address this because this is why we will be using up a part of the overdraft to fund the budget for the 2003-2004 half year.

There is a question and this matter has been lingering for a long time. The Auditor General has commented on it on several occasions. Honourable Members of this House have commented on this because the question is, How should this really be addressed?

It is to a point now where while these monies that are recoverable can be classified as assets, receivables, monies that are due to the Government, they cannot really continue to be factored as a part of the cash balance. So, this is an area where the Government is turning its attention in order to address this matter.

The revised fiscal forecast for the 2003 half year complies with the fiscal strategy outlining the Strategic Policy Statement for that half year and with the applicable principles of responsible financial management. Mr. Speaker, I think all Honourable Members will agree that the new format and process for approving supplementary expenditure is far more sensible and transparent.

I would like to thank Chief Officers and Chief Financial Officers in the Ministries and Portfolios and the support staff in the Portfolio of Finance and Economics for the excellent job they have done in putting together the Supplementary Annual Planning Estimates for the six-month period ending 30 June 2003.

Mr. Speaker, as an overall concluding remark, I would like once again to make the point, that amounts shown in the Supplementary Annual Planning Estimates for the June 2003 half year, have been

included in the revised forecast figures shown on Table 1 at page 133 for the 6-month period ended 30 June 2003.

Even after including these supplementaries, the expected out turn position for 30 June, is one of operating surplus. That is $11.5 million better than the original 2003 half year budget and an expected over all surplus of $14.7 million better than budgeted. However, as I mentioned, Mr. Speaker, this figure includes receivable balances but now we are going to—

[Inaudible interruption]

Hon. George A. McCarthy: Mr. Tibbetts, I cannot give you the exact figure at this time, but I will do so later on.

We are now going into accrual accounting. It will not be unusual to have this situation, because it will not only be the revenue that is collected during the course of a year, but the revenue that is forecast to be collected. This is what will be recognised as revenue under the new recognition principle.

We have to bear in mind that we are moving from a strict cash basis to an accrual accounting basis. We are in the middle of this process which constitutes a hybrid for the reason that the statements presented to this House are statements of cash flows. This is why the receivable component will have to be factored out in order to reduce that aspect to mere cash. However, it does not really deny the fact that a surplus is being achieved—only that it is not representative of strict cash.

Mr. Speaker, I would like to say thanks to Honourable Members. I would recommend that the Supplementary Appropriation Bill stand referred to a short meeting of Finance Committee in order to grant approval to the figures. For this reason I would suggest that Honourable Members find the necessary supporting details for the items that are appearing in the Schedule of the Supplementary Appropriation Bill. I would advise Honourable Members to focus attention on pages 141 through pages 146 of the Supplementary Annual Planning Estimates,

This sets out details of all the figures that are set out in the Supplementary Appropriation Schedule.

Thank you very much, Mr. Speaker.

The Speaker: Does any other Member wish to speak?

Mr. D. Kurt Tibbetts: Thank you, Mr. Speaker. I have listened carefully to the Honourable Third Official Member's presentation of a Bill for a Law to Appropriate Certain Additional Expenditures for the six month period ending 30 June 2003.

Now, Mr. Speaker when we look on the Memorandum of Objects and Reasons for this Supplementary Appropriation Bill, it reads: **"It is necessary to enact an Appropriation Law in respect of each financial year, giving the Financial Secretary authority to spend the money necessary for the services of the Government in that year in the manner directed by the Legislature".**

The main Appropriation Law for the 2003 half financial period was enacted in November 2002. This Bill is for supplementary appropriations for that same period. It seeks approval for changes to expenditure for the six-month financial year ending 30 June 2003, under the several heads of expenditure set out in the Schedule, and charges the additional expenditure on the revenue and funds of the Islands.

So, Mr. Speaker, in moving to the accrual system from the cash system, we have changed our calendar financial year from January 1 to December 31, to I think, July 1 to June 30. This represents changes in expenditure for the half year that just ensued for us to regularise that time period which begins I think, coincidentally, today July 1st. [*Corrected by Members]* Sorry, I am a day ahead of myself! The six-month period *ends* today (June 30th)!

Mr. Speaker, in years gone by, whenever it was time to speak to a supplementary appropriation, Back-Benchers were always with the feeling that it was a rubber-stamping exercise after the fact already done. All Members in this Legislative Assembly now, even those Members of Government—the elected arm of Government—were at some point in time on the Back- Bench and all had the thought that it was a rubber-stamping exercise. The procedures to go through basically were simply while required by law, really already done. So, what is the sense of us talking about it!

Now, Mr. Speaker, I know that the Honourable Third Official Member will do his winding up. However, I think we need to address this issue in some form or fashion. I know that the whole process is changed; I know that we are having quarterly reports being done. There is a whole sequence of events which perhaps I would not be able to outline verbatim at this point in time, but I think the Honourable Third Official Member will be aware of what I am speaking about.

In that vein I am trying to determine very clearly if moving from the cash system to the accrual system we will find ourselves in the same position as we found ourselves previously—whereby supplementary appropriation and its approval process is always after the fact.

You see, if that is the case then, from that perspective there really is no remedy. Regardless of how well the Public Management and Finance Law was crafted, or how accountable and transparent the system is that we are purporting to move to, we have to be very careful. This has no bearing or reflection on the Government of the day. I speak to the system and I know we are new into it and I think we really need to think seriously of this.

If we are going to have supplementary appropriation in the same manner as before—after the fact and basically a rubber-stamping exercise—then any

government could put forth a budget in a certain manner and everybody could approve that budget. However, now that it is output-based—a whole different regime—shifts can be made during the year either to 'outputs' or to 'outcomes'. An actual using of resources including financial resources that may have been predetermined prior to the budget but not included, and simply when it is all over, knowing full well that is what you were going to do but you do not say it up front; you wait until afterwards and say it and then nothing can be done.

So, now I raise this point, because I believe the Honourable Third Official Member—whether it was thought of before is not so important—the fact is that I believe there is great relevance to the question and we need to be able to satisfy ourselves that the system being employed at this time does not allow for this to happen. I do not wish to go into specific examples, because it need not relate to just recurrent; neither does it need not relate to just capital, but in the strictest sense of the word it can relate to both.

Mr. Speaker, the other question that it begs immediately is: While we have supposedly crystal clear methods of outlining and exposing the expenditure via the outputs and the outcomes and there is an internal mechanism that is supposed to be set up which will justify the expenditure and not only monitor that but ensure that the outputs and the outcomes expected are achieved and that is monitored on a regular basis. While all of that is supposed to be in place, it is not too far fetched if the mechanisms do not prevent it. For capital resources—that is, money-wise. Also for recurrent to be mixed and all kinds of confusions—I am not saying that it will happen. All I am saying is that I wish for the Honourable Third Official Member to outline that nothing like this can occur because that is one of the reasons why we were moving from one system to the other. Perhaps it will be crystal clear: I see the Honourable Third Official Member smiling so I do recognise that he is confident he can clear the issue up.

However, I just want to make sure that we are straight on target and moving on track. The original question I believe is still one that we need to make sure the Supplementary Appropriation does not come in the same manner that it used to come. I believe that by using the mechanisms we have in place, we would prevent any such thing from happening.

Now I recognise also, that there are certain sections of the Public Management and Finance Law which do not come into force until 1 July 2004. However, I am absolutely certain that the Honourable Third Official Member will recognise that while there may be certain procedures allowed now that will not be allowed then, the fact is we must be prepared by then to ensure that what the Law calls for that we are able to adhere to. Not just as a Government, but as a matter of principle, because that is the line that we have taken from the very beginning in being proponents of this whole new thought process, this brand new Law and all of the sections that are contained in the Law.

Mr. Speaker, there is one other issue and I believe it could be dealt with in this debate. We may have to get into some specifics during Finance Committee, but the Honourable Third Official Member spoke to some of this so I do not think I am going beyond my realm in raising the issues that I will now raise. As I said, he mentioned it in his delivery. The first one that I want to speak to—and I do not remember hearing him speak about it, but I wish for him to make it absolutely clear in his winding up on this Bill.

In the Supplementary AP&E on page 6, under output groups, the third paragraph, and with your permission I will read it. It is not extremely long.

It reads: **"One new output has been added. ICT1 Regulation of the Information Technology and Communications Sector. However, this was more of a technical change that resulted from the decision and this is what is important here– that resulted from the decision to pay all coercive revenue to the Government, rather than allowing it to be retained by the Authority to fund its outputs".**

This decision was taken after the Annual Plan and estimates for 2003 half was approved. Now, Mr. Speaker, where that jumps out at me is totally accepting that we are moving into a new system, but also understanding, and if I understand what this statement says correctly, where it speaks, **"the decision to pay all coercive revenue to the Government, rather than allowing it to be retained by the Authority to fund its outputs".**

First of all, my question is: Does this relate solely to this Authority? If it relates to all Authorities, then it poses a very serious question in my mind. I see the Honourable Third Official Member indicating that maybe it does not, but I wish for him to be able to publicly clear the matter up. I am certain he realises right away, Mr. Speaker, exactly where I was going if it applied to all of the Authorities. For if it applied to all Authorities, I believe that all would be lost.

However, I am glad to see the indication is that it is not the case. As I said, I would really wish for him to expound on the matter when he is winding up on the Bill. I would like him to make it absolutely clear how this will work: Is its application to this specific Authority a temporary situation? Is that what will obtain down-line, or exactly how it will work? And/or if there is absolutely not any relationship to this methodology being employed with any other Authority.

The only other question that I wish to raise in this Bill, Mr. Speaker, is where the Honourable Third Official Member referred to certain sections in the Supplementary Annual Planning Estimates. I crave your indulgence because there are certain sections of this I need to read.

On page 7 under the Revised Financial Forecast, Mr. Speaker, the first paragraph stated that the Revised Financial Forecast for 2003 half year show a Revised Forecast Operating Surplus of $54.673 mil-

lion. This is about $11.5 million more than that originally budgeted for in the 2003 half year budget".

It results from an extra $7.6 million in revenue and $3.9 million in expenditure, than was originally forecast. Now, I am assuming that the revenue (or rather the expenditure) means $3.9 million less in expenditure, it does not say clearly. However, when the two amounts are added we get $11.5 million so that is what it has to mean.

It goes on to say, Mr. Speaker, that the Revised Forecast for Net Balance Sheet Activity before new financing is $17.938 million, which is $3.1 million better than the original 2003 half year budget which was presented November of last year. This reflects flows for advances and deposits, which traditionally are not included in budget forecasts. The revised overall surplus before financing is $36.735 million, which is $14.7 million better than the original budget forecast. This primarily reflects the better operating results. This primarily reflects the better operating results.

Now the Revised Forecast includes new borrowing activity of $28.358 million. This is primarily the surplus proceeds from the bond, which were not allowed for in the original budget. When that budget was prepared it was assumed that the bond would be finalised in 2002. It was not finalised until April 2003.

These surplus proceeds have been placed in General Reserves. The Revised Forecast Cash Balance is now $78 million, which is $18 million better than the original forecast. The Revised Fiscal Forecast for 2003 half year is in compliance with the Fiscal Strategy of 2003 half year outlined in the Strategic Policy Statement for the year-end with the applicable principles of responsible financial management.

Mr. Speaker, this is what I would like the Honourable Third Official Member to do. I have read what the Revised Financial Forecast says. The Honourable Third Official Member just a few short days ago was extremely put out by a line that I took when I debated the Appropriation Bill 2003-2004. I think he was also with a similar thought from my colleague, the Second Elected Member for George Town, even though he took more pains than I did to explain to that Honourable Member that the line of argument was not intended to cast any reflection on the person, but rather the duties.

Mr. Speaker, let me make it absolutely clear (if I am allowed to continue my debate), that I am not raising any matter. What I am going to speak to now is what I just read. I will continue, Mr. Speaker.

As I was saying, what I would like the Honourable Third Official Member to do in his wind up . . . and I was going on to say that he is as aware as I am of how well presentations can be made and how these presentations are factual but if one does not understand how several of the figures are arrived at one may well form an opinion that is not totally correct as to how we got there.

Mr. Speaker, I will use for example the very last sentence which speaks to the new forecast showing an operating surplus of $54.67 million; this is around $11.5 million more than originally budgeted for and it results from an extra $7.6 million in revenue and $3.9 million reduction in expenditure.

If we simply isolate our thoughts to the statement, what we are going to see is that in its natural performance, that is, in its usual way of collections, the Government collected $7.6 million more in revenue and it was able to save $3.9 million in expenditure and the story ends there.

We go on to read the other parts of it and this is where I want to make it very clear. It is not that the facts are not in the document, but one can easily get lost in being able to put the whole sequence of events and how the total end results are arrived at, if one is not able to sequentially follow how it is stated.

I know the Honourable Third Official Member is extremely capable because on many occasions, Mr. Speaker, I have had that Member explain certain things to me. So I would like him in his winding up to explain just by simply drawing all the figures together the sequence of events to show where borrowings took place; how that relates to a surplus; and how it affected the surplus. I am absolutely certain as I said, Mr. Speaker, that the Honourable Third Official Member is quite capable of doing that.

This is not for my benefit, Mr. Speaker, because I do understand. However, rather than get into a to and fro situation I will ask the Honourable Third Official Member to walk the country through that and certainly the job will be completed.

The remaining sections of the Supplementary Annual Plan and Estimates, Mr. Speaker, which also include what I have just spoken about, will be dealt with in Finance Committee. However, I just thought that it would set the stage for all of us and a clearer understanding for the Public if in moving into the Finance Committee on the Supplementary Appropriation Bill the Honourable Third Official Member would just make some very clear explanations as to how we arrived at certain of those figures.

Thank you.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? The final call. Does any other Member wish to speak?

If no other Member wishes to speak does the Honourable Third Official Member wish to exercise his right of reply?

Hon. George A. McCarthy: Thank you, Mr. Speaker. The Honourable First Elected Member from George Town raised certain observations and I will clear up those of concern.

If that Honourable Member and other Members of the House will, I am sure that Honourable Members are aware of the points that were observed on page 7 in respect of the surplus for the half year. If

we were to turn to page 133— it is necessary for that Honourable Member and others to have their documents in front of them.

Mr. Speaker, the very first item shows there is a table comprised of four columns and the very third column to the right shows at the time when the Strategic Policy Statement was tabled in this Honourable House that it estimated that revenue would have been $188.8 million.

At the time when the Budget was presented, the Estimate was revised downward to $184.25 million but based on the performance up to the time the figures were compiled by the Budget and Management Services Unit, based on information provided by the Treasury Department, there were indications that up to today the revenue to be collected would have been $191.875 million. We have to bear in mind that is not necessarily the exact figure because the compilation of this document would have started over a fortnight ago.

So, when we look at that, Mr. Speaker, we see the difference between the Annual Planning Estimates, which was the Budget presented in this House of $184.245 million, and what has been revised by the Treasury Department of $191.875 million that gives a difference of $7.63 million. This is what is being talked about.

Now when we take this figure, in order to see a breakdown of this we now go to page 149 of the Annual Plan and Estimates and following the principles as I have just explained in terms of the three columns, we can see the breakdown of the $184.245 million at the time the Annual Plan and Estimates were provided and also the revised forecast.

It gives you on an individual basis the comparison between the figures. This will have to be deduced in terms or arrived at taking one from the other but gives a breakdown of that.

We now revert to page 133. We see the same thing with expenditure. At the time the Strategic Policy Statement was tabled in this Honourable House there were indications that expenditure would have been $144.453 million.

That was revised downward at the time of presenting the Annual Planning Estimates and it then became $141.141 million. Now, based on expenditure trends and taking into account the information flows from all the Departments flowing into the Treasury Department, there are indications that up to today the expenditure of Government would be $137.202 million.

Now if we look under the original Annual Plan and Estimates, if we take the revenue that was forecasted of $184.245 million and we deduct the operating expenditure of $141.141 million this gave an operating surplus of $43.104 million.

But when we look in terms of the revised position, we see that the operating surplus taking $137.202 expenditure from forecasted revenue of $191.875 gives a difference of $54.673 operating surplus and this is how this figure has been arrived at.

Now if you take the $43.104 which is the operating surplus that was forecasted in the Annual Plan and Estimates from the revised figure of $54.673 million then you arrive at the difference of $11.57 million.

Mr. Speaker, before we get to that if we again revert to page 149, it can be seen there the operating expenditure figure according to the Annual Planning Estimates it is the second set of figures from the bottom, $141.14 million and it gives the breakdown of this in terms of the expenditure column and it makes the comparison between the forecast of $137.202 and this again is the forecasted or revised expenditure figure according to the Treasury that will be spent up to the end of June but the breakdown is provided here.

Mr. Speaker, then we go into the area of net asset activities. We find we can see the figures that are there and at the time the Annual Planning Estimates gave an indication that the value of net asset activities would be in the region of $21.061 million. That is the bolded figure appearing under the net advance activities and net deposit activities and I am going to show Members how these figures have been arrived at.

When we look in terms of the forecast through the end of the year, this amounts to $17.93 million. When you take the $17.93 million from the $21.061 this is what gives the favourable position of $21 million. So when you take the $17.953 from the $54.673 immediately proceeding that the bold figures up top being the operating surplus, then you have the operating surplus before financing of $36.735.

When you take the $36.735 the operating surplus before financing and you take into account the borrowing of $28.358 million. These two figures when added together gives you the total of $65.093 million and the breakdown of this to show the comparison, I would refer the Honourable Member and others, it follows the same figures but this gives a total. You can see what is happening on page 138 of the Annual Planning Estimates in Table 8.

When we go down to the $65 million now, Mr. Speaker, then we have got cash balance opening, a balance of $12.96 million and we have got the net movement in cash which is the $65.093 as I mentioned earlier gives a total of$78.053 million.

The Honourable Member and others will notice that there is an asterisk or a little *i* which cross-references this total to page 150.

When we go to page 150 we see a statement that is now called the Revised Financing & Reserve Statement and in this it shows the forecast cash balance again, operating surplus, the net balance sheet activity coming up with a forecast closing cash balance of $78.051 million.

However, that table then goes on to show a breakdown of the $78.051. It shows cash balances held on restricted cash balance, $16.104 million. If

Honourable Members will recall this is the figure that appeared in the Annual Planning Estimates for the 2003—2004 as a part of the financing that would be required under the making of the financing. That is referred to as the General Bank Balance.

Then we have got the Restricted Cash Balance, we have got the General Reserves of $28.337 million. We have got other reserves, $3.318 million and we have got fund balances. The fund balances, if we were to look at the table to the right, the sum of all of those balances there amount to $13.972 million.

The $3.318 that would be like the Student Fund Reserve, the National Disaster Fund and these reserves have all been aggregated to arrive at this $3.318 million. The restricted balances give a total of $45.627 million.

So, when we take this $45.627 million there are now what we call Deposit Accounts. These are monies such as Immigration fees—these are not monies that are going to Government. These are funds belonging to a third party and it says "funds held on behalf of a third party: Third party $16.320". This is normally a rolling fund balance. It is not that the Government will have to pay this out tomorrow but it was felt that it was necessary to identify this sum of money as belonging to third parties.

What we have done here, Mr. Speaker, previously and under the arrangement, we would not only have the deposit but we would also have the advances. However, as I mentioned earlier, we have decided to treat the advances as receivable balances instead of a cash balance. So this is a composition of the $78.051 million.

The Honourable Member has made a point that with the complexity of these documents, it will take some time really, because not all of the information is centred in any one place. It is a new process and we are working at it. As we hear the concerns raised by Honourable Members, we are fine-tuning the documentations, also the information is up on the website immediately.

It is difficult to go to any one paragraph or any one page and glean a complete understanding of what all of these balances mean. You have to cross-reference. These cross-references are necessary just like when you are looking at a set of financial statements from any private sector organisation. However, given the importance what this means for the country and the fact that we would not want anyone to draw the wrong conclusion as to what these figures mean, it is necessary for us to take into account what is rendered as constructive criticism and use that to refine the information as we go forward.

Mr. Speaker, I would also want to draw the Honourable Member's attention to page 141 of this document. He raised another point earlier where there could be some surreptitious attempt—and I do not take it as a criticism on his part. He mentioned that there could be the case where an output that should be properly classified in the Budget document may be misrepresented—knowing that in terms of this output this is what is intended to be pursued or to be achieved. However, in order to (I am paraphrasing what I think he would have said) make a presentation in the Budget and (probably to put it more favourable) to put forward that output in a different disguise and then pursue the original output as planned.

Mr. Speaker, I do trust that no Government of this country would ever do something like that. For the reason the Budget document is so important, we will not present to this Honourable House at any point in time (whether it is me or any other person) a perfect set of documents. However, where it is known that a specific output or activity is to be pursued but it is felt that it is much better if it is disguised and presented in another form to get acceptance, yet pursue what was originally planned, this would take collusion on the part of Ministers of Government working together with a Finance Minister or the Financial Secretary or whoever is there and I do trust, Mr. Speaker, that something like this will never be done.

However, one of the things that should always be borne in mine, Mr. Speaker, and with the best intentions in the world, the Budget document as presented will always be a set of estimates. There will be cases where the Government cannot accurately predict when certain expenditures or certain events are going to occur, thus requiring expenditures outside of the budget.

Now this was anticipated and I think this is why this Honourable House took the view to give certain flexibility to the Chief Officers and also Executive Council to vary the outputs and outcome subject to timely reports being made to this Honourable House.

Mr. Speaker if we were to go back to page 133 and take a quick look at what we see there, we will see that the operating expenditure which was set out in the Annual Plan and Estimates, amounted to $141.1 million, but the revised position of $137.202 takes into account $3 million less than the Annual Plan and Estimates and takes into account the Supplementary Appropriation Bill that we have got in front of us.

Mr. Speaker, when we add the figures in the Supplementary Appropriation Bill, we find that everything amounts to about $23 million, but it would not present an accurate figure and this is why totals have not been given to say that approval is being sought for $23 million.

If we were to go to page 141 again and we were to look at, for example 1EA1, we take the original Budget of $265,904; we add the Statutory Expenditure of $17,878; and we less what is referred to as the unspent portion $35,445. We see that the revised total for this output is $248,337 which is less than what was originally approved in the Annual Plan and Estimate which is the $265,000+ and the $17,000+. So when you add these two together you are looking at about $290,000.

We then go down, Mr. Speaker, and we take for example item IEA 22 which is Investigation of Crime. We have got the statutory provision of $317,095 and we see where the original approval was $3,521,190 but there seems to be an under-spend of $2,071,924 so the net expenditure is $1,776,000.

Now if we were to stop there, Mr. Speaker, again it would not present a fair position. It would not allow for the right conclusion to be drawn and this is where this type of transparency is very useful because again when we go a bit further up, Mr. Speaker, we see for example under IEA 19 Police Patrolling, the original approval was $566,425, the Statutory Expenditure $45,997, but we see where there is an additional appropriation of $1,799,540.

Now because of the fact that Chief Officers and Chief Financial Officers have got the ability to move funds between outputs, we can see that this section—monies that were placed under investigation of crime—the Chief Officer and Chief Financial Officer together with the Ministry took the view that a better output classification for this, or the bulk of this expenditure, would be under the area of police patrolling. So, this is what is happening.

As we continue to do this, we will find that these variances will become much smaller and less frequent as we progress in future years. However, this was the first budget that was presented on that basis Mr. Speaker, and when you add up all of these (what appear to be savings) they must obviously have exceeded the Supplementary Appropriation Bill. If that had not been the case, we would not have been saying today that there is going to be an under-spend of $3 million on what was budgeted.

So, this information needs to be looked at very carefully, Mr. Speaker, before the wrong conclusion in order to arrive at the right conclusion as to what has been taking place.

Mr. Speaker, what we have here are not just figures that have been taken up and put down willingly. These are figures that are flowing from the Chief Financial Officers within Ministries and Portfolios working together with the Portfolio of Finance and Economics and whenever variations are to be made within the Authority—allowed for in law—these are brought to Executive Council for approval.

Mr. Speaker, the ICT Authority: the Honourable Member has raised a good point, for example: we have got coercive revenue. Coercive revenue, Mr. Speaker, is anything that is authorised in law, for example customs import duty.

Customs import duty, these are fees in law that are payable to the Government. They are coercive. Let us say, Bank licences—but that would not be the case with the Water Authority. The Water Authority provides a service; so the monies that the Water Authority collects are for services rendered. The same with the Health Services Authority and the Port Authority.

Now with the ICT Authority, this is where it is being looked at in order to try and break out the fee. There is an exercise on the way at this time to determine what portion, or what aspect of the fee would relate to services provided as against what is coercive. Take for example, the monies that people are by Cable & Wireless that is quite a substantial sum on an annual basis. Surely that could not be regarded for services rendered so it was felt that because of the fact that the ICT (Information, Communications and Technology) Authority, when it was set up in the first instance the way the Law was drafted, the Law proceeded the finalisation of the Public Management and Finance Law, so there were certain provisions in the ICT Law that revenues derived should flow to the Authority.

However, when we put in place the Public Management and Finance Law, we realise that that could not have remained because had that remained then this could create a distortion to the process. So this is why this distinction has to be made.

Wherever fees are earned for services provided, that is revenue to the Authority. Wherever the Authority collects a fee on behalf of the Government, a fee that is in law has to be paid. It should be quite evident in terms of what these fees are, for example: a Category A Banking Licence which varies between sums of money that are quite substantial. This could not be regarded by the Monetary Authority as fees being collected for services provided.

In this instance this is why the Budget of the Monetary Authority is included as a part of the operating expenditure and these monies are paid over. Whereby, from the Water Authority at the end of the day if there is a surplus and a determination made that a dividend should be paid to the Government, this is how monies are paid over.

The formula is not a standardised one. Each one will have to be varied according to the specific circumstances. However, there is legislation that is now being drafted in order to provide an overall framework for all of the Authorities to operate within constraints that are reasonable and necessary for their economic existence.

Thank you, Mr. Speaker.

The Speaker: The question is that a Bill shortly entitled, Supplementary Appropriation January to June 2003 Bill 2003, be given with a Second Reading.

All those in favour please say Aye. Those against, No.

Ayes

The Speaker: The Ayes have it.

Agreed: The Supplementary Appropriation (January to June 2003) Bill 2003 given a Second Reading.

Motion to Suspend Proceedings

The Speaker: Could I now have a motion for the suspension of proceedings?

Hon. W. McKeeva Bush: Mr. Speaker, it has been agreed that this Honourable House will rise to await the arrival of his Excellency the Governor to present Instruments of Appointment to the Leader of the Government and the Leader of the Opposition.

The Speaker: The question is that the House do rise to await the arrival of His Excellency the Governor to present Instruments of Appointment to the Leader of the Government and the Leader of the Opposition.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it. Proceedings are hereby suspended.

Agreed: That the House do rise to await the arrival of His Excellency the Governor to present Instruments of Appointment to the Leader of Government and the Leader of the Opposition.

Proceedings suspended at 12.20 pm

The Procession

The Serjeant-at-Arms
The Honourable Speaker
His Excellency the Governor
The Clerk
The Deputy Clerk

Invitation by the Speaker

The Speaker: I now invite His Excellency the Governor to make his presentation to both the Leader of Government (to be) and the Leader of Opposition (to be) constitutionally formed today. Please be seated.

I should wish to clarify that the Instrument will be dated 27 June 2003 but it will be presented obviously today 30 June 2003. Hence the disparity and the dates on the Instruments.

It is now my great pleasure on this historic occasion to invite His Excellency the Governor to do the said presentation. I would ask both Members to stand.

PRESENTATION OF INSTRUMENTS OF APPOINTMENT OF LEADER OF GOVERNMENT BUSINESS AND LEADER OF THE OPPOSITION

Appointment of (first) Leader of Government Business

His Excellency Mr. Bruce H. Dinwiddy: In exercise of the Powers conferred upon me by Sub-section 1 of Section 5A of the Cayman Islands Constitution Orders 1972-2003 and of all other Powers in that regard enabling, I Bruce H. Dinwiddy, CMG, Governor of the Cayman Islands, do hereby by this Instrument given under my hand and the public seal, appoint you, the Hon. W. McKeeva Bush, OBE, JP, to be the Leader of Government Business.

The Speaker: I now invite the Honourable McKeeva Bush to approach the Clerk's dais.

Appointment of (first) Leader of Opposition

His Excellency Mr. Bruce H. Dinwiddy: To the Honourable Darwin Kurt Tibbetts, JP, Greetings. In exercise of the powers conferred upon me by Sub-section 1 of Section 24A of the Cayman Islands Constitution Orders 1972-2003 and of all other powers in that regard enabling, I, Bruce H. Dinwiddy, CMG, Governor of the Cayman Islands, do hereby by this instrument given under my hand and the public seal appoint you, the Honourable Darwin Kurt Tibbetts, JP, to be the Leader of the Opposition.

The Speaker: I now invite the Honourable Mr. Kurt Tibbetts to approach the Clerk's dais.

Please be seated. This being the most historic occasion, I will recognise both Leaders. Firstly, the Leader of Government, secondly, the Leader of Opposition should they wish to make brief remarks.

The Leader of Government.

Hon. W. McKeeva Bush: Thank you very much, Madam Speaker. Today is an auspicious day and it is a profound day in the course of our history. I hasten to say it is a day that should have taken place in 1993-1994 for that was the way I foresaw our constitutional development.

Madam Speaker, Your Excellency, and Honourable Members, we live in a great little country! We have made mistakes in the past; we have had shortcomings; we will probably make mistakes in the future and fall short of our own best hopes. However, I can say here like the old Jamaican festival song, *"there is no better place than yard".* I can rephrase that for you, Your Excellency: There is no better place than the Cayman Islands to live. You can call me selfish, you can call me conservative or reactionary, or perhaps use any other harsh adjective you see fit to apply but I was born a Caymanian. A Caymanian! I have remained here all my life; I can never be anything else but Caymanian.

I must at all times think of these Islands first in any arrangement. I have never had but one oath of allegiance: that should not, nor will I ever divide it, ex-

cept, Your Excellency, that I do have a party (United Democratic Party) of which I have been elected as the leader. I bear that in my mind at all times but first comes the interest of the Cayman Islands.

My party (UDP) is one that has been formed and has been voted into force constitutionally by all our members. I am proud of it because we have come a long way in this country. I do believe that the majority of people are accepting the way forward—constitutional development as well as party politics development.

Winston Churchill said *that the destiny of man is not measured by material computation. When great forces are on the move in the world, we learn we are spirits not animals. He said that there is something going on in time and space and beyond time and space which, whether we like it or not, spells duty*. We do have a duty. We have a rendezvous with destiny, I believe. We will preserve for our children and their children, and their children, and theirs, these little Islands or we will sentence our posterity to take the last step into a thousand years of darkness. We will keep in mind that our people have faith in us; they have faith that we have the ability and the dignity and the right to make our own decisions and determine our own destiny in their best interest.

Your Excellency, and Madam Speaker, in the future days which we seek to make secure, we look forward to a world founded upon at least three essential human freedoms. The first is freedom of speech and expression—everywhere in the world—but we stand here in this House, in these Islands and we want our administrators afar off to understand that our wishes in this House, at this time, in these Islands, should stand fast and hold fast with them.

Secondly, the freedom of every person to worship God in his own way; everywhere in the world; and in these Islands; at this time.

Thirdly, freedom from *want,* which, when translated into world terms and closer to our terms, means economic understandings which will secure to every person a healthy, peace time life. That is no vision of a distant millennium; it is a definite basis for a kind of world attainable in our own time and in our own generation.

Sir, I hope that these words are written on your heart as they are written on mine. I would ask that these words here be imparted to those administrators afar off.

I thank you, Sir, for your kindness and likewise the Honourable Speaker of this Honourable Legislative Assembly, my colleagues, elected and non-elected for we are all part of one thing and that is the best interest of these our Cayman Islands.

The Speaker: Thank you, Honourable Leader. I will now recognise the Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you, Madam Speaker.

Your Excellency, my colleagues in the Legislative Assembly, and the wider listening audience, while I am very proud to accept this appointment, from the onset I wish to state that I accept it with great humility. I have always deemed it a sacred privilege to be a representative of the people of this country regardless of where I find myself—whether in Government or in Opposition. Certainly one has to look at that privilege as something that is sacred. I accept that appointment, Your Excellency, with humility, as I said.

Certainly, as the Honourable Leader of Government Business referred to his Party, I must say that I am very grateful for the confidence that has been proposed in me by my colleagues in the Opposition and also, to this point, the members of the People's Progressive Movement.

The country, as we know, has experienced some rapid changes in our political history. Although not every one of our citizens is quite yet comfortable with the move forward, I believe that as we move forward the people in the country must be circumspect; they must be able to come together in order to advance.

What is of absolute importance to me and to the group that I represent is to ensure that, while we recognise this need to move forward, certainly and absolutely most importantly, we must ensure that the people are part of that process and that they have knowledge of it. We must ensure that they understand what the options are that we may have. As representatives, in putting forward our positions, either through you, Your Excellency, to the Foreign and Commonwealth Office, or to any other external agency, we need to ensure that those positions reflect the wishes and aspirations of the majority of the people of this country.

We have here the Government and the Opposition, and while there will always be the usual profiles the Opposition's role here, as I see it, must reflect a level of responsibility. While we are the checks and balances for the Government, so to speak, at the same time we do recognise that we must be fair in our presentations. We must accept our inherent responsibility of ensuring that any positions that we put forward are informed and will help to allow the people of this country not only to be part of the process, more so than ever before, but also that they understand the country's affairs.

Madam Speaker, I am grateful for your facilitating this affair. I must admit that while I had only recent knowledge that this was going to happen, I was not really shocked, I do not think anyone knew about this for very long. This is a very, very important occasion in the history of this country. Notwithstanding, the fact that it clearly defines the lines of Government and Opposition at this point in time, I am confident that as we move forward the Members of this Legislative Assembly have the ability and the commitment to live out

their roles and certainly ensure that we bring about a better result from having been a part of the process.

I wish to thank you again, Sir, and to give the Opposition's commitment to fulfil its role to the best of our ability and to be responsible in our actions regardless of whether we are in agreement with you, the Government, or both, or not.

Some Honourable Members: Hear, hear!

The Speaker: Thank you, Honourable Leader of the Opposition. Before calling for the Motion of the adjournment, I will recognise His Excellency the Governor who wishes to address the House at this time.

His Excellency the Governor: Thank you, Madam Speaker and Members of the Legislative Assembly. I would just like to say to the Honourable Leader of Government Business and the Leader of the Opposition, how much I appreciate their two statements. I have, of course, noted them carefully. I thank you all for attending this historic occasion today. Thank you.

The Speaker: Thank you, Your Excellency.

For the record, the Chair would also wish to clarify that notice was short, but so be it. I was informed at 10 o'clock this morning and it was no direct intention of His Excellency the Governor, but we thought it was necessary to expedite such an important occasion. We trust that as the Hansard typists records it, that all and sundry would take an opportunity to share this record with members of their constituencies, in particular our schools as they embark on social education within our country. I believe that this will be a day that will long be remembered in the journey towards a more successful Cayman Islands.

I thank you. It is my pleasure to recognise the formalised Leader of the Government for the suspension for the luncheon break. I have also given permission in advance to any member of the press who may wish to capture this occasion with His Excellency or with the two new constitutional Leaders or any other Members of Parliament, as the press would so desire.

Honourable Leader of Government—

[Pause]

The Speaker: If it is convenient we will now suspend for the luncheon break until 2.30 pm.

Presentation concluded at 1 pm

Proceedings resumed at 3.05 pm

GOVERNMENT BUSINESS

Budget 2003 (Half) Supplementary Annual Plan and Estimates for the Government of the Cayman Islands for the Six Month Financial Year ending 20 June 2003

The Speaker: Please be seated. Proceedings are resumed. The question being put on the Second Reading of the Supplementary Appropriation (January to June 2003) Bill 2004, the House will now go into Committee.

The question is that the proceedings of the House will remain in a suspended state until the conclusion of the Finance Committee.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 3.06 pm the House stood in a suspended state until the conclusion of Finance Committee.

OFFICIAL HANSARD REPORT
MONDAY
30 JUNE 2003
6.50 PM

Twelfth Sitting

The Speaker: Proceedings are resumed.

I invite the Honourable Minister responsible for the Ministry of Education, Human Resources and Culture to grace us with Prayers.

PRAYERS

Hon. Roy Bodden: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

The Speaker: Please be seated.

Proceedings resumed at 6.52 pm

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies from the Honourable Minister responsible for Community Services, the First and Second Official Members, the Honourable Leader of the Opposition and the Second Elected Member from the district of George Town.

My colleague and I wish to extend apologies to the Spott Bay Primary School whose graduation we will not be able to attend tonight because of our official commitments.

GOVERNMENT BUSINESS

BILLS

REPORT ON BILL

The Supplementary Appropriation (January to June 2003) Bill, 2003

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Thank you, Madam Speaker.

I beg to report that the Standing Finance Committee met to consider the Supplementary Appropriation (January to June 2003) Bill 2003 and approved the Bill subject to the following amendments—

1. By deleting item NGS 19 – Community Development and Beautification Programmes in the sum of $1,336;

2. By deleting item NGS 35 – Central George Town Community Programmes in the sum of CI$264,438;

3. By deleting item NGS 36 – Sports Ambassador Programme in the sum of $7,263; and

4. By deleting item NGS 37 – Refugee Relief Services in the sum of CI$22,883.

The Speaker: The Bill has been duly reported and is set down for Third Reading.

The Honourable Third Official Member.

Hon. George A. McCarthy: Madam Speaker, I beg to move Standing Orders 47 . . .

The Speaker: Honourable Member, may I interject?

On perusing the Order Paper it has come to my attention that this was a scrivener's error and that we are into a new Sitting albeit the same day. Therefore, it is not necessary to suspend Standing Order 47.

The Third Reading, Madam Clerk.

THIRD READING

The Supplementary Appropriation (January to June 2003) Bill, 2003

Hon. George A. McCarthy: Thank you, Madam Speaker. I beg to move that the Supplementary Appropriation (January to June 2003) Bill, 2003, be given a third reading and passed.

Suspension of Standing Order 10(2)

The Speaker: Thank you. Before putting the question I recognise the Honourable Leader of Government to move the suspension of Standing Order 10(2) seeing that the hour of interruption has passed, to allow this business to continue.

Hon. W. McKeeva Bush: Madam Speaker, I move the suspension of Standing Order 10(2) in order to take business after the hour.

The Speaker: Thank you. The question is that Standing Order 10(2) be hereby suspended to allow business to continue beyond the hour of interruption.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Standing Order 10(2) suspended to allow business to continue beyond 4.30 pm.

The Speaker: I will now put the question that a Bill shortly entitled The Supplementary Appropriation (January to June 2003) Bill, 2003, be given a third reading and passed.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: The Supplementary Appropriation (January to June 2003) Bill, 2003, given a third reading and passed.

ADJOURNMENT

The Speaker: I recognise the Leader of Government for the adjournment motion.

Hon. W. McKeeva Bush: Madam Speaker, before I move the adjournment allow me to say that the process that we went through today was one of supplementary expenditure and we had to go into Finance Committee for that.

The 2003 Half Year Budget for the six-month period that ends today was passed in November 2002. We were today in Finance Committee to seek approval for supplementary expenditures on certain outputs. This is what the Government is obliged to do. Counter-balancing that we have had under-spendings on certain other outputs, when we put all the outputs together the savings on outputs are greater than the supplementaries being requested today.

The overall effect is that even after the supplementary requests are taken into account, the expenditures for the six-month period to the 30 June 2003 will be less than the original budget expenditure that was passed last November. Madam Speaker, I thought it appropriate to put that on record. I thank you very much.

I now move the adjournment of this Honourable House for a date to be fixed.

The Speaker: The question is that this Honourable House be adjourned for a date to be fixed.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 7 pm the House stood adjourned until a date to be fixed.

OFFICIAL HANSARD REPORT
WEDNESDAY
16 JULY 2003
10.44 AM

Thirteenth Sitting

The Speaker: I will invite the Honourable First Official Member to grace us with prayers.

PRAYERS

Hon. James M. Ryan: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.

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

Proceedings resumed at 10.47am

ADMINISTRATION OF OATHS OR AFFIRMATIONS

Oath of Allegiance

By Mr. Samuel W. Bulgin, Esq.

The Speaker: Please stand.

Hon. Samuel W. Bulgin: I, Samuel Washington Bulgin, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth ll, her heirs and successors according to law so help me God.

The Speaker: On behalf of this Honourable House I wish to welcome and congratulate the newly appointed Attorney General in and for the Cayman Islands. I trust you would have a most uneventful yet happy and successful three-year tenure.

Please be seated.

Honourable Members, seeing that this is a most historic and long-awaited day I would like, at this time, to invite the Deputy Leader and the Leader of Opposition to say brief remarks by way of congratulations to the Honourable Second Official Member.

Hon. Linford A. Pierson: Madam Speaker, I believe that the appointment of the Honourable Samuel Washington Bulgin is an indication that these Islands have matured beyond expectation.

For many years we have been wishing to have our own Attorney General. I say our own Attorney General because not only is Sam married to a Caymanian but he is a Caymanian in his own right. It gives me much pleasure this morning to be able to welcome him not only as Attorney General but indeed welcome him into the Caymanian family.

I know that Mr. Bulgin will do a sterling job as he has done in the past. It has indeed been a pleasure to work with him during his acting capacity and even prior to that while he served as Solicitor General.

I do believe that this country will be well served by having Mr. Bulgin as our legal advisor in the Cabinet of the Cayman Islands. Not only will he be available for advice in the Cabinet but, as we know, the Honourable Samuel Bulgin is easily available to most of us when we need him for legal or other advice. I believe I share the sentiments of the other Members, my colleagues in Cabinet, when I say that these Islands are indeed fortunate to have someone of the calibre of Mr. Samuel Washington Bulgin, the Honourable Attorney General, to serve us in the capacity of Legal Advisor.

Mr. Bulgin, we welcome you into the family of the Cabinet and, indeed, in this Honourable House and we feel sure that our trust in you will in no way be misplaced.

Thank you, Madam Speaker.

The Speaker: Thank you, Honourable Deputy Leader. The Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you very much, Madam Speaker. On behalf of the parliamentary Opposition I would like to extend congratulations to our new Honourable Second Official Member.

On a personal note, I have had the privilege and pleasure of working with our new Attorney General for the past ten years, since his arrival here, in various capacities. I have always found the goodly gentleman to be very affable but very studious and he has always displayed an ability to have on hand, at any given time, whatever knowledge is required.

I wish to say, like the Deputy Leader of Government Business, it certainly is a proud moment for us to be able to say that our Honourable Second Official Member, the Attorney General, is a Caymanian Attorney General and I think that bodes well for the future. I also believe that it is fair comment to say that the holder of this post, Mr Bulgin, as he has done in the past, will certainly contribute much to the development of these Islands as principal legal advisor to the Government.

I would like to say to him here and now that while there is no allocation for extra salary the Opposition would expect the same courtesies extended whenever we need so.

Again, Madam Speaker, we wish to congratulate Mr. Bulgin and look forward to very, very fruitful working relationships with him in this Honourable Legislative Assembly.

The Speaker: Thank you, Honourable Leader of Opposition. Madam Clerk.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received notice of apologies for the late arrival of the Honourable Leader of Government Business, the absence for the Minister of Community Services, the Minister of Education, the Member for Cayman Brac and Little Cayman and Elected Member for East End. That concludes the list of apologies.

PRESENTATION OF PAPERS AND OF REPORTS

Cayman Islands Monetary Authority 2002 Annual Report

The Speaker: I recognise the Honourable Third Official Member.

Hon. George A. McCarthy: Madam Speaker, I beg to lay on the Table of this Honourable House the Cayman Islands Monetary Authority 2002 Annual Report.

The Speaker: So ordered.

Does the Honourable Member wish to speak thereto?

Hon. George A. McCarthy: Thank you, Madam Speaker. During the year 2002 the Monetary Authority continues to contribute the enhancement of the financial industry and play a role in the international fight against money laundering and terrorism.

In February the Cayman Islands underwent a second round of review of its anti-money laundering framework conducted by the Caribbean Financial Action Task Force (CFATF). The resulting report concluded that the commitment and resolve of the Cayman Islands Government to preserve the reputation of the jurisdiction and safeguard the financial services sector was unmistakeable. The report also noted that the institutional framework appeared robust and extensive and that the level of private sector collaboration and awareness on money laundering issues was very high. These observations are commendable and demonstrate the commitment of the Cayman Islands Government and its people to a regulatory regime that meets international standards as long as it is cost effective and relevant.

Throughout the year the Monetary Authority maintained its presence on the global stage through attendance and participation in leading international events and working parties. The Monetary Authority was represented at the Offshore Group of Banking Supervisors (OGBS) the working group on cross-border banking, the Offshore Group of Insurance Supervisors (OGIS), the recently formed working group on trust and company services providers, the CFATF and the overseas territories regulators. Participation in such groups is instrumental in ensuring that not only do the Cayman Islands keep abreast of the current offshore international developments but that they continue to play an active role in the international regulatory developments.

A significant focus of the Monetary Authority was the preparation for operational independence, which became effective on 10 March 2003. Operational independence places decision-making into the hands of the board of directors of the Monetary Authority. It is anticipated that these changes will help increase the efficiency of the licensing process and increase the responsiveness of the Monetary Authority to the needs of the financial services industry. The regulatory mandate of the Monetary Authority has been widened to include securities investment business following the introduction of two orders under the Securities Investment Business Law. Responsibility will rest with the investment division.

During the year the Monetary Authority continued in its partnership with the industry most notably through the continuation of the policy project that commenced in 2001. The consultation process was extensive and resulted in a plethora of guidelines and policies being issued. Five of the twenty-six policy guidelines issued to the industry for review were formally approved and posted on the Monetary Authority's website.

Moving on, the financial statements included in the report were audited by the Auditor General in accordance with the provisions of sections 35(2) of the Monetary Authority Law (2001 Revision) and section 45(1) of the Public Finance and Audit Law (1997 Revision). The annual financial statements of the Authority as at 31 December 2002 are shown on pages 46 to 57 of the annual report. Among the highlights are total assets of $63 million. This includes $67.2 million of currency reserves representing investment and current call and fixed deposits. Total liabilities of $53.1 million include $51.6 million of demand liabilities for currency in circulation that are fully secured by the currency reserve assets as required by section 28 of the Monetary Authority Law (2001 Revision).

Total reserves and capital are now $15.2 million and the general reserve is now maintained at 15 per cent of demand liabilities as required by sections six and eight of the Monetary Authority Law. The general reserve requirement increased by $40,000. Net income for the year was $2.1 million. With respect to movements in statutory reserves the board approved a transfer of $80,000 to the currency issue reserve to provide for future currency reprints. Approval was also given for the transfer of $530,000 to the paid-up capital account. After satisfying these statutory requirements the Authority was still able to exceed its budgetary target by transferring $1.3 million to the general revenue of the Cayman Islands Government.

As part of the independent process, Madam Speaker, I stepped down as chairman of the board of the Monetary Authority and I would like to take this opportunity to welcome my successor, Mr. Michael Austin, who has been a member of the board since the Authority's inception in 1997.

In addition, I would like to extend a warm welcome to new board members, Mr. Linburgh Martin, Dr. Richard Rahn, Mr. Timothy Ridley, Ms. Leticia Solomon, Mr. Don Seymour, Senator James Kellehar, Sir Alan Traill and Dr. Warren Coats. I would also like to congratulate Mrs. Cindy Scotland, general manager and head of currency operations at the Monetary Authority on her appointment to the position of managing director.

I would also like to congratulate the staff of the Monetary Authority for the excellent work that they have been performing since its inception. Sincere thanks is given to outgoing board members namely, Mrs. Jennifer Dilbert, who also served as interim managing director from January to June, Mr. Arthur Hunter, Mr. Peter Tomkins, and long-serving director Mr. Richard Chalmers who has served on the board since 1997.

With the addition of the five new appointees in 2003, the board is now at its full complement and comprised of a wealth of both national and international experience. I would also like to thank all the staff of the Monetary Authority once again for their commitment and hard work over the past years and wish the Monetary Authority success in future endeavours. Thank you, Madam Speaker

The Speaker: Thank you, Honourable Member.

Environmental and Cancer Study
(Deferred)

The Speaker: I recognise the Honourable Minister responsible for Health Services, Agriculture, Aviation and District Administration.

Hon. Gilbert A. McLean: Thank you, Madam Speaker. With the permission of the House I would like to defer the laying of this study today and have it on tomorrow's Order Paper.

The Speaker: The question is that the paper entitled Environmental and Cancer Study be deferred and placed on the Order Paper for tomorrow.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Environment and Cancer Study deferred for tabling until the next Sitting.

The Health Insurance (Amendment) Regulations 2003

The Speaker: The Honourable Minister responsible for Health Services, Agriculture, Aviation and District Administration.

Hon. Gilbert A. McLean: Madam Speaker, I beg to lay on the Table of this Honourable House the Health Insurance Law 1997, the Health Insurance (Amendment) Regulations 2003.

The Speaker: So ordered.

Does the Honourable Minister wish to speak on the said paper?

Hon. Gilbert A. McLean: Madam Speaker, I would defer speaking at this time to the point when I move the Motion that relates to it. Thank you.

The Speaker: Thank you.

QUESTIONS TO HONOURABLE MINISTERS AND OFFICIAL MEMBERS

Suspension of Standing Order 23 (7) and (8)

The Speaker: I will call upon the Leader of Government to move Standing Order 23(7) and (8) to allow Question Time to begin and continue beyond the hour of 11am.

Hon. W. McKeeva Bush: Thank you, Madam Speaker. I move the suspension of Standing Order 23(7) and (8) in order that Question Time may continue beyond 11am.

The Speaker: Thank you. The question is that Standing Order 23(7) and (8) be duly suspended to allow Question Time to continue beyond the hour of 11am.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 23(7) and (8) be suspended to allow Question Time to continue beyond 11am.

The Speaker: I recognise the Second Elected Member for George Town.

Question No. 42
Deferred 30 June 2003

No. 42: Mr. Alden M. McLaughlin, Jr. asked the Minister responsible for the Ministry of Planning, Communications, Works and Information Technology what is Government's policy with respect to the hiring of vehicles for the use of Government departments or employees, and what amount has Government paid for hire of vehicles since 1st November 2001?

The Speaker: The Honourable Minister responsible for the Ministry of Planning, Communications, Works and Information Technology.

Hon. Linford A. Pierson: Madam Speaker, the amount spent by the Department of Vehicle and Equipment Services on car hire between 1st November 2001 and 15th January 2002 was $45,356.15.

Although the breakdown is not in the answer I would like to provide this to the Honourable Member and the Honourable House, and is as follows:

Health Services	$26,354.23
Public Works Department	$17,939.17
Finance Department	$664.87
Immigration Department	$335.08
Social Services Department	$62.80

On the question of the Government's policy, this service was decentralised on the 15th January 2002. From that time, any decisions taken or funds spent on vehicle hire are handled by the individual departments concerned.

Supplementaries

The Speaker: Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker.

The question asked what amount has Government paid for the hire of vehicles since 1st November 2001. I am not concerned about whether the service has been decentralised or which department has made what decision. The question is aimed at determining what the total cost of the Cayman Islands Government of hiring of vehicles since November 2001 is, and I would be grateful if the Honourable Minister could provide a complete answer.

The Speaker: The Honourable Minister responsible for Works.

Hon. Linford A. Pierson: Madam Speaker, it seems there is no way of satisfying that Member. I thought I was being useful by giving him the additional information. He asked what Government's policy with respect to the hiring of vehicles for the use of government departments or employees is.

In the second part of his question he asked what amount has Government paid for hire of vehicles since 1st November 2001?

There were two parts to the question and I gave him the answer. I said, **"Madam Speaker, the amount spent by the Department of Vehicle and Equipment Services on car hire between 1st November 2001 and 15th January 2002 was CI$ 45,356.15".**

I went on to give him a breakdown—even though it was not in the answer—which says, **"On the question of the Government's policy, this service was decentralised on the 15th January 2002. From that time, any decisions taken or funds spent on vehicle hire are handled by the individual departments concerned".**

I am not sure how I can answer his question anymore fully.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker.

I am happy with the response in so far as it goes, however the question addresses the period from 1st November 2001 until the present. There is a year and six months gap between the 15 January 2002 and today. Therefore, it is that 18-month period that I am asking the Honourable Minister to provide an answer for and he has not done so despite all of his ruminating.

The Speaker: The Honourable Minister responsible for Works.

Hon. Linford A. Pierson: Madam Speaker, I am not going to comment on the frivolous comments by the Second Elected Member for George Town because I wish for this Meeting to be conducted in a proper manner. I have no more information to give the Member. The service was decentralised. If he understands what that means; each department is responsible now for its own spending for vehicles and the various Ministers would therefore be responsible for those various departments. I do not have that responsibility. Therefore, I am unable to give him the answer since decentralisation has taken place.

The Speaker: Are there any further Supplementaries? The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, I guess I will have to accept that the Government is unable to say what the cost of hiring vehicles has been over that period.

The Speaker: Honourable Member, could you phrase that into a question?

Mr. Alden M. McLaughlin, Jr.: Yes, Madam Speaker. That was an observation so I will move on to the question. The first part of the question seeks to determine what Government's policy with respect to the hiring of vehicles is.

I note that the Honourable Minister has said in his substantive response that the service has been decentralised however he has not addressed the fundamental point of the question, which is: What is Government's policy regarding the hiring of vehicles? Is it Government policy to hire vehicles rather than purchase new ones or additional ones when it is determined that the use of these vehicles is required on a regular and consistent basis? Or, is it Government policy now to reduce the number of vehicles which it actually owns and to resort to hiring vehicles to replace or to fill this need?

The Speaker: The Honourable Minister of Works.

Hon. Linford A. Pierson: Madam Speaker, if I wanted to be frivolous I would ask the Member to repeat that because it is a convoluted question. His substantive question to me is dealing with hiring of vehicles. Now he is talking about purchasing.

I explained to that Honourable Member that as of the 15 January 2002 this service has been decentralised. What that means is that the policy of Government has been changed from the central hiring of vehicles through the Vehicle and Equipment Services Department to where each individual department is now responsible for that service. It is that individual department that has to provide the answer.

Under the present output system of Government all departments are going to be responsible for their own expenditures and this will not be controlled from a central point. Thus, the purpose of the answer when I said this service was decentralised and that decentralisation was among the various departments using or needing the service. That Honourable Member cannot reasonably expect that I would have the information for every department of Government for which I do not have responsibility. I can only give him the answer for those departments that fall under my Ministry since this service has been decentralised.

If he wants to get that future information he can pose that as a substantive question or if he wishes for me to give him that in writing I will be prepared to give him what occurs within my Ministry. He would then have to ask the question to other Ministers to find out what occurs within their Ministries. That was the whole purpose of the decentralisation. I am not trying to not give him full information; I am giving him all the information, Madam Speaker, that I have available.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, I am grateful to the Minister for that response but again it has not addressed my question. The Minister is a Member of Cabinet and I would presume that he would be aware of what policy is set in Cabinet. I am seeking to determine what Government policy is with respect to the hiring of vehicles at a broad and Cabinet level. In other words, is it or is it not Government policy now to reduce the number of vehicles in fleet and resort to hiring? I do not believe I could be clearer than that.

The Speaker: The Second Elected Member for George Town; as I understand it the question you have posed does not have an inherent problem of clarity but one of jurisprudence and accountability.

In light of the fact of the changes within the finance of Government I cannot say that this question could relate to the Minister you are now directing that question to, for a number of reasons. He is not the

Leader of Government and cannot answer. Therefore, you would have to put that in a substantive question either to the Financial Secretary who is responsible for the finances or the Leader who is responsible for policies.

Are there any further Supplementaries? The Honourable Leader of Opposition

Hon. D. Kurt Tibbetts: Madam Speaker, thank you. I have listened carefully to my colleague and I have listened carefully to the Minister of Works. I have listened carefully to you and I crave your indulgence, Madam Speaker.

The Speaker: Is it a question or is it a comment on my ruling?

Hon. D. Kurt Tibbetts: It is going to be a question, Madam Speaker. Have no fear.

The Speaker: I do have a fear, Honourable Leader.

Hon. D. Kurt Tibbetts: That is just a way of speaking. Regardless of where policy emanates and who is answerable to the policy, the policy must trickle down. Even if the Minister is not directly responsible for that policy, in asking the Minister what Government policy is, obviously the line that the answer has taken would have to reflect on what the policy is whichever department it is. If the policy has been with regard to decentralisation and each individual department being responsible for its own hiring of vehicles they still have to live within a policy that affects the entire central Government.

Therefore, the question is asking what is Government policy regarding the hiring of vehicles. This means that any department or Ministry should be able to answer that question because it should be common throughout. That is the question, Madam Speaker.

The Speaker: With the greatest respect, Honourable Leader of Opposition, what you just made was a statement unless I am to understand that the last few words were intended to be a question.

Hon. D. Kurt Tibbetts: Certainly, Madam Speaker. I said that there must be a policy and it must be able to be answered. Since there has to be a policy for Government with regards to hiring, and it has to affect every Ministry and Department, if you would like me to be very clear my question then is: What is that policy with regard to the hiring of vehicles? That is what the question is.

If I may—because I do not think there is need for argument—I think the answer simply deals with what actually goes on and how it works; instead of one central body hiring vehicles for all departments now, the departments become responsible for their own hiring. However, the question in itself is not seeking as to how it works but what the actual policy with regards to vehicles is.

The Speaker: The Honourable Minister responsible for Works.

Hon. Linford A. Pierson: Madam Speaker, with due respect to the Leader of Opposition, and I do have respect for him, I am not sure that he clarified much more than what the Second Elected Member was trying to ask. The answer I gave is a full answer, a proper answer and it said that this service was decentralised. Now, if those two Honourable Members understand the workings of Cabinet, which I know one does, they would know that each Minister is responsible for a number of departments. It is impossible for with this size of the service for any one Minister, even the Leader of Government Business, to have all the details at all times of the various departments. This is why you have various Ministers and that is why the answer is that this service was decentralised.

I believe it would be unproductive for me to go further on this line; I do not have further information; I have honestly given all the information I can give; I do not know the motive for pursuing this matter although I have done as much as I can in providing the answer.

This service was decentralised on 15 January 2002. The Auditor General's Report will give the details in due course. This was done in 2002. The Auditor Generals' Report at the end of 2002 will show all of the details. There is no hidden agenda, no information is being held back from the Opposition, it is a very transparent system and it should be understood by all. I am amazed that it does not seem to be understood.

The Speaker: I will allow one more supplementary. The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, may I then ask the Honourable Minister what the policy is with respect to the hiring of vehicles in relation to his discreet Ministry?

The Speaker: The Honourable Minister responsible for Works.

Hon. Linford A. Pierson: Madam Speaker, the policy for hiring of vehicles is as it has been with the Vehicles and Equipment Services. It is the same policy but the difference is that each Ministry is now responsible for the various departments.

A case in point is where the policy before looked after every Ministry in Government. During the period from 1 November 2001 to 15 January 2002, the only department within that $45,365.15 group, that is, within my Ministry was the Public Works Department, which spent $17,939.17.

These details will also be broken down in the Auditor General's Report, I am sure, or Members will be able to get further details during the Public Accounts Committee, if they wish. Madam Speaker, this is the position and I do not see why this is creating such a furore.

I believe it is very clear and I have no further comments to make on that at this time.

The Speaker: Madam Clerk.

Question No. 49

The Speaker: The First Elected Member for George Town.

No. 49: Mr. D. Kurt Tibbetts asked the Honourable Third Official Member responsible for the Portfolio of Finance and Economics to give a report on the surplus/deficit position at 31 December 2002.

The Speaker: The Honourable Third Official Member responsible for the Portfolio of Finance and Economics.

Hon. George A. McCarthy: Thank you, Madam Speaker.

The General Revenue Fund's position as at 31 December 2002 was as follows:

The accumulated deficit as at 31 December 2002 was $227,369 and a surplus of $735,549 on the capital development fund.

The supporting details on the General Revenue Fund are as follows:

	CI$ JAN-DEC 2002
RECURRENT REVENUE	$307,727,428
LOAN PROCEEDS	758,547
TOTAL REVENUE	308,485,975
LESS PAYMENTS RELATING TO:	
Recurrent expenditure	(252,050,063)
Statutory expenditure	(49,922,936)
Capital acquisitions	(3,064,086)
Total expenditures	(305,037,085)
SURPLUS FOR 2002	**3,448,890**
LESS: TRANSFERS TO VARIOUS FUNDS:	
General Reserve Fund	(1,500,000)
Housing Guarantee Reserve Fund	(590,646)
National Disaster Fund	(400,000)
Student Loan Reserve Fund	(100,000)
Surplus after Making Transfers to Funds	**858,244**
Accumulated Deficit B/Fwd at 1st January 2002	(1,085,613)
Accumulated Deficit C/Fwd at 31st December 2002	(227,369)

The Capital Development Fund's activity during 2002 was as follows:

	CI$ JAN-DEC 2002
Transfers-in from other funds	4,145,389
Infrastructure Development Fund	2,580,000
Roads Fund	1,315,389
Environmental Fund	250,000
Loan Proceeds	10,107, 444
TOTAL INCOME	**14,252,833**
TOTAL EXPENDITURES	**(14,543,184)**
DEFICIT FOR 2002	**(290,351)**
Accumulated Surplus B/Fwd at 1st January 2002	1,025,900
Accumulated Surplus C/Fwd at 31st December 2002	**735,549**

The Speaker: Are there any Supplementaries?

The Honourable Leader of Opposition.

Hon. D. Kurt Tibbetts: Madam Speaker, please do not treat this as a supplementary. With the correction that the Honourable Third Official Member just made, if he goes to page 1 of his substantive answer, at the bottom, should that also be 2002 or should it remain as 2001?

Hon. George A. McCarthy: Madam Speaker, it should be 2002.

Supplementaries

The Speaker: Are there any Supplementaries? The Honourable Leader of Opposition.

Hon. D. Kurt Tibbetts: Thank you. Madam Speaker, could the Honourable Third Official Member state if in all of these figures given with regard to the surplus deficit position whether there was any consideration during the 2002 year for payments to the past service liability section of the Public Service Pension Fund, and if so, how much it was.

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Madam Speaker, I do not have that information at hand, however this would be a part of the payments under statutory expenditure that have been made. My apology, Madam Speaker, the amount paid out for past services liability during the course of the year was $10.2 million.

The Speaker: Are there any further Supplementaries? The Honourable Leader of Opposition.

Hon. D. Kurt Tibbetts: Thank you. Madam Speaker, I trust the Honourable Third Official Member would be able to answer this. Perhaps this is going outside the ambit of the question however if he can answer it I would appreciate it. This past service liability, if my understanding is correct, there is an actuarial review that is supposedly done every three years, I believe. I see the Honourable Member nodding his head in the

affirmative. Assuming that is correct, can the Member state when last was this review done and in general terms, in synopsis, what were the recommendations of that last review?

The Speaker: Honourable Leader of Opposition, could you please repeat that question again?

Hon. D. Kurt Tibbetts: Madam Speaker, I really do not wish to be rude, however. the Honourable Member seems like he quite understands it and he has the information available and he seems quite willing. I said earlier I know it was outside the ambit, I was only asking if he could answer. I know you are always courteous once the Members are willing to answer the questions.

The Speaker: Honourable Leader of Opposition, there is no doubt why you are the Leader of Opposition. Suffice to say that there is no necessity now for you to repeat the question in that you have confirmed that it was outside the ambit of the substantive question. That was the justification for me, out of abundance of caution, asking you to repeat it. As you are more amply aware there are two stages to a question; one stage being that the Chair approves it in accordance to existing standing orders and the second stage (if the first stage is passed) is that the Member responsible answers. Unfortunately, you have not passed the first stage therefore it goes to another supplementary.

Hon. D. Kurt Tibbetts: Thank you very much, Madam Speaker. I can assure you that I do not purposely try to step aside without going through the first stage to the second stage. Nevertheless, I am sure I can get the answer from the Member outside of this forum as he seems quite willing to give it.

In the substantive answer the Member referred to the transfer from other funds into the capital development fund. I think he broke down $4,145,000 coming from three different funds. The next section he referred to was the Loan Proceeds. Could the Member give a breakdown of the $10,107,444 with the loan proceeds? Was that all loans approved during the year 2002 or was some of that carried forward loans?

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Madam Speaker, if you will just allow me a short pause for me to get the information from the Accountant General if she has it available.

The Speaker: Certainly.

[Pause]

Hon. George A. McCarthy: Madam Speaker, I would ask if the Honourable Member could go on to another supplementary. The Accountant General will be calling through to the Treasury Department to get the information.

The Speaker: The Honourable Leader of Opposition, is it your preference based on what he said or would you wish to have it a later time in writing?

Hon. D. Kurt Tibbetts: Madam Speaker, to be very honest with you I will be satisfied whenever the Member gets the answer and he tells it to me. In order not to waste the time of the House, I personally do not have any more Supplementaries unless some of my colleagues or back bench Members on the other side do.

The Speaker: The Second Elected Member for West Bay.

Mr. Rolston M. Anglin: Thank you, Madam Speaker. This question is one that certainly perks my interest and it asks for the surplus and deficit position as at 31 December 2002. When looking at the surplus deficit position we would think of the operating surplus therefore I ask the Third Official Member if he could say, where he has in his answer the surplus for 2002, if that is the actual operating surplus achieved?

The Speaker: Honourable Third Official Member.

Hon. George A. McCarthy: Madam Speaker, at various stages in the answer the surplus positions have been pointed out; the four transfers and at the end of the year the $227,369 is not a surplus but it is an accumulated deficit on the general revenue fund. That would be actual deficit position at the end of the year. On the capital development fund $735,549 would be actual surplus position.

The Speaker: The Second Elected Member for West Bay.

Mr. Rolston M. Anglin: Madam Speaker, I do not think the Third Official Member followed my question. At the beginning of the answer it speaks about the general revenue fund and in the middle there is a bold line which says, **"surplus for 2002"**. I take it that that is the operating surplus for the year and after that is a reconciliation of the actual operating surplus to reconcile all the uses of that money to fund the general revenue fund.

The Speaker: Honourable Third Official Member.

Hon. George A. McCarthy: Yes, Madam Speaker, the Honourable Member is right. The operating surplus is $3,448,890 however as I mentioned there were

certain payouts against that surplus position; it should be surplus for 2002 before transfers.

The transfers have been set out giving us a surplus position for the year after transfers of $858,244. However, as the Honourable Member will recognise, we have to take into account the surplus or deficit position for the immediate preceding year; the balance brought forward was a deficit of $1,085,613 giving a net deficit at the end of the year of $227,369. However, the surplus for the year, after transfers to various funds, was $858,244.

The Speaker: If there are no further Supplementaries we will move on to the next question.

Question No. 50

The Speaker: The Second Elected Member for West Bay.

No. 50: Mr. Rolston M. Anglin asked the Second Official Member responsible for Legal Administration if any persons over the past ten years have been granted Legal Aid for appeal to the Privy Council and, if yes –

(a) what are their names;
(b) what crime were they convicted of; and
(c) what is their nationality.

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Samuel. W. Bulgin: Madam Speaker, research carried out by the Legal Department and the Judicial Department has only uncovered two criminal appeals to the Privy Council in the last ten years; both appeals were successful.

1. One appeal was by a convicted defendant, Barry Victor Randall.
   (a) He is a Caymanian/British National
   (b) The offences were theft and obtaining money by misrepresenting the identity of the company shareholders.
   (c) He did not receive legal aid, although the Crown through the Attorney General's office made a contribution to his costs.
2. The other appeal was by the Crown against Carlyle Rudyard Roberts.
   (a) In that case, the respondent Roberts was a Jamaican national.
   (b) He was convicted for possession of cocaine with intent to supply.
   (c) He did not apply for legal aid. However, the Attorney General was asked to assist with his legal costs of the appeal. The Attorney General contributed £7,500 to his costs.

However, when the Crown won the Appeal the Privy Council awarded cost against Mr. Roberts. He was ordered to pay to the Crown the sum of £27,500. He left the Cayman Islands before the court order was made and therefore has not paid this sum.

Supplementaries

The Speaker: While an attempt is made to photocopy page 2, are there any supplementaries? Are there any supplementaries relating to page 1 or the oral part of page 2, so that the House can continue its business while page 2 is being photocopied for the perusal of Members?

Do I take it that it there are no Supplementaries? Silence is consent.

Madam Clerk, next question.

Question No. 51

The Speaker: The Second Elected Member for West Bay.

No. 51: Mr. Rolston M. Anglin asked the Honourable Second Official Member responsible for Legal Administration if any persons over the past ten years have been denied Legal Aid for appeal to the Privy Council and if yes –

(a) what are their names;
(b) what crime were they convicted of; and
(c) what is their nationality.

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Samuel W. Bulgin: Madam Speaker, the Legal Aid Law does not expressly allow for the Grant of Legal Aid to persons wishing to appeal to the Privy Council from a Criminal conviction.

Persons wishing to Appeal in a criminal case to Her Majesty's Privy Council have to petition the Privy Council in London directly. The local courts have no jurisdiction to entertain such an application. It follows therefore that the local courts cannot entertain an application for Legal Aid in such matters.

The Speaker: Second Official Member, I think your second page is attached to this answer so that might have rectified the position.

Hon. Samuel W. Bulgin: Sorry about that, Madam Speaker.

Supplementaries

The Speaker: Are there any Supplementaries? If there are no supplementaries we will move on to the next question.

Question No. 52

The Speaker: The Second Elected Member for George Town.

No. 52: Mr. Alden M. McLaughlin, Jr.: asked the Honourable First Official Member responsible for Internal and External Affairs what priority is being given to providing a new Police Station and lock-up in West Bay?

The Speaker: The Honourable First Official Member responsible for Internal and External Affairs.

Hon. James M. Ryan: Madam Speaker, the West Bay Police Station houses the 22 operational staff and is also the district headquarters and lock-up.

The lock-up facilities are poorly designed and in relatively poor condition and the working conditions for staff are inadequate.

The large population of West Bay would be better served by a new facility. However, currently there are no firm plans to provide a new police station and lock-up in West Bay because of the priority given to other capital projects, coupled with a limited capital expenditure budget.

Supplementaries

The Speaker: Are there any Supplementaries? The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker. The Honourable Member has stated what I think is common knowledge that the lock-up facility is substandard.

I wonder if the Honourable Member can say whether that lock-up in its current condition meets, or is it going to meet the standards required (as set out in the draft Bill of Rights which will come into effect when we get our new Constitution) to ensure that there is not an infringement of basic human rights and care of prisoners.

The Speaker: The Honourable First Official Member.

Hon. James. M. Ryan: Thank you, Madam Speaker. When this country gets a Bill of Rights it is unlikely that the present facility will meet the standards. However, I do not think the West Bay Police Station is going to be alone in that. I suspect there will be other facilities that will have to be looked at. The Government is very cognisant of the fact that the facility is, perhaps, inadequate. There have been preliminary discussions and we hope that in time we will see the problem rectified. Certainly, we will look at improving the conditions in the present facility while thought is being given to what will be done in the future.

The Speaker: Are there any further Supplementaries? The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker. I wonder if the Honourable Member can say how many prisoners are capable of being housed in their facility at West Bay presently and whether or not that carrying capacity is being overreached on a regular basis.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Thank you, Madam Speaker. The facility in West Bay has a capacity for holding ten prisoners. When the facility reaches capacity any prisoners over that number are transferred to George Town to the Central Police station lock-up.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, I wonder if the Honourable Member can indicate what sort of sanitary facilities are provided for the use of prisoners within the lock-up, in particular, whether he regards them as sanitary in the first place and adequate for the ten prisoners.

The Speaker: The Honourable First Official Member.

[Pause]

Hon. James M. Ryan: Thank you, Madam Speaker. I note that the Honourable Member asking the question wanted to know if in my opinion the sanitary facilities are adequate. I do not know if I am in a position to offer an opinion on it but my understanding is that they are sanitary. For the record, I would like to clarify something that I said earlier. The Government has been keen to ensure that the conditions at the lock-ups, while they may not always be adequate, are not in breach of a person's civil liberties.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, this is not a supplementary. I do not think the Honourable Member got the entire question. I asked him whether they were adequate for the ten as well. I accept that he does not want to express an opinion but I am asking him as a matter of fact whether they are adequate for the ten prisoners.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Madam Speaker, my understanding is that the sanitary facilities are adequate for the ten prisoners.

The Speaker: The Member for North Side.

Ms. Edna M. Moyle: Thank you, Madam Speaker. I think it was in 2001 that this lock-up facility in the district of West Bay was condemned by the UK's Inspector of Prisons. I do not remember exactly who the person was, however, I wonder if the Honourable First Official Member could say if that facility has been upgraded since then and what the upgrades have been.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Thank you, Madam Speaker. What was stated in 2001, if my memory serves me right, is that it was recommended the juveniles not be held in the West Bay lock-up. It was not that the lock-up facilities were condemned for general use.

The Speaker: One minute, Member for North Side.

Honourable First Official Member, now that the responsibility has changed, are lock-ups still considered a part of your responsibility, or has that section been transferred to the Honourable Minister of Community Services under Prisons?

Hon. James M. Ryan: Madam Speaker, it is a bit of a grey area and since it is a police station I am prepared to attempt to answer questions, while the Honourable Minister responsible for Prisons does deal with juveniles and the lock-up facilities.

The Speaker: Member for North Side, please continue.

Ms. Edna M. Moyle: Thank you, Madam Speaker. If my memory serves me correctly I think the entire facility was condemned but we are not going to argue over that here this morning.

[Inaudible interjections]

Ms. Edna M. Moyle: *[Addressing an honourable Member]* I am not speaking to you, okay? So, will you shut up until it is your time to answer a question?

The Speaker: Order!

Ms. Edna M. Moyle: My next supplementary is directed to the Honourable First Official Member. Are you in a position to say if juveniles are still being held at that facility?

The Speaker: Honourable First Official Member.

[Inaudible interjections]

The Speaker: Order!

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

The matter of juveniles is a matter dealt with by my elected colleague and a different arrangement is made. For the record, juveniles are no longer held in the West Bay lock-up.

The Speaker: Are there any further Supplementaries? If not, we will move on to the next question.

Question No. 53

The Speaker: The Second Elected Member for West Bay.

No. 53: Mr. Rolston M. Anglin asked the Minister responsible for the Ministry of Health Services, Agriculture, Aviation and District Administration if any chemical substances, banned for use in the United Kingdom, United States of America or Canada are allowed for use in the Cayman Islands (e.g. agricultural, pest control chemicals). If yes, what are they and why are they allowed for use in the Cayman Islands?

The Speaker: The Honourable Minister responsible for the Ministry of Health Services, Agriculture, Aviation and District Administration.

Hon. Gilbert A. McLean: Madam Speaker "Banned Chemical," means a chemical all uses of which, within one or more categories, have been prohibited by regulatory action, in order to protect human health or the environment.

The Department of Agriculture can only respond to the question in terms of chemicals that are categorised as pesticides.

As a result of a Pesticide Usage survey conducted in December 2000, the Department became aware of four pesticides in the Cayman Islands that occur on Banned Lists, published by certain countries. These are as follows:

1. Benzene hexachloride (BHC), an insecticide, with the Trade Name: Screw worm & Ear tick killer.

2. Bromoxynil butyrate, a herbicide, with the Trade Names: Tritox - Groundclear, Total Vegetation

These are banned in the United States.

3. Dicofol, an acaricide, (a pesticide used to kill mites) Trade Name: Kelthane

4. Quintozene, a fungicide, (used to treat fungal diseases in plants) Trade Name: Same as the active ingredient

These are banned in the United Kingdom and European Union.

None of the pesticides found in the Cayman Islands occur on the Canadian Prohibited list ("Level I" in Canadian terms).

Benzene hexachloride: One aerosol can of the product containing Benzene hexachloride was found on one cattle farm; an extremely small quantity.

Bromoxynil butyrate: Small quantities of herbicide containing Bromoxynil butyrate were found at a retail outlet.

Ouintozene: Quintozene was found in the inventory of one retail nursery.

Dicofol: Of the four pesticides listed Dicofol was detected most frequently. It was found in the inventories of retail nurseries, farms, households and the Department of Agriculture.

The Department of Agriculture no longer imports Kelthane. The last shipment was received in 1998.

These four pesticides were used in the Cayman Islands as they are highly effective against target pests and are duly registered in the countries from which they are imported. The active ingredients in these pesticides are low to moderately toxic. The registration process in the country of origin of the pesticide determines that the formulations of the active ingredients are safe for their use. This registration process further dictates labelling that is appropriate for safe use as well as precautions that should be taken during application of these pesticides.

The Department of Agriculture is wary of the potential hazards of pesticide use. It has accordingly undertaken constant vigil over the types of pesticides it imports into the Cayman Islands, and who can access these substances through purchases from the Department. In 2001, the Department acted upon the recommendations of the Government Consultant regarding four other active ingredients namely, Chlorpyrifos (trade name Dursban), Chlorothalonil (trade name Daconil), Propoxur (trade name Baygon) and Dichlorvos (trade name Vapona). As new scientific evidence became available about the hazard posed by the use of these active ingredients the Department met with importers of pesticides, and advised them to voluntarily desist from importing products which contain these compounds. The Department itself no longer sells Dursban.

The establishment of a pesticide regulatory scheme for the Cayman Islands is being pursued with high importance and is actively engaging the attention of the Department. A framework document and model act instructions have been developed and are being reviewed by the Ministry.

Significant assurance may be derived from the Department's findings over the years, that importers generally will not bring chemicals in unless they are EPA approved. Also, very little is kept in storage.

Hazards include, abuse (for example, for pet poisoning); contamination of ground water, accidental poisoning of children and/or adults and wild life; over exposure to applicators.

Supplementaries

The Speaker: Are there any Supplementaries?
The Honourable Leader of Opposition.

Hon. D. Kurt Tibbetts: Thank you. Madam Speaker, on the last page of the substantive answer, the second sentence, the Minister states in his answer, **"In 2001 the department acted upon the recommendations of the government consultant regarding four other active ingredients ...."**.

The Minister might have had to attempt to say all of these but I certainly will not. The Minister says that **"the Department acted upon the recommendations of the government consultant".** Could he explain what the dangers of the specific product with the trade name Baygon might be? I am absolutely certain that it is still being sold on the shelves because I bought it last week.

The Speaker: The Honourable Minister responsible for the Ministry of Health Services, Agriculture, Aviation and District Administration.

Hon. Gilbert A. McLean: Thank you, Madam Speaker. I am advised that it is not possible to state directly in medical terms precisely what these substances do. It has been recognised that the chemicals contained do pose hazardous to and can affect human health.

The Speaker: Are there any further Supplementaries? The Honourable Leader of Opposition.

Hon. D. Kurt Tibbetts: Thank you, Madam Speaker. I hope I understand what the Minister was saying but just to follow up with a question.

If there are dangers and this product itself is a household product, it is used in homes where doors are locked and families are there. While I respect in the answer the response that the Department is actively pursuing what needs to be done via a pesticide regulatory scheme for the Cayman Islands, if during that interim this is recognised as one of those products that may pose health hazards I would suspect that we need to do something about it. Therefore, does the Department have any intentions of doing anything like an awareness programme?

The Speaker: The Honourable Minister responsible for Health.

[Pause]

Hon. Gilbert A. McLean: Thank you, Madam Speaker. I was consulting with the Chief Agriculture and Veterinary Officer on the question.

I am told that there are various concentrations of the chemicals in various products and that these products do have directions as to their application; one being the use of it in enclosed areas on which it advises that there should be proper ventilation. In effect, the use of these is done at the risk of the person using them. The Department has met and talked with

the importers on Baygon and they have been alerted as to possible hazards it might pose. No ban has been imposed on it, in that, we really do not have a law to do so and that is one of the laws that is being prepared at this time; where the Government will be in a position to actually stop the importation of certain chemicals. One can import this particular product (Baygon) at this time but offer the information, as I am sure the answer to this particular question will raise today, that it is an agent that can pose certain health problems if improperly used.

The Speaker: The Honourable Leader of Opposition, do you have a follow up? Please continue.

Hon. D. Kurt Tibbetts: Thank you, Madam Speaker. I think the observation needs to be clearly made that it is fair to say that once a product is on the shelf, the majority of people who use those products do not really look on the container and read properly as to how it should be used and what the dangers are.

I am saying that while there is no law would the Minister consider ensuring that the Department makes direct attempts to inform the public through some type of public relations (PR) method with regard to the dangers of this product?

As the Minister has said, the Department has spoken with the importers and obviously it is being imported. When I say imported I mean it is an item that you can get off the shelf just about anywhere. Had I not read this answer today I would have no idea myself. I am not saying that I do not have my own responsibility to read the label.

The Speaker: The Honourable Minister of Health.

Hon. Gilbert A. McLean: Madam Speaker, just a moment to consult, please.

The Speaker: Certainly.

[Pause]

Hon. Gilbert A. McLean: Madam Speaker, in reply to the supplementary, the products which we are speaking about are not banned in the countries from which they are coming but they do carry labels which warn of possible health hazards. It raises the necessity for users to be aware that it poses such potential problems to health.

From the point of view of the Department doing something about the situation it is possible, and indeed I can give the undertaking on behalf of the Agriculture Department, that this can be re-enforced with the importers in this regard. However, it is something for consumers to be aware that such does exist and take responsibility for informing themselves in this regard.

The Speaker: The Second Elected Member for West Bay.

Mr. Rolston M. Anglin: Thank you, Madam Speaker. Could the Honourable Minister say who monitors the pest control companies in the Cayman Islands and the application of their products?

The Speaker: The Honourable Minister responsible for Health.

Hon. Gilbert A. McLean: Once again, Madam Speaker, I would like to consult.

[Pause]

Hon. Gilbert A. McLean: Madam Speaker, I am told that seminars are held for, particularly, those persons and also to farmers whose business it is to offer pest control in the proper use of chemicals. Up to now there is not a specific law that places the responsibility on an agency or a department with regard to these importations. This is why, at this time, the Ministry for which I hold responsibility is attempting to get this law completed. We have engaged the services of a consultant in this regard and I would hope that at least by the September Session we would have a law that would authorize and empower an agency to have the responsibility for prohibiting, where necessary, and enforcing the law in regard to these chemicals.

The Speaker: Second Elected Member for West Bay.

Mr. Rolston M. Anglin: Thank you, Madam Speaker. Currently, is there no agency within the Government of the Cayman Islands that ensures the standards of use of whatever products that are being used by such companies? I must be clear that when I ask this question I am speaking about the Government and that is not to say that these companies do not have standards in-house that ensure safety, proper application and proper warning to the consumer when they come to your house to apply these products.

Therefore, I want to make that clear because I do not want to start a scare among people, I just wanted to make sure that there is no agency in Government that ensures any sort of standards of use for those particular products.

The Speaker: Honourable Minister of Health.

[Pause]

The Speaker: Honourable Minister of Health.

Hon. Gilbert A. McLean: Madam Speaker, there is no specific law that enforces prohibition or empowers an agency of government to act in this particular regard. I would point out again that the products are im-

ported by the Registered Environmental Property Assessor (REPA) certified importers of these chemicals, and these suppliers offer certain training to the people who use them. Of course, it might be safe to say that these people do use the advice and the knowledge they have in the use of these chemicals, if no more than for their own safety. However, at this time there is a lack of a law which empowers the Government, as the Honourable Member has asked, to offer the level of enforcement which we would like to see.

The Speaker: If there are no further Supplementaries, that concludes Question Time.

We will now take the luncheon break and reconvene at 2 pm.

Proceedings suspended at 12.27 pm

Proceedings resumed at 2.20 pm

The Speaker: Please be seated. Proceedings are resumed.

STATEMENTS BY MEMBERS OF THE GOVERNMENT

Update on Street Vended Operators

The Speaker: I have received notice of statement from the Honourable Deputy Leader.

Hon. Linford A. Pierson: Thank you, Madam Speaker. The Department of Environmental Health (DEH) is charged with the responsibility for the monitoring and regulation of food premises. To this end, the Department has been actively involved with raising the hygiene and safety standards at these premises for the protection of the public.

Most recently a number of joint inspections and actions were taken regarding street vended foods; mainly jerk chicken and barbeque operations which were operating along the main roadside in Grand Cayman. There were also cases of vendors directly serving and selling foods from car boots, or trunks, to the public.

In November 2002, the Departments of Environmental Health, Immigration, Planning and the Trades and Business Licensing Board released a joint statement in the press and on radio informing local businesses, including street vendors that they had to comply with the required guidelines and policies to operate legally. At that time businesses had to be compliant by 30 November 2002, and some businesses did comply by the stated deadline. However, no on-site visits, inspections or enforcement operations were immediately conducted by the agencies at the expiration of the notice period until 21 January 2003; therefore, effectively extending the grace period for almost two months.

During January of this year the Departments of Environmental Health, along with the enforcement section of Immigration, acting on behalf of the Trade and Business Licensing Board conducted numerous night visits or inspections to street vendor locations. The Planning Department did not attend but all information was forwarded to them. A total of 24 food premises were inspected during the monitoring and enforcement period. All of the facilities had numerous operational and structural deficiencies that increased the risk of food contamination and food-born illnesses to the public. Additionally, the food handlers were not trained in basic food hygiene and safety measures and many of the facilities were substandard for their food operations. Consequently, the majority of the premises were closed due to the high number of violations and for carrying out a trade without a valid permit.

The DEH has been working, and will continue to work, with the various proprietors to assist them in bringing their facilities up to the required standards. About three months after the programme started approximately 70 per cent of the food vendors were back in business with facilities that met various departmental standards and were also in possession of a valid trade permit. It is expected that 90 per cent of operators will be in operation within the next few months. Four premises ceased operations completely, however, in one case a street vendor now operates a fully-fledged bar and restaurant. Also, the other operators have moved to better facilities or improved their own facilities, which in turn improved the operational standards and reduce the food risk. Only one food vendor did not respond to the Department although several efforts were made by the DEH to assist all businesses. The illegal serving and sale of cooked foods directly from utensils and pots in the trunks of vehicles is an ongoing situation that must cease immediately as this kind of operation poses significant risk to the public. Therefore, it is advisable that foods not be consumed from such vendors or unlicensed operators. These operations should be clearly distinguished from legal delivery services such as those offered by Fine Dining and the various Pizza franchises.

Overall, the DEH is now more confident in the quality of food hygiene and safety standards since this operation began. As most food handlers are now trained food vendors, facility and standards have been raised across all levels and the public can feel safer consuming foods from a licensed and approved facility.

The DEH will continue to monitor and regulate these and all other food premises in an effort to ensure the safety and protection of our local population and visitors alike. The Ministry is also pursuing environmental health legislation to assist the DEH in carrying out its functions in a more efficient and productive

manner and to address the enforcement matters related to food premises. These efforts are for the benefit of all concerned; the vendors and businesses themselves as well as their customers, our residents, and I am sure that in time everyone will see the benefits and advantages they will bring to the reputation of our Islands. Thank you, Madam Speaker.

The Speaker: Thank you, Honourable Deputy Leader. At this time I recognise the Leader of Government who has also given notice of a statement.

Response to Certain Statements Published in the Media by Three Former Members of Executive Council

Hon. W. McKeeva Bush: Thank you, Madam Speaker.

I would like to take some time to respond to certain statements that have been published in the media by three former members of Executive Council. These former members have been writing in recent months on various subjects and have been misleading the people of this country with innuendoes and downright false statements. I believe that it is time we call a spade a spade and put forward certain perspectives on the Floor of this Honourable House. These three former members, who now profess to have all the answers, have no credibility, no performance record, and cannot be trusted to lead Caymanians.

Let us start with their leader; a man who cannot tell the difference between a gang and a group within our schools. This is the man who was in charge of education for some sixteen years. We must ask ourselves why he does not write about his sixteen years of presiding over education in this country. We would think that for all that time he could speak about the advancement of Caymanians. Instead his record reflects the elimination of several of the finest minds from the civil service of this country. His colleague, who he took the title of Leader of Government Business from, also led this country's finance and tourism for eight years, and his record shows that the government he led borrowed $138 million, to say nothing of the accounting for tourism arrivals created by those financial wizards.

I should not have to speak about the performance of these three gentlemen. The Auditor General, in his Special Report tabled here in the last Meeting of the House, detailed why the finances of this country cannot be trusted to the performance of these gentlemen.

More importantly, Madam Speaker, are the constant scare tactics used by these individuals to frighten the Caymanian public into believing that everyone who spoke the words "constitutional reform" should be a leper in a British colony. They would have us believe that anyone wanting constitutional reform was deviously seeking independence.

As everyone knows Madam Speaker,, the United Kingdom Government has offered us a constitution after months of public consultation and debate here in the Cayman Islands. When we met with the United Kingdom Government representatives last year, at Lancaster House in London, we were not told of other options for constitutional change.

We have since learned, through the United Nations, of other viable options and the Foreign and Commonwealth Office has confirmed in a paper earlier this week that there are at least three options for constitutional change available to us, as outlined by the United Nations. After pressing and pressing for the advancement of Caymanians we now find out that there are other choices. Being aware of those options and getting public feedback from various forums, in particular the Chamber of Commerce, I recognise that we should be talking to the United Kingdom regarding those options.

As the country's first constitutional leader what I am seeking for the Cayman Islands is the protection and integrity of these Islands. I ask you, Madam Speaker, should we deny our people these choices or should we trust these individuals who would want us to believe that there is only independence or colonialism. These gentlemen who have now become experts at letter writing do not want any constitutional change because this would mean greater accountability and more transparency and their actions have never been able to and cannot stand the light of day.

Two previous Ministers, Truman Bodden and Tom Jefferson, want the system in place in this country where all their dirty work can be done, people victimized, and no one can say they were in charge.

Let us talk about trust. Madam Speaker, besides implanting fear of the words, "constitution" and "constitutional reform" we have constantly heard that political parties and everything concerning the Caribbean is bad for us. This Government is open and accountable and more so in regard to the constitution. I propose to say, to my party and the Government, that we should ask the Chamber of Commerce to set up and chair a bi-partisan committee: including myself, the Leader of Opposition, or nominees from both sides, and non-governmental organisation (NGO) representation, but with no more than six members, to examine the proposals sent to us by the United Kingdom and to make recommendations to the Government on a constitution similar to Bermuda's.

I have never advocated that we should have a constitution just like Bermuda's; I have advocated one similar to Bermuda's where the Governor, in this 21st century, cannot spend our money as he sees fit and international agreements cannot be made for the Cayman Islands before discussion and input is given by the Government of the Cayman Islands.

I am looking for a constitution that ensures the independence of the judiciary and the civil service. I

have not advocated for a premier but a chief minister with a constitutional deputy.

If there are other options open to the Cayman Islands for our protection why not grasp them? What use would there be to have a minister of finance if the United Kingdom is allowed to destroy our financial industry? The constitution that I propose is for the protection of our financial industry and for the best interests of the Cayman Islands.

We must ask ourselves what did these gentlemen accomplish while they held office in this country? Did they provide the country with the solutions that they now profess to have? The problems we face now are the legacy of their so-called leadership. In fact, it is ironic that they are now questioning what the Government is doing about various issues in the country. Certainly, like every other person that is their right to question.

However, Madam Speaker, when they declare that nothing is being done it is time for us to question their motives. They have accused me of focusing on issues of power but I ask you, Madam Speaker, and this country, why are they being the obstructionists that they are? Is it because elections are coming and they are focusing on their own power?

No reasonable person can accuse this Government of not making every effort to revive the economy and improve the social conditions of all Caymanians, in every area: budgeting and finance, tourism, education, heath, social services, security and infrastructure. We have been bringing forward new projects and, I dare say that, while we have detractors like these three former ministers, these projects have been receiving widespread acceptance from the public and the business community.

Allow me, Madam Speaker, to outline some of these initiatives we have been implementing for the good of this country. We have taken many issues that needed to be dealt with and have dealt with them fairly and squarely; Cable and Wireless being one, and the next being Caribbean Utilities Company. Immigration has always been a sore point however we believe we had to give security to those people who had contributed significantly to our development. More recently Cabinet has given special dispensation because of our Quincentennial year to grant status to 258 worthy individuals in this country. We believe that this is fair and just.

Crime Measures. As we have told this House, this Government is not sitting back and denying the problems. As far as crime is concerned we have taken the pro-active approach. I, as Leader of Government, asked the Governor to establish a committee which includes him, the Police Commissioner, the Chief Secretary and me to come together to consider certain measures to address the problem which I spoke about in the Budget Debate. We can no longer allow a liberal regime in this country where the rapist smiles on his way out of prison, where the drug importer and seller keeps doing their business even while they are in prison, where the illegal gun importer and user can walk away and businesses are victimized. Tomorrow there will be a press conference on that matter. I can only hope that the Opposition will support the Government on these measures when they are announced to the public.

Tourism. Madam Speaker, these former members have accused the Government of doing nothing about low tourist arrivals. I have to wonder if they are really in touch with the country, or the world for that matter. In every destination across the globe tourism has suffered drastically since the 11 September attacks. The figure for stop-over visitors for the entire Caribbean showed significant declines in both 2001 and 2002. In fact, in 2002 the Caribbean declined for the second year in the row with a three per cent drop, much bigger than the 1.9 per cent decline suffered in 2001. However, we are not sitting back and ringing our hands expecting that someone else will solve the problem. In less than two years we have restructured the tourism office and reduced expenditure from $27 million to this year's budget for tourism of $19-plus million. With a much smaller budget we have been doing more and I am proud to say that, after a long hiatus, we are back with our television advertising in major markets in the United States.

I have always acknowledged that there are problems in today's Cayman Islands tourism industry. The Islands experienced a decline in arrivals even prior to 2000. I have stated many times the reasons for this decline included the fact that there was no planning, no tourism management policy, no television advertising, poor collateral to promote these Islands, where the tourism budget focused funding on administrative costs and the Minister's whims and fancies as opposed to core-marketing activities.

No one ever said that 11 September 2001 was the sole cause of our problems although it must be honestly acknowledged that 11 September of that year has shaken world tourism.

The Cayman Islands is not a mass tourism destination. We, the Cayman Islands, cannot be compared to Jamaica, Cancun, Santo Domingo, Cuba or the Bahamas which have a mixed tourism product that includes some affluent tourism but which is predominantly mass tourism. We do not offer gambling and if we wanted to attract 50,000 more people— the spring break crowd—we could do that; however that is not the kind of tourism the Islands have been developed for. We are not a mass tourism destination.

We now have active and productive public relations (PR) and marketing agencies that have been working closely with us to do the best job in selling the Cayman Islands, including launching new products. We are making significant progress as far as cruise ship arrivals go. We are targeting new cities in the United States and staging Cayman expositions in

those cities before launching flights. Very soon we will be in Chicago as part of this programme.

We have developed a five-year management plan for tourism which, from all indications from major partners in the tourism industry, provides a solid foundation for taking us forward with our tourism product. On the visit to Washington I pressed for approval by the United States Government, of the Convention Tourist Tax Credit which will enhance our stay over tourism and prove to be a great marketing tool. We are working on that aspect.

We are developing a Jazz/rhythm and blues (R&B) music event, which will attract visitors. While our competitors have Jazzfest, which carries 5,000 to 15,000 people to that event, for obvious reasons we cannot compete with that nevertheless we will do one event more suited to our product.

These are examples of the initiatives which have been launched, Madam Speaker. Everything we are doing is open and above board and done in consultation with the people in the industry.

What I will not do is to mislead the people of this country with over-inflated figures and allow them to have expectations and business projections based on false numbers. The country will recall the former minister of Tourism, Mr. Tom Jefferson, reported arrivals figures at something close to 450,000 people, which included residents of these Islands, when the real number was in fact 100,000 people less. I have recognised and set up a system of statistics that are published before the figures are sent to me. They are on websites for everyone to see. I do not and will not manipulate the arrival numbers as the previous minister did. That is being dishonest.

Cayman Airways. Madam Speaker, this is no time for anyone to criticise the national airline. In short, let me say that given world conditions the national carrier is holding its own. In 2000, the loss on operations was US$11 million and the total loss including losses from non-operating items was US$19.2 million. In 2000, even after the government subsidy of US$5.5 million, Cayman Airways reported a net loss for the year of US$13.7 million. A similar picture was evident in 2001, with a loss on operations of US$10.8 million, a total loss including losses from non-operating items of US$20.8 million thereby resulting in a net loss after subsidy of US$14.6 million. In 2000, under my responsibility, Cayman Airways has reported losses on its operations of US$10.8 million and the overall loss before subsidy was $11.6 million. Cayman Airway (CAL)'s net loss, after a reduced subsidy of $4.8 million, was therefore $6.8 million. Madam Speaker, we have a lot to be thankful for and I believe that all Caymanians should be supporting the national airlines. We have to move forward now, I will soon be coming back to Finance Committee with a new plan for Cayman Airways including new equipment, hopefully by September. However, thank God, it is holding its own even in these drastic and difficult times. I urge all Caymanians to support it and fly it because we pay for it.

Pedro Castle. While present management has made an improvement at Pedro Castle we are not yet out of the woods in regard to the project. What is now evident is that the previous minister, Mr. Tom Jefferson, manufactured figures to show income, that the project could not make, so that he could get it done. If left as is, we are told by the Auditor General, this could cost the country some $30 million in fuller depth in ten to fifteen years time. Madam Speaker, this is dismal. However, I have plans for the project in that we believe that a very upscale boutique hotel with spa and whole new concept for the project could enhance and save government money in the long run. I have commissioned a study, which is now in hand, however, the question that the previous minister and his colleague must answer is, where is the money? Nine or ten million dollars that was supposedly spent on Pedro Castle.

Infrastructure. Madam Speaker, this Government has been on an aggressive programme to improve every facet of this country's infrastructure by encouraging new investment, by building new roads, by improving telecommunications, by putting in the mechanisms for e-commerce.

We supported the Ritz Carlton project so that it could move forward after being in limbo for far too long. Many of our people have been able to get jobs as a result and it has brought well-needed investment at a time when we were hurting from the slump in tourism. We have announced, and are implementing, various initiatives including the dock and port facilities which will enhance the image of the Cayman Islands as a tourism destination.

We must plan for the future for the short-, medium- and long-term economic prosperity of these Islands. We can do very little to stimulate the economy without the foreign investor. People cannot get work without the foreign investor. People will not be able to pay their bills nor feed their children nor take a vacation without the foreign investor. However, the foreign investor must be made to feel welcome in these Islands, he must be given the room to do his business fairly, legally and without undue interference. At the same time the foreign investor must be prepared to build and positively contribute to these Islands. This is the only way the Caymanian owned businesses are going to make money or for money to be generated for local businesses because the foreign investor brings his money here. In that regard, there is continued hope for the future of these Cayman Islands.

There are presently proposals for development of these Islands totalling over US$2 billion in the next three to five years which will generate business and bring long-term employment to Caymanians. In Cayman Brac there is a hotel spa and golf resort, valued at well over US$500 million, among other development envisioned there. In Grand Cayman over

US$1.5 billion is being discussed for development in the next three to five years. Over US$1 billion is planned for the development of five to seven star hotel resorts on both ends of the Island and a trade centre for international trade. The projects previously mentioned are all private investment projects.

In the government related sector in the same period the East End dock and Marina plus the east/west corridor is estimated at over US$150 million. The George Town and West Bay cruise facilities are estimated at US$26 million.

Let me say something, Madam Speaker. For two years I have languished with those two projects trying to please everyone. It is time that I moved forward and I will move forward. I know in my constituency there is political interference however I am issuing them a good warning here today; if they want a fight they will get it. That project is well deserved; we need to spread out the cruise industry in this country and West Bay offers a good place for that facility. It is not for my good but for the good of various people who will benefit and it will help the transportation sector.

There are two cruise ship berthing facilities to hold two ships each in the eagle class of the QE2 and the new Queen Mary, the type of cruise passenger I am pursuing for this country, which are slated to cost US$60 million.

The Airport development, which is only part of the Airport Master Plan, is slated to cost US$20 million in the next three to five years. The proposed new government administration block and the three new schools are slated to cost somewhere in the region of US$87 million.

These government-related projects are all proposed for the next three to five years and this will be achieved with no borrowing by the Cayman Islands Government. This total development expenditure of well over US$2 billion in the next three to five years demonstrate solid confidence in the future of these Islands and we must make it work for the people of these Islands. Politics must be put aside in this world of uncertainty. This is for the people of the Cayman Islands.

Housing. Madam Speaker, the Government and the Minister have come under criticism about our low income housing initiatives. Why? Owning a home is the dream of every Caymanian. We will bring this dream to our people. It will become a reality. The Minister is doing something that in ten years—and after much discussion by certain Members of the House and outside vested interest—was left undone and nothing was accomplished. We must give the Minister some praise for his efforts. We have given keen attention to the economy and our financial industry because we believe in the proper and efficient management of our resources. That is why we have commissioned an economic development plan for the country, which we will have in hand by November this year. We are working with lobbyists in Washington and the United Kingdom to promote and protect the interest of these Islands and we are doing everything possible to safeguard the financial industry; the life-blood of these Islands.

Please note, Madam Speaker, that we are not signing every single document that comes across our desks to wipe out our financial industry as these three letter-writers did.

In connection with the European Savings Tax Directive it is important to outline their sins of commission and omission. On 5 November the European Commission published its proposal called a package to tackle harmful tax competition in the European Union, which included a provision on the taxation savings income. This has come to be known as the European Tax Package.

In May 1998 the European Commission published its draft Council Directive on the Taxation of Savings Income. This draft Directive was something that the government of the day was aware of. In May 1998 discussions on the drafting of the revised European Union Overseas Countries and Territories (OCT) decision also commenced. These discussions continued into summer 2001. Bermuda indicated it wished to continue being excluded from the OCT decision.

In September 1998, the Foreign and Commonwealth Office and the United Kingdom Government's treasury held its first tax seminar, which presented information on the European Union Tax Package and was attended by representatives of the Cayman Islands. At about this time the Foreign and Commonwealth Office also forwarded to the European Union a summary of the constitutional arrangements that it had with its dependent territories as were then referred to. Indicating that, in the case of the constitutional arrangements with Bermuda, the United Kingdom did not have the power to disallow legislation passed by the Bermuda legislature, and further did not have the power to force legislation on Bermuda as Bermuda's constitution did not allow the United Kingdom to use the peace order and good governance order in council process that was available in the case of the Caribbean territories, including the Cayman Islands.

In April 1999, the European Commission held a meeting on the subject of the revised OCT decision which was attended by representatives of the Cayman Islands and other United Kingdom Caribbean Overseas Territories.

In June 1999 the Foreign and Commonwealth Office and the United Kingdom treasury held a second tax seminar, which presented information on the European Union's Tax Package and was attended by representatives of the Cayman Islands. In addition, during 1999, extensive discussion occurred within the European Union regarding the structuring of the draft Directive on the Taxation of Savings Income. The United Kingdom lobbied extensively to ensure an ex-

change of information model was used rather than a withholding tax model so as to preserve the London Eurobond market. They were protecting themselves.

On 20 February 2000, the United Kingdom released a discussion paper on the then current form of the draft Directive on the Taxation of Savings Income.

On 19 June 2000, the heads of government of the European member states, meeting in Santa Maria da Feira, adopted the proposal of the European finance Ministers for a revised form of the draft Directive on the Taxation of Savings Income, which has now become known as the Feira Accord; an agreement to adopt the automatic exchange of tax information as the basis for enforcing extra-territorial tax regimes of the European Union member states. The document specified the requirement for the Netherland Antilles, as well as the United Kingdom dependencies of the Channel Islands, the Isle of Man and the UK's Caribbean territories, including the Cayman Islands, to adopt the same measures as the European Union states in regard to the Taxation of Savings Income. This is also the document that did not include Bermuda.

In November 2000, meetings were held where the Government of the Cayman Islands was not represented but at which representatives of the Caribbean overseas territories and department of the European Union member states began discussions of the revised OCT decision which was to come into effect in November 2001 for a period of ten years. This meeting reviewed a commission prepared draft revised OCT decision containing specific reference to the taxation of savings. The wording is as follows in the Annex:

" … on the taxation of savings: Article 2—Member states which have dependent or associated territories or which have special responsibilities or taxation prerogatives in respect of other territories shall take appropriate measures, within the framework of their constitutional arrangements, to ensure that provisions concerning interest payments to Community residents, equivalent to those…" laid down in any community directive which may be adopted, are introduced in the OCTs.

All these events took place under the leadership of Mr. Truman Bodden and Mr. Tom Jefferson—who did nothing.

In March 2001, the Baroness Scotland, QC, wrote to the Overseas Territories, including the Cayman Islands, in relation to the European Savings Directive, indicating that the United Kingdom expected the Cayman Islands to comply with the Directive on the Taxation of Savings Income, and requesting a response by the end of April 2001. The Leader of Government Business of the day (the now Leader of Opposition) was given a draft letter that could have got us out of that particular mess—that letter was not sent.

Today, one of the greatest fights that we have on our hands, and one of the greatest challenges these Islands face, is the imposition of that Directive. There would be loss of revenue to the Cayman Islands and loss of jobs in the financial sector. The resultant negative fallout for the people of these Islands will tremendously hurt Caymanians in all sectors as the financial services industry impacts all of the others. This is what my Government is determined to prevent. To top it off the fiasco with the Euro Bank and the admittance of a sinister "London Plan", which involves spying on the Courts and the financial industry of the Cayman Islands, was exposed and admitted to by the United Kingdom earlier this year. It was admitted that it was going on during the leadership of Mr. Truman Bodden and Mr. Tom Jefferson.

They were conspicuously silent during the upheaval and the public exposure of the "London Plan" and the No Confidence Motion on the former Attorney General, David Ballantyne. Did Truman Bodden and Tom Jefferson know every step that was implemented of that plan?

Regarding our financial affairs, let me say that as Leader of Government Business and our Government, in 2001 we took over a government that had borrowings in excess of US$66 million. Madam Speaker, the Auditor General's Report is there to bear witness to the unsatisfactory handling of our country's financial affairs during the administration of those two previous ministers.

One of the first things we had to do was to take control of the budget process. For 2002/2003 we produced a balanced budget. We have done it again this year for the 2003/2004 budget. The country will recall that I, as Leader of Government Business, and the Cayman Islands Government, received high praise and commendations from Baroness Amos and the Foreign and Commonwealth Office for the budgets we produced. Compare this to the damning report on their performance as noted in the Auditor General's Report.

In the *Caymanian Compass* editorial, dated 15 April 2003, regarding Government finances stated that a ringing indictment of the previous government's money management in the year 2000 is included in the special report by the Auditor General presented in the Legislative Assembly at its last Meeting. Many people felt uneasy about government finances in 2000 and when the new administration came in after the elections that year it revealed that, indeed, government coffers were empty. The new Executive Council's first priority was to secure funds to cover past expenditure and outstanding bills. It is only now through that independent verification of the dismal state of affairs is available from the Auditor General's Report. The Auditor General, as an independent watch dog over government accounting is meant to be critical of what has been done with government money. And in

this Special Report he does not hold back. This is as it should be.

It is unfortunate that these reports usually become public long after the event when intervention is no longer possible. One can only hope that similar occurrences can be prevented in the future. New legislation to regulate government finances and a new accounting system may go some way towards that end and may also make the process more transparent. Budgets are based on estimates of future income and as with all estimates actual collections may differ from the projections in case of revenue shortfalls budget expenditure estimates must be revised just as ordinary citizens must cut their spending when they are faced with reductions in income. For government there must be a mechanism to secure and protect funds needed to cover day-to-day obligations and civil service salaries. And that mechanism must come into action whenever the need arises.

This Government has done well to bring our finances to the point that we have many more days now of financing if the need arises.

Through Private Financing Initiatives (PFI) we intend to finance a number of capital projects without committing the country to further borrowing. These former ministers have also questioned our use of private financing initiatives and have clearly shown a lack of understanding of it. Private financing initiative is an acceptable means for governments to acquire use of an asset without actually owing them at the time. It is carried out extensively in the United Kingdom.

PFIs involve the private sector supplying an asset for use by a national government for a certain agreed annual payment to be made by a government to the supplier of the asset. The real purpose of a PFI arrangement is to transfer the risks associated with the ownership of the asset to the private sector. Its purposes are not off balance sheet accounting as these former ministers have suggested. The reason that national governments do not place PFI assets on balance sheets is simply because the asset is owned by the private sector and the risks associated with ownership continues to rest with the private sector supplier of that asset. That is what the Minister of Planning has been telling us for the last several months. Madam Speaker, this Government has been open and transparent with the people of this country regarding all projects and undertakings that are done on their behalf and will continue to be so.

Government will have to subject the award of any PFI building contract to the scrutiny of the Central Tenders Committee. The annual cash flow payments for any use of PFI asset will have to be shown in the government's annual budget which will be examined by the Legislative Assembly and its Finance Committee.

Running this country is not about staying in the background and writing letters or getting your supporters to call into the radio shows with frivolous matters and innuendos; making mountains out of mole hills. Letters to the editor cannot negotiate with the United Kingdom about the advancement of Caymanians or with the United States Congress as my Government have been doing. They cannot eliminate borrowings, cannot find solutions to crime, cannot increase tourist arrivals or provide jobs. Letters to the editor cannot build a school in Spotts for 500 children, or a school in West Bay or another high school needed when Truman Bodden had responsibility for Education. Nor can they erase those gentlemen's records of non-performance, give them credibility or fool the people into trusting them.

I challenge these three letter writers to debate their record against that of the United Democratic Party Government, not on paper but before our people. From hereon whenever my administration is unjustifiably accused and lied about I intend to come to this Honourable Legislative Assembly to defend our record. If that means this kind of statement again in September I will not hesitate to expose the evil doers and the evil planners.

I guess I am this afternoon, as the hymn writer said -

"Just as I am, though tossed about
with many a conflict, many a doubt,
Fightings within and fears without,
… I come".

If there are any among us who cannot live with the circumstances this United Democratic Party and I, as Leader, have to face and choose to go against what the Government determines, after discussion and taking advice, then they can face me through the democratic processes of the United Democratic Party, or the electoral process of these Islands. As far as my record goes in leading this country in the past year and a half, I have done my best. I believe that the Government and all of us have done our best, we have worked hard and I will certainly continue to do that for all the people of these Islands.

I am sorry that it was a lengthy statement Madam Speaker, however there were things that needed to be cleared up and I intend to do it again if they keep on telling the amount of lies and slander that is indicative of the Opposition. Thank you very much.

The Speaker: Madam Clerk.

Suspension of Standing Orders 45 and 46(1)

The Speaker: I recognise the Leader of Government for the motion asking for the suspension of Standing Orders 45 and 46(1).

Hon. W. McKeeva Bush: Madam Speaker, I move for the suspension of Standing Orders 45 and 46(1) and (2) to allow Bills to be read for the first time.

The Speaker: The question is that Standing Orders 45 and 46(1) only would be hereby suspended to allow Bills (1) to (5) to be read a first time.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Orders 45 and 46(1) suspended.

Suspension of Standing Order 14(4)

Hon. W. McKeeva Bush: Madam Speaker, in accordance with Standing Order 14(4) we propose to change the order of Bills. I move that item (6) be taken first item (1) second, (2) third and (3) fourth and propose that (4) and (5) be deferred at this time.

The Speaker: The question is that Standing Order 14(4) be suspended to allow today's business order to be changed.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 14(4) suspended.

GOVERNMENT BUSINESS

BILLS

FIRST READINGS

The Terrorism Bill, 2003

The Clerk: The Terrorism Bill, 2003.

The Speaker: The Bill is deemed to have been read the first time and is set down for the second reading.

The Passport (Amendment) Bill, 2003

The Clerk: The Passport (Amendment) Bill, 2003.

The Speaker: The Bill is deemed to have been read a first time and is set down for the second reading.

The Judicature (Amendment) Bill, 2003

The Clerk: The Judicature (Amendment) Bill, 2003.

The Speaker: This Bill is deemed to have been read a first time and is set down for the second reading.

The Immigration (Amendment) Bill, 2003

The Clerk: The Immigration (Amendment) Bill, 2003.

The Speaker: This Bill is also deemed to have been read a first time and is set down for the second reading.

The Health Insurance Commission Bill, 2003

The Clerk: The Health Insurance Commission Bill, 2003.

The Speaker: This Bill is deemed to have been a read a first time and is set down for the second reading.

SECOND READINGS

The Terrorism Bill, 2003

The Speaker: I recognise the Honourable Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Madam Speaker. I beg to move the second reading of a Bill entitled, A Bill for a Law to combat Terrorism; to suppress the Financing of Terrorism; and for Incidental and Connected Purposes.

The Speaker: The Bill has been duly moved. Does the Honourable Member wish to speak thereto?

Hon. Samuel W. Bulgin: Yes, Madam Speaker. Thank you.

The Speaker: Please proceed.

Hon. Samuel W. Bulgin: Madam Speaker, and Honourable Members of the Legislative Assembly, with the leave of this House I wish to present a Bill entitled, The Terrorism Bill, 2003.

With the advent of globalisation it means that the Cayman Islands have plugged into the international community and therefore we are a part of that global village.

A significance of this recognition is that, as a country, we have to be cognisant of, and be guided by, international protocols. It should therefore come as no surprise to anyone that the Cayman Islands have been taking steps in joining other countries, including the United States, in ensuring that there are appropriate legislative frameworks and mechanisms in place to further enhance our capabilities to combat the scourge of terrorism in whatever form it may exist,

including safeguarding against the use of our financial institutions in the financing of terrorism. We, in the Cayman Islands, are persuaded that this evil must be eliminated and we are equally persuaded that this can only be achieved by coordinated, global, systematic and sustained efforts.

Although none of the actual atrocities of 11 September took place on our soil it is common ground that the Cayman Islands and its people have been severely impacted by those despicable acts. Accordingly, it might be appropriate, at this stage, to observe and remind Honourable Members that in order for the Law to be effective it is recognised that there may well have to be some levels of encroachment. However, we are conscious of the fact that the state should never violate principles of due process. Accordingly, the Law will seek to strike a balance between honouring our international obligations in combating terrorism while ensuring the protection of civil liberties.

In October 2001, as an immediate response to 11 September attacks, the United Kingdom extended the Terrorism (United Nations Measures) (Overseas Territories) Order 2001 to the Cayman Islands. This was also extended to other overseas territories. This order was understandably very limited and only deals with the measures necessary to combat the financing of terrorism.

Accordingly, it was necessary for the Cayman Islands to build up on the UK order. In so doing we are guided by the fact of the passage of the UK Anti-Terrorism, Crime and Security Act, 2001. We recognise that there is the need to incorporate provisions of that Law into the Cayman Islands legislation. In fact, the main precedence for the Bill before this Honourable House comes from the UK Terrorism Act, 2000 and the UK Anti-Terrorism, Crime and Security Act, 2001. The Bill also billed up on the Terrorism (United Nation Measures) (Overseas Territories) Order 2001.

While innovative thoughts should not be discouraged in preparing legislation we do not seek to reinvent the wheel and we have endeavoured to comply as closely as possible with other current UK legislation in this regard. Other legislation which was taken into account was the draft model legislation sent to other overseas territories by the Commonwealth Secretariat. The Regulation of Investigatory Powers Act 2000, the Anti-Terrorism (Financial and Other Measures) (Overseas Territories) Order 2002, the Biological Weapons Act 1974, the Chemical Weapons Act 1996 and the Nuclear Material (Offences) Act 1983. These are all UK legislature.

With the leave of this House may I now attempt to provide this Honourable House with a summary of the Bill itself?

Part I of the Bill is the introductory section and sets out the definitions for the purposes of this Law and it includes the definition of terrorism. If I might add, this definition is merely a repetition of the definition which is contained in the Terrorism (United Nations Measures) (Overseas Territories) Order 2001:

In accordance with clause 2**, "'terrorism'", means the use of threat of action where-**

(a) (ii) the use or threat is designed to influence the government or to intimidate the public or a section of the public; and

(iii) the use or threat is made for the purpose of advancing a political, religious or ideological cause;"

It involves**, "(b) (ii) serious damage to property;**

(iii) endangers a person's life, other than that of the person committing the action;" for example, suicide bombers.

The definition in this Bill recognises that terrorism may have religious or ideological or political motivation. It says it therefore seeks to cover actions which might not be violent in themselves but which can in a modern society have a devastating impact.

These could include, for example, interfering with the supply of water or power where life, health or safety may be put at risk.

In the definition section(b)(v) covers disrupting of key computer systems, for example. (c) provides that where actions involve firearms or explosives it does not have to be designed to influence the government or intimidate the public. This is to ensure that, for instance, the assassination of a key individual is covered by the provisions of the Bill.

Part II deals with terrorist offences and weapons of mass destruction.

Clause 3 makes terrorism a predicate offence and provides that: **"(1) A person who commits an act of terrorism … is liable on conviction on indictment to imprisonment for life."**

Some of the other offences dealt with under this part include training a person to use firearms, explosives, chemical, biological and nuclear weapons for purposes related to terrorism; includes developing, producing, stock piling, acquiring and retaining biological weapons and the toxins for purposes other than peaceful purposes. It also includes, for example, directing terrorist organisations or possessing articles for terrorist purposes.

Part III of the Bill deals with offences relating to financial support for terrorism. The term "**Terrorist Property"** is used to make it clear that in the Law Part III offences apply not only to money but also to other property. These offences include the following:
soliciting terrorist property; using or possessing property for terrorist purposes; arranging property to be used for terrorist purposes and; money laundering.

The Bill imposes a duty on certain persons to disclose information relating to the offences specified above. The duty relates to suspicions which arise at work; legal advisors privilege material is exempted.

Schedule 1 makes special provision for the disclosure of information by persons in the regulated

sector and also persons in the public sector. This can be found on page 14 of the Bill.

Persons in the regulated sector are those persons who work in businesses, which are regulated by, for example, the Banks and Trust Companies Law, Building Societies Law, Corporative Societies Law, Insurance Law, Mutual Funds Law and Money Services Law.

I pause to point out that the Securities Investment Business Law, 2001 could be included in this list. At the appropriate stage I intend to move a committee stage amendment to include this. I have already circulated the proposed amendment.

It should also be noted, Madam Speaker, that a Charities Bill is being prepared which will provide for the regulation of charities. Until such time as that Bill is passed the not-for-profit associations which are licensed pursuant to section 8 of the Companies Law will be regulated by schedule 1 of the Bill as well.

Part III of the Bill also gives powers to the court to order forfeiture of any money or other property connected with offences in schedules 2 and 3, and also gives details of any forfeiture procedures to be employed in such circumstances.

Part IV provides that schedule 4 makes provision for orders to monitor accounts at financial institutions. A judge may, for example, on an application to him by a constable of at least the rank of an inspector above, make an account monitoring order if he, the judge, is satisfied that the order is sought for the purposes of terrorist investigation or for the tracing of terrorist property or the order will enhance the effectiveness of the investigation in circumstances.

May I also add that a committee stage amendment will be made to delete 1(1)(d) of schedule 4 as a licensee under the Securities Investment Business Law. The reason is that a licensee under the Securities Investment Business Law, as I understand it, will not be responsible for holding accountings to which an account monitoring order can relate. Their client accounts will be held by approved banks.

Schedule 4 is adopted from the Anti-Terrorism (Financial and Other Measures) (Overseas Territories) Order 2002, which was extended to the other overseas territories. The Bill provides for extradition and, importantly, neutral legal assistance, in criminal matters.

Clauses 32 to 35 are based on provisions included in the draft model legislation that was provided to the overseas territories by the Commonwealth Secretariat which I referred to earlier. The clauses provide for mutual legal assistance to appropriate authorities in foreign states in matters relating to the actions and movements of terrorist groups suspected of involvement of commission of terrorist acts. It also provides for mutual legal assistance in instances where there is use of forge or falsified travel papers by persons suspected of involvement in the commission of terrorist acts. It also covers instances of traffic in weapons and sensitive materials by terrorists.

The Bill provides that counter-terrorism conventions may be used for extradition purposes. Thus, for example, where the United Kingdom becomes party to a counter-terrorism convention (and it extends such convention to the Islands and there is in force an arrangement between the United Kingdom and another state, which is a party to that counter-terrorism convention), the arrangement shall be deemed, for the purposes of mutual legal assistance legislation in the Islands, to include the provisions for mutual assistance in criminal matters falling within the scope of the convention itself.

Also, where the United Kingdom becomes a party to a counter-terrorism convention (and it extends such convention to the Islands and there is no arrangement between the UK and another state, which is a party to that convention for the purposes of mutual assistance) Cabinet may, by order, publish in the *Gazette* and treat the counter-terrorism convention, for the purposes of giving effect to this Law, as an arrangement between the UK Government and that state for providing mutual legal assistance.

The Bill provides the police with powers to arrest and detain suspected terrorists and with broader powers to stop and search vehicles and pedestrians and to impose parking restrictions. They give the police power for a limited period to designate and demarcate a specified area as a cordoned area for the purposes of terrorist investigation. For instance, in the wake of a bomb explosion, police have the remit of cordoning off a particular area to facilitate the investigation.

Clause 41 of the Bill deals principally as outlined in schedule 5–Entry and Search of Premises and Seizure of Materials for the Purpose of Terrorist Investigation.

1(5)(c) of schedule 5 gives a judge discretion over the necessity for a warrant in a particular case.

I will explain the reasoning behind this and it is probably best illustrated by a hypothetical example. Suppose the police need to find, seize and retain certain materials on a particular premises. The police may have successfully contacted the persons entitled, or who have the power, to grant entry to that premises. The person may very well grant access to the premises however he might refuse to consent to certain materials on the premises being seized by the police. The police may, therefore, need a warrant to authorise seizing and retaining the material in those circumstances and it is to cover this eventuality that a more general test, that is, the issue of a warrant is likely to be necessary, as in circumstances of the case used above.

Part VIII, clause 55 of the Bill provides for the "**power to intercept communications and the admissibility of intercepted communications"**.

It also provides:

"(1) … that a constable who is of the rank of inspector may, for the purposes of obtaining evidence of the commission of an offence under this Law, apply to the Governor in writing for an interception communications order.

(2) The constable may make an application … only with the prior written consent of the Attorney General.

(3) The Governor may make an order-

(a) requiring a service provider to intercept and retain specified communication or communications of a specified description received or transmitted or about to be received or transmitted by that service provider;

(b) authorising the constable to enter any premises and to install on such premises any device for the interception and retention of communication or communication of a specified description and to remove and retain such device;

if the Governor is satisfied that the written consent of the Attorney General has been obtained as required … and that there are reasonable grounds to believe that the material information relating to-

(i) the commission of an offence under this Law; or

(ii) the whereabouts of the person suspected by the constable to have committed the offence

is contained in that communication or communications of that description.

(4) Any information contained in the communication-

(a) intercepted and retained pursuant to an order …; or

(b) intercepted and retained in foreign states in accordance with the law of that foreign state and certified by a judge of that foreign state to have been so intercepted and retained,

shall be admissible in proceedings for an offence under this Law..."

Part 9 of the Bill, the General Provision, contains further what I would describe as technical provisions. Under this part, clause 62, for example, provides that:

"Where any act or mission constitutes an offence under this Law and also under the Terrorism (United Nation Measures) (Overseas Terrorism) Order, 2001 the offender is, unless the contrary intention appears, liable to be prosecuted and punished under either this Law or the Order but is not liable to be punished twice for the same offence."

Clause 63 provides that: **"The Attorney General shall lay before the Legislative Assembly at least once every 12 months a report on the working of this Law."**

Terror is defined as intense fear or dread. It is irrelevant whether we live in a country or countries in which acts of terrorism take place or not. Terrorists seek …

The Speaker: Honourable Second Official Member, just for the Chair's clarification, did I understand you to say that clause 63 gave the power to the Attorney General to lay before the Assembly? If that is the case perhaps you may want to address your mind to the Memorandum explanatory which says that the Chief Secretary would do the same thing. Am I correct in understanding that?

Hon. Samuel W. Bulgin: Yes. Madam Speaker, there should also have been a committee stage amendment to substitute the **"Attorney General"** for the "Chief Secretary" where that appears.

[Inaudible interjections]

Hon. Samuel W. Bulgin: Sorry.

The Speaker: Has that amendment been submitted to the Clerk?

Hon. Samuel W. Bulgin: May I just . . . (Pause) I thank you, Madam Speaker. The clause in section 3 actually says the **"Attorney General"** but the Object, as you quite rightly pointed out, refers to the **"Chief Secretary"**. With the leave of the House I will seek the appropriate committee stage amendment.

The Speaker: Yes, I am fully cognisant that the committee stage is the appropriate forum. However, so that there was no intent to mislead by omission or otherwise, it was in contradiction to the expressed form, hence the reason for my elucidation. I am grateful.

Hon. Samuel W. Bulgin: I am indeed grateful to you, Madam Speaker. Thank you.

As I said, terror is defined as intense fear or dread. It is irrelevant whether we live in a country or countries in which acts of terrorism take place or not. Terrorists seek to conquer us by instilling fear and thereby limiting our choices and we cannot permit them such a victory. We should also not be complacent and think that such things cannot happen in the Cayman Islands. Madam Speaker, the United States of America did not anticipate the attacks of 11 September. Indeed, we all recall that Bali, a tourist resort, and playground in the East, was attacked last year by terrorists. It follows that any country could easily be the subject of such cowardly attacks and we must be vigilant in this regard. It is hoped that we may never have to use the provisions of this piece of legislation

but we, as mere humans, cannot predict tomorrow and we should be at all times prepared.

I have attempted to give a brief summary of what I consider a very important Bill and I now commend it to this Honourable House and seek Honourable Members' approval in its passage. Thank you.

The Speaker: Thank you. Does any other Member wish to speak? I recognise the Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker. I rise to offer supporting principle of the Opposition to this Bill for a Law to Combat Terrorism; to suppress the Financing of Terrorism; and for Incidental and Connected Purposes.

The Cayman Islands have been the subject of some criticism recently for being "soft" on terrorism. Some of that criticism is perhaps justified; much of it is not. Perhaps the first observation I should make is that one is left to wonder why it has taken almost two years for this Government to address the issue of terrorism through local legislation following the events of 11 September 2001. Nevertheless, late though it may be, it is worthy of commendation that we do have before this Honourable House a Bill for a Law to make provision to address the global threat of terrorism.

It should not be understated that this legislation is necessarily draconian and far-reaching regarding personal liberties. In the United Kingdom there have been numerous challenges to the legislation brought there and which has been held, in a number of instances by the UK courts, that provisions of their respective legislation have infringed upon the fundamental rights and freedoms of the individual, which is another way of saying that aspects of it are, perhaps in the UK, not unconstitutional although in any other jurisdiction would be regarded as unconstitutional. The effect is still the same. Those provisions are incapable of being enforced.

I have had an opportunity to look at the tenure of legislation here and I must say that I am reasonably happy that our Law, by and large, does not go that far. Understanding, as I think we all must, that for the legislation to be effective and for it to achieve the purpose for which it is designed, that is, to prevent acts of terror, there are going to be times when due process would not be able to be followed.

However, by and large, I think many of the somewhat draconian and far-reaching powers given to various entities—particularly the police and its powers to search premises and persons, and to forfeit items or property which is owned by or suspected to be owned by terrorists—are subject to judicial oversight and review. That gives me considerable comfort.

The legislation is far-reaching and the Law creates an extra-territorial jurisdiction in relation to acts committed outside this jurisdiction. If they were committed within this jurisdiction they would be offences against this or another local legislation. However, that is necessary given the global nature of terrorism as we have, unfortunately, come to know it in today's world.

Therefore I do not have any fundamental problems with that, although it is somewhat an unusual provision. If it were in the context of other legislation one would seek to question why that should be the case. However, it is perfectly understandable, reasonable and acceptable, I believe, in the context of legislation which is aimed at preventing terrorism.

There is also provision in here for account monitoring, where there is suspicion that an account might be used to finance acts of terror. Again, I take some comfort that this is the subject of judicial oversight and that the accounts can only be monitored with the approval of the court. There are appropriate provisions where there is evidence that the account is not being used for that purpose for the holder of that account to make an application to the court to have that order discharged. There is provision in these instances for judicial oversight and for the persons, who are affected by the orders that have been made, to have access to the court so the court can review what has been done and decide on the appropriateness of continuing or not continuing the orders that have been made.

I speak in those general terms to convey the view and the position of the parliamentary Opposition; that, in general, we regard the legislation as being good. However, there are a number of concerns that we have and I will take an opportunity to deal in detail with specific reference to the sections of the Bill.

One of the things that the legislation does, which again is unusual and in the context of any other legislation would be grounds for real complaint and concern, is that it imposes a positive duty on various categories of people to make disclosure, to persons in authority, of information, relating to acts of terrorism or property, which might be items used to further terrorism.

Generally, in Criminal Law there is no positive obligation to disclose information to anyone about anything. In the context of other aspects of Criminal Law you cannot give false information, however, there is generally no provision which requires an individual to make a positive disclosure. That is not the case with the Terrorism Bill and understandably so. It does impose a positive obligation in section 17. (1): **"A person who has any information which may be of assistance in-**

(a) preventing the commission by another person, of an act of terrorism; or

(b) securing the arrest of prosecution of another person for an offence under this Law,

shall, as soon as reasonably possible after receiving such information, disclose the information at a

police station to a constable not below the rank of inspector."

Hence, that is a positive obligation imposed by the law. If you know that someone is planning an act of terror, as a matter of law, you are required to make a report to the Police Station. If you do not do so you commit a criminal offence. In section 17.(4): **"A person who fails to comply with this … is guilty of an offence and liable on conviction on indictment to imprisonment for ten years, and to a fine."**

It is a serious offence not to do so and this applies to all and sundry with the exception that it does not require the disclosure of information which is protected by privilege. By privilege, I take it that means legal professional privilege, which is discussed at some length in other sections of the legislation. I am going to deal with that particular point because it gives me some concern.

I return to section 17.(1), which requires any individual to disclose this information to a person of the rank of an inspector of police or above. The concern in relation to that is this, and I am going to speak frankly; not everyone in the community reposes a great deal of confidence in the police. That is a fact. Some may say that that lack of confidence is unwarranted. I am not there to debate whether it is or not however because the Law creates, for the first time that I am aware of in this jurisdiction, a criminal offence for failing to disclose information on anyone. I believe we need to ensure that the disclosure of that information is possible to other persons who are trusted within the community and, in particular, have the trust of the individual who is required to disclose that information.

For the failure to disclose the information, if on conviction, would render that individual liable to ten years in prison. I believe that there should be provision in here for the disclosure of information to persons such as ministers of religion, who are traditionally the people in whom the community reposes tremendous trust and confidence. It might well be that individual does not want it to be known that he knows what is going on.

Madam Speaker, the real objective of this section and of this whole exercise is to ensure that the police have the information so they can intervene to keep the act of terror from occurring. I know police, by nature, have a propensity to want to question whoever the person is that gave the information. I know that that will be part of their answer to my submission; however, it is far more important in the first instance that the information actually gets into the hands of the police.

If an individual who is required to disclose this information is afraid that if he goes to the police there might be adverse consequences to him, he is more likely to breach the law and suffer the consequences, which is bad, however even worse is the fact that valuable information, which might keep the act from happening, might never get to the police, and then the consequences of that could be extremely grave. Therefore, I ask the Honourable Attorney General if he would bear that in mind when he is concluding his debate on this and, if it does find favour with him and the Government, perhaps the appropriate proposals for amendments could be made at committee stage.

There is another section which deals with the disclosure of information and places an obligation on someone who is in possession of it to disclose it to the authorities. Section 25 deals with information, or persons who receive information, in the course of their business, trade, profession or employment, which is another category of persons. In this case pursuant to section 23 (3): **"A person commits an offence if he does not disclose to the Reporting Authority or to a constable as soon as is reasonably practicable his belief or suspicion and the information on which it is based."**

The Reporting Authority is the Reporting Authority established under the Proceeds of Criminal Conduct Law. Again, I believe that this section could be more effective if it permitted the disclosure to other trusted persons, in addition to the Reporting Authority and a police constable. However, I urge this with less force than the earlier section because, in this instance, we are dealing with people who have obtained information in the course of their employment or profession. Perhaps these people are more likely to understand and be willing to deal with police officers and the Reporting Authority in this context than just the average person who gains information on the *marl road*. Again, I say this is a section that could be looked at.

I come back to the point about privilege, that is legal professional privilege, and perhaps the Honourable Attorney General does have an explanation for this. However, the difficulty I see with the way this is currently drafted is that the subsection does not require disclosure by a professional legal advisor, that is legal professional privilege.

Legal professional privilege is something that has been the subject of much discussion over the course of many years. It has developed to a point where, I believe, it is as clear as these things can possibly be to most people. There is much case law on the point therefore it is quite clear what information is covered by legal professional privilege at common law.

Section 23(6) says: **"Subsection (3) does not require disclosure by a professional legal advisor of-**

(a) information which he obtains in privileged circumstances; or

(b) a belief or suspicion based in information which he obtains in privileged circumstances."

Section 23 (7) says: **"For the purpose of subsection (6) information is obtained by a pro-**

fessional legal advisor in privileged circumstances if it comes to him, otherwise than with a view to furthering a criminal purpose from-

(a) a clients or client's representative, in connection with the provision of legal advice by the adviser to the client;

(b) a person seeking legal advice from the adviser, or from person's representative; or

(c) any person, for the purpose of actual or contemplated legal proceedings."

I have no difficulty with what is set out in those two subsections (6) and (7) however my question is; is the objective of those two subsections to somehow narrow down what the common law is in relation to the legal professional privilege?

If so, I have a fundamental problem with it because it is encroaching on one of the cardinal principles in relation to an attorney's ability to properly receive information and advise his client. If that is not the objective and what is being attempted is to expressly state in the Law what the common law is in relation to legal professional privilege then I ask why?

We are running a real risk now of creating scope for much more argument, discussion and questioning as to what the Law really is. We have hundreds of years of case law which has established the parameters of legal professional privilege. Those of us who practice the law can have reference to it and understand whether or not a particular bit of information is the subject of legal professional privilege or not and the context in which it is given is really the guide post as to whether or not information is subject to legal professional privilege or not.

I say that if the objective is to settle the common law then we need not do that and in fact we are running a real risk that we going to create more case law as lawyers argue as to whether or not this is actually an accurate reflection of the common law or not or whether this goes further or does not go as far, and we have lovely and fertile ground for legal argument and much delay and academic debate, running up some nice costs for lawyers who love to argue these points.

Therefore, I ask the Honourable Attorney General to explain the rationale for having those two provisions included in this legislation.

I now move to page 30, Part VI, which deals with the extradition and execution in criminal matters. The first observation I have is that section 32, which deals with the exchange of information relating to terrorist groups and terrorist acts. In section 32 (1): **"Subject to subsection (2), the Reporting Authority and the Commissioner of Police may, on a request made by the appropriate authority of a foreign state, disclosed to that authority, any information in its possession or in the possession of any other government department agency relating to any of the following -**

(a) the actions and movements of terrorist groups suspected of involvement in the commission of terrorist acts;

(b) the use of forged or falsified travel papers where persons suspected of involvement in the commission of terrorist acts;

(c) traffic in weapons and sensitive materials by terrorist groups or persons suspected of involvement in the commission of terrorist acts; or

(d) the use of communications technologies by terrorist groups.

In section 32(2) it says: **"A disclosure under subsection (1) may only be made-**

(a) if it is not prohibited by the provisions of any other Law;

(b) subject to provisions of any other Law regulating the procedures to be followed when making such disclosure; and

(c) if, in the opinion of the Reporting Authority, after consulting with the Attorney General, and the Commissioner of Police, it would not be prejudicial to a national security of public safety."

I think that is absolutely fine and spot-on because it makes the disclosure subject to whatever legislation exists in addition to the safeguards of the Reporting Authority, the Attorney General and the Commissioner of Police. That, I believe, is the way that legislation should be drafted so that when information is being disclosed it is being done pursuant to legislation, which permits it, or at least which does not expressly prohibit it. I have no difficulty with that.

I do have a major difficulty with Part VI where it seeks to deal with extradition. Section 33 addresses counter terrorism convention to be used as a basis for extradition. I do understand the difficulties which the government faces in the absence of expressed extradition agreements between us and various other countries, and I acknowledge that.

However, I believe that seeking to address this area of extradition, which is controversial, any of us who have been in Cayman for a while will understand how heated and drawn out and expensive extradition proceedings can be. I believe that the whole question of extradition which the legislation attempts to address, is going to create real problems for us. I am not saying that there is another way that it can dealt with shortly, because I understand that it would take some time and tremendous effort to forge extradition agreements with just about every other country in the world if that is the way we were to go. However, the way that it is proposed to deal with this is so vague, and perhaps necessarily so, that we are inviting all sorts of challenges to the process.

I will read two of the subsections, which will help to make the point I am seeking to advance. Section 33(1): "**Where-**

(a) the United Kingdom becomes a party to a counter-terrorism convention and it extends such convention to the Islands; and

(b) there is in force, an extradition arrangement between the United Kingdom and another state which is a party to that counter terrorism convention,

the extradition arrangement shall be deemed for the purposes of giving effect to this Law to include provision for extradition in respect of offences falling within the scope of that counter terrorism convention".

What his law is seeking to do is to import and create offences which have been identified in a convention which the UK has become party to with another state which is also a party to that counter-terrorism convention. Madam Speaker, that is going to be the subject of real challenge if we ever seek to rely on these provisions as the basis for an extradition proceeding.

However, 33 (2) is even more problematic: **"Where –**

(a) the United Kingdom becomes a party to a counter-terrorism convention and it extends such convention to the Islands; and

(b) there is no extradition arrangement between the United Kingdom and another state which is party to that counter terrorism convention,

The Governor in Council may, by order published in the *Gazette*, treat the counter-terrorism convention for the purposes of giving effect to this Law, as an arrangement between the United Kingdom and that state for providing for extradition in respect of offences falling within the scope of the counter-terrorism convention."

What is contemplated is a situation where the UK, although party to the counter-terrorism convention and having extended that convention to the Islands, has no extradition arrangements between itself and that other state. However, we are seeking to rely on that convention as a basis for creating an extradition procedure and statutory basis in relation to that other state. As a matter of law, I believe that is fraught with real difficulty.

I have similar concerns relating to section 34 as well. Perhaps I should read that one for the sake of completeness. It is a difference circumstance; it is about mutual legal assistance nevertheless the concern is the same. Section 34(1) says: **"Where-**

(a) the United Kingdom becomes a party to a counter-terrorism convention and it extends that convention to the Islands; and

(b) there is in force an arrangement between the United Kingdom and another state which is a party to that counter-terrorism convention, for mutual assistance in criminal matters,

the arrangement shall be deemed for the purposes of mutual legal assistance legislation in the Islands to include provisions for mutual legal assistance in criminal matters falling within the scope of the counter-terrorism convention."

The concern is perhaps less than it was in relation to the section 33, however there is still a concern that those provisions are vague, and perhaps—if I am not being too unkind—untidy.

Madam Speaker, before I move on to the other substantive point I would like to deal with section 47, which by way of observation, creates a power to stop and search individuals in specified areas where there is concern about their potential involvement in terrorist activities.

This procedure again is unusual, if I can use a neutral term, because it permits a police officer of at least the rank of inspector to authorise other police officers to stop and search persons without the benefit of a warrant. It is an authorisation of a limited tenure and of a restricted scope however it is quite a draconian power, and one which is not, in the first instance, subject to judicial oversight. I am not complaining about its inclusion in the legislation. I am simply pointing out that this is quite radical legislation; to ensure that no one thinks I am complaining about it, that this is necessarily so, given the threats that the legislation is designed to deal with. However, it does impose tremendous responsibility and judgement on the police in the exercise of the significant powers and ability which is given to them under the terms of this legislation.

I think it is a good thing that there is provision at the end of the law for both the Attorney General and the Chief Secretary to be able to bring a report to the Legislative Assembly about the working of this Law so that we have a continued oversight about how well the provisions of the Law are working and whether or not they are being abused by this Honourable House. As it is such an onerous and responsible task to prepare this report we have two Members of Executive Council who are charged with the responsibility to prepare and bring it.

The last point I have a real complaint about, is section 55, which refers to the **"power to intercept communications and admissibility of intercepted communications"**.

Curiously, throughout this legislation there is provision for the Governor in Council to do various things: to make orders, to have them gazetted and to do various other things which are required under the law. However, under this section which relates to the power to intercept communications the power is pro-

posed to be vested not in the Governor in Council but in His Excellency the Governor. Given recent events which I will not tire the House with repeating, I believe we all have concerns about vesting the power to intercept communications in the hands of Her Majesty's representative in these Islands.

An Honourable Member: Hear, hear!

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, there may be some who do not repose sufficient confidence in the Cabinet of this country to give the responsible duty of determining whether or not communications should be intercepted to them. However, I believe there are even more who have less confidence in reposing that responsible duty in the hands of Her Majesty's representative, particularly in light of recent events, as I said.

Section 55(1) says: **"Subject to subsection (2), a constable who is of at least the rank of inspector may, for the purposes of obtaining evidence of the commission of an offence under this Law, apply to the Governor"** not the Governor in Council **"in writing for an interception of communications order.**

(2) The constable may make an application under subsection (1) only with the prior written consent of the Attorney General.

(3) The Governor may make an order-

(a) requiring a service provider to intercept and retain a specified communication or communications of specified description received or transmitted or about to be received or transmitted by that service provider;

(b) authorising the constable to enter any premises and to install on such premises any device for the interception and retention of a specified communication or communication of a specified description and remove and retain such device,

if the Governor [not the Governor in Council] **is satisfied that the written consent of the Attorney General has been obtained as required by subsection (2) and that there are reasonable grounds to believe that material information relating to-**

(i) the commission of an offence under this Law; or

(ii) the whereabouts of the person suspected by the constable to have committed the offence

is contained in that communication or communications of that description".

Again, I question why that responsibility, relating to the power to intercept communications, is proposed to be vested in the Governor and not the Governor in Council. Perhaps the Government Members who are present can provide us with some explanation as to why they appear to have agreed to such a provision in this Bill since it is being presented by the Government. There are fundamental objections on this side of the Floor to reposing that tremendous responsibility in the hands of the Governor, whoever he or she may be.

Hour of Interruption—4.30 pm

The Speaker: We have reached the hour of 4.30 pm. Is this a convenient time for the adjournment or would the Member wish to go on a bit more?

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, I am entirely in your hands. I still have a substantial amount to deal with.

ADJOURNMENT

The Speaker: It seems that it is the will of the House for the adjournment to be at this time. The Honourable Deputy Leader, may I have a motion for the adjournment?

Hon. Linford A. Pierson: Madam Speaker, I beg to move the adjournment of this Honourable House until tomorrow, Thursday 17July 2003.

The Speaker: Thank you.

I recognise the Honourable Leader of the Opposition.

Point of Procedure

Hon. D. Kurt Tibbetts: Thank you. Madam Speaker, just before we take the vote for the adjournment, as I understand it from the Clerk there is no scheduled Business Committee Meeting for today, and tomorrow being Private Members' Motion day, I just wish to get a clear indication as to how the business of the House is intended to be handled.

Frankly, it does not matter to us on this side; we would just like to have a clear indication whether we are going to go through the Government Business first or Bills.

The Speaker: The Honourable Deputy Leader.

Hon. Linford A. Pierson: Madam Speaker, it is the feeling of the Members on this side that we should go through Government Business first before we deal with other matters.

[Inaudible interjections]

The Speaker: That matter has not been disposed of. I will put the question that the Honourable House be adjourned until tomorrow, 17 July, 2003 at 10 am.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 4.32 pm the House stood adjourned until Thursday, 17 July, 2003, at 10 am.

OFFICIAL HANSARD REPORT
TUESDAY
17 JULY 2003
10.45 AM

Fourteenth Sitting

The Speaker: I will invite the Honourable Second Official Member to grace us with prayers.

PRAYERS

Hon. Samuel W. Bulgin: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Cayman Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come. They will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever Amen.

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

Proceedings resumed at 10:48 am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HOUNOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies from the Honourable First Official Member, the Minister of Education, the Minister of Community Affairs, the Second Elected Member for West Bay, the Member for Cayman Brac and Little Cayman and the Elected Member for East End.

Honourable Deputy Leader, is it the intention of the House to sit until 6 pm this afternoon?

Hon. Linford A. Pierson: Madam Speaker, that was my understanding. Having had a look at the Order Paper, I believe that if we are lucky we might get through before that time.

The Speaker: Thank you. I will recognise the Deputy Leader for the Suspension of Standing Order 14 to allow the business on today's Order Paper to be changed to allow the Presentation of Papers to come at a later stage.

Suspension of Standing Order 14

Hon. Linford A. Pierson: Madam Speaker, I wish to move the relevant Standing Order to allow the Presentation of Papers and of Reports to come at a later stage.

The Speaker: The question is that in accordance with Standing Order 14 the Order Paper be changed to allow the Presentation of Papers to be presented at a later stage during today's Sitting.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Order Paper changed to allow the Paper to be taken at a later stage during this Sitting.

STATEMENTS BY HONOURABLE MINISTERS / MEMBERS OF THE GOVERNMENT

Management of the .ky Internet Domain

The Speaker: I recognise the Honourable Deputy Leader.

Hon. Linford A. Pierson: Thank you, Madam Speaker. Over the past eighteen months I have, on several occasions, updated this Honourable House on the situation concerning the management of the .ky Internet Domain.

Members will recall that prior to the enactment of the Information and Communications Technology Authority Law, 2002, the administrative contact for the .ky Internet Domain was Mr. Clint Mole; an ex-government employee who, by then, was working for a local company on a work permit. When the new Law came into force in May 2002, the Authority proposed to grant Mr. Mole temporary authority to continue his duties so that a smooth handover to the Information and Communications Technology (ICT) Authority could take place. In practice, Mr. Mole decided that because of his legal liability to third parties, he would simply cease to perform the functions of administrative contact.

Within 24 hours, the ICT Authority took over the duties and responsibilities of administrative contact with very little disruption to the smooth running of the domain. They have continued to do so ever since.

Mr. Mole has now returned to the U.K. with his family and has no further involvement in the administration of the domain. Indeed, because he is outside this jurisdiction, he is ineligible to do so.

Technical services for the .ky Internet Domain had been provided by a company called Message Secure Corporation of Boston, Massachusetts, under a contract from IMS Inc. of California. The hardware and software on which these services were running were owned by Internet Management Services Incorporated (IMS Inc.) and were located at a secure network access point in Boston with a duplicate system located in a similar facility in Los Angeles, California.

When the Information and Communications Technology Authority (ICTA) Law came into force, IMS Inc. recognised that the series of contracts under which they were providing technical services might not be valid. Accordingly, the initiated action to sue the shareholders of the company called Domain Name Trust Incorporated (DNT Inc.) who had sold them these alleged rights. They also offered to sell to Government the hardware and software that was being used to run the domain, plus to provide an electronic copy of all relevant registration data.

As a result of the legal proceedings between IMS Inc. and DNT Inc. there was a real risk that DNT Inc. would seek a Court ruling that would allow them to seize all of IMS Inc.'s assets including the domain name servers.

On the 7 June 2002, Executive Council therefore agreed to purchase the hardware and software from IMS Inc. for a sum of US$238,000. This purchase included seven machines located in Boston and Los Angeles together with the associated communications and network security equipment and the source code and licenses for all software developed or purchased by IMS Inc.

In addition, an electronic copy of all registration data was transmitted to Government the same day. My Ministry also took over the contract that previously existed between IMS Inc. and Message Secure Corporation for the provision of technical services.

The value of cost of this contract is CI$7,900 per month. This includes the cost of housing the equipment in the network access points in Boston and Los Angeles and of providing monitoring and technical support twenty four hours a day, seven days a week.

Responsibility for the payment of this contract has now been transferred to the ICT Authority. The Internet Corporation for Assigned Names and Numbers (ICANN) and its subsidiary organisation, the Internet Assigned Numbers Authority (IANA) are the two bodies charged by the United States Department of Commerce with overseeing the management of internet domains.

My Ministry and the ICT Authority made a joint submission to ICANN requesting that the responsibility for the management of the domain be formally reallocated to the Authority. I am pleased to report that following an exchange of documents, that clarified the respective responsibilities of ICANN, the Government and the Authority, ICANN's Board of Directors approved our request earlier this month.

That decision has now been endorsed by the United States Department of Commerce and our Master Records have been changed in ICANN's data base. I am sure that all Honourable Members will be gratified that the Cayman Islands now has proper control of our own Internet Domain and that this outcome has been achieved without the need for any form of payment other than that detailed above to the parties previously involved. Thank you Madam Speaker.

The Speaker: Thank you, Honourable Deputy Leader. I believe you had another statement as well.

New Cable & Wireless Licence as Issued by the ICT Authority

Hon. Linford A. Pierson. Thank you, Madam Speaker. The 10 July, 2003 was a most important day in the history of the Cayman Islands. For the past 37 years Cable & Wireless has been the sole provider of domestic and international telecommunications to this country.

There is no doubt that they have given excellent service during that time. They invested in this country at a time when no one else was prepared to do so. They have put in place an excellent telecommunications infrastructure. They have trained, encouraged and developed our local people. Not only is a vast majority of their staff Caymanian but many, who are now employed elsewhere in the ICT sector, owe their technical expertise to their initial training by Cable & Wireless.

Cable & Wireless have also been first class corporate citizens, but times have changed. In today's information based economy the ready availability of the widest possible range of high quality telecommunication services at the lowest possible, yet sustain-

able prices, has become key to our country's economy and the development of its citizens.

Almost everyone from the World Trade Organisation (WTO) to individual governments has concluded that the best, if not only, way to achieve this goal is to liberalise the sector.

The spur of competition will drive prices down to their lowest economic level whilst improving the range and quality of services provided. Another consideration is the convergence of the many technologies that make up the information and communications technology sector. For example, radio and television broadcasters are already able to distribute their programming over the internet as well as over the air.

Cable television providers are providing telephone and Internet services. Internet service providers can incorporate local and international telephone services into their offerings and, in some jurisdictions, telephone service providers now include subscription television amongst their services.

I have no doubt that this trend will continue in ways we cannot now imagine to provide customers with true freedom of choice and to allow the best solution to their development in the market. It is important that legislation and regulations do not artificially distort the market by applying different rules to different technologies.

The Cayman Islands was one of the first countries in the world to address this issue by enacting a single law, The Information and Communications Technology Authority Law 2002, and establishing a single Regulatory Authority, the ICT Authority, to licence and regulate the entire ICT sector in a consistent and non-discriminatory fashion.

Cable & Wireless also understand that the ICT sector has changed. They recognise that their future lies in a liberated market where they have the opportunity to re-act quickly to user requirements and competitive pressures. They can earn revenue from selling their services to other providers and where innovation, expertise and quality of service are appropriately rewarded.

They, therefore, have publicly stated on many occasions that they are committed to supporting the liberalisation process. Of course, they wish to be assured that the new regulatory environment is fair, equitable and non-discriminatory.

They also owe it to their shareholders to ensure that they achieve the best possible terms for voluntarily surrendering an exclusive licence that, in the normal course of events, would not end until December 2011. Negotiations were robust and challenging for both sides however have always been conducted in a thoroughly respectful and professional manner.

I am now delighted to say that these negotiations have been successfully concluded and on the 10 July, 2003 I signed a main agreement between Government and Cable & Wireless that resulted in the surrender of their existing exclusive licence and the issuing of their new non-exclusive one by the ICT Authority.

Not only was this achieved within the one month specified in the Heads of Agreement that was signed on the 10 June, 2003, but it results in full liberalisation being completed by the 1 April 2004. This is significantly earlier than the target date of August 2004 that I set when I first announced the liberalisation initiative at a Chamber of Commerce speech back in July 2001.

I must also emphasise as I have before that I am talking here about the final step in the liberalisation process, that is, the liberalisation of international telecommunication services, competition and all other services will commence much earlier.

In this instance, as in many others this Government has not shirked from tackling a difficult issue that has been with us for some time. Yet again, we have delivered on our promises and delivered ahead of schedule. We have done and will continue to do our part.

I now look to the private sector, not only to take advantage of the opportunities we have created but also to pass the resulting savings onto their customers which will reduce the cost of doing business here in the Cayman Islands and likewise have a positive impact on the cost of living.

I believe it would now be appropriate for me to repeat the details of the liberalisation timetable. With immediate effect, application forms for all types of telecommunication licences may be issued including the re-sale of Cable & Wireless International Services.

As soon as they are licensed, new entrants may compete for the provision of domestic telecommunications. Newly licensed entrants, wishing to provide other services such as mobile, may begin to construct their networks.

On 1 November 2003, alternative licence internet service providers may begin operation. Cable & Wireless will standardize their local and inter-island call charges to fixed lines at nine cents for the first minute and two cents per minute thereafter.

On 1 December 2003, Cable & Wireless business line rental will increase to $30 per month. At the same time all international call charges will be reduced on average by at least 40 per cent for residential and business subscribers.

On 1 January 2004, Cable & Wireless' residential line rental will increase from $6.25 or $4.75 where the subscriber has chosen not to rent a handset to $9 per month. Cable & Wireless will introduce a light-user scheme with a line rental charge of $8 per month and a rebate of up to $3 per month on the cost of local fix-to-fix telephone calls.

This will be a restricted telephone service package that permits access to the telephone network and emergency services. It therefore will be available only to residential customers with a single line and will not include enhanced features such as call waiting and Internet access. The cost of calls in excess of the

$3 rebate will be charged at the normal rate. Full details of the light-user scheme are contained in the main agreement.

On 1 February 2004, licensed domestic mobile service providers may commence commercial operations and re-sell Cable & Wireless international services.

On 1 April 2004, competition in international telecommunications may commence. The liberalisation process will be complete with competition possible in all areas. Cable & Wireless' residential line rental will increase from $9 to $12.

It is difficult for the ICT Authority to know exactly when the first competitive licence will be issued because it depends on the applicants as much as the Authority. Nevertheless, they have given the following provisional timetable.

Application forms which have already been the subject of public consultation were made available to new applicants with effect from Monday, 14 July 2003.

At the same time, the main agreement and Cable & Wireless' new licence were made publicly available. Within fourteen days of the signing of the main agreement, that is, by 25 July, potential new applicants will be required to submit to the Authority a formal statement of their intent to apply for a licence, detailing the networks and services in which they are interested.

Shortly thereafter, the staff of the Authority will hold a briefing session for potential applicants. Applicants who wish to be considered for a licence during 2003 will be required to submit their full applications within 30 days from10 July; the 30 days will be up by 10 August.

No further applications will be accepted until 1 January 2004. The authorities aim is to issue the first licence or licences by 10 September this year 2003 at the latest, thus giving new licensees a good chance of completing their technical and commercial arrangements in time to begin commercial operations at the earliest possible date.

I would like to record my sincere appreciation at the tremendous effort and extremely long hours put in by both negotiating teams, especially in the last month, between the signing of the heads of agreement and 10 July when the main agreement was signed.

I would like to make special mention of my colleague and fellow Member of the Legislative Assembly, Mr. Cline Glidden, Jr., for his invaluable assistance, my Chief Officer and the staff of my Ministry, the Board, Managing Director and staff of the ICT Authority and all other Members of the Government negotiating team including you, Madam Speaker.

For the benefit of all Members of this Honourable House, it was at this point I was going to give out the main agreement — and I believe that this has been done already by our efficient Serjeant-at-Arms, Madam Speaker. I how have pleasure in tabling this statement and a copy of the main agreement with Cable & Wireless.

The Speaker: So ordered.

Hon. Linford A. Pierson: This includes at Schedule 2 a full copy of the new Cable & Wireless Licence as issued by the ICT Authority. Members of the public may obtain copies of these documents from the Authority's website at www.icta.ky or printed copies from the ICTA offices for a nominal fee. Thank you, Madam Speaker.

The Speaker: Thank you, Honourable Deputy Leader. I recognise the Member for North Side.

Short Questions—Standing Order 30(2)

Ms. Edna M. Moyle: Thank you, Madam Speaker. Under Standing Order 30(2), I wonder if you would allow me to ask the Honourable Minister two short questions on his statements on the .ky Internet Domain.

The Speaker: Yes, please proceed.

Ms. Edna M. Moyle: Madam Speaker, I wonder if the Honourable Minister could provide this House with the name of the local company together with the names of the shareholders and directors that Mr. Clint Mole, an ex-government employee, was employed by. That is my first question.

The second one regards the first page where it says: **"Mr. Mole has now returned to the UK with his family and has no further involvement —"**

The Speaker: Member for North Side, sorry for the interruption but may I ask you to repeat the first one please as the Minister is trying to record in order to respond. Perhaps he can respond to one at a time. Thank you.

Ms. Edna M. Moyle: Thank you, Madam Speaker. The first question is if the Minister is in a position to provide the House with the name of the local company together with the names of the shareholders and directors that Mr. Clint Mole, an ex-government employee, was employed by at the time that he had the .ky Internet Domain.

The Speaker: Honourable Deputy Leader.

Hon. Linford A. Pierson: Madam Speaker, unfortunately I do not have those details here with me however I would be pleased to provide the information requested by the Honourable Member in writing.

The Speaker: Thank you. Member for North Side.

Ms. Edna M. Moyle: Thank you, Madam Speaker. I thank the Honourable Minister for that undertaking.

My second question regarding the first page of the statement where it says: **"Mr. Mole has now returned to the UK with his family and has no further involvement in the administration of the domain. Indeed, because he is outside this jurisdiction, he is ineligible to do so."**

My question is, should he return to this jurisdiction will he then be eligible to have further involvement in the .ky Domain?

The Speaker: Honourable Deputy Leader.

Hon. Linford A. Pierson: Madam Speaker, I wonder if the Honourable Member could explain what she means by "further involvement in the .ky domain".

The Speaker: Member for North Side.

Ms. Edna M. Moyle: Madam Speaker, I am only repeating what is written in the statement and it says: **"Mr. Mole has now returned to the UK with his family and he has no further involvement in the administration of the domain. Indeed, because he is outside this jurisdiction, he is ineligible to do so".** My question is, should he return to this jurisdiction will he be able to have further involvement in the administration of the domain?

The Speaker: Honourable Deputy Leader.

Hon. Linford A. Pierson: Madam Speaker, I wish to thank the Honourable Member for that clarification. I can assure the Honourable Member and this Honourable House that as long as this Minister is in charge of the ICT Authority and of the .ky Domain then Mr. Clint Mole will have no further involvement in the administration of the domain.

The Speaker: Member for North Side, you have asked two questions however I will allow you one more.

Ms. Edna M. Moyle: Well, it is a follow up, Madam Speaker, if I may. I thank you.

The Speaker: Please proceed.

Ms. Edna M. Moyle: I appreciate the Honourable Minister's reply but could he say if it is in the Law whereby this gentleman will be prohibited from having any further involvement in the administration of the domain?

The Speaker: Honourable Deputy Leader.

Hon. Linford A. Pierson: Madam Speaker, as far as my memory calls it is not specifically stated there however I do have policy directives that I can exercise and that is one which will be exercised.

The Speaker: Thank you.

Madam Clerk.

PRESENTATION OF PAPERS AND OF REPORTS

Response to Private Member's Motion 12/00, Environmental and Cancer study

The Speaker: I recognise the Honourable Minister responsible for Health.

Hon. Gilbert A. McLean: Thank you, Madam Speaker.

I beg to lay on the Table of this Honourable House a response to Motion 12/00, Environmental and Cancer study.

The Speaker: So ordered. Does the Honourable Minister wish to speak thereon?

Hon. Gilbert A. McLean: Yes, thank you. Madam Speaker and fellow Members of the Legislative Assembly.

Private Members' Motion No. 12/00, moved by the then Third Elected Member for Bodden Town, Mr. Roy Bodden, and Seconded by the then Elected Member for North Side, Mrs. Edna Moyle, reads, and I quote:

"WHEREAS the Mosquito and Control Unit has been conducting aerial spraying over Grand Cayman for many years now;

"AND WHEREAS to date no scientific study, to our knowledge, has been carried out to ascertain what, if any, effects such long term spraying has on the environment, flora, fauna and human population;

"AND WHEREAS some Members of the Legislative Assembly have received concerns from their constituents and other members of the public with regard to what many of these persons believe, is an abnormal cancer rate in the Cayman Islands,

"BE IT RESOLVED THAT the Government consider commissioning a scientific study to ascertain:

"(1) what effects, if any, long term aerial spraying has on the flora, fauna, environment and people of these Islands; and

"(2) whether there is any scientific evidence to support the notion that there is an abnormal cancer rate in the Cayman Islands which emanates from aerial spraying, hazardous leaks from the George Town landfill site or any other environmental cause.

"AND BE IT FURTHER RESOLVED THAT the report, in its entirety, be tabled immediately upon receipt in the Legislative Assembly for debate."

This Motion was passed by this Honourable House and the Ministry of Health was asked to co-ordinate the investigation of

(1) the Environmental effects of the use of pesticides for mosquito control used in long term aerial spraying over Grand Cayman; and
(2) the publicly perceived abnormal rates of cancer in the Cayman Islands.

The then Honourable Minister of Health requested that the Health Services Department form a steering committee to review the existing data and make recommendations as to the way forward.

As a result, an eight-member steering committee was formed under the Chairmanship of the then Chief Medical Officer.

As the Minister of Health, it is now my duty to lay on the Table of this Honourable House a response to Motion 12/2000, The Environmental and Cancer Study Report. In speaking to the Report, I shall deal with the two Sections separately.

The First Section: **"BE IT RESOLVED THAT the Government consider commissioning a study to ascertain: (1) what effects, if any, long term aerial spraying has on Flora, Fauna, Environment and people of these Islands."**

The Mosquito Research Control Unit began mosquito control operations in the mid-1960s. Throughout its existence, a number of different insecticides have been used for this purpose.

Currently, the Mosquito Research Control Unit employs insecticides designed either for killing adult mosquitoes, usually applied as a fine mist at the time of peak mosquito activity, or larval mosquitoes applied directly to the aquatic habitat where immature mosquitoes occur.

I would like to draw to the attention of Members of this Honourable House the following statement in Section 1 in the Report: "**All insecticides used by the Mosquito Research Control Unit (MRCU) are registered under the US Federal Insecticides Fungicides and Rodenticides Act (FIFR), are approved for use in Mosquito Control by the US Environmental Protection Agency (EPA) and are applied at rates approved by the EPA."**

The approval process of the EPA includes vigorous testing to ensure unreasonable adverse health or environmental effects do not occur.

Operations and research conducted by the MRCU including insecticides employed are presently governed by the Mosquito Research and Control Law, 1974. However, legislation specific to the use of pesticides in the Cayman Islands is expected to be brought to the Legislative Assembly in the near future.

It is expected that the Legislation will be modelled on that which applies to the State of Florida in the United States, although it will be suitably modified to take into account the specifics of the Cayman Islands.

The Report also highlights that following a number of enquiries to the Department, MRCU has begun collaborative research with Clark Mosquito Control and Iowa State University to determine whether, and to what extent, any residues of the insecticides may occur in the roof collected cistern water and thus far the initial tests were negative for chlorpyrifos insecticide residue.

It is intended that MRCU along with other interested agencies and departments will enhance pesticide residue studies with drinking water, soil samples, mangroves, leaf, litter, and so forth.

MRCU will develop appropriate project proposals for implementation and eventually establish a routine monitoring programme to ensure insecticide residue levels do not exceed established safe levels.

The environmental study envisaged by the Motion is one that looks at the flora, fauna, environment and people of the Cayman Islands. It is extremely broad in scope and will likely be prohibitively expensive.

It is concluded, therefore, that the matter will need to be addressed through a series of smaller studies on various components of the perceived problem.

Concerns associated with insecticides and their effect on human health, non-target organisms and the environment in general have been studied for many years and there is a large body of published research in this area.

In the absence of information specific to the Cayman Islands, a prudent first step would be to conduct a comprehensive literature review that would assist in focusing future studies.

The US Environmental Protection Agency, the World Health Organisation, academic institutions, environmental consulting firms and pesticide manufacturers are all bodies that could act as sources of expertise to assist with a literature review.

I seek assistance from my colleague, with responsibility for the Departments of Environment and MRCU, for the introduction of such a review with a purpose of identifying any local research needs.

Noting the difficulty of drawing conclusions from studies with small size territories and small populations, it makes more sense to depend on extensive global literature rather than re-inventing. For example, the medical care we provide here in the Cayman Islands is based on research conducted elsewhere.

However, I hasten to add that we must have monitoring systems and operational research components as integral parts of all programmes to ensure safe practises.

In summarising part 1 of the report, I would like to re-state the following:

(1) MRCU uses approved insecticides in an approved manner;

(2) Pesticide Residue Studies will be further enhanced;

(3) MRCU will undertake to develop and implement monitoring systems for safe practises;

(4) A comprehensive literature review will be carried out to determine what information is currently available globally and how such information relates to the Cayman Islands;

(5) The completion of a literature review should provide a clearer picture of likely harmful environmental effects of long term aerial spraying.

This review will enable Government to establish whether further research is required and, if so, in what form it should take.

I would now like to deal with the second part of the Motion which states: **"BE IT RESOLVED THAT Government consider commissioning a study to ascertain: whether there is any scientific evidence to support the notion that there is an abnormal cancer rate in the Cayman Islands which emanates from aerial spraying, hazardous leaks from the George Town landfill site or any other environmental cause."**

Mortality and morbidity data in the Cayman Islands was reviewed.

This report discusses and compares the Cayman Islands incidence and mortality rates due to cancer with the world in general, the Caribbean region and individual countries with similar economies and population make-up, such as the Bahamas, or with close ties in terms of migrant population, that is the United States and the United Kingdom.

Published mortality data due to cancer in the Cayman Islands has been available since 1984. The data was in a consolidated manner until 1991. Since 1992 the data has been computerised, hence initial reference is made to cancer deaths since 1984 while details are only available from the data since 1992.

Members of this Honourable House should note that information in this report on cancer cases detected is based on cancer diagnosis made at the Cayman Islands hospital laboratory.

From late 1991, the pathology laboratory of the Cayman Islands hospital started the diagnosis of specimens for cancer and this is the only laboratory in the Cayman Islands that maintains a comprehensive database of all cancers identified. Therefore, morbidity data from this database is the only source of information used in this report.

As shown on page 16 of the report, **" . . . With some minor fluctuations, the crude death rate has, in general, gradually fallen from 5.4 per 1,000 population in 1984 to 1987 to 3.3 in the period of 1996 to 1999 . . ."** and to 2.8 in 2002 indicating our people are living longer and longer and that there has been reduction in premature deaths overall.

The Report goes on to examine mortality rates due to cancer, tumours or malignant neo-plasms which are groups of cells with the ability to invade and destroy surrounding tissues and are able to spread to other organs through the blood stream or lymphatic system.

I understand that there are more than 100 different cancers known; each with its own description, natural disease progression, treatment and survival rate.

Around the world, including skin cancers, an estimated 3.5 million people died from malignant neo-plasms in year 2000 and 5.3 million were suffering from various types of cancer.

Following cardio-vascular diseases in the developed world, cancer is the second most common cause of death.

In the USA, one in every three individuals will develop some form of cancer in his or her lifetime and one in every five individuals will die from it, making cancer the second leading cause of death. In the USA, cancer was responsible for 23 per cent of all deaths in 1998 and again in 1999.

Turning now to local information, during the entire period of 1984 to 1999 there was a total of 1,856 deaths of which 377, or 20.3 per cent, were due to cancers in the Cayman Islands.

The proportion of cancer deaths over the years remains similar with only minor fluctuations. In 2002 there were about 120 deaths, of which 20 per cent were due to cancer. **". . . annual cancer mortality rate for the Cayman Islands has fallen from 109 in 1984 to 77 per 100,000 population in 1999."** This figure declined to 56 per 100,000 population in 2002.

During the period under review, the second most common cause of death in the Cayman Islands resident population, accounting for 20 per cent of deaths, was due to cancers. These figures are similar to those of the United States of America.

Diseases of the circulatory system were the first cause of death responsible for about 40 per cent of all deaths.

As indicated in the report, cancers are degenerative diseases associated with the aging process and occur most frequently in individuals above 40 years old and are also more common as a cause of death after 60 years of age.

Such was the case in the Cayman Islands with 80 per cent of cancer deaths occurring after 60 years of age.

I would like to now highlight some key points from the report:

(1) In general around the world in both developed and developing societies, more males than females are diagnosed with cancer and die of cancer. Such is the case in Cayman with the male cancer mortality rate per 100,000 population being 93.8 for males and 63.8 for females. These figures are similar to that of the Bahamas with 98 per 100,000 for males and 80 per 100,000 for females. However, the rates in the United States and the UK are double that of the Cayman Islands figures.

(2) The Cayman Islands crude incidence rate of male cancers for 100,000 population is 97.78; lower than that of the Caribbean figure of 167.2. The United States and the UK figures are four times higher. The Cayman Islands crude incidence rate of female cancer is 142.9 per 100,000 population; again less than

that of the Caribbean rate of 172.9 and 176 for the Bahamas. The UK and the USA figures are four times higher.

The low crude incidence of male cancers in the Cayman Islands has to be considered with some reservation as some cases might have been diagnosed overseas and not captured in the data in the Report.

(3) In the Cayman Islands the five leading sites for men's cancer incidence were: prostate, 27 per year; colon, 2-3 per year; bladder, 1-2 per year; stomach, 1 per year; and unspecified multiple sites.

(4) The five leading sites for women's cancer incidence were: cervix/ uteri, 7-8 per year — this figure dropped to 4 per year on review; breast, 5-6 per year; uterus, 2 per year; colon, 1-2 per year; other genital organs, 1-2 per year.

(5) In the Cayman Islands, the crude incidence of the most common male and female cancers was broadly similar to that of the Caribbean region and the Bahamas. However, an exception was the much higher rate of incidence of cervical cancer found in the Cayman Islands.

The crude rate of incidence of 46.5 per 100,000 population in the Cayman Islands is almost three times that of the world wide rate of 15.66, 1.3 times higher than for the Caribbean region rate of 34.8 per cent and 2.3 times higher than that estimated for the Bahamas, which was 20.26 per cent.

USA and UK crude incidence rates for cervical cancer was only 9.37 per cent and 11.81 per cent respectively. This prompted a review of the way cervical cancer data was collected. This review revealed that a significant number of non-evasive cases had been entered as cervical cancer in the tumour register. With the adjustment, the incidence of invasive cervical cancer is 22.2 per 100,000 population, being similar to that of the Bahamas and lower than that of the Caribbean.

The crude incident rate for prostate cancer in the Cayman Islands, 38.29 per 100,000 population was very similar to that of the Caribbean, 34.33 per 100,000 population. The mortality rate due to prostate cancer in the Cayman Islands 21.54 per 100,000 population was also very similar to that of the Caribbean region, 19.73 per 100,000 population. These figures are far higher in the USA, 140.8 and the UK, 73.7.

In conclusion, part 2 of the report indicates that the overall cancer incidence and mortality rates found for the Cayman Islands are less than those of developed nations such as the USA and the UK.

This could be the result of either fewer cancers in the local population or improved diagnosis of cancer in the USA and UK, or both. Based on the analysis of the available Cayman Islands crude incidence and mortality data, and its comparison with international data, neither male nor female overall crude incidence and mortality rates of cancer for the Cayman Islands can be considered abnormally high, rather the figures are lower, except for cervical cancer.

Similarly to the USA, cancers were the second most common cause of death in the Cayman Islands resident population, accounting for 20% of deaths. This should be considered in the context that in general one in four to five deaths in the developed world are due to cancer.

The committee compiling the report made some recommendations for improving the quality of data, prevention and treatment programmes. It is recommended that a comprehensive National Cancer Register (NCR) for the Cayman Islands be developed immediately.

The Report highlights the need for continued improvement of existing strategies of the public health sector to address cancer issues in terms of prevention programmes, education on sexually transmitted diseases in the schools and other health promotional activities. I am pleased to report that the recently revised National Strategic Plan for Health will be addressing this issue.

The Report also calls for a National Policy on tobacco and tobacco products, importation and consumption, as several of the most common cancers in the world are related to tobacco consumption.

The National Drug Strategic Plan addresses this issue in a separate strategy. However, this is one of many areas in which I will be working with other Ministers to address issues affecting the health of the people of the Cayman Islands. Later this year I propose to bring legislation to this Honourable House to regulate the sale of tobacco in this country.

Another recommendation is that improvements in the management of existing cancer cases should continue to be a priority to increase survival wherever possible.

I am pleased to inform Members of this Honourable House that the Cayman Islands hospital has engaged the services of an oncologist since the development of this report and much work is being done in this area now.

The report also calls for a National Health and Safety Committee to be created and legislation produced that addresses the prevention of exposure to environmental cancer agents among other issues of health and safety. This is another area where Ministries will need to work together.

The report highlights the difficulty in attempting to find statistical relationships between the occurrence of certain types of cancer and possible causing agents present in the environment due to the small numbers of cases, being one to two in most types.

It is recommended that we depend upon the large body of international literature and join our data with larger institutions, pooling data for countries and areas with similar population sizes and characteristics. In accepting this recommendation, I have discussed the subject with the Pan American Organisation Health (PAHO) representative stationed in Jamaica,

with responsibility for the Cayman Islands, for assistance in reviewing this report and offering advice.

I shall be sending the report along with data up to the end of 2002 for their review.

May I remind Members of this Honourable House that cancer is a public health problem? Worldwide every year, more than 10 million people are diagnosed with cancer and more than 6 million die from cancer.

It is predicted that in the next 20 years, these numbers will increase by 50 per cent. The term cancer covers more than 100 different diseases which arise principally as a consequence of exposure to cancer causing agents, carcinogens.

In a press release in June 3, 2003 the World Health Organisation (WHO) and the International Union Against Cancer called for action through concerted efforts by all sectors to prevent and treat cancer throughout the world. If others can do it, we can do it.

Vision 2008 and the Revised National Strategic Plan for Health address the issue of cancer. I aim to develop with the support of this Honourable House, comprehensive and affordable programmes for prevention, early detection and appropriate cancer care services to improve the quality of life of our people. Together Madam Speaker, I think we can achieve this objective.

Thank you, Madam Speaker.

The Speaker: Thank you Honourable Minister. The Third Elected Member for Bodden Town

Mr. Anthony S. Eden: Thank you, Madam Speaker.

Through you and under the relevant Standing Order, just a quick question as we all know a number of people go to private sector doctors who then refer patients onward to treatment overseas. I wonder if the Minister could comment if there will be a requirement that the private sector doctors report to the cancer registry because I know of instances where people never go to the George Town Hospital laboratory for a diagnosis. Will there will be a requirement so that this can be more comprehensive and more complete?

The Speaker: Honourable Minister.

Hon. Gilbert A. McLean: Madam Speaker, what the Honourable Member has said is a fact. It has been pointed out that a number of persons go to private sector doctors and it is not a requirement to report it. That is one of the areas private sector physicians will be requested to report so it can be entered on the Register and it is true that with this billing of data we will be in a better position to know exactly what the situation is and how to respond to it.

Suspension of Standing Order 14(3)

The Speaker: I recognise the Honourable Deputy Leader for a Motion to suspend Standing Order 14(3).

Hon. Linford A. Pierson: Madam Speaker, I move the suspension of Standing Order 14(3) to allow Government Business to take precedence over Other Business.

The Speaker: The question is that Standing Order 14(3) be suspended to allow Government Business to take precedence over Other Business.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 14(3) suspended to allow Government Business to take precedence over Other Business.

GOVERNMENT BUSINESS

BILLS

SECOND READINGS

The Terrorism Bill, 2003

(Continuation of debate thereon)

The Speaker: I recognise the Second Elected Member for George Town. We have one hour and 19 minutes remaining.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker. Before I launch into the continuation of my debate, I just wish to make the observation that there are no questions on today's Order Paper again. There are over 100 questions that remain outstanding and I must register the concern of the Parliamentary Opposition that we do not believe that questions are being given sufficient priority.

The Speaker: Second Elected Member for George Town, if I may interrupt, The appropriate time to register that concern would be at the adjournment.

Please commence your debate and then on the adjournment I will take your comments.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker. When we adjourned yesterday evening, I had completed my discussion and analysis of a number of the sections of the Bill for a Law to combat Terrorism and I had pointed out that this is a Bill that includes a number of unusual and, some may say, draconian provisions, because the whole object of the exercise is to entitle those in authority to move swiftly and to take steps to prevent acts of terror and that necessarily involves considerable invasion of privacy.

In the context of this particular piece of legislation it also involves the creation of extra territorial jurisdiction in relation to the commission of offences. It also permits arrests without warrant and creates the ability for the police to stop and search persons in certain circumstances without warrant.

I noted, Madam Speaker, that this was absolutely necessary in the context of the world in which we live where acts of terror are becoming far too common and the consequences of them are dire. Thus there was no complaint on the part of the Opposition about the objective of the exercise.

I had reached the point where I was registering a fundamental concern with the Bill in section 55 which has the marginal title: **"Power to intercept communications and the admissibility of intercepted communications"**.

The point I made was that this particular section curiously confers an authority on jurisdiction on the Governor to make an Order requiring service providers to intercept and retain specific communication or communications on an application by a police officer of the rank of Inspector or above.

What I noted about this is that it is an authority which is conferred on the Governor and not on the Governor in Council. Throughout the Law, the Governor in Council is given the authority to make numerous orders and to take various steps to ensure that the objective of the Law is achieved. However, in this instance, that power, to Intercept or to require the interception of information and to require service providers to do so, is vested solely in the Governor. I noted that is something with which the Parliamentary Opposition cannot agree.

Perhaps we would not consider this provision so insidious if we had not had the experience last year in connection with the Euro Bank case. We know it is not a question of speculation; we know that the United Kingdom Government, when it considers it necessary and appropriate, will take steps which contravene the provisions of the Cayman Islands Law or Laws which overreach the authority even of the Courts.

For us to be expected to give legislative sanction to that ability is absolutely astounding. Now, I note again, with surprise, that the Government has brought to the House a Bill which contains such an offensive provision.

We have been treated to many, many an exhortation by the Leader of Government Business, in particular, expressing his and the Government's outrage at the way the United Kingdom Government tends to treat us in many matters, particularly in this one. Indeed just yesterday, the Leader of Government Business again complained, and rightly so, about the attitude of the United Kingdom Government to certain aspects of the governance of these Islands.

Again, we express surprise on this side of the Floor that the Government, notwithstanding those concerns, will bring to this Honourable House a Bill which contains such a provision.

Now, Madam Speaker, you see it is all well and good to rail about the injustices that are being perpetrated and that might be perpetrated on the Cayman Islands by de-colonising power. However, it is when the rubber meets the road that we truly come to understand what, or not, the Government is prepared to do to stop these sorts of invasions of privacy in the Cayman Islands.

If the Government is truly concerned about this sort of conduct on the part of the United Kingdom Government, then the proper thing to do is not to present a Bill which contains a provision which would entitle the Governor to make an Order requiring a service provider to intercept communications.

While the objective of the section is perfectly good, we want to be able to intercept communications when there is a risk or a concern that what is being discussed relates to terrorism, because we want to be able to intervene and stop potential acts of terror. That is all well and good, and none of us have a problem with that. The problem is that it opens the whole situation up to abuse.

Now, whether or not the section is in the Law or is not in the Law, it is quite possible the United Kingdom Government will do whatever it wants to do in relation to these matters and might well cause the interception of communication in other instances. They did so in relation to the Euro Bank trial. Indeed, it was even alleged that they sought to intercept communications to the Chief Justice of these Islands to tap his phone. The fact that it is, or is not, in the Law is not going to make them do or not do, whatever it is that they wish to do or not do.

We, who are elected as representatives of this country, should not be seen to be given legislative sanctions to such conduct and I can say on the part of the Opposition that we will not vote for a Bill which contains this provision. I call for solidarity between the Government and ourselves on this point.

We need at least, in this instance, to bridge the political chasm that exists and we need to send the clear and distinct message to Her Majesty's Government that we are not going to give legislative sanction to a provision which entitles the Governor to require the interception of communications. That power and authority is necessary, however it needs to be vested somewhere else other than in the hands of the colonising power.

Recent events should have taught us the lesson that we cannot trust them to exercise that power and authority judiciously and in the best interest of these Islands. An authority needs to be vested in an entity which does have the interest of the Cayman Islands at the forefront of their minds and I am calling on the Government to unify with the Opposition on this point and to either seek to amend this particular provision or to remove it entirely.

Now, I have given this some thought overnight. There may be the real question as to whether or not the appropriate authority or entity, in which to vest

this ability to order interception of communications, should be the Governor in Council. There is a good argument that perhaps it should not be Executive Council or a Cabinet anymore than it should be the Governor alone. I am persuaded that a matter such as this, which involves real invasion of privacy, should be subject to judicial oversight and control.

The submission of the Opposition, Madam Speaker is that such an order, requiring a service provider to intercept the communication or communications and to transmit that report to Executive Council, should be made by the Grand Court of the Cayman Islands.

The application should be made to the Grand Court who will then consider whether or not it is an appropriate case for an order to be made. Under the provision of section 55, as it currently stands, the application would be made to the Governor. We are saying that we substitute Grand Court for Governor.

Let the Court review what information there is, let the Court decide whether or not it is appropriate to make an order which will significantly invade a person's privacy.

If there is an appropriate case, the Court will unquestionably make the order, however let it be subject to judicial review and control. Let it not lie in the hands of the colonising power, because, as I said before, recent events have told us quite clearly that they cannot be relied upon to act judiciously.

What is being proposed is not in any way unprecedented. There is, in the context of this particular piece of legislation, the forfeiture of terrorist cash, the monitoring of accounts and the restraining of funds; all of which are subject to judicial oversight and control. No one can simply go and restrain funds, call up a bank and say this account is to be monitored, or forfeit cash which is suspected to be cash for terrorist purposes, without the Court having considered and reviewed the matter and making the Order.

We urge that the Government seek to amend section 55 to require this very important function of interception of communications to be also subject to judicial control and oversight.

Now, I believe that the Government, left to their own devices, would be much happier with a provision along the lines that I have just suggested and that some of them might too regard section 55 as being offensive.

I know that some, the United Kingdom, might get up and say we need to recognise where we are. This Legislative Assembly operates by virtue of an authority which has been delegated under the Constitution and that at the end of the day, if the United Kingdom Government decides that a certain course is to be followed, that course will be followed regardless of what we say or what we do.

We recognise that on this side and we recognise that some of the provisions in the terrorism law, if not all of them, might well be there because that is what the United Kingdom Government wants to see. However, we answer, if the United Kingdom Government wants to continue to have the ability, and to now have it by virtue of legislation, to invade the privacy of the residents and visitors of these Islands by being able to intercept communications and they want to continue to have the ability to make that judgment call as to whether such an order is necessary themselves then let them do it by order in Council. Let not those of us in here who have a sacred duty to represent the people who elected us and to protect their interest be seen to be given legislative sanction to the United Kingdom to invade our privacy to decide whether or not somebody's phone, including the Chief Justice's should be tapped because they think it is in the best interest of some bigger picture or bigger concern that they have, which those of us who happen to be resident in these small Islands will never quite understand.

Let them do it by order in Council. Let not our Government come down to the Legislative Assembly, present a Bill with such a provision and expect the House to vote in favour of it.

When we are railing about the injustices perpetrated on the country by the United Kingdom as the Leader of Government is always keen to do, let us lead by example, let us send a clear and distinct message to them that we will not be seen to be sanctioning such behaviour. I am hoping that somebody on the Government side, and I am leaving the Honourable Second Official Member aside for that purpose, is going to get up and explain why it is that section 55 is in this Bill and why it is that the Government is not taking serious issue with it, given all of its other protestations about the way the United Kingdom has treated us and is continuing to treat us particularly in relation to these sorts of matters,

We are going to sit and we are going to wait.

The Speaker: Is this an appropriate time for a break?

Mr. Alden M. McLaughlin, Jr,: Yes, it is.

The Speaker: We will now take a 15 minute break.

Proceedings suspended at 12.14 pm

Proceedings resumed at 2.21 pm

The Speaker: Please be seated.

Mr. Alden M. McLaughlin, Jr.: Thank you Madam Speaker. When we took the adjournment, I had just about concluded in relation to section 55(1), which seeks to confer on the Governor the power to intercept or to cause the interception of communications by requiring a service provider to intercept and retain a specified communication or communications.

I thought Madam Speaker, that I should, for the sake of completeness refer to a provision in the Information and Communications Technology Author-

ity Law, 2002, which I note was passed by this Honourable House prior to the Euro Bank debacle. That particular piece of legislation contains a provision which although it does not express it in the manner that section 55(1) of the Terrorism Bill does, it does implicitly give authority to the Governor to permit the interception of communications and it does so in a sort of back door or back-handed way.

What it does is to say, there is a general provision which says, that the interception of information or of communications by anyone over an Information and Communications Technology (ICT) network or by means of an ICT service is an offence and then it creates certain carve outs and section 53(2) says: **"A person shall not be guilty of an offence under this section if- (a) the message is intercepted, monitored or interrupted in obedience to a warrant or an order issued by the Governor;"**.

There is a similar provision relating to the privacy of subscriber information and the similar prohibitions against disclosure of that information except, again, in circumstances where the disclosure is made in obedience to a warrant or order issued by the Governor.

Now, the authority by which the Governor can exempt persons from criminal sanctions is not spelled out in the ICT Law and it seems to derive from some residual authority of the Governor, derived, I presume, by virtue of his appointment or by virtue of that office to which he has been appointed.

There is provision in existing legislation, the 2002 Law, and perhaps that is even more insidious than what is in the Terrorism Bill because in the Terrorism Bill at least, it makes it quite clear that the Governor is going to be invested with this particular authority to cause the interception of communications.

What I say about the provision in the Information and Communications Technology Authority Law, is this; that legislation was passed pre-Euro Bank and prior to all of us, in this Honourable House and outside it, becoming aware of precisely the lengths which the United Kingdom Government is prepared to go when they wish to obtain information and the use to which they are prepared to put that information to further what they regard as the best interests of the United Kingdom. Dress it up though they do under the title of good governance.

Therefore, Madam Speaker, I suggest to Government that instead of bringing a Bill to this Honourable House which contains the provisions of section 53 of this Bill, what they indeed need to be doing is bringing a Bill to amend the Information and Communications Technology Law to remove the power of the Governor to exempt from criminal sanctions individuals who intercept communications under that Law. That is really all I wish to say about the Information and Communications Technology Law.

I will conclude by, again, urging the Government to join ranks with us on this particular point and to propose an amendment at the committee stage to require section 53(1) to be amended so that applications should be made to the Court rather than to the Governor when orders are sought requiring the interception of communications or requiring a service provider to cause such interception to take place.

We can pass the Law in those terms, if it is the will of this House so to do. If His Excellency the Governor or his higher-ups are determined that a provision similar to that of section 53(1) in the Bill must have application then let them do so and let them cause it to happen in another way. The Governor can refuse to assent to the Bill as passed by this Honourable House; he can send it back down for us to reconsider the matter or Her Majesty in Council may disallow the Law which we have caused to be passed here. Let those things be done by the United Kingdom Government. Let us not give legislative sanction to such an ominous and potentially abusive power by giving it the stamp of approval here.

I say to those on the other side that the Opposition will not be seen to be party to a Law which contains a provision giving the Governor those powers in light of what has transpired. If the Government insists on going ahead on this basis they and the country will know that the full responsibility for that and any consequences that flow from it is going to be squarely on their shoulders.

W are prepared on this side, and we have acknowledged the importance of this Bill and the objectives it seeks to achieve, to support the Bill in principle, subject to the specific comments I have made. This point is so fundamental, particularly in light of all that has transpired that we will not vote in favour of this Bill, in its current form.

Indeed, I can make this quite clear that if the Bill proceeds through all its stages without section 55 being amended in terms similar to those I have outlined, we shall, in due course, be making a public statement about the reason why we were unable to give this Bill our support.

I ask the Government to live in accordance with the principles that we have outlined. Let us get beyond the point of ranting and raving about the wrongs that are being done to us.

When the opportunity presents itself for us to be able to actually take concrete steps and send the right message to Her Majesty's Government, let us seize the opportunity. Let us not pretend that we are trying to do the right thing by standing up and spouting off nice-sounding words showing how strong and powerful we are and how we are going to resist the encroachment on the privacy and principles in our Constitution with every sinew in our bodies.

When we are afforded the opportunity to make a concrete statement, to demonstrate to all and sundry that we are not going to simply stand by and allow them to ride roughshod over us we do nothing, let us come together on this point at least, and send a unified solidified message to the UK Government that

we are not going to stand for this kind of encroachment on our rights as a people.

I beg the Government to do something and not simply be full of sound and fury, which at the end of the day signifies nothing. Thank you Madam Speaker.

The Speaker: Does any other Member wish to speak? The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Thank you very much, Madam Speaker.

Given the world climate there is no doubt that the Bill before this Honourable House is needed. We see it every day, we hear about it every day and, Madam Speaker, those of us who have to shoulder the responsibility in Cabinet, have to deal with it at times.

Most times, of course, national security is not discussed with us because it is the prerogative of Her Majesty's Government's representative in these Islands. That terrorism is an evil perpetrated on nations and innocent people of the world and that it is something that is causing tremendous upheaval in the various economies of the world needs no questioning. National economies are seriously disrupted through cost and by other means because of terrorism. We pray to God that we may never have to use the legislation that is before us.

Having said that, Madam Speaker, let me reply to the wailing of the Second Member for George Town. He has asked Government why we have not given serious treatment to the Bill and why it is here with section 55 contained in it. I will tell him why it is here in that form.

That Member, perhaps the Party that he represents here, would like people to believe that we have not taken serious cognisance of what the Bill is all about and certainly that was the way he chose to debate. I take special regard of what the Member said in closing. It seems that his objective while trying to debate objectively, was trying to provoke also. Well let that be as it is, I will not follow him in that. This is a most serious matter and I do not think that the House or the country can get anything out of it.

There are many issues our Government are faced with and has had to tackle, over the year and a half for which I have been the Leader of Government Business, and our Executive Council and now Cabinet has been dealing practically with at every meeting.

The greatest challenge in dealing with the new wave of external pressures and the threats to us, to our survival, is because we have a weak Constitution and therefore Madam Speaker, the almighty powers of His Excellency, the Governor, are so profound and the United Kingdom Socialist Government is not failing to utilise them.

First of all I think that most Members here understand that no business can be taken to Cabinet, formerly the Executive Council, without the Governor's approval. There was a draft Bill before the one presently before us, which came to Council, which carried the section for interceptions needs to be applied to a judge. Our pleading for the matter fell on deaf ears. Madam Speaker, I should say that my colleague, the Minister responsible for Telecommunications, did ask the Governor in Executive Council to remove that section of the ICT Law however the Governor would not listen. Thus, our pleading on those matters fell on deaf ears. His Excellency the Governor said that he would take the matter to the Foreign and Commonwealth Office and so he did. This memo provides information to us and to the House as to what took place and it is written to the Acting Attorney General from the Governor.

The Speaker: Honourable Leader of Government Business, please permit me to interrupt. Does the memorandum carry the caption of confidential?

Hon. W. McKeeva Bush: No.

The Speaker: Please proceed.

Hon. W. McKeeva Bush: Madam Speaker, it is dated 5 May 2003,

"Subject: DRAFT BILL TO COMBAT TERRORISM

1. Thank you for showing me this draft Bill including section 55(1) under which a constable could apply ex parte to a Grand Court judge for an interception of communications order.

2. I have consulted the Foreign and Commonwealth Office (FCO) about this. There is now some surprise that the draft model legislation which you also showed me provided for interception to be authorised by a judge. The considered FCO view is that the power to authorise intercepts should continue to rest with the Governor. This is what I expected. and I would be grateful if the draft Bill could be amended accordingly before you submit it to Executive Council (ExCo)."

The Speaker: Is it your intention, Honourable Leader to lay it on the Table?

Hon. W. McKeeva Bush: If I am asked to. If not, I do not have to. However if you think it is necessary I can.

The Speaker: Is it the will of the House to have sight or copies of it or are the Members satisfied with the reading thereof?

Hon. W. McKeeva Bush: Madam Speaker, we have nothing to hide. We can lay this on the Table of the Honourable House. I would ask the Serjeant to lay the copy of the memo.

The Speaker: So ordered, thank you.

Hon. W. McKeeva Bush: Perhaps he can get copies for each Member's perusal.

This is the kind of power the Governor has—

[Inaudible interjection]

Hon. W. McKeeva Bush: Well, listen and you will understand that you are not the only one who has ideas, concerns and can plan. We had to plan also, Madam Speaker, to get to this point.

This is the kind of power the Governor has and I think that Members ought to read and re-read their Constitution to understand just where we are, rather than to continue a big fight with the Governor in Executive Council where, no matter what we want, he has the authority to go against us, we took the next best option in allowing the green Bill to this stage. We chose to bring it to this domain where we have the support of our Back Benchers and where we are not bound by the constitutional constraints of confidentiality, while we are bound by collective responsibility. However, in that domain where the Governor reigns supreme, neither did we have the manoeuvrability.

In the Cabinet under this existing Constitution, we can only give advice, which His Excellency is not bound to accept and he can go against us by going to the Foreign and Commonwealth Office and, as I said, that is what he has done. I do say here to the Member for George Town, my question is, had we gone the other route, what would have been the Opposition's position? It seems when we are going right he is determined to go left.

We realise that the Opposition would try to make much ado out of the Bill coming here but we also had our own plan.

The Opposition perhaps, should stop and think a little bit more before coming out at the Government with so much blame at all times. Furthermore, all his chat about the fiasco of the former Attorney General is rather tongue in cheek because the only conclusion one can draw from his debate and actions during that most frustrating and dangerous time for the Government and the country was that he was more in support of the former Attorney General than he was of the Government.

Point of Order

Mr. Alden M. McLaughlin, Jr.: On a point of order, Madam Speaker.

The Speaker: Please state your point of order, Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: The Honourable Minister is misleading the House. If he can point to one thing that I said in the course of that whole debate on the issue about the Attorney General that shows that I was in support of the Attorney General then he must do so. Otherwise he must withdraw that misleading remark.

The Speaker: Thank you, Honourable Leader. Do you have with you supporting evidence or are you prepared to take it to the level of an opinion?

Hon. W. McKeeva Bush: Madam Speaker, I did say it seemed that it is what he is doing. Hence, if I said: **"it seems"** it meant that it was my opinion. As I said, the conclusion I could come to was drawn from his debate and from his actions publicly later on. I leave him to his sins of omission or his commission.

The Speaker: If I may rule on the point of order, Second Elected Member for George Town, the Honourable Leader of Government has confirmed that he has not taken it above the level of an opinion. Hence, it is not a statement of fact and until it reaches that level it would not fall within the ambit of misleading.

I will continue to listen carefully to ensure that it does not.

Honourable Leader of Government Business.

Hon. W. McKeeva Bush: As I said Madam Speaker, his remarks are a little bit tongue in cheek, in my opinion. Nevertheless, giving regard to all that he said during that debate it is definitely good, really good, to hear him crying for solidarity.

If there is anything that this country needs at this time it is unity. I have made that a theme for this Quincentennial year. All of us needed so much solidarity when we were dealing with the worthlessness of the former Attorney General and the London Plan, which sought to destroy our financial industry.

We have always said that our first duty is to protect our people as best as we can under the Constitution. I have heard their call. We have listened here and we have not abrogated that responsibility in any shape or form, notwithstanding that the United Kingdom Government has the final say in these kinds of reserve powers of internal and external affairs.

We too, that is, our Back Benchers and the United Democratic Party, felt it was a most serious and unnecessary intrusion and erosion of an individual's basic right to privacy, which we could not support. I mentioned our plan, and, rather than get into an all out fight in Executive Council, it was simply that we come here with the Bill and he asked why we had to bring the Bill. We had to bring the Bill because there are sections in the Bill that we feel are necessary, given the world situation. I have informed the Governor that we could not support the United Kingdom section 55 and that I would be offering an amendment, which would be, as we have argued for, in Executive Council.

As I have said, the Opposition is far too willing to play politics with most matters even though they call for solidarity. Words can say anything but actions do speak louder than words. The draft Bill was sent to

Council. You see, I have to go step by step because that Member took his time trying to make a case where he believed that he could make people believe that we had not done anything.

I do not believe that, Madam Speaker, because the Minister of Telecommunications himself was trying hard to get it removed from the Information and Communications Technology Authority Bill.

Well, Madam Speaker, I see that the Member wants to play with words but he had better not test me while I am on my feet because this is a good subject. As I have said, they are far too willing to play politics with every matter.

Even though we were accused of not doing anything and of coming here when we should have done otherwise, that first draft Bill which was sent to Council was one where section 55 contained what we wanted. Therefore, let not the Member feel that his chat made us change any mind, as he has just said over there; his *clack*. That draft Bill contained what we wanted and I want to read from that draft Bill section 55. This is the original Bill that we had in Council first and I read section 55(1): **"Subject to subsection (2), a constable who is of at least the rank of inspector may, for the purposes of obtaining evidence of the commission of an offence under this Law, apply ex parte to a judge of the court for an interception of communications order."**

I say, Madam Speaker; this is what I have been fighting in Council for and talking about for some time. Therefore, let them not believe that they have any prerogative for right of concern for the people of this country that people on this side do not have.

I do not have much left to say, Madam Speaker. I hear the Member saying now that he agrees with me and I should sit down. He should have done that when he was over there chattering away; *clack*.

I propose to remove the new section before us by an amendment and I do give notice of that amendment.

The Governor has warned that they will put through the Bill with section 55 as it is before us. If the United Kingdom desires to put it in place, they have that authority. I say again, Madam Speaker, that I wish we did have a Constitution with similar provisions to the Bermuda Constitution where the Governor does not have the kind of authority that he does in today's Cayman Islands.

I do hope, as I said yesterday, that at some point if the Peoples Progressive Movement (PPM) and their elected representatives in this Assembly, feel the kind of frustration and have the kind of concern that that Member said they have, that they recognize that our Constitution as it is; the one that is in force and the draft before us does nothing to help us in this situation. It does nothing to help us. The only thing we can get out of what they have given us is two more Members: a Chief Minister, a Leader of Opposition and his Deputy—they would not even give us a Deputy Chief Minister.

I do hope, as I said yesterday, that Members opposite will join the Government in solidarity and accept what I said yesterday in regard to the Committee that is proposed to be set up through the Chamber of Commerce, with them included, to look at the similarity of what more we can get from the United Kingdom, at least something similar to the Bermuda Constitution.

No one need believe that we are going through an easy time. It is becoming more and more difficult, even on paper. If I say "my Government" the Governor says, "Oh no, not so" it is his Government. That is the way that it is. Sometimes it is probably best to laugh at it however the fact remains that we are a facing serious challenge and we really need solidarity and I do hope that the People's Progressive Movement will go along with what I asked them yesterday to do.

I do not think that I need say anymore. Our Attorney General is a very capable man and he has the right to wind up this Bill. However we felt it necessary to put on record the frustration of Executive Council, now Cabinet, in this matter and what we had to do to get to this point.

Thank you very much, Madam Speaker.

The Speaker: Thank you. Does any other Member wish to speak? The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you. Madam Speaker, I was just asking the Honourable Leader of Government Business if he could let me just have a copy of the original draft. Thank you. I certainly am not going to be long, however I think that it needs to be reiterated very clearly so that London can understand exactly how all of us feel about this specific situation.

We could go back to speak about the famous Euro Bank trial and other things and mention has already been made of that. Suffice it to say that it is, in my view, at this point in time, a matter of principle, because regardless of the relationship that the Cayman Islands has with Her Majesty's Government and the United Kingdom, the fact is that that relationship should never extend itself to the point where any matter such as this can occur, and, similarly to what transpired some months ago, that we ourselves know nothing abut it only finding out by some misadventure or chance.

Now, I, for the love of me, cannot understand if London is, as has been explained by the Leader of Government Business, not prepared to relinquish this type of authority.

I must say right here and now that, if needs be, after the amendment is moved and passed through Committee stage, the Hansard could be sent to them so that they really have a clear understanding. I want to speak about this very personally today be-

cause it tells me I am one of those people who make attempts to enjoy a cordial relationship with London. However, if London is telling me, as a representative of the people of this country, that this is not going to be changed, they are telling me that I must trust them but they cannot trust me; it does not work like that.

Now, with your permission, as the Honourable Leader of Government Business has loaned me the copy he read from, I would like to read section 55(1) of the original Bill, and compare it with what is coming in, just to make a few brief comments, on what is proposed now. This is before the amendment.

The Speaker: Is it your intention, Honourable Leader of the Opposition to read it verbatim.

Hon. D. Kurt Tibbetts: Just a part of it, Madam Speaker. It is two lines. Is there a problem with that? It is fifty five words.

The Speaker: If you do, Honourable Member, the direct consequence is that I am going to ask you to lay it on the Table.

Hon. D. Kurt Tibbetts: It is already read into the Hansard, Madam Speaker. I am just saying to you and I am not going to get crossed up here. It is a document.

Hon. W. McKeeva Bush: I can probably help here. Madam Speaker, I can help in that regard.

I propose to lay that copy on the Table of this Honourable House.

The Speaker: So ordered.

Hon. D. Kurt Tibbetts: We might yet keep peace one of these days, Madam Speaker. That is fine, which takes the problem away. Thank you very much.

Section 55(1) in the Bill that was originally drafted reads: **"Subject to subsection (2), a constable who is of at least the rank of inspector, may for the purposes of obtaining evidence of the commission of an offence under this Law apply ex parte to a judge of the court for an interception of communications order."**

Thus, this original subsection lets the process take place in a manner where a judge of the Grand Court, who is entrusted with hearing cases and deciding on convictions or whatever else, is also able to hear that evidence and decide whether it should be allowed or should not be allowed.

Something that may not seem important at all to us however something that we refer to on occasion is the separation of powers.

When we refer to the rights of people understanding the nature of this legislation notwithstanding, it is only fair that there is a system in place which allows for clarity of purpose and intentions when it comes to obtaining such an order.

Granted, Madam Speaker, that order may not be done and the *Caymanian Compass* reports it the next day because otherwise it would not serve any purpose. We understand that, but at any point in time after that, whatever transpires if the day ever came that one had to justify the action, one could go back and say this is why it was done; this is what was presented to us and this evidence caused us to say yes or no.

This way you will never know about it, no matter what happens and that is where I have a fundamental problem. As I said before, it is a matter of principle. There is no human being, in my view, under any circumstances and I am not going anywhere to test any waters, I am speaking specifically about this situation, who should believe that in my country, he, she or any entity should have the ability to perform such an act without any system in place in my country having knowledge of it, or having oversight of it. This cannot happen. This one they have to let go.

Therefore, not to prolong the argument, what is proposed now in the green Bill that is before us, although I understand from the Leader of Government Business that there is an amendment being proposed, which goes back to what I just read which was in the original draft that was done, where it says: **"Subject to subsection (2), a constable who is of at least the rank of inspector may, … under this Law, apply to the Governor in writing for an interception of communications order."**

I will end however I will say this as clearly as I can. I believe that London has some vacuum in the thought process to expect to be able to make this fly. Forget about Euro Bank, although you cannot, what I am saying is, let us take all of those arguments out of the window and let us look at this by itself, and they still cannot do it. That is what I am saying.

Now, the Euro Bank situation certainly exacerbates this thought process, but if you even disassociate anything that has transpired before and you look at this and you think about this for a second, it cannot happen. I am not saying this for us to posture, however I come back to the point that somehow they must understand this is a matter of principle and as such they cannot expect to be able to do this regardless of the relationship that we supposedly enjoy with them. It cannot happen, and I only wanted to get up to personally go on record and say that whatever type of relationship we might wish to continue with Britain and the Cayman Islands; I have no problem with us discussing that separately and I do not want that to come into this argument.

However, as we stand now and the relationship that we have with them; regardless of what they might think, they cannot and should not expect this to be our legislation or for our legislature to be party to its passage.

I am happy and I wish to extend thanks to the Government for being willing to propose the amendment. I think it is fair to assume now that with that

amendment there will be unanimity with regard to the passage of this Bill and clearly if the Governor is not prepared to assent to it, and London understands our situation, we will see what happens from there.

While they expect logic and purpose of thought in any dialogue with them, this is one that they must understand that they have to re-think because it is unacceptable, not only to the representatives of the people of this country but to the people of this country, and they must respect that. That must go on record and that is the message they must get.

They must not believe that we are divided in here politically, as is only natural because there is a Government and there is the Opposition. They must understand that with this everybody is one, and I am absolutely certain that if we go to the public we would be looking long and hard to find one person, even if he is an Englishman living in Cayman, who would agree with this.

Let us do what we have to do and we have to deal with what was mentioned about that ICTA Law too. I say that to the Minister in charge and I do not expect that to be dealt with today.

Hon. Linford A. Pierson: Madam Speaker, if the Honourable Member would just give way, I would like to give a little information on that.

The Speaker: Please proceed. He has, by action, given way.

Hon. Linford A. Pierson: Madam Speaker, just to say that when the Information and Communications Technology Authority (ICTA) Law was proposed in Executive Council, it was proposed, in the identical form of the Bill that was just read from, that the court would have to give approval before any interception of telephone lines would be available and the then Governor, Peter Smith, removed it from the Law. He would not sign it into Law with that section in it.

Recently, Madam Speaker, I brought the situation again to the present Governor. I wished to have it amended so that before any interception could be done to telephones, it would have to go through the Grand Court and not the Governor, because the section reads: "**the Governor"** not meaning the Governor in Executive Council but the Governor in his own position, solo.

We opposed that, and I still oppose that and I must say that I am happy with the position that this House is taking and I hope that it will lay a precedent that I can now bring a Bill to correct the ICTA Law. Thank you, Madam Speaker.

The Speaker: Honourable Leader of Opposition.

Hon. D. Kurt Tibbetts: Thank you, Madam Speaker.

As I just was mentioning the ICTA Law, I was happy to give way to the Minister and he has explained that, therefore I do not have to say anything more about it.

I personally believe that there is need for dialogue. I do not expect London to simply say, "OK fellows, do not worry about that, we will just change it." However, I believe London must understand that this is something that the people of this country do not want.

Regardless of what their reasoning may be or how far their thought processes go, I am absolutely certain that the people do not want this and as a representative of the people, I have to say that and I will extend the thought further by saying with every grain of intelligence that I have, every warning bell is flying all over me with this one and it tells me that it is wrong. When I speak on a point of principle Madam Speaker, I am totally sincere and serious about that, thus as a matter of principle they are wrong to expect to do that regardless of the relationship.

I feel, (I feel like talking about him a little bit…) and I believe very strongly, that if London understands what all of us think and that we are in unison in that, that they will accept what should be done.

I may not find a lot of other people agreeing with me with that, but I believe that if they understand that it is no situation about divide and conquer with this one that they will do what they have to do. That is my belief.

The Speaker: Honourable Leader, you have one hour and fifty minutes remaining.

[Laughter]

Hon. D. Kurt Tibbetts: Madam Speaker, I have kind of changed my mind about talking about that goodly gentleman because it may not be quite appropriate and it might be way outside the relevance of my debate therefore I will not test the Chair. However, I will find the right time, Madam Speaker, and perhaps we might be lucky to have him in the Gallery when I do that. Thank you.

The Speaker: Does any other Member wish to speak?

The Second Elected Member for West Bay.

Mr. Rolston M. Anglin: Madam Speaker, I rise to offer my brief remarks on The Terrorism Bill 2003 to make it abundantly clear, the position of the supporting Back Bench Members of the Government of the United Democratic Party.

Many of the points that we had questions on have already been covered therefore I thank the speakers before me so that I do not have to stand here any longer than necessary for the good job they did at bringing out the major points of concern that we also had with this piece of legislation.

We, the Members on the Back Bench, are always in a very peculiar position when it comes to

matters like this because the Ministers of the Cabinet do have a framework within which they have to operate every week that I am grateful that I do not have to be subjected to under the present constitutional arrangements and bound by. I feel quite free to be able to get up and speak as freely as I need to speak, especially when it comes to matters like this where the Ministers feel one thing and His Excellency the Governor and the Foreign and Commonwealth Office in London have another differing view.

Section 55 is repulsive to say the least, and I would have to agree with my Leader and indeed the Leader of the Opposition and the Second Elected Member from George Town in voicing outrage as to the inappropriateness of this section calling for the Governor, in his sole discretion, to approve in writing an interception of communications order.

You do not have to be too imaginative to understand with the wave of anti-terrorism sentiment that the outside world continues to see places like the Cayman Islands as a place that condones and encourages funds from all sorts of illicit purposes and funds that are aimed to further illicit purposes and undesirable purposes such as terrorism. The outside world still has those persons who believe that places like the Cayman Islands are fertile ground for that sort of behaviour. I believe that many of those persons are also in the United Kingdom. We believe, Madam Speaker, that we could easily see situations arising where interception communications orders could well be a very useful tool for being able to tap into and undermine one of the two pillars of our economy; the financial services industry.

This is a serious matter for the Cayman Islands. This is not just this current Legislative Assembly feeling as though one person should not be trusted with this responsibility. This is about us, understanding and recognising that we must at all material points and time, ensure that whatever we do and say supports and enhances what we have as a national identify and a national priority.

The development, enhancement and protection of our people and, by extension, our financial services industry are of paramount importance to the Members in this Legislative Assembly and I think I can safely say all Members of this Legislative Assembly, Government and the Opposition.

We only have to go to section 8 and section 38 of the present Constitution to recognise the type of power that is vested in whoever holds the office of Governor. I always find it so humorous whenever I hear the cry, “elected dictatorship” that those who are in opposition to us in this country, not just in this Legislative Assembly, but outside as well, often use. Because Madam Speaker, the truth be told, in a lot of instances when the rubber has to meet the road, we better understand that until we go down the road of seriously modernising our constitution, we are subject to a type of dictatorship that cannot be matched in most countries that actually have a dictator.

The irony of it is that we go to the polls every four years. At least those who live under a dictator, live under a dictator and they know they live under a dictator and that is their reality.

We understand that certainly there will always be constraints once we are an overseas territory of the United Kingdom Government. With every relationship such as this comes a price that has to be paid.

However, I think it is incumbent upon all of us here who continually recognise the limitations and the struggles that we operate under to ensure that we do something to try and rectify that wrong because that is a great wrong, Madam Speaker. That is the greatest wrong that any country including the Cayman Islands could be subjected to.

You know sometimes it is good to wait, to listen, because we on the Government Back Bench could easily have gotten up, all guns blazing about section 55(3), how far we believe 55(3) should go however we have learnt some valuable lessons over the last eighteen months and, as the Honourable Leader of Government Business has pointed out, we have, unfortunately, all too often noted that it seems as though when we go one way the Opposition seems to like to go another way. We go right, they go left, or the wrong way.

However, Madam Speaker, you see it is quite good to have had the opportunity to wait and to hear the Second Elected Member from George Town make an unequivocal commitment to the stance that we support. Then we knew that we had the type of support we needed and the type of voice and the type of message we needed to send to this country in regard to this House on this particular issue at this particular time—at any time actually.

What is of equal importance is that Her Majesty’s representative here, the Governor, understands how this House feels. What is also of critical importance is that the Foreign and Commonwealth Office understands how we feel. It is important Madam Speaker, that right up to Mr. Blair, the Prime Minister of the United Kingdom, should understand how we feel about this particular issue.

You see, we have to draw a clear line about what be believe to be right and wrong and when it is wrong we say it is wrong, but more importantly, let us not all just sit down and cry about it being wrong and let us not all kick back now and thump our chests and feel good about this particular battle because there is a much bigger picture.

As has been said, the Governor can either change it before he assents to it, or the United Kingdom Government can change it via an Order in Council. However, Madam Speaker, I heard a call for unity. We have been calling for unity in this country for a year now on a matter of critical importance, that is, constitutional modernization; the ability to start moving our constitution forward so that we do not have to continue to operate under the shackles of a 1972 Constitution.

Now, I would like to hear the Opposition get up and talk about that and talk about ways in which they are going to meet us and that we can walk down the road, because this is not about who becomes Chief Minister first. This is about making sure the framework is modernised as far as we can take it, that allows us to pass on to our children and our grandchildren a constitution that allows them the possibility to truly be masters of their own destiny.

We have been saying this and saying this but I am confident that despite the furore of last year, the great majority of the people in this country understands who has the vision and understands who is willing to take this country forward in the right and appropriate manner and put it in the constitutional position that it should be in.

It would be remiss of me if I were to sit before I am forced to deal with a comment that was made, bound by decency, honesty, and integrity to do so. I was saddened, very saddened because the truth is I intended to simply get up and say that we were in a position where all of us agreed to thank you and to take by seat.

However, it seems as though, despite the fact that we do enjoy cordial relationships outside the Chamber, the Second Elected Member for George Town and myself can never seem to get it right in here.

I go back to my former profession. In accounting, a client can tell you what they want, a client can try to account for a transaction the way they want to, but we have what is called a substance versus form test. You see, the Second Elected Member for George Town gave the word "solidarity" and us being one on this matter therefore the form of what he was saying was solidarity.

As I use my professional judgment on what else was said in his contribution, I could not agree that the substance of what he was saying was solidarity because if he wanted solidarity, why would he have to get up and talk about the Leader of Government Business always railing and complaining, although he did qualify that by saying and rightly so, I give him that credit.

However, you see, Madam Speaker, the Second Elected Member for George Town believes that solidarity is achieved by walking up to a person, punching them in the face and then saying, "Let us be friends." That is not how you get solidarity. You cannot get solidarity in a house, how can you get solidarity in a house if you were to walk up to your husband, to your child then slap them and box them around and then say, "Oh, let us be a happy family."

I believe that the call by the Second Elected Member for George Town does not meet the substance test when it comes to solidarity, I do not believe that is to be the case. You see, if the Second Elected Member for George Town truly wanted solidarity, then he would have been a goodly gentleman and have come and talked to us.

He had this green Bill; he could have talked about that and we would have had no issue with telling him exactly how we felt. He said he did. However, he did not speak to me. Nor did he speak to my colleague, the Deputy Speaker, nor did he speak to my colleague, the Third Elected Member for West Bay, because we made it clear to our Ministers that we could not support this particular provision.

We, if need be, intend to bring a Motion to this House (not to anticipate business), to deal with the change that was made in the ICTA Law because I think all of us in this country know that my colleague, the Deputy Speaker, the Fourth Elected Member for West Bay is indeed not only an expert in telecommunications, but played close and keen attention to the passage of that particular piece of legislation and he along with the Minister has made it abundantly clear that this situation is not good enough.

I must also speak to the point made by the Leader of the Opposition saying they must, they must they must understand. I look at it slightly differently. We must tell them. They are under no obligation to "must" understand until we in this Legislative Assembly are willing to put petty politics behind us and move forward along the lines that were pointed out yesterday by the Leader of Government Business, to move down the road of constitutional modernisation.

Until we start to change the fundamental instrument upon which the Cabinet of this country operates, then we can say they must, they must, they must, because they are over there. Who are we to believe that the United Kingdom Members of Parliament and persons in the Foreign and Commonwealth Office are not also saying the same thing of us? They are over there also saying and saying to the Governor, they must, they in Cayman must understand and, Madam Speaker, the truth is they say to us, "You must understand" and they are the ones that give us our constitution.

How ironic it is that the United Democratic Party would be willing to meet the Opposition on so many points that were supposedly of national concern and of critical importance to the country during the constitutional debate and the visit to London. Yet, when we said to them, let us get implementation as early as possible, let us not leave anything to chance, because, who are we to, all of a sudden, believe that we are the only ones that are electable in this country? Who are we to believe that all of us might not be gone in 2004? Who are we to believe that?

However, that is what the United Democratic Party (UDP) was saying. Look, let us not be so bold as to assume it has to be either the UDP or the People's Progressive Movement (PPM). It may be some other entity that takes a majority control of this Legislative Assembly. However, if we were to have adopted the constitution before the next election, we would have greatly reduced the possibility of us not getting some of the changes that we need so desperately in this country to effectively be able to run a Cabinet. To

effectively be able to say that we are representatives of the people who have the ability to effect positive change and the ability to protect and fight on the people's behalf when the colonising power does things or wants to do things that we do not believe is in our or the people's best interest.

I will say to this country, here and now, the only reason we do not have a modernized constitution is because the People's Progressive Movement refused to talk about doing that because they said we did not have a mandate.

I believe, with every fibre of my being and I believe that they also believe at this point in time that the people want it. We are all Caymanians, we know how Caymanians are, and we know how we are. We are not going to have Caymanians stick to a particular issue the way they do in other countries. We are not going to have Caymanians currently able to focus and continue to hammer in and say we want this. They will say it. There will be that period of furore and then it will quietly die away. I think that is evident from the response they had at their public meetings when they went back to discuss the constitution.

I think they would agree that the attendance at the public meetings were basically non-existent. It was poor, to say the least, because the people now look at us as the representatives who need to now go ahead and do the job, do the work. That is how our people are. I will get off that particular topic.

It is of critical relevance that we in this Legislative Assembly debating this Terrorism Bill 2003 send a clear unequivocal message to the Governor and to Her Majesty's Government that we do not support section 55, which gives the Governor in his sole discretion the ability to authorize interception of communications orders.

I had to stray off into those other topics because it is of critical importance during this educational process that our people clearly understand that there is a price to pay, and the price to pay for not changing our constitution is becoming more and more grave to us in the Cayman Islands and the potential impact it has on our economy is starting to come through in ways that we never imagined.

Much was said about the EuroBank fiasco and, Madam Speaker, that is the one that we know about. That is the particular episode that actually came to light.

Now, I hear the Second Elected Member for George Town saying it happened on our shift. Hence now, I am going to have to go on a little longer than I wanted to because I was about to sit down.

I think that the Second Elected Member for George Town also needs to be reminded that when the Government went out strongly and opposed the actions that were revealed in the Chief Justice's Report and Ruling on this case that they were nowhere to be seen.

I remember, in his own district, on the steps of the Legislative Assembly, we had a Public Meeting with hundreds of people and how disappointing it was to not see the People's Progressive Movement, the elected representatives, there because they should have been there. Then they came here and accused us of British-bashing. The East End Member got up and talked about blood-letting. Anyway, let me not go back to that whole fiasco and that whole episode of the debate on the sensor Motion.

I will be the first to stand up here and say that when the United Kingdom Government decides that they are going to spy on us, it matters not who is the Leader of Government Business, it matters not who is on the Opposition because at the end of the day they are going to do it on all our shifts. What is important is knowing that it could happen on all our shifts, is how you react to the situation and we reacted with what has characterized the United Democratic Party Government; clear, decisive leadership and willingness to take on even the colonising power that gives us our own constitution.

We believe that right is right and wrong is wrong and the United Democratic Party Government is for right. Those who oppose us are for wrong and that is my opinion and the country is much better off that it happened on our watch.

The Speaker: Second Elected Member for West Bay, would you please rope your arguments back to the Terrorism Bill?

Mr. Rolston M. Anglin: Madam Speaker, I must tell you, you do help a young (Member of the Legislative Assembly) MLA who sometimes may stray off the topic a tad. However, it only goes to show how fair you are, because you know there are those who sometimes try to question your integrity however that shows how fair you are.

Therefore I will now conclude by saying that the United Democratic Party Government has already made their position in terms of the Ministers and Members of Cabinet and the Elected Back Bench supporting Members make it quite clear that we will not support this Bill with section 55 as it currently stands.

We believe that the proposed or the first draft of the Bill that has been read twice now into the records, and the amendment that has been circulated, more adequately deals with this section as we all believe it should. Madam Speaker, I thank you and I thank Honourable Members.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Last call, does any other Member wish to speak?

If not, before asking the Honourable Second Official Member to exercise his right of reply we will take a brief afternoon break and re-convene, hopefully within the next fifteen minutes.

Proceedings suspended at 3.48 pm

Proceedings resumed at 4.18 pm

The Speaker: Please be seated. Proceedings are resumed. I recognise the Honourable Second Official Member exercising his right of reply.

Hon. Samuel W. Bulgin: Thank you, Madam Speaker. I am hoping to be very brief in my response. I am constrained however, to respond to a couple of points made by the Second Elected Member for George Town, for clarification really.

The Honourable Member enquired, or wondered aloud, why it took Government so long to bring this piece of legislation and what had been happening during this period. The legislation, as I mentioned, is a sort of an amalgam of several pieces of legislation and it clearly took a while for it to be all collated and pulled together and it took some time. In the interim it was not that there was a lacuna as such because the UK Overseas Territories order was in place and that, in a way, helped to bridge the gap during that period.

The Honourable Member also remarked about the positive duty under the Bill to make disclosures and he did say that the general position is that a person is not required to make disclosure. He is correct, however I just wish to point out to him that under the Proceeds of Criminal Conduct Law there is in fact a positive duty now to make disclosures in instances where there is reason to believe that there is money laundering activities.

He also wondered aloud whether it would not be appropriate to amend the legislation to provide for disclosures to be made to a trusted person and he used the example of ministers of religion. There is some merit in that suggestion and I would really wish to have an opportunity to examine it in more detail and, if possible, to bring an amendment at a later stage. However, I have to bear in mind the whole issue of priest-penitence privilege and maybe the reticence of some Members to get involved in these things. I give him the undertaking that I will have a look at the suggestion with a view to incorporating it, if necessary, at a later stage.

He also mentioned the issue of the counter-terrorism convention being adopted or deemed to be part of our Laws, once the UK has entered into such an arrangement. The principle in the Bill is not entirely different from the status quo at the moment. We really do not have our own extradition legislation. What we have is the UK Extradition Act, 1989 and also the convention that has been extended to us.

As I was saying, the Honourable Member queried the wisdom of having the counter-terrorism convention being deemed to have been extended to us in circumstances where the UK enters into new arrangements. I am saying to him that it is not entirely different from the position as currently obtains in that we, the Cayman Islands, do not have our stand-alone extradition arrangement. We have the UK Extradition Act 1989 and the European Convention on Extradition. Once there is an amendment in the United Kingdom it is invariably extended to us by way of some order, thus the position in this current Bill is not entirely different.

In any event, I can assure my learned friend and colleague across the floor that it would be subject to the usual safeguards because the extradition arrangements would have to be canvassed or adjudicated in court if there is a request for extradition. Therefore, it would be subject to the usual judicial safeguards in those circumstances.

He mentioned also, well he wondered, whether the provision in the Law was seeking to abridge the long-established and enshrined doctrine of legal-professional privilege. I can assure him that what is in the Bill is a general codification of the common law principle, as we understand it.

I would also go on to mention that in any rules there are exceptions and an exception, as he well knows, to legal-professional privilege is that where the advice is sought or received for the purpose of guiding the client to either commit an offence or having committed an offence, they are not covered by privilege. There is also no privilege where the attorney is a party to the crime. Those are two exceptions to the general common law principle.

In any event, the provision in this Bill merely mirrors the existing provision in section 27 of the Proceeds of Criminal Conduct Law and I can assure him that there is no attempt to abridge or in any way water down the long-established and enshrined principle of attorney-client privilege.

It is only left for me to thank Honourable Members for their support of this Bill as amended, or as it is hoped will be amended. The debate itself was of the usual high standard, very insightful and indeed extremely engaging. I would also wish to thank Senior Legislative Counsel, Ms. Neblett, for her long hours devoted to this piece of legislation. Thank you very much.

The Speaker: Thank you, Honourable Member.

The question is that a Bill shortly entitled The Terrorism Bill, 2003 be given a second reading.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Terrorism Bill 2003 given a second reading.

The Speaker: Honourable Leader of Government, is it the intention to conclude at our interruption or is it the intention to go on to the next Bill?

[Pause]

May I have a motion, then, for the suspension of Standing 10(2), seeing that we have reached the hour of interruption?

Suspension of Standing Order 10(2)

Hon. W. McKeeva Bush: Madam Speaker, I move the suspension of Standing Order 10(2) in order to do business after 4.30 pm. We will do the Passport Bill.

The Speaker: The question is that Standing Order 10(2) be suspended to allow the House to commence and conclude the Second Reading of the Passport (Amendment) Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 10(2) suspended to allow proceedings to continue beyond 4.30 pm.

The Speaker: I now recognise the Honourable First Official Member.

The Passport (Amendment) Bill, 2003

Hon. James M. Ryan: Thank you, Madam Speaker. I move the Second Reading of the Bill entitled The Passport (Amendment) Bill, 2003.

The Speaker: The Bill has been duly moved. Does the Honourable First Official Member wish to speak thereto?

Hon. James M. Ryan: Yes, Madam Speaker. Thank you.

The Speaker: Please proceed accordingly.

Hon. James M. Ryan: Madam Speaker, the House is no doubt aware that the passport office is continuing to move forward with upgrading and improving its service to the Public.

Machine-readable passports came into effect in the passport office in June 2001 and one of the latest changes relates to digitized passports which, as scheduled, came into effect on Monday 2nd June this year. This change involved an amendment to the Passport Regulations which gave the authorization needed to revise the passport application forms for both adults and minors and the passport application forms have now been revised.

This short amending Bill seeks to bring in line the fees with the costs of producing passports, waivers, and so on. It also provides for the production of documents in one business day.

The reference to this is a Super Express Service, something that members of the public have asked about for a long time — getting a passport produced at short notice, as opposed to the standard ten working days—and there will be a fee of sixty dollars for doing this. This fee will be in addition to the cost of the document. There is also an Express Service, between two days and one week, for which there is a forty dollar charge.

The other fees largely bring the cost of producing these documents in line with the times and there is a call-out fee for the emergency opening of the passport office; that is a fifty dollar charge. The other costs are really just bringing in line with the times the charges for the production of these documents.

In the interests of time, I am not going to read the entire schedule but suffice it to say that this is primarily an opportunity to offer the public the super express service and the express service for the production of passports and other documents. Accordingly, I ask for the support of all Honourable Members with this short amending Bill.

The Speaker: Thank you. Does any other Member wish to speak? Does any other Member wish to speak? Last call. Does any other Member wish to speak?

If not, does the Mover wish to exercise his right of reply?

Hon. James M. Ryan: Thank you, Madam Speaker. I would merely thank all Honourable Members for their tacit support and to commend this Bill to the House.

The Speaker: The question is that a Bill shortly entitled The Passport (Amendment) Bill, 2003 be given a second reading.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Passport (Amendment) Law 2003 has been given a second reading.

The Judicature (Amendment) Bill, 2003

The Speaker: I recognise the Honourable Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Madam Speaker: I would like to move for the Second Reading of a Bill entitled A Law to Amend the Judicature Law (2002 Revision); and for Incidental and Connected Purposes.

The Speaker: The Bill has been duly moved. Does the Mover wish to speak thereto?

Hon. Samuel W. Bulgin: Yes, Madam Speaker, thank you. In 1995 when the Grand Court Rules came into effect, they vested the management and investment of court funds in the Accountant General. These are non-governmental revenue funds, such as maintenance and affiliation payments, compensation and funds paid in civil matters.

As part of the financial management initiative, the government treasury department will cease to be the central controller of various government receipts and funds. These responsibilities are being de-centralised to the agency responsible for levying and collecting those funds.

Before 1995 the courts office was responsible for collecting and administering these funds and as the judicial department already has a cashier and revenue collection function, this transfer of responsibility for the collection of court funds will be an extension of existing activity rather than something new.

It will also make it much easier for members of the public who have had to be moving back and forth between the government administration building and the court house when making payments.

The actual transfer of the collection of these funds took place on July 1, 2003. Indeed a member of staff has already been transferred from the government administration building to the court house to carry out these activities.

That is essentially the purpose of this fairly simple amendment and I seek Honourable Members support in having the Bill passed.

The Speaker: Thank you. Does any other Member wish to speak? Does any other Member wish to speak? Last call. Does any other Member wish to speak?

If not, does the Second Official Member wish to exercise his right of reply.

Hon. Samuel W. Bulgin: Just to thank Honourable Members for their support of this amendment to The Judicature (Amendment) Bill. Thank you.

The Speaker: The question is that a Bill shortly entitled the Judicature (Amendment) Bill, 2003 be given a second reading.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Judicature (Amendment) Bill, 2003 given a second reading.

The Immigration (Amendment) Bill, 2003

The Speaker: I recognise the Honourable First Official Member.

Hon. James M. Ryan: Thank you, Madam Speaker. I move the Second Reading of a Bill entitled The Immigration (Amendment) Bill, 2003.

The Speaker: The Bill has been duly moved. Does the mover wish to speak thereon?

Hon. James M. Ryan: Thank you, Madam Speaker. This short amendment deals with the procedure for the Immigration Appeals Tribunal. Honourable Members of the House will recall that we brought an amendment to the Immigration Law last year that allowed for an Immigration Appeals Tribunal to deal with matters from the Immigration Board rather than for them coming to Executive Council.

This short Bill is intended to bring out the point that appeals to the Tribunal shall be by way of rehearing, thus making it clear that the Tribunal is not empowered to remit matters back to the Board for reconsideration.

In addition, it is also intended to make clear that when the Immigration Board deals with Caymanian status applications, and the quota is exhausted, the Tribunal does not or cannot deal with Cayman status appeals since there is no quota. Therefore the public will not go through the application to the Immigration Appeals Tribunal and the Tribunal is therefore bound by the quota for Caymanian status which is set on an annual basis.

I ask for the support of all Honourable Members in this short amending Bill.

The Speaker: Thank you. Does any Member wish to speak? Does any Member wish to speak? Last Call. Does any Member wish to speak?

If not, I will call on the First Official Member to exercise his right of reply.

Hon. James M. Ryan: Thank you Madam Speaker, I just again want to thank all Honourable Members for supporting this short amending Bill and I commend it to the House.

The Speaker: The question is that a Bill shortly entitled The Immigration (Amendment) Bill, 2003 be given a second reading.

All those in favour, please say, Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Immigration (Amendment) Bill, 2003 given a second reading.

The Speaker: I now recognize the Leader of Government Business.

ADJOURNMENT

Hon. W. McKeeva Bush: Madam Speaker, we propose to adjourn this Honourable House until Friday 18 July, at 10 am.

The Speaker: The question is that the Honourable House do now adjourn until—

The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr. Madam Speaker, you reminded me during the course of my debate this morning that if I wanted to raise an issue relating to questions, I should do so at the adjournment. I now do so, Madam Speaker, and simply wish to register the concern of the Opposition that we are not having a timely response to Parliamentary Questions.

There are over one hundred Parliamentary Questions that are outstanding at this point and there were none on today's Order Paper and I do not know whether or not that is going to be the case tomorrow. Without making too much of it, I wish to register our concern that Parliamentary Questions ought to be answered.

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Madam Speaker, I agree that parliamentary questions that are ready should be answered. Not every time a Member puts a parliamentary question can that question be answered immediately. Nevertheless, I understand the Member's concern.

We have given the Clerk—and the Member knows this—permission to contact each Ministry to determine what questions are ready and for those questions to be put on the Order Paper in the amount each Member required and sometimes even more so that we can get as many answered as possible.

I have no more to report than that, we have asked them and the questions are being put on the Order Paper. Then, Madam Speaker, questions are not ready. I know I asked my staff about my questions this morning and they said that two Members were going to be away that would have asked me questions and therefore those questions were not able to be placed on the Order Paper. I can say that about mine. I think I have two. I think two Ministers are away and perhaps many of the questions are asked of them.

As I said, we did give the Clerk permission and I think that if they were ready, or if there were not some other circumstances, then they would be on the Order Paper.

The Speaker: The question is that the Honourable House does stand adjourned until tomorrow 10 am.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

At 4.45 pm the House stood adjourned until Friday, 18 July 2003, at 10 am.

OFFICIAL HANSARD REPORT
FRIDAY
18 JULY 2003
11.07

Fifteenth Sitting

The Speaker: I will invite the Third Elected Member for Bodden Town to grace us with prayers.

PRAYERS

Mr. Anthony S. Eden: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come. Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever Amen.

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

Proceedings resumed at 11: 10am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HOUNOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received notice for apologies from the Honourable Second Official Member, the Honourable Minister responsible for Community Services, the Honourable Minister of Education, the Member for East End, the Member for Cayman Brac and Little Cayman, and the Second Elected Member for West Bay will be arriving later this morning.

PRESENTATION OF PAPERS AND OF REPORTS

Vesting of Crown Land Block 4C, Parcels 86 and 87 to the National Housing Trust

The Speaker: I recognise the Honourable Deputy Leader.

Hon. Linford A. Pierson: Thank you Madam Speaker. I beg to lay on the Table of this Honourable House, a Report on Crown Properties that has been prepared in accordance with the requirements of the Governor Vesting of Land's Law (1998 Revision).

I confirm that, as required by the Law, the details of this land matter have been published in the *Cayman Islands Gazette* Issue No. 13 of 2003 dated 30 June 2003 and a local newspaper, namely the *Cayman Net News* Weekend Edition dated 13 - 15 June 2003.

Also, as required by Law, three valuations have been carried out on the subject property. Each valuation report forms part of the overall Report and provides a general indication of the value of the properties that Government now proposes to vest.

The Report deals with facilitating the vesting of Block 4C Parcels 86 and 87 to the National Housing Trust. This property is located in Registration Section West Bay North West, off Captains Joe and Osbert Road. Therefore, after careful analysis and consideration on 20 May 2003 Executive Council (EXCO) Paper 2429 of 2003 says that the Governor in Council, now known as the Governor in Cabinet, determines that it is in the best interest of the Cayman Islands to vest both parcels to the National Housing Trust for annual consideration.

The valuation of the subject parcels estimate the open market value for the combined properties to be in the region of $500,000 to $700,000 (CI - Cayman Islands) dollars. I now ask permission to lay this Report. Thank you.

The Speaker: So ordered. Does the Honourable Deputy Leader have further comments to make thereon?

Hon. Linford A. Pierson: No, Madam Speaker.

The Speaker: Thank you.

STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE GOVERNMENT

The Speaker: I am not in receipt of any notice for statements this morning.

GOVERNMENT BUSINESS

BILLS

SECOND READINGS

The Health Insurance (Amendment) Bill 2003

The Speaker: I recognise the Honourable Minister of Health.

Hon. Gilbert A. McLean: Thank you. Madam Speaker I beg to move a Bill for a Law to amend the Health Insurance Law 1997; and for Incidental and Connected Purposes.

The Speaker: The Bill has been duly moved. Does the Honourable Minister wish to speak thereto?

Hon. Gilbert A. McLean: Thank you, Madam Speaker. Members of this Honourable House are reminded that by Private Member's Motion 9/01 a Select Committee of the entire Legislative Assembly was appointed to look at problems being experienced with the workings of the Health Insurance Law, 1997 and the Health Insurance Regulations and to make recommendations for their review.

The Select Committee has met nine times, the last being 26 May 2003, and during these Meetings it received oral and written representations on the Law and Regulations and considered the Report of the Health Insurance and Health Fees Advisory Committee; a Committee appointed by the Governor in Council dated 6 September 2001, and the Report of the KPMG Consultants review of Health Insurance Law and Regulations dated July 2002.

Instructions were issued by the Select Committee for amendments to the Health Insurance Law and Regulations and these amendments have been made available for comment to various stakeholder organisations and the public in general. I recently met twice with Members of the Cayman Islands Insurance Association and discussed various points. While we reached certain understanding on some of them, which will be the subject of some amendments, it was made clear that the Government could clearly not support others, which would be going forward as they were originally drafted.

Regarding the proposed amendments to the Health Insurance Law, I will explain how the relevant sections have been amended. Clause 1 provides the short title.

"Clause 2 amends the interpretation section-

(a) by inserting the definition of "Commission". The commission referred to in this Clause is the Health Insurance Commission which the Ministry of Health intends to establish under the Health Insurance Commission Law. The Commission will be an advisor to the Government on health insurance and will also be an inspectorate and assume most of the duties of the Cayman Islands Monetary Authority under the existing Health Insurance Law, 1997 and regulations;

(b) by changing "approved provider" to "approved insurer";

(c) by clarifying the definition of "standard health insurance contract";

(d) by changing the definition of "seaman" to "a Caymanian (as defined in the Immigration Law (2001 Revision)) who resides in the Islands and who-

(a) is over the age of fifty-five;

(b) is a member of either the Veterans' and Seamen's Society of Cayman Brac and Little Cayman or of the Cayman Islands Seafarer's Association;"

I might say that the term "Seafarer's Association" is a new name adopted by what was formally the Cayman Islands Seaman Association here in Grand Cayman;

(c) "first went to sea before 1st January, 1985; and

(d) was at sea for a period of three years or more.";

(e) by inserting a definition of "veteran" which is as follows-

"veteran" means a person who resides in the Islands, served in any armed force before 1973 and was a Caymanian at the date of service."

This changes an anomaly which existed in this Law where persons of any nationality joined these associations; there were instances that these persons were receiving free medical care or they were receiving medical care at the expense of the Cayman Islands people and this has been changed to clarify that; **(f) "by inserting a definition of "spouse" to include common law spouse.**

"Clause 3 amends section 3, Subsection (3) is amended to provide that Government may affect health insurance coverage for each elected Member of the Legislative Assembly and, where the Speaker is not a Member of the Legislative As-

sembly, the Speaker; for each past elected Member of the Legislative Assembly who is a public office pensioner; and the unemployed spouse and children of such persons. Subsection (4) is repealed in order to clarify that Government may take out health insurance for seamen and veterans and their unemployed spouses and children where they do not already have health insurance.

"**Clause 3 also makes minor amendments to subsections (8) and (9) and inserts subsections (6a), (10a) and (12a).**

"Subsection (6a) provides that where an employee and his spouse are employed by different employers, each employee may, subject to his employer's agreement, elect which employer shall insure both of them or whether they shall be insured separately by each employer.

"**Subsection (10a) provides that the employer who is liable in accordance with subsection (10) to provide health insurance for the children of an employee shall provide health insurance for children born after such health insurance has been provided and such insurance shall cover post-natal care for a period of not less than one month after birth.**

"**Subsection (12a) provides that where after the date of the commencement of this new Law an employee applies for health insurance for his spouse as defined in paragraph (b) of the definition under this new Law, he shall provide to his employer an affidavit stating that his spouse falls within the definition.**

"**Clause 4 makes a minor amendment to section 5.**

"Clause 5 amends section 7 in order to increase penalties under that section.

"Clause 6 repeals and replaces section 9 which deals with the recovery of damages from an employer in default in providing information on health insurance coverage to an employee.

"**Clause 7 makes minor amendments to section 10 including substituting the word "Commission" for the word "Authority".**

"**Clause 8 amends section 11 to provide that voluntary health insurance contracts may be extended to cover a retired employee, his employed spouse and children.**

"**Clause 9 inserts section 11A which provides that the Commission, in order to effectively monitor the performance of the health insurance industry in the Islands, may at least every quarter of each year by notice in writing request from approved insurers, specified information or information of a specified description and to produce specified documents or documents of a specified description relating to -**

a) the volume of insured health benefits in the Islands;

b) the prices of such health benefits;

c) the premiums paid for health insurance; and

d) the financial performance and status of the approved insurer."

This information would serve as statistical information to place the Government in a position to better know what is happening in the insurance industry.

One of the major problems in the Cayman Islands is that we do not have the necessary statistical information for insurance companies to cost plans and so on accurately, or, for that matter, for the Government to really know what diseases are prevalent in the country, what the average cost is of paying for these. This information is to serve management purposes for that sort of information.

An approved insurer who fails or refuses to provide the information commits a procedural offence and, subject to a right of appeal to a summary court, may pay to the commission a fine not exceeding $5,000 and may pay a further fine not exceeding $100 for each day or part of a day during which the contravention has continued. Fines collected by the Commission shall be paid into the revenue of the Islands.

"Section 11A also provides that the commission shall submit the information received under this Section to the Governor in Cabinet once a year and at such other times as the Minister may direct.

"**Clause 10 amends Section 12 which deals with the termination of a contract of insurance.**

"Clause 11 inserts Section 14A which provides that every health care facility and registered practitioner shall file with the Commission annually and not later than one month after any adjustment, the maximum fee charged for each health benefit provided by such health care facility and registered practitioner. Such fees shall be published in the Gazette."

Just to add to what I have said in regard to that clause; it is common practice, particularly in the United States, to follow what is called a Common Practice Terminology (CPT) Code. This is a description of every known procedure that doctors perform and they are costed so people know, at any one time, if they want to have an appendectomy or whatever, the cost for it. I have learnt since this process has started that the Cayman Islands Medical and Dental Association has actually created a CPT Code and they have listed all of the various procedures, a few thousand of them, and the costs attached to them.

I am not saying that these should be accepted by a patient as being reasonable, or whatever the case may be, however they do know what these costs are, hence there is no doubt on the side of the doctors what they intend to charge and there should be no doubt on the side of the patient what the costs are going to be.

This is where we are striving to get to where it is absolutely clear on both sides and there is no doubt

or finagling, which we hear goes on, in regard to charges that are made and costs which patients pay.

"Clause 11 also inserts Clause 14B which provides that the Governor in Cabinet, after consultation with the Commission, shall cause to be published in the Gazette the maximum fee an approved insurer shall be liable to pay under a standard health insurance contract for a health care benefit provided by a compulsorily insured person."

This is also an attempt to make it clear on behalf of the insurance companies and on behalf of the person insured, that the Commission will require an insurer to pay a certain amount. Let us say it is $800 for a particular procedure; the insurance companies will be required to pay that; the person who is insured will know that the insurer will pay that amount under the basic standard contract therefore there is no doubt there. If his or her doctor decides that their fee is $1,200 then the insured person understands their insurance will only cover $800 and if they choose to go with that doctor who charges more than the average, they will have to pay the $400. This is what this is attempting to cover.

"**Clause 12 amends section 15 which deals with the recovery of payment by the provider of a health benefit.**

"Clause 13 amends section 16 by inserting a subsection (3) which provides that in respect of any health care benefit provided by a compulsorily insured person an approved insurer shall be liable only to pay the fee or that part of the fee (as the case may be) filed and published in accordance with section 14A.

"**Clauses 14 and 15 amend sections 17 and 18 respectively by substituting the word "Commission" for the word "Authority".**

"Clause 16 amends section 19 to provide that regulations may provide for more than one standard contract."

This is one of the things that has been recommended by our consultants and one which has been discussed at length with the Cayman Islands Insurers Association.

The basic reason for this is that it has become known, or understood, by the Ministry that the Insurance Companies offer various types of coverage or contracts and each one chooses what their contract will be or how it will be or whatever. This way they can include or exclude certain things and do it in such a manner that satisfies them and for that they charge a particular price.

The idea of having a standard contract will mean, for the public and for the country, that whichever one of these contracts you choose, Contract 2 for example, it will be the identical contract with any insurer. If that insurer offers it, it has to have the same inclusions and the same exclusions, the only difference is that each one will have the right to cost it as they see fit and compete with one another. It will clarify the situation for the consumer and for the insurer. It will also provide perfect data in terms of costings by the various suppliers or health insurance providers.

Therefore to achieve this: **"Clause 16 amends Section 19 to provide that Regulations may provide for more than one standard contract.**

Clause 17 is a transitional clause."

This Law has been longstanding, it came into effect in 1998 and it was a brand new experience for the Cayman Islands. We have learnt from it and over the years it has become clear that certain changes were necessary. It is said that nothing happens before time and perhaps now this is the time to correct and improve certain things in this Law.

I must say that up until the last time we, as Members, met on this issue there appeared to me to be a general consensus and desire that certain changes needed to be made. I am not here to say that the proposed changes are perfect however they are as close as we can get to offering certain recommendations for amendment at this time based on the information which is available to us, hearing from our constituents, insurance providers, doctors and, generally, ourselves having an idea of how the law has functioned to date.

Having said that I recommend the Bill to Members of this Honourable House and solicit their support.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Last call. The Third Elected Member for Bodden Town.

Mr. Anthony S. Eden: Thank you, Madam Speaker**.** From this side, we have spent a lot of time with the Honourable Minister and I must take my hat off to him once again for finally getting this piece of amending legislation. As he indicated it was brought back in 1997 when I was the Minister of Health and came into force in 1998.

As with any legislation there have been some problems however we have been able to identify a number of these, which will make the Bill more functional and beneficial to employees here in the Cayman Islands.

One of the concerns that I would share with the Minister, and I am sure he is aware, is that once the Commission is set up and going, there are still some companies not providing health insurance coverage for their employees and, as we all know, there was not a lot of support staff for the health insurance gentleman at the Monetary Authority, who, I think, tried to run that show by himself. As we go along and observe these situations I am hoping that these will be dealt with.

Another area that I have been told about is when people apply for work permits, the employer indicates that they have insurance coverage however just after the approval for the work permit is given, they cancel it. This is unfortunate. From the inception

of health insurance in the Cayman Islands, even before 1992, the Islands felt that this was a very important piece of legislation. There are those of us who have experienced catastrophic claims and this is why I have always been a supporter of health insurance. None of us can deal with this if there is serious trauma or one has to go overseas. It can easily take away any financial stability that a person has.

This is why I have taken significant criticism about this piece of legislation; however I am convinced that this is very important. To me it is an investment because there are very few of us that can afford to deal with serious injuries or having to go overseas for trauma or anything like that.

As I said, on behalf of the Opposition, we support this legislation and as with anything else there will be opportunity in the future, if it is not working, to look at this once again and I offer our support from this side.

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

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker. This is really just a short point. Mr. Eden has, essentially, spoken on behalf of the Opposition and, as the Honourable Minister knows, the Opposition has given him support by attendance at the Select Committee Meetings and through our discussions with him about the problems that we have encountered or that have been reported to us by our respective constituents.

There has been a litany of complaints, over the years, about health insurance coverage generally, and, particularly in relation to the payment of claims and to the issue of whether or not certain persons could or should or should continue to be covered after they have had to make a substantial claim.

I do not intend to go into any detail because I think the Honourable Minister has done an able job in that regard. We had an opportunity, during the Select Committee process, to air the concerns we had and the areas that we felt needed to be addressed, and I think by and large, the concerns which we articulated from this side are reflected by the proposed amendments.

There is just really one technical point I would make to the Honourable Minister in the definition section. Under Clause 2 (d) that subsection says that the law will be amended by changing the definition of **"seaman"** to a: **"Caymanian (as defined in the Immigration Law (2001 Revision)) who resides in the Islands and who- (a) is over the age of fifty-five;"**.

The problem I see with that is, if the definition is left that way, it would permit a person who was not a Caymanian at the time that he was a seaman and who subsequently becomes a Caymanian to be covered under that section or subsection. I do not believe that that was the intention, because if the provision of this health coverage is being given for of the service that an individual has provided as a Caymanian — that is, being a seaman — it would seem to me to be a bit anomalous for a person, who was not a Caymanian at the time he was a seaman, but who subsequently becomes a Caymanian, to enjoy the benefit of that subsection.

I note in relation to a veteran, that particular loop hole has been closed because **"veteran"** means, under this proposed definition: **"a person who resides in the Islands, served in the armed force before 1973 and was a Caymanian at the date of service."**

I believe that a similar provision should be made in relation to seamen as well; that they should have to have that Caymanian qualification at the time they actually went to sea.

I just wanted to make that one point to the Honourable Minister and I am sure he will deal with it as he deems appropriate. Thank you, Madam Speaker.

The Speaker: Thank you. Does any other Member wish to speak? The Member for North Side.

Ms. Edna M. Moyle: Thank you, Madam Speaker. This contribution will be quite short as Mr. Eden and Mr. McLaughlin have previously pointed out some concerns of the Opposition.

I am happy this morning, to read the definition of **"spouse"** under this new Health Insurance (Amendment) Bill and where it says: **"spouse", in relation to a person, means-**

(a) the legal husband and wife of that person; or

(b) a person who, although not legally married to that person, lives with such person in the same household, under the same domestic arrangements as a legal husband or wife and has been so living with that person for a continuous period of five years or more immediately prior to the commencement of the former Law,".

I am extremely happy this morning as, for some time now, I have been fighting the cause of those women who live in a relationship, and the men are on a job, yet because they are not known as legally married those women, unless they are working themselves, could not get health insurance. Now, the way the law has been amended, if the gentleman is working the woman will be covered. I am very happy for that amendment this morning.

I think we have also removed from that definition of children which has given me serious concern for a number of years; children born within wedlock and children born outside wedlock.

When I look at a child, whether born within wedlock or outside, all I see is a child. I know I may get many knocks on the outside from the support of

these two amendments however I think it is time that this country faces reality. The situations exist, therefore the country must look after these people.

My other comment, and last comment, is for the Honourable Minister. I do not know where the words **"Governor in Cabinet"** appear in section 11 of the Bill or whether we need to put a definition in the Bill itself, saying that it means exactly what Executive Council did because the interpretation Law still speaks about Governor in Council. I am just throwing that out to the Minister; whether we need to put that definition at the front of the Bill or not. It is just a technical point for him to look at and see if it is necessary and I commend the Honourable Minister for bringing in this amendment this morning. Thank you, Madam Speaker.

The Speaker: Thank you**.** Does any other Member wish to speak? Does any other Member wish to speak? Last call. Does any other Member wish to speak? If not, does the Honourable Member wish to exercise his right of reply?

Hon. Gilbert A. McLean: Madam Speaker, thank you. I would just like to thank the Honourable Members who spoke on this Bill and offered their support, and for the other Honourable Members who have offered their tacit support, to the Bill.

The Third Elected Member for Bodden Town is quite right, as it is also my understanding, that the person who served as Superintendent of Insurance in the Monetary Authority was a one-man-show. This did not really provide the opportunity of offering inspections and supervision in the field and such like, as envisioned by the Superintendent of Insurance, and what that person will be doing in the service of the Health Insurance Commission.

This is something that has been looked at and while there has been a person appointed to Superintendent of Health Insurance, they will have to be staffed to carry out inspections and to do the day to day work required in terms of receiving information and dealing with complaints. Where complaints have to be dealt with, in terms of mitigating between employer and employee, it will have to be extended to include a cost factor. This has been taken into account and the point is well taken, and it will be adopted and regularised to provide full authority in coverage in this regard.

The Ministry has also heard of various instances, cited by the same Honourable Member, where applicants for work permits take out insurance coverage and as soon as the work permit has been approved, they then cancel the insurance. However, in the regulations there is a requirement that this be reported by the insurance companies when it happens. We expect that, having a Superintendent of Insurance and the Commission, this will be a matter that will be addressed in the way that it should be, since obviously the people who do that are in breach of the Law.

Also where complaints have to be dealt with, in terms of mitigating between employer and employee, it will have to be extended and include a cost factor. This has been taken into account, however the point is well taken, and it will be adopted and regularised to provide full authority and coverage in this regard.

Certainly, I think we all understand that Health Insurance is not really there to pay for every aspirin or *Phensic* that we need. It is there as a safety net to help when we fall in some catastrophic illness. There is no question about it, particularly if one has to go overseas for medical care, in a week's time at some of the health care facilities, one's life savings can be wiped out irrespective of how wealthy you might be.

That is really what health insurance is to cover. That is the major idea behind health insurance and perhaps this is something which we need to get across to our average citizen; that every time they may have to go for some small medication, they should not expect insurance to pay for it. If they expect insurance to pay for it and where insurance will pay for it, this would be very extensive coverage and they would certainly pay extra dollars for that extra coverage.

However, this basic plan is to provide that safety net. One of these days the likelihood is that we will become seriously ill and it will be very costly however that money, which is paid each month, is supposed to place us in a position that the insurance then trips in and covers those large costs which otherwise would simply devastate one's finances.

The Second Elected Member for George Town spoke of the payment of claims. That is a major problem. I am sure that the Honourable Member and all of us in here have had complaints about that and that is one of the biggest problems in this country. In too many instances, a person pays every month, or every week, as the case may be, an insurance premium and when they go to a health care provider they are told, "No, I do not take your card, you pay me. You pay me cash". Whatever amount that is they then go to their insurance company and collect. It has never ever been the intention, from the day that this law came into effect, that this should be the case.

It is against the whole concept of insurance coverage. The insurance company must pay when it is called upon to pay within a reasonable time and health care providers must also accept the coverage, the card or whatever, that says this person is an insured person and they then collect from the insurance company and in the regulations, we are mandating that settlement must occur within 30 days which is the normal standard process. Therefore, that has to change because it is unconscionable to think that a person, let us say, is paying $500 a month for coverage for themselves and their two kids and then the child becomes sick. It costs them $3,000 and the per-

son must find $3,000 to pay the doctor and then they go and claim the $3,000 back from the insurer. That cannot be right and the whole concept is that you pay in small bits so when the big amount comes about the insurance company does what it is supposed to do.

This is one of the things that has been given serious consideration as the Member knows and it is something certainly which the Ministry intends to see change.

These are the things which the insurance companies, the doctors and hospitals and the insured person need to understand and accept; that by them paying their premiums regularly and on time they get these services when they need them.

I also take the point made by the Member about the definition for veteran being in some way different from what is covered in the part dealing with the seamen and I will take some legal advice between now and this Bill reaching the Committee stage on this and if so I shall seek to request an amendment as might be appropriate.

I think that we all here generally share the point raised by the Honourable Member for North Side with regard to spouses. That sentiment is right and, whether one wants to be a moralist or not or say that it is right or it is wrong, it is a reality in society and it cannot be fair for this person, who is a spouse for all intents and practical living purposes, to be excluded simply because the law did not name that person a spouse. It does not follow, Madam Speaker, hence I am glad to know that I have assisted in that regard by having this included in the Bill and that we have achieved this position.

On the question of Governor in Cabinet, it is a new term because the name Cabinet has just come about by an Order in Council and I am not absolutely sure on this. It is something which I will have to check to see whether in that Order it made reference to it being the equivalent of Governor in Council because constitutionally and otherwise in all the Laws it states Governor in Council, therefore perhaps it will be necessary to make some clarification in that regard.

Having commented thus, I would just like to thank Members for their support of this Bill and I look forward to seeing it implemented and bringing about the improvements which we hope it will achieve. Thank you.

The Speaker: The question is the set of Bills shortly entitled the Health Insurance (Amendment) Bill 2003 be given a Second Reading.

All those in favour, please say, Aye. All those against, No.

Ayes and Noes.

The Speaker: The Ayes have it.

The Health Insurance (Amendment) Bill 2003 has been given a Second Reading.

Mr. Alden M. McLaughlin, Jr. Madam Speaker, could we have a division, please?

The Speaker: Madam Clerk.

DIVISION No. 4/03

AYES: 8
Hon. W. McKeeva Bush
Hon. Gilbert A. McLean
Hon. James M. Ryan
Hon. George A. McCarthy
Capt. A. Eugene Ebanks
Mr. Alden M. McLaughlin, Jr.
Mr. Anthony S. Eden
Ms. Edna M. Moyle

NOES: 0

ABSENTEES: 9
Hon. Linford A. Pierson
Hon. Roy Bodden
Dr. The Hon. Frank S. McField
Hon. Samuel W. Bulgin
Mr. Rolston M. Anglin
Mr. Cline A. Glidden
Hon. D. Kurt Tibbetts
Mr. Lyndon L. Martin
Mr. V. Arden McLean

The Speaker: The result of the division is as follows: eight Ayes; nine absentees.

Agreed by majority: The Health Insurance (Amendment) Bill, 2003, given a Second Reading.

The Health Insurance Commission Bill, 2003

The Speaker: The Honourable Minister of Health.

Hon. Gilbert A. McLean: Madam Speaker, I beg to move a Bill for a Law to provide for the Establishment of a Health Insurance Commission; and for Incidental and Connected Purposes.

The Speaker: The Bill has been duly moved. Does the Honourable Minister wish to speak thereto?

Hon. Gilbert A. McLean: Thank you, Madam Speaker. The background to the drafting of this Bill was based on the fact that, as noted just a short while ago, the Cayman Islands Monetary Authority had one individual in it who dealt with matters of Health Insurance under the Health Insurance Law. This was clearly insufficient because of the complaints and the problems which arose under the Law.

The Speaker: Honourable Minister of Health, may I have the indulgence and ask for a five minute break? We will take a suspension at this time.

Proceedings suspended at 12.08 pm

Proceedings resumed at 12.24 pm

Standing Orders 42(1) and (2) and 43(1) to (5)

The Speaker: Please be seated. Before calling on the Honourable Minister of Health to continue his debate, I beg indulgence of the House to deal with a specific matter which is dealt with under Standing Order 42, more specifically Standing Order 43(1), (2), (3), (4) and (5).

I should preface that subject by advising the House that it would be applicable for future votings, as we have already gone through this procedure. However, I think that out of an abundance of caution I need to bring it to the attention of Members.

I called for the suspension because at the time I motioned to my Clerk to assist with reading however she was busy at the time and could not so I took the suspension to refresh my memory as I knew it was somewhere within the Standing Orders.

I have now had an opportunity to do and I should so read: **"42.(1) Save as otherwise provided in the Constitution or in these Standing Orders all questions proposed for the decision in the House or in any Committee shall be decided by a majority of the votes of those present and voting.**

"(2), the Presiding Officer shall not vote unless, on any question, the votes are equally divided in which case he shall have and exercise a casting vote".

And, in particular, Standing Order 43 (1)and the following subsections: **"43.(1) At the conclusion of a debate upon any question, the Presiding Officer shall put the question for the decision of the House, and shall collect the votes of the ayes and the noes after which no further debate may take place thereupon.**

"(2) The result shall be declared by the Presiding Officer stating, "I think the ayes have it" or "I think the noes have it" as the case may be, but any Member may challenge the opinion of the Chair by claiming a division.

"(3) A division shall be taken by the Clerk calling each Member's name and recording the vote given. The Clerk shall then announce the number of those who have voted for and against the proposal and the Presiding Officer shall declare the result of the division.

"(4) Every Member present shall express his vote either for the ayes or the noes or state his wish to abstain. The Clerk shall enter in the minutes of the proceedings the records of each Member's vote, and shall add a statement of the names of the Members who abstained.

"(5) If a Member states that he voted in error or that his vote has been counted wrongly, he may claim to have his vote altered, provided that such claim is made as soon as the Clerk has announced the numbers and before the Chair has declared the results of the division. Upon such claim being made the Presiding Officer, at his sole discretion, shall either direct the Clerk to alter the Member's vote or direct that a fresh division be held."

The Chair did hear two Noes from the Opposition—one from the Member for North Side and one from the Second Elected Member for George Town. Hence my decision to accept the challenge to call for a division.

In future, if there are no Noes the Chair will not call for a division, and if there are Noes, and if a Member wishes subsequent to that to change the negative to an affirmative vote, they must concur with 43(5). Thank you.

The Honourable Minister of Health.

Hon. Gilbert A. McLean: Thank you, Madam Speaker. When we took the brief suspension, I was explaining the situation, which brought about the Health Insurance Commission, was that it was considered necessary to create an entity to give it greater strength and ability to supervise and see that the Insurance Law and Regulations were carried out in the way they should have been and that prior to that this was something which was done by one individual in the Monetary Authority.

The matter of health insurance in the Cayman Islands is a major subject; something that impacts the lives of everyone thus it was seen as necessary to make a bigger and stronger entity to deal with the enforcement and administration of the Law and the Regulations.

The Bill before this Honourable House provides for the establishment of a Health Insurance Commission.

Clause 1 provides for the short title as well as the commencement provision and I would just like to read that because it is important to know that subsection (2) states: **"This Law shall come into force on such date as maybe appointed by order made by the Governor in Council and different dates may be appointed for different provisions of this Law and in relation to different matters."**

This is important as it relates back to our point raised, by the Third Elected Member for Bodden Town, about the necessary size and numbers of staff and such like. While the Law itself could come into effect, different requirements can be brought in, over a period of time, to allow sufficient time to get "all our ducks in a row", as the saying goes. Thus, this provision provides for that ability.

Clause 2 is the interpretation clause.

Clause 3 establishes the Health Insurance Commission.

Clause 4 deals with the constitution of the Commission and provides that:**" (1) The Commission shall consist of the following Members-**

(a) the Permanent Secretary of the Ministry responsible for health insurance;

(b) the Chief Medical Officer;

(c) not less than four nor more than six other members appointed by the Governor from among persons experienced in the area of health, health insurance, finance (including accounting) and regulation of insurance; and

(d) one Member of the Public who is not experienced in any of the areas defined in paragraph (c)."

One might say," Well, why would one want to do that?" It has been represented to me that to have somebody, perhaps a pastor for example, would bring an element into the Committee or the Board which would give it some balance it may not have had otherwise if we had only technical people involved.

Clause 5 deals with the Meetings of the Commission.

Clause 6 provides for the appointment of the: **"…Superintendent of Health Insurance who shall be the chief executive officer of the Commission."**

It also provides that: **"(2) The Governor shall appoint such other officers of the Commission as the Governor considers necessary for the due performance of the function of the Commission and such officers of the Commission shall be under the supervision of the Superintendent of Health Insurance."**

We have appointed a Superintendent of Health Insurance in the person of Mr. Mervyn Connolly.

Clause 7 sets out the functions of the Commission which shall be the following: "**(a) to manage the segregated insurance fund…"** That is the fund where monies come in from. Each Insurance Contract of the $5, and $10 amount, the fund will be so managed by the Commission;

"(b) to advise the Minister generally on any matter relating to health insurance including advice on the premium rates charged by approved insurers;

"(c) monitoring the conduct of approved insurers in order to ensure they are conforming with the requirements of the Health Insurance Law, 1997 and Regulations made thereunder;

"(d) to provide such information relating to the exercise of its functions as the Minister may require;

"(e) to give effect to any directions given by the Minister under section 10; and

"(f) such other functions as may be prescribed by regulation or any other Law."

Clause 8 provides for **"…the segregated insurance fund into which there shall be paid the payments specified under regulation 5 of the Health Insurance Regulations (2002 Revision) and such other payments out of the revenue of the Islands as may be approved from time to time by the Legislative Assembly."**

This refers to the point I made earlier, that it will be a cost for it to be up and functioning the way that it should be and it might well require funds from the Legislative Assembly. Therefore, provision is made whereby this can be done. All claims arising in connection with the treatment of indigent persons shall be paid out of the segregated insurance fund.

Clause 9 provides that **"The Commission shall cause to be established one or more custody accounts into which the assets of the segregated insurance fund shall be deposited and held."**

This confirms, in the largest part, the Public Management and Finance Law, which is more specific as to how finances are held and what the specific purposes are for which they are used.

Clause 10 provides that: **"The Minister may, after consultation with the Commission, give such general directions as to the exercise and performance by the Commission of its functions as appear to the Minister to be necessary in the public interest."**

Clause 11 provides that: **"(1) The Commission shall cause proper accounts relating to the segregated insurance fund to be prepared and maintained on an accrual accounting basis and in accordance with generally accepted accounting practice.**

(2) The commission shall, as soon as practicable after the end of each financial year, forward to the Governor in Council-

(a) a report on the operations of the Commission during that year; and

(b) a copy of the accounts of the segregated insurance fund for that year certified by the Auditor General.

(3) The Minister shall cause copies of the report of the Commission and the accounts of the segregated insurance fund forwarded to the Governor in Council … to be laid before the Legislative Assembly."

This again is in keeping with the concept and objective of the Public Management Finance Law and the transparency in financial dealings, that ultimately it comes to the Legislative Assembly, which, at least, is initially most likely to be called upon to provide some amount of funding for this to start and get on its way.

Clause 12 provides for the auditing of accounts of the Commission by the Auditor General who shall:

(a) conduct audits of the segregated insurance fund;

(b) for the purposes of carrying out an audit or an investigation be given the right of access to all relevant information held by the Commission and the right of access to all premises occupied by the Commission;

(c) have the right to take copies of any information referred to under this section; and

(d) have the right to require explanations from members and the public officers of the Commission.

Clause 13 (1) provides that: **"On the coming into force of this Law, and at such other times thereafter as it deems appropriate, but in no event later than the three-year anniversary of the latest review, the Commission shall cause a review to be carried out to assess an evaluate the assets and liabilities the segregated insurance fund."**

This again deals with prudent financial management as it should be exercised, because of the significant amount of money that is spent by the Cayman Islands Government which has been ongoing for years in providing health care for the people of this country.

Clause 14 provides that: **"The Governor in Council may make regulations generally for carrying into effect any of the provisions of this Law."**

This Bill, in the largest part, sets up an entity with certain powers to see that the Insurance Law and the Insurance Regulations are carried out in the appropriate manner, and to be the body which investigates and deals with problems arising there from in a manner consistent with good and prudent management.

Again, the question of Governor in Council is one which I think needs to be looked at legally to see whether that should read Governor in Cabinet or whether a definition should be made in it to clarify this situation. I would hope to do this at the Committee stage.

I recommend this Bill to Honourable Members and solicit their support.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? The Third Elected Member for Bodden Town.

Mr. Anthony S. Eden: Thank you, Madam Speaker. Very briefly to support this supporting legislation for amendments which the Honourable Minister brought earlier on to the Health Insurance Law. As he indicated there are a number of places where Governor in Council appears, however I am sure that will be tidied up at committee stage to reflect changes made earlier on in regard to Cabinet.

With those few words, Madam Speaker, I would also like to congratulate our own Caymanian, Superintendent of Health Insurance, Mr. Mervyn Conolly, and I wish him every success in this venture.

I can assure him it will be trying however if we all work together this is something for the benefit of all the residents of the Cayman Islands. This will make health care provision and dealing with insurance and care providers, the doctors and other institutions such that we can finally come to a happy ground on this and so many people will not be suffering as they have done in the past. Thank you.

The Speaker: Thank you, Honourable Member. Does any other Member wish to speak? Does any other Member wish to speak. Does any other Member wish to speak? If not, I will call upon the Honourable Minister of Health to exercise his right of reply.

Hon. Gilbert A. McLean: Madam Speaker, I would just like to thank Honourable Members for their support of this Bill and for the Member who spoke for the stated support for this Bill. Thank you, Madam Speaker.

The Speaker: The question is that a Bill shortly entitled The Health Insurance Commission Bill, 2003 be given a Second Reading.

All those in favour, please say Aye. All those against, No.

The Speaker: I believe the Ayes have it.

Agreed. The Health Insurance Commission Bill, 2003 given a Second Reading.

The Speaker: We now take the luncheon break and re-convene at 2.30 pm.

Proceedings suspended at 12.42 pm.

Proceedings resumed at 2.48 pm

COMMITTEE ON BILLS

House in Committee at 2.49 pm

The Chairman: I am going to Committee to consider the various Bills.

Please be seated.

With the leave of the House, may I assume that, as usual, we would authorise the Honourable Second Official Member to correct minor printing errors and as such?

Will the Clerk please state each Bill and read its Clauses?

The Passport (Amendment) Bill 2003

Clauses 1 through 6

The Clerk:

Clause 1	Short Title
Clause 2	Amendment of Section 2 - definitions
Clause 3	Amendment of Section 5 - fees
Clause 4	Amendment of Section 7 - penalties
Clause 5	Repeal of Section 8 and substitution - waiver of fees; Cayman Brac, Little Cayman
Clause 6	Repeal of Schedule and substitution - fees

The Chairman: The question is that clauses 1 through 6 stand part of the Bill. If there is no debate, I shall put the question.

All those in favour, please say, Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 1 through 6 passed

The Clerk: A Bill for a Law to amend the Passport Law (1998 Revision); and for Incidental and Connected Purposes.

The Chairman: The question is that the title stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Title passed.

The Immigration (Amendment) Bill, 2003

Clauses 1 through 3

The Clerk:

Clause 1	Short Title
Clause 2	Amendment of section 15 of the Immigration Law (2003 Revision)
Clause 3	Amendment of section 17 – annual quotas

The Chairman: The question is that clauses 1 to 3 stand part of the Bill. If no debate, I shall put the question that clauses 1 to 3 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 1 through 3 passed.

The Clerk: A Bill for a Law to amend the Immigration Law (2003 Revision) in order to make better provision for the conduct of appeals from decisions of the Immigration Board to the immigration Appeals Tribunal; and for Incidental and Connected Purposes.

The Chairman: The question is that the title stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Title passed.

Health Insurance (Amendment) Bill, 2003

Clause 1

The Clerk: Clause 1 Short Title.

The Speaker: I believe, Honourable Minister, there are not any amendments. Minister, I beg your pardon. We will deal with clause 1 and then we will go on. Sorry. The question is that clause 1 stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 1 passed.

Clause 2

The Clerk: Clause 2 Amendment of section 2 of the Health Insurance Law, 1997 – interpretation

The Chairman: Honourable Minister, I believe you have an amendment for clause 2.

Hon. Gilbert A. McLean: Madam Chairman, I beg to move that clause 2 be amended as shown in the amendments circulated:

(i) in paragraph (b) of the definition of **"spouse"** by inserting after the word **"person"** where it first appears, the words "of the opposite sex"; and

(ii) in paragraph (b), by repealing the words **"approved insurer"** where they first appear and by substituting the words "approved provider"; and

(iii) in paragraph (c) by repealing the definition of **"seaman"** and substituting the following: "seaman" means a person who resides in the Islands and who –

(a) is a member of either the Veterans' and Seamen's Society of Cayman Brac and Little Cayman or of the Cayman Islands Seafarer's Association;

(b) first went to sea before 1 January 1985; and

(c) was a Caymanian during the period of time when he was at sea.

The Chairman: Thank you. The amendment has been duly moved. Does any Member wish to speak to the amendment? If not, I shall put the question that the amendment stand part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: I shall put the question that clause 2 stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 2 as amended passed.

Clause 3

The Clerk: Clause 3 Amendment of section 3 – compulsory health insurance.

The Chairman: Honourable Minister. Madam Speaker, I beg to move an amendment to clause 3 and that it be amended as follows:

(a) by inserting the following as paragraph (g) and renumbering the paragraphs of the clause accordingly-

"(g) in subsection (10), by inserting after the word **"employees"** where it first appears the words "and who are employed by different employers"; and

(b) by deleting the present paragraph (g) which is now to be renumbered (h) and substituting the following -

"(h) by inserting after subsection (10) the following subsection -

"(10a) The employer who is liable in accordance with subsection (10) to provide health insurance for the children of an employee shall provide health insurance for children born after such health insurance has been provided and the insurance shall cover post-natal care for a period of not less than one month after the birth in those cases where the children are Caymanian (as defined in the Immigration Law (2001 Revision)) or where the children are entitled to reside in the Islands in accordance with the Immigration Law (2001 Revision)."

The Chairman: The amendment has been duly moved. Does any Member wish to speak? If not, I will put the question that the amendment stand part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: I will now put the question that the clause as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 3 as amended passed.

Clauses 4 through 7

The Clerk:

Clause 4	Amendment of section 5 - payment of premium.
Clause 5	Amendment of section 7 - unlawful deductions by employer.
Clause 6	Repeal of section 9 and substitution - recovery of damages from employer in default.
Clause 7	Amendment of section 10 - recovery of damages from employer in default.

The Chairman: The question is that clauses 4 through 7 stand part of the Bill.

If there is no debate, I will put the question that clauses— Sorry, The Honourable Leader of Opposition.

Hon. D. Kurt Tibbetts: Thank you, Madam Chair, in section 5 that clause 10 be deleted and the following substituted through you to the Minister; (b) (2)

Are we dealing with the Health Insurance Amendment Bill? Yes, and we are dealing with page two of the Committee stage amendments or are we across that? I thought you said 4, 5, 6 and 7. I am on number 5. I am looking at the amendment.

Hon. Gilbert A. McLean: I think that the clause that the Honourable Member is referring to is in clause 10.

Hon. D. Kurt Tibbetts: That clause 10 be deleted and the following substituted.

Hon. Gilbert A. McLean: I think we have not reached there in the amendments, as yet. Is that correct?

The Chairman: We are on clauses 4, 5, 6 and 7.

Mr. D Kurt Tibbetts: My apologies.

The Chairman: The question is that clauses 4 to 7 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 4 through 7 stand part of the Bill.

Clause 8

The Clerk: Clause 8 Amendment of section 11 - voluntary health insurance.

The Chairman: The Honourable Minister of Health.

Hon. Gilbert A. McLean: Madam Chairman, I beg to move the amendment that clause 8 be deleted.

The Chairman: The amendment has been duly moved. Does any Member wish to debate? The Honourable Leader of Opposition.

Hon. D. Kurt Tibbetts: Madam Speaker, only to ask the reasoning for the proposed deletion of that clause.

The Chairman: The Honourable Minister of Health.

Hon. Gilbert A. McLean: Madam Chairman, I am advised that it adds nothing to the Law in that if it is voluntary it is really not enforceable or a requirement of the Law.

The Chairman: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Chairman. I wonder if the Chairman could say then that if such a provision were not in the law then would those Contracts still be subject to regulation under the Law.

I think the concern was to ensure that there would be some regulation and oversight of those contracts as well. Certainly, that is the view we had on this side therefore if the Minister could perhaps expand a little bit on the thinking and indicate whether or not my reasoning is flawed, because it might well be.

The Chairman: The Honourable Minister of Health.

Hon. Gilbert A. McLean: Madam Chairman, thank you. I was consulting with Legal Counsel. It has been pointed out to me that this is voluntary insurance and what the Law tries to capture is that of compulsory insurance. Indeed, this was something which was raised by the Select Committee which has not yet completed its deliberation and as such if it is a voluntary insurance then it is just that. It is voluntary and it would not be compulsorily enforced.

The Chairman: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Chairman. I understand what the Honourable Minister is saying, however it seems to me that if the logic is that section 11 as it stands is necessary and prudent, I do not quite follow why we would not want to include the provisions or those sentences which are contained in section 8 of the amending Bill as an addition to that for the sake of clarity. I do not think that section 11 takes the position any further, it simply states out of an abundance of caution and for reasons of clarity that contracts of health insurance can provide for greater benefit than those in the Standard Health Contract. Therefore, it can cover situations after the employee has retired. I do not think it is in any way offensive or repulsive to the section. I am somewhat at a loss to understand why we would want to take those sentences out or that phrase out.

Hon. D. Kurt Tibbetts: Madam Chairman, to continue while the Minister is conferring because I am sure he can hear. If we look at what is proposed in the green Bill, before we speak to the Members, I know it is him that I have to speak to but I know he is hearing me. What was proposed in the green Bill to read after the original section 11 ended, that is, after the word **"contract"** in the substantive Law itself, it says, **"and such contract may provide."**

Thus, while we accept that it is voluntary, as the Second Elected Member for George Town stated, all it does is make it clear that such a contract can do so, and we are saying that while we respect that it is not mandatory and it is voluntary, then while it may not tell somebody what they have to do, it certainly will highlight what they can do. From my layman's perspective, I cannot see any reasoning why it does not do anything, but then it does not do any harm. I think it just brings a little bit of clarity to it.

Withdrawal of amendment to clause 8

Hon. Gilbert A. McLean: Madam Chairman, I take the point made by the Member and I agree that as he says, it does not detract, if anything it further explains and if you would guide me in this regard, I would then withdraw the proposed amendment to clause 8 and beg that as the way it stands it should remain.

The Chairman: The question is that the amendment to clause 8 be withdrawn.

If there is no debate, all those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment to Clause 8 withdrawn.

The Clerk: Accordingly, Madam Clerk will have to put clause 8 as originally positioned.

The Clerk: Clause 8 Amendment of section 11 - voluntary health insurance.

The Chairman: The question is that clause 8 stands part of the Bill. If there is no debate, I will put the Question.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 8 passed.

Clause 9

The Clerk: Clause 9 Amendment of the principal law - insertion of section 11A.

The Chairman: Honourable Minister, there is an amendment.

Hon. Gilbert A. McLean: Madam Chairman, I beg to move an amendment that clause 9 be amended by deleting subclause (1) and substituting the following –

(1) "The Commission in order to effectively monitor the performance of the health insurance industry in the Islands, shall at such times each year as it may determine, by notice in writing, request from approved insurers, specified information or information of a specified description and shall request such approved insurers to produce specified documents or documents of a specified description relating to -

(a) the number of insured persons in the Islands;

(b) the premiums paid for health insurance; and

(c) the financial performance and status of the approved insurers, and the approved insurers shall provide such information."

The Chairman: The amendment has been duly moved. Does any Member wish to speak to the amendment? The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Madam Chairman, I recall during the Select Committee discussions that there were some Honourable Members who urged the point that a Report on a quarterly basis would give us a better picture of what was actually transpiring in the industry, and that by simply leaving it until the end of the year might permit too much time to go by before concerns were addressed. I suspect that this amendment is the result of representations made by the insurance companies and perhaps the Minister could benefit the Committee with what those representations were; if that is the case or, if not, he could indicate the reasoning behind the proposed amendment.

The other point is that the items (a), (b), (c) and (d) which were in the amending Bill and which it is now proposed to substitute or to have substituted in section 11A (1): **"(a) the volume of insured health benefits in the Islands; and**

"(b) the price of such health benefits;".

Those two are being changed respectively to "(a) the number of insured persons in the Islands; and (b) the premiums paid for health insurance."

I wonder if the Honourable Minister can (not that we have any fundamental objections to this) explain the rationale for the change.

The Chairman: Thank you. The Honourable Minister of Health.

Hon. Gilbert A. McLean: Madam Chairman, the recommended amendments here are as a result of discussions with the insurance providers.

In subclause (1) it was brought to the attention of the Ministry that there is a certain reporting function done to the Monetary Authority and that they could at the same time provide that information to the Commission.

They convinced us that to do so in intervals of three months would incur considerable costs, with: **"(a) the volume of insured health benefits in the Islands; and**

"(b) the prices of such health benefits."

The way that the insurance industry provides information was pretty much meaningless as to how the insurance function is performed. The number of insured persons that each one might have and the premiums paid rather than the prices of such health benefits, would be the correct description. Then (c) would continue as the financial performance and status of the approved insurers.

The Chairman: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Chairman. I take the Minister's point in relation to the latter part of his response and I am not trying to question his judgment in relation to the first part, whereby the Reporting requirement should be annual instead of quarterly.

Quite frankly, I do not buy the submission of the industry that it is going to be disproportionately expensive for them to produce and provide this infor-

mation on a quarterly basis. It seems to me that if things are properly organised it should be simply a matter of pressing a key on a PC and the system spits out the Report, providing the data has been inputted in the first place. Whether it is a quarterly basis or annual basis, it should be a similar function however I am not going to make a federal case about that. I am just expressing my view about it.

The Chairman: Honourable Minister.

Hon. Gilbert A. McLean: Madam Chairman, I take the point made by the Member. I tend towards keeping it more regular myself, but it is something which I can say that I would certainly keep in view and so recommend to the Commission. I tend towards that thinking however after considerable discussion with the consultants it was decided that we would bring it forward in this amended way.

The Chairman: If there is no further debate, I will put the question that the amendment stands part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: I will now put the question that the clause as amended, stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 9 as amended passed.

Clause 10

The Clerk: Clause 10 Amendment of section 12 - termination of contract

The Chairman: I think it is your intention, Honourable Minister, to amend clause 10.

Hon. Gilbert A. McLean: Yes, Madam Chairman, I move that clause 10 be amended and the following substituted.

I would just like to point out that a missing part to this fifth amendment is that it should state: "the principal Law is amended in section 12 as follows:"

and then it would read: "That clause 10 be deleted and the following substituted –

"10. The principal Law is amended in section 12 as follows- (a) in (1)(a) by inserting after the word **"arrears"** the words, "in which case the contract shall terminate on the last day of the month for which premiums are fully paid";

(b) by repealing subsection (2) and substituting the following -

"(2) A standard health insurance contract terminates on the first day of the month next following the date of termination of employment of an employee; but if that employee does not become compulsorily insured with any other employer, cover under the contract shall continue for a period of three months from the date of termination of employment or until he becomes employed, whichever is earlier."

(c) by inserting after subsection (3) the following subsection -

"(4) An employer who, having been notified by his former employee that he is not employed and that he is not compulsorily insured, fails or refuses to extend the cover under the contract as provided in subsection (2) commits an offence and is liable on summary conviction to a fine not exceeding $5,000."."

The Chairman: The amendment has been duly moved. Does any Member wish to speak? The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you. Madam Chair, in what is proposed to amend the clause 10 or rather that clause 10 be deleted and the following substituted. In subsection (b) (2) that is proposed, it says: "…by repealing subsection (2) and substituting the following-".

This is where I have a question. It reads, as the Minister has just said, "A standard health insurance contract terminates on the first day of the month next following the date of termination of an employee, but if that employee does not become compulsorily insured with another employer, cover under the contract shall continue for a period of three months from the date of termination of employment or until he becomes employed, whichever is earlier".

My question is, if someone leaves the employment of someone else, and there is not another job lined up to start work immediately, what is there to make it absolutely clear? Although I read the whole thing, what causes the trigger to say to the former employer, "Look, this thing has to continue"? When does somebody tell him that?

Is it that once the person does not have a job lined up to start immediately and there is coverage

right away, does it mean then that the person should advise the employer and the employer then is under obligation to continue it? I am saying that I can imagine how it works, but I am saying when I read this it does not tell me exactly how it must happen. That is all I am saying.

Now someone else might say it is crystal clear, but it is not to me and I read it three or four times and it is not crystal clear to me now. If everybody else is content and they understand it and they do not think it is a problem it can move right along, but it does not tell me what I know it wants to say. That is me. I read the whole thing and went over into the other page too.

The Chairman: Honourable Minister of Health.

Hon. Gilbert A. McLean: Madam Chairman. I have heard what the Member has said and I think in subclause (4) where: **"An employer who, having been notified by his former employee that he is not employed and he is not compulsorily insured, fails or refuses to extend the cover under the contract as provided in subsection (2) commits an offence…"**.

I would think that once notice is given to the employer then the employer would have an obligation to extend the insurance to the employee.

The Chairman: Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: If I may, I read that and I understand what it says. Therefore, we are to assume that where an employee is not leaving one job, going straight to another job and having insurance coverage arranged then that employee has an obligation to let the employer know that he must continue that coverage, and by law he has ninety days in which to find other coverage at which time the former employer can terminate the coverage.

Hon. Gilbert A. McLean: Madam Chairman, that is my understanding of the intention of the—

Hon. D. Kurt Tibbetts: So, the original onus is on the employee to advise the employer.

Hon. Gilbert A. McLean: That is my understanding of the intention, Madam Chairman. I would just add that it is the understanding also that the employee, for it to continue, would have to contribute their half of the contract.

The Chairman: Is there any further debate?

I will put the question that the amendment stand part of the Clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: I will put the question that the clause as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 10 as amended passed.

Clauses 11 through 17

The Clerk:

Clause 11	Amendment of the principal Law – insertion of sections 14A and 14B
Clause 12	Amendment of section 15 – recovery of payment by provider of a health benefit
Clause 13	Amendment of section 16 – fees
Clause 14	Amendment of section 17 – disputes
Clause 15	Amendment of section 18 – appeals
Clause 16	Amendment of section 19 – regulation
Clause 17	Transitional

The Chairman: The question is that clauses 11 through17 stand part of the Bill.

If there is no debate, I will put the question that clauses 11 through 17 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 11 through 17 passed.

The Clerk: A Bill for a Law to amend the Health Insurance Law, 1997; and for Incidental and Connected Purposes.

The Chairman: The question is that the Title stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.
Agreed. Title passed.

The Health Insurance Commission Bill, 2003

Clauses 1 through 5

The Clerk:

Clause 1	Short title and commencement.
Clause 2	Interpretation
Clause 3	Health Insurance Commission established
Clause 4	Constitution of Commission
Clause 5	Meetings of Commission

The Chairman: The question is that clauses 1 through 5 stand part of the Bill.

If there is no debate, I will put the question that clauses 1 through 5 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 1 through 5 passed.

Clauses 6 through 10

The Clerk:

Clause 6	Superintendent of Health Insurance and other officers
Clause 7	Functions of Commission
Clause 8	Segregated insurance fund
Clause 9	Custody of fund assets
Clause 10	Minister may give general directions to Commission

The Chairman: The question is that clauses 6 through 10 stand part of the Bill.

If there is no debate, I will put the question that Clauses 6 through 10 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 6 through 10 passed.

Clauses 11 through 14

The Clerk:

Clause 11	Accounts
Clause 12	Audit of Accounts
Clause 13	Actuarial review
Clause 14	Governor in Council may make regulations

The Chairman: The question is that clauses 11 through 14 stand part of the Bill.

If no debate, Honourable Minister of Health.

Hon. Gilbert A. McLean: Madam Chairman, I have taken advice on the question of Governor in Council and I understand that due to the interim constitutional order, Governor in Cabinet would be correct and that that it has been so interpreted, including as it would apply in the Constitution; the term Governor in Cabinet would be the correct terminology.

The Chairman: If there is no objection from the House, can we take that as a consequential amendment? Thank you.

The question is that clauses 11 through 14 stand part of the Bill.

If no debate, I will put the question that clauses 11 through 14 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 11 through 14 passed.

The Clerk: A Bill for a Law to provide for the Establishment of a Health Insurance Commission; and for Incidental and Connected Purposes

The Chairman: The question is that the Title stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Title passed.

The Chairman: That concludes the proceedings in Committee and the question is that the Bills be now reported to the House. I am reminded that I must put the question.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Bills to be reported to the House.

House resumed at 3.35 pm

The Speaker: Please be seated. The House is resumed.

REPORTS ON BILLS

The Passport (Amendment) Bill, 2003

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan. Thank you, Madam Speaker. I have to report that a Bill shortly entitled The Passport (Amendment) Bill, 2003 was considered by a Committee of the whole House and passed without amendment.

The Speaker: The Bill has been duly reported and is set down for its Third Reading.

The Immigration (Amendment) Bill, 2003

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Thank you, Madam Speaker. I have to report that a Bill shortly entitled The Immigration (Amendment) Bill, 2003 was considered by a Committee of the whole House and passed without amendment.

The Speaker: The Bill has been duly reported and is set down for its Third Reading.

The Health Insurance (Amendment) Bill, 2003

The Speaker: The Honourable Minister of Health.

Hon. Gilbert A. McLean: Madam Speaker, I have to report that a Bill shortly entitled A Bill for a Law to amend the Health Insurance Law 1997; and for Incidental and Connected Purposes was considered by a Committee of the whole House and passed with amendments.

The Speaker: The Bill has been duly reported and is set down for its Third Reading.

The Health Insurance Commission Bill, 2003

The Speaker: Honourable Minister of Health.

Hon. Gilbert A. McLean: Madam Speaker. I have to report that a Bill shortly entitled A Bill for a Law to provide for the establishment of a Health Insurance Commission; and for Incidental and Connected Purposes was considered by a Committee of the whole House and passed with various amendments.

The Speaker: The Bill has been duly reported and is also set down for its Third Reading.

THIRD READINGS

The Passport (Amendment) Bill, 2003

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Madam Speaker, I beg to move that a Bill shortly entitled The Passport (Amendment) Bill, 2003 be given a Third Reading and passed.

The Speaker: The question is that a Bill shortly entitled The Passport (Amendment) Bill, 2003 be given a Third Reading and is passed.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Passport (Amendment) Bill, 2003 given a Third Reading and passed.

The Immigration (Amendment) Bill, 2003

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Madam Speaker, I beg to move that a Bill shortly entitled The Immigration (Amendment) Bill, 2003 be given a Third Reading and passed.

The Speaker: The question is that a Bill shortly entitled The Immigration (Amendment) Bill, 2003 be given a Third Reading and passed.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Immigration (Amendment) Bill, 2003 given a Third Reading and passed.

The Health Insurance (Amendment) Bill, 2003

The Speaker: Honourable Minister of Health.

Hon. Gilbert A. McLean: Madam Speaker, I beg to move that a Bill shortly entitled a Bill for a Law to amend the Health Insurance Law 1997; and for Incidental and Connected Purposes with amendments be passed.

The Speaker: The question is that the Health Insurance (Amendment) Bill 2003 be given a Third Reading and passed.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Health Insurance (Amendment) Bill, 2003 given a Third Reading and passed.

The Health Insurance Commission Bill, 2003

The Speaker: Honourable Minister of Health.

Hon. Gilbert A. McLean: Madam Speaker, I beg to move a Motion for a Bill shortly entitled a Bill for a Law to Provide for the Establishment of a Health Insurance Commission; and for Incidental and Connected Purposes with amendments be given a Third Reading and passed.

The Speaker: The question is that a Bill shortly entitled The Health Insurance Commission Bill, 2003 be given a Third Reading and passed.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Health Insurance Commission Bill 2003 given a Third Reading and passed.

ADJOURNMENT

The Speaker: May I have a Motion for the adjournment?

Hon. W. McKeeva Bush: Madam Speaker, we propose to adjourn this Honourable House at this point and all business on today's Order Paper should lay over for Monday's 21 July Order Paper.

The Honourable Minister of Education will be back in the Legislature on Monday, God willing, and will lay on the Table the White Paper on the Employment Services Law and one on the Cadet Corps Law.

Having said that, I beg to move the adjournment of this Honourable House until Monday 21 July at 10am.

The Speaker: The question is that the Honourable House be now adjourned until Monday 21 July at 10am.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

At 3.41pm the House stood adjourned until Monday, 21July 2003, at 10am.

OFFICIAL HANSARD REPORT
MONDAY
21 JULY 2003
10.26 AM

Sixteenth Sitting

The Speaker: I will invite the Second Elected Member for Cayman Brac and Little Cayman to grace us with prayers.

PRAYERS

Mr. Lyndon Martin: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together. Our Father, who art in Heaven, Hallowed be Thy Name, Thy Kingdom come. Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen

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

Proceedings resumed at 10.29 am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies from the Honourable Minister of Health and the Second Elected Member for West Bay for late attendance.

PRESENTATION OF PAPERS AND OF REPORTS

The Speaker: Honourable Leader, are there papers for presentation this morning as indicated on Friday?

Hon. W. McKeeva Bush: Madam Speaker, I believe that the Honourable Minister of Education has papers for presentation. I would ask for that to be deferred because I think he is running late.

The Speaker: The question is that the presentation of Papers by the Honourable Minister of Education be deferred for later on in today's sitting.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Presentation of Papers and of Reports deferred until later in the Sitting.

QUESTIONS TO HONOURABLE MINISTERS AND OFFICIAL MEMBERS

Suspension of Standing Order 23(6)

The Speaker: The Honourable Leader.

Honourable W. McKeeva Bush: Madam Speaker, in order to allow more than three questions appearing in the name of the same Member to be taken today we ask for the suspension of Standing Order 23(6).

The Speaker: I put the question that Standing Order 23(6) be suspended.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 23(6) suspended to allow more than three questions appearing in the name of the same Member to be taken.

Question No. 43

The Speaker: The Member for East End.

No. 43: Mr. V. Arden McLean asked the Minister responsible for Planning, Communications, Works and Information Technology, to give an update on efforts made by Government to attract e-business since November 2001.

The Speaker: The Minister of Planning, Communications, Works and Information Technology.

Hon. Linford A. Pierson: Madam Speaker, in early 2002 my Ministry awarded a Contract to the Brac Informatics Centre in conjunction with 411 Communicator—an international marketing and communications company headquartered in Chicago—to review the outline marketing plan produced by the Marketing Sub-committee of the e-business Advisory Board, and to develop detailed local and international marketing plans.

In August 2002, the Brac Informatics Centre (BIC) made their first report to the Ministry and the Board. They strongly recommended the development of an overall Cayman brand, incorporating financial services, tourism and e-business. Within this overall strategy, the company recommended the development of specific e-business products.

The development of an overall Cayman brand and marketing strategy was already being examined by Government in an initiative being led by the Honourable Leader of Government Business.

Our efforts have, therefore, been incorporated into, and are now a full part of, that initiative. We have also identified a number of niche areas in the e-business sector where we believe we can develop competitive products that are complimentary to those being offered in the financial sector. These include the enhancement of our legislation on intellectual property rights and data protection.

Our plan is for these concepts to be investigated and developed in conjunction with the private sector.

Of course, the majority of our resources over the periods have been committed to the liberalisation of telecommunications which we see as an essential prerequisite to the launching of any major international e-business marketing campaign.

I will say, just for added information, now that the liberalisation process has been completed; much of our efforts will now be directed in the development of e-business and e-commerce in the Cayman Islands.

The Speaker: Are there any further Supplementaries? If not, we will move on to the next question.

Question No. 44

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

No. 44: Mr. Lyndon L. Martin asked the Honourable Minister responsible for Community Services, Gender Affairs, Youth and Sports**,** what is the policy towards the provision of low cost housing on Cayman Brac and Little Cayman?

The Speaker: The Honourable Minister of Community Services, Gender Affairs, Youth and Sports.

Dr. The Hon. Frank S. McField: Madam Speaker, the Ministry's policy on providing affordable housing is based on various reports and studies done on the social problems faced by the people living in the Cayman Islands, which include Cayman Brac and Little Cayman. It was evident from these reports that the lack of affordable housing was one major contributor to many of the social ills faced by our people.

As the Minister responsible for Housing, I wanted to ensure that the provisions of homes was based on the areas with the greatest need. Therefore, I requested a report by the Department of Social Services on Housing, which was submitted on 11 April 2002.

This report highlighted the fact that data provided in the 1999 census showed that the majority of Caymanians who are in the work force (6,244 of 10,630) earned between $12,000 and $23,900 per annum. This puts the majority of working Caymanians at a disadvantage as far as being able to compete to acquire property or safe adequate housing at current market prices.

We also know from the census data that there were some 7,598 children between the ages of zero to 14 years, 5,998 of which were Caymanians. From data provided in the 1999 census on the number of households by district and tenure, identified that there were:

4,994 were renting and 534 needed major repairs in the district of George Town,
1,250 were renting and 222 needed major repairs in the district of West Bay,
613 were renting and 114 needed major repairs in the district of Bodden Town,
218 were renting and three needed major repairs in Cayman Brac,
80 were renting and 34 needed major repairs in the district of East End,
68 were renting and 39 needed major repairs in the district of North Side,
42 were renting and three needed major repairs in Little Cayman.

The Social Services Department has observed over the years, in particular in George Town area, the ever-expanding development of commercial properties encroaching into former family residential

areas such as Rock Hole, Mary Street and Central. This has resulted in instances where the very poor persons who own no property and previously had access to add a room onto a family member's house have now been displaced.

It must be noted that even in cases where a family member disposed of that property that individual might have no claim to monies obtained from the sale. The district of George Town has, therefore, been identified as having the most urgent need for Government's intervention in the housing market.

Based on the above the Ministry will be providing housing first in the district of George Town and West Bay. As the present homes will take some 14 months to complete we will not be providing homes in Cayman Brac and Little Cayman this coming year. However, we do recognise the needs of Cayman Brac and Little Cayman and will look at the feasibility of providing affordable housing in the Sister Islands in the future phases of the affordable housing initiative.

We welcome the input from the Second Elected Member for Cayman Brac and Little Cayman and look forward to working with him in the future on addressing the housing needs of Cayman Brac and Little Cayman.

The Speaker: Are there any Supplementaries? If not we will move on to the next Question.

Question No. 45

The Speaker: The Member for North Side.

No. 45: Ms. Edna M. Moyle asked the Honourable Minister of Community Services if the Learn to Swim Programme at the Lions Pool is available to all primary school children.

The Speaker: The Honourable Minister of Community Services, Gender Affairs, Youth and Sports.

Dr. The Hon. Frank S. McField: Madam Speaker, there are two types of learn to swim programmes for children of primary school age. Given the limited size of the Lions Pool (25 metres) and the student/teacher ratio required for safety teaching children to swim, we are limited in the number of available slots for the Learn to Swim Programme.

In addition, to the Learn to Swim, the following programmes are offered: School, Masters (adult learning) and Special.

The first is the after-school and Saturday Learn to Swim programme which is available to all children of the Cayman Islands on a space available basis. Currently, children are enrolled from all districts of Grand Cayman. There are 30 slots per week.

The second Learn to Swim programme is for the schools and 24 slots are available. Typically, classes for primary school age children are offered in the fall and summer terms with priority for filling the 16 to 19 slots given to Government schools. This is to allow classes to be conducted in the warmest weather. Up to 18 weekly primary school classes of 20 to 35 children have been conducted in a single term.

Most Government primary schools have arranged to send classes. Past and regular primary school classes have included Bodden Town, George Town, Savannah, Red Bay and John A. Cumber. Additionally, a slot is always ensured every term for the Lighthouse School.

Bodden Town typically requests the first period time slots to allow for transport during their home room period and return during break to minimise disruption of the school day. In fact, it has been the experience of Bodden Town that they typically make it back after swimming with enough time to still have the entire 15 minute break period upon arrival. The same priority has been extended to North Side and East End primary schools.

The Lions Pool staff has in the past also offered to run combined classes of North Side and Bodden Town or East End and Bodden Town classes, if that helped to facilitate transport. All George Hicks High School students also receive swimming instructions at the Lions Pool.

The Speaker: Are there any Supplementaries? The Member for North Side.

Ms. Edna M. Moyle: Thank you, Madam Speaker.

I wonder if the Honourable Minister could say where he refers in his answer that **"The Lions Pool staff has in the past also offered to run combined classes of North Side and Bodden Town or East End and Bodden Town classes, if that helped to facilitate transport"**, if the North Side primary school has taken up this offer.

The Speaker: The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: Madam Speaker, it is obvious the North Side primary school did not take up the offer.

The Speaker: The Member for North Side.

Ms. Edna M. Moyle: I wonder if the Honourable Minister is in a position to say why not.

The Speaker: The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: I am not in a position to say why not, perhaps the Member can say.

Ms. Edna M. Moyle: I am not the Minister responsible for offering these children the Learn to Swim programme. I wonder if the Honourable Minister will un-

dertake to give a reply in writing to that supplementary question.

The Speaker: The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: Madam Speaker, I will undertake to find out whether or not the Department of Sports is aware of the reasons why the North Side primary school did not accept the offer. However, I am not in the position, nor are the members of the Sports Department, to know why the North Side primary school did not accept the offer.

Thus, the reason why I suggested that perhaps, since the Member is asking the question, she could enlighten the House as to why North Side primary school did not accept the offer. I certainly have no problem in enquiring if we have that knowledge available to us in the department.

The Speaker: Are there any further supplementaries? If not, we shall move on to the next question.

Question No. 46

The Speaker: The Member for North Side.

No. 46: Ms. Edna M. Moyle asked the Minister responsible for Community Services, Gender Affairs, Youth and Sports if the juvenile facility at Northward Prison would be able to accommodate both male and female prisoners?

The Speaker: Honourable Minister for Community Services, Gender Affairs, Youth and Sports.

Dr. the Hon. Frank S. McField: Madam Speaker, the juvenile facility at Northward Prison will not be able to accommodate both male and female.

There has been no change in the previously announced plan to hold male juveniles only in the separate Chapter Houser facility at Northward. The very different problems faced by young girls require a different regime to the one based on physical activity and education that is planned for the boys.

The very few female juveniles—only four girls in the last two and a half years, one at present—who required this level of security, will continue to be held at Her Majesty's Prison (HMP) Fairbanks. In 2001 and 2002 female juveniles were held for only three out of 24 months.

The medium term Plan is to incorporate the building adjacent to Fairbanks into the female complex. This building is currently being used as specialist storage for the affordable housing initiative. It is expected that the requirement for this will end on or around June 2004. The building will then undergo some minimum conversion to allow the classroom and small activities rooms in Fairbanks to be moved across. This will not only enable an expansion of these activities particularly in tailoring but also free up accommodation in the main building to enable the development of a small dormitory specifically dedicated to female juveniles.

Supplementaries

The Speaker: Are there any supplementaries? The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Could the Minister state if, at present, there is only one female juvenile being housed at HMP Fairbanks? Are there any types of educational programmes being offered to that individual or to any others that have been held previously?

The Speaker: The Honourable Minister for Community Services.

Dr. the Hon. Frank S. McField: Madam Speaker, I am sorry that this information was read by me. I am aware that there are no females being held at HMP Fairbanks at the moment. It is simply that this particular statement was prepared by the Ministry at the time when a female juvenile was being held. That female juvenile is now at Tranquillity Bay in Jamaica. There are no female juveniles being held at the moment.

The Speaker: The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you. Madam Speaker, going back to my original supplementary. If and when female juveniles are held, are there any educational programmes afforded to them?

Dr. the Hon. Frank S. McField: Madam Speaker, the policy of the Ministry is to make sure that juveniles are not held unless it is required as part of the procedure needed to ensure the safety of the public or the safety of the juveniles, or unless the courts feel that there can be no other alternatives explored with regard to female juveniles.

We have stated that a small amount has been held in the past and the idea is to avoid the incarceration of juveniles in particular. Consequently, there is no specific educational programme simply because we have not been dealing with a specific female juvenile problem. However, as I said in my main statement, we intend to go through the remodelling of the facilities at Fairbanks to allow us to be able to accommodate female juveniles when the time comes and at that time we will also make sure that an educational component is introduced.

The Speaker: The Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. I am wondering if the Minister can tell us if and when

female juveniles are held at HMP Fairbanks, how we will ensure separation from the main population there.

The Speaker: The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: Madam Speaker, with all due respect, I do not believe that the supplementary is now part of the main question. The Member is now asking us for our future plans and at this particular time I would prefer to leave that answer for a later date.

The Speaker: Member for East End, would you be so kind as to repeat your question for me please?

Mr. V. Arden McLean: Madam Speaker, my question was, if and when female juveniles are held at HMP Fairbanks how would we ensure separation. Madam Speaker, I heard the Minister saying that the supplementary is not valid at this time. However I draw the House's attention to the third paragraph and I think it is. **"The very few female juveniles, only four girls in the last two and a half years, one at present** [He says this is not so because this was prepared prior to her going to Tranquillity Bay] **who required this level of security will continue to be held at HMP Fairbanks. In 2001 and 2002 female juveniles were held for only three out of 24 months."**

Perhaps I can reword it and ask when they were held how did we ensure separation? In the future (which this indicates if there are ever females being held there) how will we ensure separation?

The Speaker: Thank you, Honourable Member.

As it relates to your question it is a composite question that entails two parts. The first part I will allow because it was based on the substantive answer on an already existing set of circumstances.

I find fault with the second part within Standing Order 22(g) and will not allow it in that format. However, if you wish to rephrase it to bring it outside that scope then I will reconsider.

The Honourable Minister of Community Services, please respond to the first part of the question.

Dr. the Hon. Frank S. McField: Would you have him clearly repeat the first part of the question, Madam Speaker?

The Speaker: The Member for East End.

Mr. V. Arden McLean: The first part of the question, Madam Speaker, asks the Minister to inform this Honourable House how, in the past when we had juvenile females being held at HMP Fairbanks, separation was ensured.

The Speaker: Thank you. The Honourable Minister for Community Services.

Dr. the Hon. Frank S. McField: Madam Speaker, perhaps he needs to ask his colleague, who was the Minister responsible (before I took over) for at least a year, since I have no knowledge of what took place at the time when she was there. Perhaps she can tell us how the separation was achieved.

However, in answer it is not the policy of the department to encourage the isolation of female juveniles because it is considered to be dangerous. Therefore, if we have one female we do not isolate that one female totally from the general population. I have as part of my supplementary that girls have a higher risk of becoming suicidal if kept in solitary confinement. They very much need to be able to interact with others. Offending girls are also more likely to run away if strict security measures are not in place. When that happens they become more vulnerable to being victimized and abused by putting themselves in negative and sometimes dangerous situations as a result of running away.

That is part of the rational for actually having to put offending juvenile females in the Fairbanks environment because there needs to be, at that particular time, a secure environment. However, the security should not come to the point where they are totally isolated in some kind of solitary confinement because that in itself could produce more negative results.

I would also like to add that we are working with this problem, one that I inherited and the Member for North Side can testify to that because she was obviously responsible for that Ministry then. We are working to find solutions to this particular issue.

The Speaker: The Member for East End.

Mr. V. Arden McLean: Madam Speaker, I do not think it is my place to ask the Member for North Side because the Minister became a minister on the 8 November 2001 and he spoke here of 2002. Therefore, between 2001 and 2003 he is responsible.

The Speaker: Please turn it into a question.

Mr. V. Arden McLean: Thank you, Madam Speaker. The Minister in his reply spoke of solitary confinement. I wonder if he can, first of all, enlighten us as to the definition of solitary confinement with regard to female juveniles.

The Speaker: Before calling on the Honourable Minister I would recognise the Deputy Leader for a motion to suspend Standing Order 23(7) and (8) to allow questions to continue beyond 11am.

Suspension of Standing Order 23(7) and (8)

Hon. Linford A. Pierson: Madam Speaker, I move the suspension of Standing Orders 23(7) and (8) to allow for Question Time to continue beyond 11am.

The Speaker: Thank you. The question is that Standing Order 23(7) and (8) be duly suspended.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Orders 23(7) and (8) suspended to allow Question Time to continue beyond 11 am.

The Speaker: The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: Madam Speaker, I have paid attention to answering the question and now it seems like the Member for East End is going to again go back into his fantasy of being an attorney and try to create this line of questioning which I think is going no place.

Section 12(d) of the Prison Law states that: **"Juveniles shall be kept segregated from all other prisoners."**

However, that section is qualified with the following: **"Provided that nothing in this section shall require a prisoner to be unduly deprived of the society of other prisoners except as directed by the law or by an order of the court."**

The number of female juveniles means that if they were kept segregated they would effectively be in solitary confinement.

The Speaker: The Member for East End. I will allow one more supplementary after this one.

Mr. V. Arden McLean: Thank you, Madam Speaker. I certainly do not want to be a lawyer nor a sociologist. My question to the Minister is, if the Law requires that juveniles be separated, why is that we are making juveniles come in contact with hardened criminals at our prison?

The Speaker: The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: Madam Speaker, my answer is, section 12(d) of the Prison Law states that: **"Juveniles shall be kept segregated from all other prisoners."**

That section is qualified, however, with the words: **"Provided that nothing in this section shall require a prisoner to be unduly deprived of the society of other prisoners, except as directed by the Law or by an order of the court."**

The number of female juveniles means that if they were kept segregated they would effectively be in solitary confinement. We also said there are higher risks of suicidal incidences if female juveniles were kept in solitary confinement.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker.

In the second paragraph of the substantive answer, the Honourable Minister said that there are very different problems faced by young girls 'requiring' . . . I believe it means, a different regime to the one based on physical activity and education that is planned for the boys. I wonder if the Honourable Minister could say what the plan is in relation to boys, particularly in relation to education at the Chapter House facility at Northward.

The Speaker: The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: Madam Speaker, it is not a part of the substantive question. It is here merely to show why we do not have the plan to integrate females into the Chapter House; why we are looking at a totally separate facility.

However, I would like to give an answer to the substantive question of Chapter House because it deserves an answer that will not confuse but enlighten not only the Members of this House but the members of the public with regard to Government policies at Chapter House.

The Speaker: Honourable Minister, I allowed the question from the Second Elected Member for George Town because it was asked based on verbatim statement of fact on paragraph two of your reply. If you are not in a position to answer this morning perhaps you may wish to do it at a later stage.

The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: Madam Speaker, if you insist that the Second Elected Member for George Town is right in saying that because I included information dealing with Chapter House then Chapter House is a part of the substantive question, I will be quite willing to submit an answer to this House at a later date.

The Speaker: Thank you.

I said one more supplementary. I caught the eye of the Member for North Side and the Member for George Town at the same time; therefore I will allow the Member from North Side to ask the final Supplementary.

Ms. Edna M. Moyle: Thank you, Madam Speaker.

The Honourable Minister, in his reply to a supplementary, stated quite clearly that the question be asked to me because I was the Minister and he has had no female juveniles being held at Fairbanks. I wonder if he is in a position to say —

The Speaker: The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: Madam Speaker, I never said that we have had no female juveniles held at Fairbanks while I have been Minister. I never said that, Madam Speaker.

[Inaudible interjections]

Dr. the Hon. Frank S. McField: I did not say that Madam Speaker, nor did I infer that and if we would like to refer to the *Hansard* then we should do that because when I answered the question I spoke of a female being held at Fairbanks and I corrected myself by saying that was because the answer was prepared by the office earlier. However, in the meantime, that female juvenile had been transferred to Tranquillity Bay, Jamaica. That is what I said, Madam Speaker. Thank you.

The Speaker: Thank you.

The Member for North Side.

Ms. Edna M. Moyle: Madam Speaker, I recall those words, yes. However, when the Member for East End asked a specific question on the separation of female juveniles and the main prisoners at Northward Prison, the Honourable Minister said that he must ask his colleague because he had no juveniles held there. I recall that specifically. If he is now saying that he did have juveniles held there, I will not have a supplementary question to ask.

The Speaker: The Honourable Minister of Community Services.

In that event, we will take a short suspension and ask for the *Hansard* to peruse them for myself. We should break for 15 minutes.

Proceedings suspended at 11.33 am

Proceedings resumed at 12.37 pm

The Speaker: Please be seated. Proceedings are resumed.

We are still awaiting the typed *Hansard* Report of this morning. In light of the fact it is now lunch time, we are going to take the luncheon suspension and we will be back at 2.30 pm.

Proceedings suspended at 12.38 pm

Proceedings resumed at 3.15 pm

The Speaker: Please be seated. Proceedings are resumed.

When we took the break it was for the occasion for me to request and peruse the *Hansard*. I have now had the opportunity to receive it and I apologise on behalf of the Hansard Clerk as it did take an inordinate amount of time, but when it comes to the credibility of what one says, I believe that time is not the most important factor to be considered. I should first proceed to read what led up to the discrepancy and follow that with what was actually said.

I believe that the Honourable Minister of Community Services and the Member for North Side should be in possession of the unedited verbatim of the document to which I shall so refer.

Firstly, the Member for North Side [said], and I quote: **"Thank you Madam Speaker, the Honourable Minister, in his reply to a supplementary, stated quite clearly that the question be asked to me because I was the Minister and he has had no female juveniles being held at Fairbanks. I wonder if he is in a position to say—"**

She was interrupted by the Honourable Minister, Dr. the Hon. Frank S. McField: **"Madam Speaker, I never said that we had no female juveniles held at Fairbanks while I have been Minister. I never said that, Madam Speaker."**

The Minister continued by saying: **"I did not say that, Madam Speaker, nor did I infer that and if we would like to refer to the *Hansard* then we should do that because I mentioned that when I answered the question I spoke of a female being held at Fairbanks and I corrected myself by saying that was because the answer was prepared by the officer earlier. However, in the meantime, that female juvenile had been transferred to Tranquillity Bay, Jamaica. That is what I said, Madam Speaker. Thank you."**

The Member for North Side: **"Madam Speaker, I recall those words, yes. However, when the Member for East End asked a specific question on the separation of female juveniles and the main prisoners from Northward Prison, the Honourable Minister said that he must ask his colleague because he had no juveniles held there. I recall that specifically. If he is now saying that he did have juveniles held there, I will not have a supplementary question to ask."**

That concludes the discrepancy and the response would be found on page two where the Member for East End asked the question: **"The first part of the question, Madam Speaker asks the Minister, if he could inform this Honourable House how, in the past when we had juvenile females being held at HMP Fairbanks, separation was ensued."**

I recognised the Honourable Minister of Community Services, who responded: **"Madam Speaker, maybe he needs to ask his colleague, who was the Minister responsible (before I took over) for a least a year, since I have no knowledge of what took place at the time when she was there. Perhaps she can tell us how the separation was achieved."**

He continued on by saying, at the top of the page: **"Madam Speaker, I would also like to add**

that we are working with this problem, one that I inherited, and the Member can testify to that because she obviously was responsible for that Ministry then. We are working to find solutions in this particular issue."

Having read and had the opportunity to compare what was actually presented in the *Hansard*, I find that the Honourable Minister of Community Services did not, in this forum, say the words as stated by the Member.

The Speaker: Are there any more supplementaries? If not, we will move on to the next question.

Question No. 47

The Speaker: I recognise the Member for North Side.

No.47: Ms. Edna M. Moyle asked the Minister of Community Services, Gender Affairs Youth and Sports if a decision has been taken as to which properties will be utilised for the Affordable Housing Initiative.

The Speaker: The Honourable Minister of Community Services, Gender Affairs, Youth and Sports,

Dr. the Hon. Frank S. McField: Madam Speaker, it had been decided to use three Crown-owned properties for development as the Affordable Housing Initiative: two in George Town, and one in West Bay. A fourth property, also located in Windsor Park, has been identified as being suitable for acquisition as a site for affordable housing development. Other properties will be identified in future phases of the Affordable Housing Initiative.

Supplementaries

The Speaker: Are there any Supplementaries? The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker. In correspondence sometime ago, Mr. Andrew Gibb, project manager for the Affordable Housing Initiative, indicated to Mr. Paul Bodden that there were some problems identified by the Ministry in relation to those properties just referred to and that is why the bidding process was going to be re-thought.

I wonder if the Honourable Minister can say what process was gone through and if he is now satisfied that those same properties—which had been previously thought unsuitable—are now satisfactory for the Affordable Housing Initiative.

The Speaker: The Honourable Minister of Community Services.

Dr. The Hon. Frank S. McField: Madam Speaker, just let me be clear with my words so that they are not misread or misinterpreted. I know of no correspondence which identifies these sites as unsuitable for our Affordable Housing Initiative and therefore, Madam Speaker, I cannot reply to the supplementary.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, if you will give me a moment, I will locate the correspondence and read it to the Honourable Minister.

The Speaker: Is it a confidential piece of correspondence, Member for George Town?

Mr. Alden M. McLaughlin, Jr.: No, Madam Speaker, it is part of that compendium of correspondence that was laid on the Table of this Honourable House during my debate on the Budget Address.

[Pause.]

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker. I have located it.

It is a fax from Mr. Gibb to Paul A. Bodden Heavy Equipment Services Limited, dated 1 February, 2003. It reads: "Dear Sir, Tender AH1/03/002 Affordable Housing Initiative Phase 1, Site Clear Fill and Compact Work Decline Acceptance of Bid".

The Speaker: Second Elected Member for George Town, may I just interrupt you briefly?

Before you proceed to read the contents of the letter, could you perhaps just guide me as to how you intend to make it relevant to the substantive question? Thank you.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, the question asks about which sites had been identified in relation to Affordable Housing Initiative. The Honourable Minister responded to that in the substantive answer and I asked him in my supplementary whether he recalled correspondence to the effect that these sites had been indicated to be under review or as unsatisfactory. He responded to my supplementary by saying that he was not aware of any such correspondence.

The Speaker: All right, I am satisfied. Please continue.

Dr. the Hon. Frank S. McField: Madam Speaker, I said I was not aware of any such correspondence which deemed these sites to be unsuitable for our Affordable Housing scheme.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker.

This is the fax from Andrew Gibb to Paul A. Bodden Heavy Equipment. It reads:

"I refer to a letter to you from the Central Tenders Committee dated 21 January 2003 and in the above regard.

"Following a Meeting held on 21 January 2003 with the Honourable Minister and the Permanent Secretary, it was decided not to make an award to you or any other bidder for this work as some of the sites identified for the initiative are now under review and a further value engineering of the initiative as a whole needs to be undertaken as a matter of urgency.

"In light of the above, I have been instructed to decline acceptance of the tender as submitted by Paul A. Bodden Heavy Equipment Ltd. or any tender submitted in terms of Clause 8 of the notes and instructions to bidders dated 13 January 2003 and as issued to and accepted by you. Yours sincerely, Andrew Gibb."

Therefore, Madam Speaker, my question to the Honourable Member is: Has this review taken place and have these sites now been determined as satisfactory for the Initiative as a whole, and can we have some details as to the review process that took place?

The Speaker: The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: Madam Speaker, we are getting back to this same situation again. I cannot see in there where it is said that these sites were deemed to be unsuitable for the Affordable Housing Initiative.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: May I, then, use language which perhaps the Honourable Minister will find less objectionable? Let me use the language in the fax, Madam Speaker. It was: "… some of the sites identified for the initiative are now under review and further value engineering of the initiative as a whole needs to be undertaken as a matter of urgency."

May I respectfully ask the Minister whether this particular review has taken place and, in addition, has the further value engineering of the initiative as a whole, taken place, and, if so, can he give us the details of it?

Thank you, Madam Speaker.

The Speaker: The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: My knowledge is that the value engineering is an ongoing process. It did take place with regards to these sites. We had the site in West Bay which I recall many people said could not be filled as it would cost more to fill than it was worth. There were all kinds of issues about the West Bay site that were carried on, on the radio and elsewhere.

We had been given quotations with regard to that site, in the first instance from the Public Works Department, that were out of sync with the reality that they did not accurately reflect the amount of fill that the land in West Bay would take and therefore the cost to the Affordable Housing Initiative. That can be shown in documentation, should the House require it.

The site in the Windsor Park area went from extreme cliff to extreme swamp. It was thought, once the site was examined, that perhaps it would be very, very difficult and costly to fill.

The question of value engineering is not something that I do myself, Madam Speaker. It is something that was done by the consultant, Mr. Andrew Gibb, as he carried out the process, and continues to carry out the process, of evaluating the cost to the Affordable Housing scheme for everything that is done and the value engineering was, in this particular instance, an attempt to reduce the cost of filling and compacting the lands. That was carried out and it was deemed possible to use this for the Affordable Housing scheme. When it comes to a particular price for the land, if it costs too much, it makes it unaffordable for the Government to build and recoup its cost.

Therefore, since the Government is not really subsidising to the point where people would be getting something for free—people are actually paying for these houses—thus, when we are actually preparing land and building these houses, we must make sure that the cost of the preparation of the land and the cost of erection does not go beyond what we want to sell the houses for on the market.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker. We know what has transpired even though we do not know the details of the cost. We know in relation to the site at Windsor Park that the property has been filled and construction is taking place there.

Now, there was a recommendation by the Central Tenders Committee of the award of an overall contract to fill all three sites of just over $1 million, almost $1,100,000. That was back on January 21, 2003. We know what is happening with Windsor Park.

The Speaker: Member, can you please turn it into a question?

Mr. Alden M. McLaughlin, Jr.: Yes, Madam Speaker, I am coming to that, but I need to set out the background in order that the Honourable Minister will understand where I am coming from.

In relation to the other two properties, the one behind Cox Lumber and the one in West Bay, can the

Honourable Minister say whether contracts have been awarded in relation to these two sites? If so, what is the process to clear and fill those sites, and what is the value of both contracts and what process has been followed in the award of those contracts?

The Speaker: The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: Madam Speaker, I certainly did not come here today to make that information available to this Honourable House. However, I have no objection to giving that information to this Honourable House at a later date and in writing.

The Speaker: If there are no further supplementaries, we will move on to the next question.

Question No. 48

The Speaker: The Member for North Side.

No. 48: Ms. Edna M. Moyle asked the Minister of Community Services, Gender Affairs, Youth and Sports, how does a person qualify to purchase one of the homes being built under the Government's Affordable Housing Initiative?

The Speaker: The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: Madam Speaker, the Government of the Cayman Islands has realised that there is a need to have a vehicle responsible for the management and sale, or letting, of the affordable housing units.

In this regard, a National Housing and Community Development Trust (NHCDT) is being set up to develop and manage affordable housing.

The Government's affordable housing units will be sold or rented or co-owned with low income families. The NHCDT will develop criteria that will ensure that the targeted population will be able to own, co-own or rent their own homes.

As the NHCDT is in its nascent stages, I am unable to give details on the specifics of how a person will qualify to purchase one of the homes being built under the Government's Affordable Housing Initiative. I can say, however, that the NHCDT (which will be comprised of capable, committed, competent, caring Caymanian professionals) will ensure that attributes such as income levels, debt-service ratios, residence and nationality requirements, all combine to form objective qualification criteria to ensure that those people with the most acute need for safe, secure and affordable homes are able to obtain them.

The Speaker: Are there any supplementaries? The Elected Member for East End.

Supplementaries

Mr. V. Arden McLean: Thank you, Madam Speaker. I wonder if the Minister can tell us when it is expected that these criteria will be ready.

The Speaker: The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: Madam Speaker, as soon as we get a little bit of rest from the Opposition trying to sabotage the project, I think we will be able to accomplish setting some criteria and perhaps the Opposition will be sympathetic enough to discontinue so that we can get going on that.

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: Madam Speaker, the Minister has not answered my question and I would like the question answered. Therefore, I repeat the same question.

The Speaker: Member for East End, you may say that the Member did not answer the question as you expected. However I do not think that you can accurately say that he did not answer your question. Perhaps you may want to re-frame your question.

Mr. V. Arden McLean: I asked the Minister if he could please give a timeframe as to when these criteria will be set.

The Speaker: Thank you. The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: Madam Speaker, we are looking at having an Open House at the Windsor Park site sometime around 21 August, or thereafter, where persons will be able to come and view the models as they are totally completed and be able to pick up application forms and to be able to have questions answered by the Ministry with regard to what the specific criteria will be.

Hence, we are looking at a date towards the end of August when we should at least be at the point where people will have a concrete view of the product and that they will be acquainted with the criteria that will allow them to purchase these homes.

Again, Madam Speaker, this is all being achieved in spite of the fact that the People's Progressive Movement (PPM) Members continue to try to degrade this project.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, I would like to thank the Honourable Minister for that response. Do we then have his undertaking that by

the 21st August he will be sufficiently versed in the facts relating to this initiative that he can reply to parliamentary questions in this Honourable House?

The Speaker: The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: Madam Speaker, I would not bother to answer that Honourable gentleman with that kind of question, because I have responded to the parliamentary questions.

What he needs to do, is to do something for the poor people who are being flooded every time it rains and the other poor people in this country who need housing. All he does is think about Paul Bodden!

The Speaker: The Honourable Leader of the Opposition, I will allow one more after this one, Sir.

Hon. D. Kurt Tibbetts: Thank you, if my memory serves me right, I believe sometime ago I heard the Honourable Minister speak to the fact that there were supposed to be 208 of these houses.

The Minister is saying no, but the last amount that I heard the Minister state was that there were going to be 208 of these houses built. I am not suggesting that after that 208 no more would be built, however, my understanding was that with regard to the Contract that was signed it was dealing with 208 houses.

Is the Minister in a position, with regard to the four pieces of property he identified in his substantive answer, to refer to what sort of quantities would be proportioned out within these properties, out of those 208 houses?

The Speaker: Honourable Minister of Community Services**.**

Dr. the Hon. Frank S. McField: Madam Speaker, I do not remember using the number 208. I think I have consistently talked about 200 affordable housing units.

The properties that I have talked about would be West Bay, and I am not speaking from any notes here and I am not the day-to-day manager of this, therefore it does not necessarily stay in my head.

However the numbers**,** I think for the West Bay site are something like 64 housing units. There are also some two-bedrooms and there are some two-bedrooms and dens.

The Eastern Avenue site could be somewhere around 30-34, and we are hoping to fit around 30 in the Windsor Park site, and as I have said, we have been in the process of trying to identify or to acquire a site for the balance of the homes.

The 64 homes will be in West Bay and the remainder of the 200 houses will be in the District of George Town. If the land can be found to build those houses here and, as we have said, it is because of the urgent need and because we want people to be able to afford the homes which means we need them to be able to work and therefore that is the situation with regards to work being in this district. We are talking with regard to the first phase only.

Question No. 54

The Speaker: The Elected Member for East End.

No. 54: Mr. V. Arden McLean asked the Honourable First Official Member for Internal and External Affairs what are Government's plans to replace or repair the Police Station in East End?

The Speaker: The Honourable First Official Member for Internal and External Affairs.

Hon. James M. Ryan: Madam Speaker, a decision has been taken to repair the Police Station in East End. There is currently no approved Government funding for it although it is hoped that with community support the work can be carried out this year.

The Speaker: Are there any Supplementaries? The Member for East End.

Supplementaries

Mr. V. Arden McLean: Thank you, Madam Speaker. Please excuse me, but I am wondering if the First Official Member can explain to this Honourable House what he means by community support.

The Speaker: The Honourable First Official Member.

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

It is my understanding that the Commissioner hopes to get the support of the community and make the work a community Government partnership in carrying out the repairs.

The Speaker: The Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker.

It appears like we have to sing the theme song for the West Indies, "Rally round the West Indies". Well, I am now appealing to the country to rally round the people of East End so that they can have a suitable police station.

Can the First Official Member ascertain if the Commissioner of Police would accept my help from the district to get the community together to do this project

The Speaker: The Honourable First Official Member.

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

I thank that Honourable Member for volunteering. In fact, I had intended to call on him to help. As, he so very generously has agreed, I am very pleased,

on behalf of the Commissioner, to accept his offer and I should say that it is our hope in the long term to replace the Police Station at East End with a more centrally located facility.

However, in the short term, I look forward to the Member's assisting in getting the necessary renovations done.

The Speaker: The Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker.

I can assure the First Official Member of this House and all this country that I shall commence forthwith!

The Speaker: I caught the eye of the Member for North Side. Will she give way to the Honourable Leader?

The Member for North Side.

Ms. Edna M. Moyle: I wonder if the Honourable First Official Member is in a position to give the total estimated cost of the repair to the East End Police Station.

The Speaker: The Honourable First Official Member.

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

I am not in a position to give that this afternoon. The individual who is here does not have that figure, although I am sure that can be made available as soon as we can obtain it.

The Speaker: The Member for North Side, did you have a follow up?

The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you, Madam Speaker. My original supplementary was just about the same question as the Member's for North Side.

The other question that I wanted to ask the Honourable First Official Member with regard to this initiative is, Is it planned that the Government would provide the materials, and the idea would be for the community to assist with labour, or, is there any specific methodology with regard to how that would be achieved?

The Speaker: The Honourable First Official Member.

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

I do not have the specifics of it, although I have been told there is some sponsorship (if not committed, shall I say indicated), and by that I take it that materials or some material will be forthcoming and with the help of the Member from East End rallying people around, we hope to get it.

Of course, if the Member for North Side wishes to offer some help, we will not turn that down either.

Mr. V. Arden McLean: Thank you, Madam Speaker.

In light of what has transpired here, I am wondering if the First Official Member can say if Government is prepared to make available the services of Public Works, with, say, architectural drawings and the like.

The Speaker: The Honourable First Official Member.

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

Yes, it is my understanding that will be made available.

The Speaker: Last supplementary. The Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker.

I wonder if the First Official Member can tell us what specific reason was in place. Why did Government not fund the full repairs?

The Speaker: The Honourable First Official Member.

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

I am not in a position to answer that question. I have given the information that I received.

The Speaker: Next question. The Member for North Side.

Question No. 55

No. 55: Ms. Edna M. Moyle asked the Honourable Third Official Member responsible for Finance and Economics if he would give the names of the insurance companies and the local bank involved in the "bond issue".

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

Hon. George A. McCarthy: Madam Speaker, the note issue that Government finalised on 8 April 2003 for US$163.2 million dollars is held by the following entities in the following amounts:

Pacific Life Insurance Company	US$43,200,000
The Lincoln National Life Insurance Company	US$35,000,000
First Penn Pacific Life Insurance Company	US$5,000,000
Hartford Life Insurance Company	US$25,000,000
Hartford Casualty Insurance Company	US$10,000,000
All State Life Insurance Company	US$25,000,000
Bank of Butterfield International (Cayman) Limited	US$20 ,000,000
Total size of the note issue	US$163,200,000

Supplementaries

The Speaker: Are there any Supplementaries? The Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker.

I wonder if the Third Official Member can tell us if there is any reason why only one Cayman entity was involved in this issue**.**

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Madam Speaker, the note issue in its entirety was offered to all local clearing banks. Our feedback was that all banks wanted to participate in the note issue although, sadly, only one bank was able to meet the deadline set by the Government.

It was important that the Government set a deadline in order to achieve a pricing for its note issue before the outbreak of the most recent Gulf war.

The Speaker: The Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. Can the Third Official Member then tell us how much time was given for reply?

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Madam Speaker, a week and a half was allowed because there was a rate that was quoted by the insurance companies in the United States and through the Bank of Butterfield. In order for the Government to benefit from that rate, there was a specific time line that had to be observed, hence this was the period that was also allowed to the local financial institutions.

The Speaker: The Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. We have heard, because of the length of time, almost a year, to finalise this issue, this is the reason why we had $19 million or so to put on general reserves.

Were the Cayman institutions given the opportunity from that time to also subscribe to this issue?

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Madam Speaker, the Honourable Member for East End should recognise that from the inception of the bond issue, there were various administrative activities that were involved in it. There were various proposals that were made by financial institutions in the Cayman Islands and outside of the Cayman Islands.

Those who indicated a willingness to meet with the Government to put forward a proposal had them received by the Government.

Finally, once the decision was taken in terms of dealing with the Bank of Butterfield, the documentation had to be developed (and I am setting out the terms and conditions) and the likely participants were indicated to Government.

It could only be then that the local financial community could be advised that the Government had now finalised arrangements or was in the process of finalising arrangements and of what the terms were, what the lock-in rate we were trying to achieve was and that this then would be available.

That meant that everyone would have to act very quickly because I do not think the other financial institutions were given any greater notice than the local institutions.

The Speaker: The Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. The Third Official Member said he does not think that the other financial institutions were given any greater notice. Can he give us a definite answer as to whether or not they were?

The Speaker: Honourable Third Official Member.

Hon. George A. McCarthy: Madam Speaker, I can confirm that there was equal treatment. The Royal Bank of Scotland acted as the agents and they were the ones who brought together the subscribers. The Bank of Butterfield who acted as the local agents also insisted that the bond issue should be advised to the local market.

The Speaker: Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you.

Madam Speaker, when the Government Motion came to the House, if I remember correctly the terminology that was used was, “Securities Issue”.

The substantive question speaks to “bond issue”. The answer speaks to a “note issue”. The Honourable Third Official Member has just used the terminology “bond issue” again. Can the Honourable Third Official Member clearly state so that there is no ambiguity of misunderstanding exactly what this was?

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Madam Speaker, in this instance, “bond issue” and “note issue” are being used interchangeably. This is a note issue. Bond issue is what is applicable to the public market. Note issue to the private placement market.

The Speaker: The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you. I will ask a question, Madam Speaker, but I think I am going to need to explain to the Honourable Third Official Member where I am coming from. It will not take long. I am going to turn it into a question.

The Speaker: Providing your explanation is not longer than your question.

Hon. D. Kurt Tibbetts: Providing the explanation is not longer than the question!

[Laughter]

Hon. D. Kurt Tibbetts: Madam Speaker, I heard what the Honourable Third Official Member just answered however my understanding of this amount, the US$163.2 million, is that it is being paid on a half-yearly basis, principal and interest.

I asked my original question because I wanted clarity in it. Does the fact that it is being paid, principal and interest, on a half-yearly basis make it different from what is normally termed as a bond issue and does it just make it simply into a loan?

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Madam Speaker, this is a note issue. The repayment arrangements were arrived at, at the specific request of the Cayman Islands Government. The Government had the option of reserving the right to make interest payments during the interval, or for the duration, and make a balloon payment at the end.

The principal would remain constant and the interest on an annual basis would remain constant. If that had been done, the Government would have paid out over $63.2 million more than what this arrangement called for.

We have to bear in mind that had we gone that route, arrangements would have to be made where sums would have to be budgeted for annually, and the money placed into a sinking fund.

Therefore, if the money was placed into a sinking fund and for it to accrue to a level equalling $163 million that would have been borrowed; rather than putting it into the sinking fund, it is much better for that money to be paid out during the interval. By so doing, it has the benefit of reducing the interest cost during the life. Therefore, at the end of the 15-year period, the balance then becomes zero.

The Speaker: The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you. Madam Speaker, I am well aware of what the Honourable Third Official Member has just explained because he has explained it before and we understand that.

My question is not based on any reasoning to suggest that it should not have been done how it was done. I am simply trying to determine what the correct terminology is, because I have heard all different kinds of terminologies, all I am trying to determine is what the correct terminology is. That is all I am asking.

Hon. George A. McCarthy: Madam Speaker, the correct terminology is that of a “note issue” and this is what is set out in the Offering Memorandum.

The Speaker: If there are no further supplementaries, we will move on to the next question.

Question No. 56

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

No. 56: Mr. Lyndon A. Martin asked the Honourable First Official Member responsible for Internal and External Affairs how many police vehicles are in use on Cayman Brac and what provisions are made for a vehicle to launch the police boat?

The Speaker: The Honourable First Official Member responsible for the Portfolio of Internal and External Affairs.

Hon. James M. Ryan: Madam Speaker, there are two police vehicles in use on Cayman Brac.

Presently, there is not a police vehicle to launch the Cayman Brac police boat. However, arrangements are in place for the police officer assigned to the boat to receive an allowance for transporting the vehicle to and from launches, using his truck.

The police boat is infrequently used as the Cayman Brac police; customs and the marine enforcement often work together using the customs and the marine enforcement vessels. It is expected that this temporary arrangement will be in place until funding can be approved for the purchase of a replacement truck.

The Speaker: Are there any supplementaries? If there are no supplementaries, that concludes question time.

STATEMENTS BY MEMBERS OF THE GOVERNMENT

Public/private partnership with the Dart Foundation to construct community parks

The Speaker: I recognise the Honourable Minister responsible for Community Services.

Dr. the Hon. Frank S. McField: Madam Speaker, Honourable Ministers and Members of the Legislative

Assembly are aware that in 2001 Government joined in a public/private partnership with the Dart Foundation to construct community parks.

In this agreement, Government provides the property and the Dart Foundation constructs the parks. All of the District parks will be completed by December 2003 and the Dart Foundation will continue to maintain the landscaping until December 2006, after which time Government will take over complete maintenance of the parks.

In this venture, the Scholars Park in West Bay has been completed and has proven to be a welcome resource to the residents of that community as well as those who travel from outside the community to use the park.

The next park scheduled for completion is the East End Park which will be named the Captain George Dixon Park and will open on the 30 August, 2003.

The Hutland Park, named the Gerald Smith Park, will open in late August and the George Town Park is expected to open in late October 2003.

The Ministry has identified land in Bodden Town, Block 44B Parcel 165 REM1 and 170 for that District park, which is the final phase of this project. The restrooms, which are a new addition to the East End and Hutland Parks, and are now being completed, stem from a community meeting held in East End.

The late Captain George Dixon, who lived in the heart of East End, was a veteran seaman, navigator and captain. He mastered and sailed his own ship for many years, as late as the 1920s and early 1930s. He served on the crew of an English three-mast square-rigged schooner which travelled from Grand Cayman to Jamaica, to Australia, to England and back to Cayman over a nine-month period. He was owner of the barometer, that when checked and found to be falling, gave residents of East End one week's advantage before the arrival of the 1932 Hurricane.

The naming of these Parks was done to support the Quincentennial efforts to keep our past alive; by honouring persons who made a significant contribution/impact in their communities.

Mr. Gerald Smith, as we are aware, is an outstanding citizen of our country and is a retired pastor in the District of North Side. Mr. Gerald, as he is fondly known, assisted with the building of the Pilgrim Holiness Church in North Side before going to Pilgrim Holiness Bible School in Jamaica where he spent three years. Mr. Gerald was married to the late Dorothy Elizabeth Carmena Glidden of West Bay.

The Government is grateful to the Dart Foundation for the generous donation of the parks to the Caymanian community. While these parks, I am sure, will be enjoyed by everyone, I am especially contented that they will provide one more positive venue for the young people of our community.

The park project, which has as its theme, "Growing Communities", has really been effective in bringing our communities together. I must say a special thank you to all the persons in the communities who have been involved in these projects: especially the school children, the community development officers, the staff of my Ministry and the Department of Youth, Sports and Community Development, the District groups, persons who have assisted the Dart Foundation by giving their input into the design of the Parks and the Members of the Legislative Assembly (MLAs).

We are, indeed, appreciative of their involvement and assistance and I would encourage these groups to continue their assistance in the future by helping to protect the parks for not only our children, but our children's children. Thank you, Madam Speaker.

The Speaker: Thank you. Madam Clerk.

PRESENTATION OF PAPERS AND OF REPORTS

The Cadet Corps Bill, 2003

The Speaker: I recognise the Honourable Minister responsible for Education.

Hon. Roy Bodden: Madam Speaker, I beg to lay on the Table of this Honourable House the Cadet Corps Bill 2003.

The Speaker: So ordered.

Does the Honourable Minister wish to speak thereto?

Hon. Roy Bodden: Very briefly, Madam Speaker, to say that Honourable Members and Ministers are aware that the Ministry of Education, Human Resources and Culture has established a Cadet Corps in the Cayman Islands and this Bill makes provision for the constitution, organisation, training and discipline of the Corps.

The Speaker: Thank you.

The next item appearing is the Bill, however if it is the intention of the House to stop at 4.30 pm, may I have an indication whether or not Members wish to commence this Bill or to . . .?

Dr. the Hon. Frank S. McField: Madam Speaker, I know that you have a question on the Floor, however I wanted to bring to your attention that in this written statement it says 30 July, but I read the 30 August which is the correct version, and Members have the 30 July for the opening of the Captain George Dixon Park in East End. It is actually 30 August.

Suspension of Standing Orders 45 and 46(1) and (2)

The Speaker: The Honourable Leader of Government Business, can I get a motion for the suspension of Standing Orders 45 and 46(1) and (2)?

Hon. W. McKeeva Bush: Madam Speaker, I move the suspension of Standing Orders 45 and 46(1) and (2).

The Speaker: The question is that Standing Orders 45 and 46(1) and (2) be suspended.

All those in favour, please say, Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Orders 45 and 46(1) and (2) suspended.

GOVERNMENT BUSINESS

BILLS

FIRST READING

The Criminal Procedure Code (Amendment) Bill 2003

The Speaker: The Bill is deemed to have been read a first time and is set down for its Second Reading.

The Speaker: The Honourable Leader of Government Business.

Suspension of Standing Order 46(4)

Hon. W. McKeeva Bush: Madam Speaker, I move the suspension of Standing Order 46(4) in order to take the Second Reading of the Criminal Procedure Code (Amendment) Bill 2003.

The Speaker: The question is that Standing Order 46(4) be suspended.

All those in favour, please say, Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Standing Order 46(4) suspended.

SECOND READING

The Criminal Procedure Code (Amendment) Bill 2003

The Speaker: The Honourable Second Official Member

Hon. Samuel W. Bulgin: Thank you, Madam Speaker. I beg to move for the Second Reading of a Bill entitled A Bill for a Law to amend the Criminal Procedure Code (1995 Revision): and for Incidental and Connected Purposes.

The Speaker: The Bill has been duly moved. Does the Honourable Member wish to speak thereto?

Hon. Samuel W. Bulgin: Yes, Madam Speaker, briefly. Thank you.

The Speaker: Please proceed.

Hon. Samuel W. Bulgin: Thank you. Madam Speaker, there have been some concerns about the growing practise of accused persons who are awaiting trial before the Grand Court and who has the right to elect whether to be tried by judge or jury. Those persons, Madam Speaker, wait until the actual morning of the trial to make an election whether to be tried by judge alone. The problem, or the inconvenience, this is causing is that jurors are summoned to attend Court and actually turn up on the morning of the trial, wait until the matter is called, only to be told at that stage the accused person has elected to be tried by judge alone. That results in great inconvenience to the trial judge and the potential jurors, and expenses.

The way to deal with that is to amend the Criminal Procedure Code, section 127, to require that an accused person who wishes to be tried by judge alone, as opposed to a judge and jury, should give advance notice of that position and the Bill before this Honourable House seeks to amend the Criminal Procedure Code to require an accused person to provide adequate advance notice when they intend to elect to be tried by judge alone.

I commend the Bill to the Honourable Members of this House and seek their support.

The Speaker: Thank you. Does any other Member wish to speak?

The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, I rise to indicate the support of the Opposition in relation to this Bill. Thank you.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other member wish to speak? If not, I will call upon the Honourable Second Official Member, if he so wishes, to exercise his right of reply.

Hon. Samuel W. Bulgin: Thank you, Madam Speaker. May I express my thanks to the Honourable Members of this House for their support of this Bill?

The Speaker: The question is that a Bill shortly entitled The Criminal Procedure Code (Amendment) Bill 2003 be given a second reading.

All those in favour, please say Aye. All those Against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Criminal Procedure Code (Amendment) Bill 2003 given a second reading.

The Speaker: Can I have a Motion for Adjournment?

ADJOURNMENT

Hon. W. McKeeva Bush: Madam Speaker, before I move the adjournment, may I remind all members of the Commonwealth Parliamentary Association (CPA) Annual General Meeting to be held here in the temporary Chambers on Tuesday 22nd July, 2003 at 4pm.

Having said that, I move the adjournment of this Honourable House until Wednesday 23rd July, 2003 at 10 am.

The House stood adjourned until Wednesday, 23 July 2003,10 am.

OFFICIAL HANSARD REPORT
WEDNESDAY
23 JULY 2003
10.52 AM

Seventeenth Sitting

The Speaker: I will invite The Member for North Side to grace us with prayers.

PRAYERS

Ms. Edna M. Moyle: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together:

Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.

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

Proceedings resumed at 10.55 am

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies from the Honourable Deputy Leader of Government Business who is off the Island.

PRESENTATION OF PAPERS AND OF REPORTS

Cayman Islands Public Service Pensions Board

- **Actuarial Valuation of Public Service Pensions as of 1st January, 2002**
- **Actuarial Valuation of Parliamentarians Pension Plan as of 1st January, 2002**
- **Actuarial Valuation of the Judicial Pension Plan as of 1st January, 2002**

Deferred

The Speaker: I recognise the Honourable Third Official Member.

Hon. George A. McCarthy: Madam Speaker, I would like to seek the indulgence of yourself and this Honourable House to delay the tabling of these pensions plans as read until a subsequent meeting. This is to allow for certain observations, which have been brought to my attention, to be addressed.

The Speaker: The question is that the presentation of Papers and Report for the Cayman Islands Public Service Pensions Board be delayed for a further meeting.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Papers deferred to a subsequent Meeting.

Drafting Instructions – Employment Law 2003

The Speaker: The Honourable Minister responsible for Education.

Hon. Roy Bodden: Madam Speaker, I beg to lay on the Table of this Honourable House the Drafting Instructions for the Employment Law 2003.

The Speaker: So ordered. Does the Honourable Minister wish to speak thereon?

Hon. Roy Bodden: Yes, Madam Speaker. Thank you.

The Speaker: Please proceed.

Hon. Roy Bodden: Madam Speaker, I could be tongue and cheek by saying that this exercise has had the gestation period of the elephant, and that is good because it goes some way towards assuring all parties affected by this proposed legislation that their input has been taken into consideration. I realise that this is still a very challenging task, and I am reminded of the advice given by Niccolo Machiavelli, advisor to princes and kings in the 16th century, when he said that there is nothing more difficult to carry out, nor more doubtful of success, nor more dangerous to handle, than to initiate a new order of things.

This proposed legislation, as Honourable Ministers and Members are aware, emanates from Private Members' Motion 3/01, which called for a review of the 1987 Labour Law to bring it in line with current developments in Caymanian society. This Motion was accepted on 12 July, 2001, hence, we are two years and a few days past the time that this was accepted.

The new Ministry responsible for Labour undertook the examination of this Law in late 2001. After a thorough review of the 1987 Labour Law, with its attendant revisions, amendments and regulations, it was determined that the body of the current Labour Law was deficient in both substance and enforceability and could not, therefore, accommodate international standards nor trends in the local labour market.

During the review of the current Labour Law it was concluded that a simple revision of that Law would have been inadequate to address noted deficiencies thus a review of all labour related legislation was undertaken. As part of this comprehensive examination, it was discovered that the Workmen's Compensation Law, the National Pensions Law, the Trade Union Law and the Trade and Business Licensing Law were all in need of changes. These changes were necessary to make all labour related legislation work together in order to address deficiencies and fill in noted gaps in the various pieces of legislation.

The White Paper published by the Ministry in March, 2002 addressed all these laws and proposed changes to each, some more comprehensively than others. As a result, the Ministry responsible for Labour, in consultation with the public and the newly established employment forum, set about to create a new labour law called the Employment Law 2003 and to revise the other labour related legislation in order to address the noted deficiencies.

The process involved the preparation of the White Paper entitled "Proposal for Establishing New Employment Relations in the Cayman Islands". This document was circulated to the public for a period of over four months. By the end of this period the Ministry had received a number of responses and comments regarding its contents. The responses received were all from employers and employers' organisations. The Ministry received no input from employees. The employment forum was established to ensure input from a tripartite representation of the public. The body was established in October 2001 made up of employers, employees and employees' representatives and the government. One of its functions was to review the proposals in the White Paper and offer input and comments regarding each.

Consensus was reached by the employment forum on each of the proposals in the White Paper before it was made public in April 2002.

After considering all the input received from the public regarding the proposals set forth in the White Paper the Ministry prepared a document entitled "Ministry's response to comments on the White Paper". This document was published in September, 2002 and incorporated the responses and comments made by the public and the Ministry's response to those comments. From the beginning, the Ministry responsible for Labour made it clear that any changes to the labour related legislation would only be made after consultation with the public and consideration of input from all factions; employers, employees and government.

The response document represents some concessions to the public input and represents, as well, the Ministry's commitment to maintain a firm stance on other issues, particularly those protecting human rights consistent with the Cayman Islands international obligations. A significant concession of the Ministry, at this time, is to carry forward only the new Employment Law and to plan for the phasing in, over a period of time, of the revised Pensions Law, Workmen's Compensation Law, Trade Union Law and the Trade and Business Licensing Law.

The drafting instructions for the new Employment Law are appended hereto and contain the following significant changes:

1. Most importantly this piece of legislation brings the civil service under its auspices. The Ministry is firm in its belief that there should be only one law applicable to both the civil service and the private sector.

2. The opting out of overtime clause was particularly onerous, in that it required an employee and employer to go before an employment tribunal for a decision as to whether an individual employee would be allowed to opt out of overtime. This system proved to be burdensome on the tribunals and delayed employers and employees in reaching a decision regarding the possibility of working overtime hours for regular pay.

The Ministry has chosen to remove the opting out provision and replace it with a provision for a possible increased standard workweek to 48 hours. This option will be at the discretion of the employer who will be allowed to contract with the majority of his or her employees on the basis of an extended standard workweek. The provision cannot be used to discriminate against any employee and must be applied to the

majority of employers/employees. This suggestion was made to the Ministry by an employer and should address the concerns of those employers who voiced the opinion that if opting out of overtime was not a possibility they would have to hire other employees to meet their labour needs. Employers also argued that employees would have to take extra jobs to make up for loss of income that would result if they were not allowed to work overtime hours for regular pay. The Ministry believes that contracting for an extended standard workweek will address both these concerns in a fair and equitable manner.

3. All employees will be placed under written contracts with their employers. In support of this change the argument is that when all parties are aware of their rights and responsibilities in an employment situation there is much less room for conflict between and among them. The Ministry is convinced that this change will greatly reduce the number of complaints being filed with the Department of Employment Relations, as all aspects of the employment relationship will be addressed in writing in the agreed contract of employment.

4. A shared employee provision has been created to protect those employees who do not have a primary employer responsible for their pay and benefits such as pension and health insurance. This provision will be effected by contract between the secondary employers and the primary employers, providing that the secondary employers will pay an amount certain to the primary employer for the wages or salary and a pro rata share of the employee's benefits for the time employed by the secondary employer. The primary employer will be responsible to the employee for the provision of his or her wages and all benefits. It will be an offence for any employer to reduce the pay or wages of a shared employee below the amount paid for wages by a secondary employer for the shared employee's services. The shared employee provision to any industry utilising shared employees and to agencies providing temporary workers to other employees will be the norm. The right to benefits inclusive of but not limited to pensions, workers compensation provision and health insurance vest immediately under employees employment and regardless of the length of his or her employment.

5. Maternity benefits have been changed slightly and paternity benefits have been created. Please note, if an employee gives birth within a 12 month period from having last given birth her leave and benefits remain the same as under the current Law. The change in benefits comes into effect if an employee gives birth within 24 months of having last given birth. Her benefits will be increased from 20 days at full pay and 20 days at half pay to 40 days at full pay and 20 days at no pay. This amounts to only one half month's increase to the employer. Paternity benefits will be offered to employees once in each 12 month period. The remuneration will be one week at regular pay and one week at no pay. This leave is not mandatory and is not remunerable if not taken.

6. This Law establishes a minimum wage advisory committee. The current law provides that the Governor in Council has the authority to establish a minimum wage advisory committee by regulations. Although this provision will not immediately establish a minimum wage it will create a body to begin consideration and research on this important issue.

7. Pay statements will be required for all employees with each pay day. The current Law pay statements are only required for employers with more than 10 employees. These pay statements must include:

(a) name, address and contact number of employer,
(b) name and designation number of the employee,
(c) gross earnings for the period,
(d) all deductions and reasons therefore,
(e) net pay after deductions,
(f) dates for which the pay is tendered.

The effect of these statements will be to reduce conflicts among employers and employees regarding the work time the pay represents, the amount of remuneration for each pay period and any deductions made from that pay and the reasons the deductions were made.

8. Work accounts will be required in addition to pay statements for each employee. These must be produced by the employer on demand of the director or his officers and on the request of the employee. These must include the employee's name and designation number, the time worked by pay periods, any leave taken by type, all monies earned in each pay period and all deductions and reasons therefore. Again, work accounts are essential for the reduction of conflicts regarding pay. The statute of limitations for debts in the Cayman Islands is six years and as a result all records will be required to be maintained for that period of time. .

9. The new legislation seeks to address the issue of gratuities, which was the former labour department's most significant and embarrassing problem , by making the following changes:

(a) a specific plan must be filed by each service employer who charges, to, or collects from, his or her patrons, a gratuity amount over and above the patrons bill for service. The required contents of this plan are stated in the law,
(b) a monthly report must be produced regarding the distribution of gratuities collected over the period of a month and must be available to the director or his staff on demand. The required contents of the monthly report are also stated in the body of the Law,

(c) A gratuity pay statement in the format provided by the Law must accompany each gratuity payment.

10. Severance pay is still limited to only 12 weeks maximum, another concession by the Ministry to employers, but will be calculated at the higher of either the latest basic pay or the highest basic pay over the last 12 months.

I can tell you this is still causing my conscience grave problems because I will go to my grave believing that it is only right and fair for employers to pay to their conscientious, honest and hardworking employees one week severance pay for every year in which they have worked. I have had people come to me working in establishments for 30 years and yet they are only leaving with 12 weeks pay. Madam Speaker, any employer who is content at only doing that, the gates of hell are waiting to receive him or her, believe you me.

For those in agriculture and construction work instead of six months of temporary separation before severance pay becomes due the time is reduced to 90 days.

11. Retirement and resignation pay was established in the current law, to protect older employees who did not qualify for pension participation under the National Pensions Law, to provide a small amount of additional pay when they retire or resign from their jobs. The maximum amount is equal to severance pay on termination by an employer, to a weeks pay. This Ministry has agreed to permit any employer, who has allowed his or her employees not qualifying under the Pensions Law, to participate in the employer's pension plan to offset the contributions made by the employer to the employee's pensions plan against any retirement or resignation pay due.

12. The new legislation provides that the employment tribunals have extended powers to handle any employment related complaint, whereas, under the current Law, the tribunals only hear unfair dismissal complaints, severance pay cases and overtime opt-out requests. The employment tribunals are also being given the authority to levy penalties on repeat offenders. For example, a penalty can be levied on employers who have, within the last two years, been found liable for a number of unfair dismissals, or for a number of severance pay abuses. These decisions will be based on consideration of all the circumstance surrounding the case and the two-year history of the employer.

The composition of the employment tribunals under the new legislation will include a qualified attorney as the chairman, with the other two members being representatives of both employers and employees. The composition of the appeals tribunal under the new legislation will require all members to be qualified attorneys. This is particularly important as the only right of appeal is to the Grand Court after a decision of the appeals tribunal based on a point of law.

The new legislation requires that workers compensation provision be made for all employees. Pension provisions must also be made for all employees, regardless of their length of employment.

13. The definition of discrimination has been changed to include race, colour, sex, age, disability, religion, political belief, social origin, national extraction, pregnancy and the possibility thereof or any other established human right recognised under this or any other law. Discrimination prohibitions have been extended to advertisements for jobs, interviews for jobs, equal pay for equal work issues and harassment in any form, including sexual harassment that we have heard a lot about recently. This expected legislation takes precedence over other labour related legislation where it conflicts with provisions in the other laws. The Ministry's decision to introduce only the new Employment Labour Law at this time and to delay the introduction of other related employment laws has necessitated this provision.

We have noticed that in the proposed new Gender Policy statement some sections are not exactly in tandem with the Labour Law. At the appropriate time, I propose to amend the relevant sections of the Labour Law so that they merge exactly with the Gender Policy. As Minister I am minded to include in this proposed law public disclosure protection. In the United States this is called the Whistle Blowers Act. I believe it is essential to do this because there are several instances where employees have approached me reporting fraudulent practices, shoddy practices and dishonesty among their employers. However, we could not pursue the matter because these people did not have the protection they were expecting in our current Law. I believe that we have to make provisions for such conscientious employees so that they are able to report these and other particularly serious matters.

I know that despite attempts, to be unbiased, democratic and to allow for the longest and the widest consultation period, there will be no shortage of those entities who will seize the opportunity to drum up sentiments against the Minister; describing him in all manner of unflattering terms, because, I am aware, that there are those in the society who, for their own selfish reasons, would not wish to have parity, fairness and respect meted out to some employees. I would remind them of the philosopher's claim that it is one of the seven cardinal sins to rob a poor man of an honest day's labour. That is a sin listed in the category of the other deadly sins; wilful murder, rape, sodomy, greed, sloth. Therefore, I would warn them that they risk incurring the wrath of heaven.

I am often given to reading, and in politics, one of the persons I am most fond of is Walter Lippman. He was an American-Jewish journalist—and every politician should read his works. I end this presentation from one of his books where he says, "the moral goodness of those who fight for truth, justice,

equality and acceptance of the less fortunate are found to be repugnant, misunderstood and threatening to those at the other end of the moral spectrum."

I am sure that there will be those who would curse these efforts and say that they are skewed in favour of undeserving persons. However, Madam Speaker, I am confident that those with a social conscience will laud these efforts and will welcome them with open and accepting arms.

I hope that the criticisms offered to these draft proposals are done in the most constructive manner and with the greatest sincerity. I commend them to this Honourable House and the wider public as the efforts of a Ministry which is conscientious in its attempts to bring fairness and parity to the labour industry in the Cayman Islands which, by the way, has been described as one of the most democratising forces in Caribbean society. Thank you.

The Speaker: Thank you, Honourable Minister.

The Leader of Government Business.

Change in Order of Business
Standing Order 14(4)

Hon. W. McKeeva Bush: Thank you, Madam Speaker. In accordance with the provisions of Standing Order 14(4) I move to change the order of business to allow item 3(iii) to be taken before item 3(iv) and to allow Government Motion No. 2/03 to be taken after item 3(iii).

The Speaker: The question is that in accordance with Standing Order 14(4) that the order of today's business be changed.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. That, in accordance with the provisions of Standing Order 14(4), the order of business be changed to allow Item 3(iv) to be taken before Item 3(iii) and to allow Government Motion No. 2/03 to be taken after Item 3(iii).

Review of the Health Insurance Law and Regulations prepared by KPMG LLP 10 July 2002

The Speaker: The Honourable Minister of Health.

Hon. Gilbert A. McLean: Thank you, Madam Speaker. I beg to lay on the Table of this Honourable House the Review of Health Insurance Law and Regulations prepared by KPMG 10 July 2002, the report thereof.

The Speaker: So ordered.

Does the Honourable Minister wish to speak thereto?

Hon. Gilbert A. McLean: Yes, Madam Speaker.

The Speaker: Please proceed.

Hon. Gilbert A. McLean: Madam Speaker, Members of this Honourable House will remember that Private Members' Motion No. 9/01 set up a Select Committee of the entire Legislative Assembly to investigate the problems being experienced with the workings of the Health Insurance Law 1997 and the Health Insurance Regulations and to make recommendations for their review.

Having spent a significant amount of time examining the Health Insurance Law and Regulations, and listening to numerous complaints from persons insured, health care providers and health insurers, I am sure that Members of this Honourable House are aware that the health insurance industry is a very complex and multifarious business. I also think we all agree that, although improvements were necessary, the 1997 Health Insurance Law and Regulations provided a framework for ensuring that Cayman Islands' residents had access to a minimum level of health insurance.

After assuming responsibility for the Ministry of Health Services I hired an accounting firm to assess the impact of health fees increases on health insurance premiums and to advise on revisions to the Health Insurance Law and Regulations 1997. Hence, the Ministry entered into a contract with KPMG to conduct a study, the Report of which I have just tabled in this Honourable House.

The KPMG Report served as one source of information for the Select Committee of the entire Legislative Assembly appointed to carry out the review of the Health Insurance Law and Regulations. In conducting its study KPMG interviewed individuals and representatives of the following organisations:

- The Cayman Islands Association of Health Insurance Providers (CAYHIP),
- The Cayman Islands Monetary Authority,
- The Cayman Islands Health Services,
- physicians,
- pharmacists; and other professionals.

The KPMG study examined the Health Insurance Law and Regulations and other related aspects of the provision of Health Insurance in the Cayman Islands. The study revealed six areas that needed to be examined and the report contains recommendations for addressing these issues by making changes to the Health Insurance Law and Regulations.

The six areas are:-

(a) portability
(b) premium rating
(c) facility and physician reimbursement

(d) utilisation management
(e) standardisation of benefit
(f) informational filings

I propose to speak on each of the areas.

(a) Portability

Portability refers to the ability of members of a health insurance plan to retain coverage when they change employers or when the employer changes a health insurer. Based on the consultant's recommendation it was considered necessary to make changes to the Law to increase portability.

The study revealed that there was at least one insurer who would not underwrite the members of a group which was transferring coverage from another insurer and would not apply the pre-existing conditions requirements to illnesses that emerged within the group after it became insured with the other insurer.

In order to close this gap the new regulations, section 7(6), require that a person who has been continuously insured under the Law only be required to submit to medical underwriting once, that is, when the person first becomes insured. Similarly, the pre-existing condition clause section 22(d) would only apply to medical conditions that commenced 24 months prior to the initial date of insurance coverage.

(b) Premium Rating

Under the original law Standard health insurance contract (SHIC), premium rates were to be filed with the Cayman Islands Monetary Authority. However, the law did not require premium rates to be guaranteed for any period of time or that changes in rates be justified. The Law permitted rate increases to be filed and changed at the insurer's discretion. This limited an employer's ability to budget for health insurance cost. In addition, the regulations also permitted an increased premium to be charged to a high-risk person up a maximum of 200 per cent above the standard premium. Some insurers interpreted this provision as allowing them to set premium rates up to the maximum of 200 per cent over the standard premium for small groups or individuals. As a result, some individuals, who were initially provided unrestricted coverage at standard premium rates, found their premium rate increasing as claims were made, and, in many cases, could not obtain insurance coverage when they needed it most.

The amendments of the Health Insurance Law, 1997 and Regulations and the new Health Insurance Commission Law require every health care facility and registered health practitioner in the Cayman Islands to file with the Commission annually, and at every adjustment, the maximum fee charged for each health benefit they provide.

The Governor in Cabinet, after consultation with the Commission, shall determine the maximum fee and approved insurer shall be liable to pay for a standard health insurance benefit. The Commission shall publish the fees in the Gazette.

(c) Facility and Physician Reimbursement

Currently private health care facilities and physicians are free to establish their scale of fees at whatever level they believe to be appropriate. Insurers are also free to establish their own limits as to the maximum levels of fees they believe are appropriate to be paid for medical benefits. Both insurers and physicians have expressed concerns that some physician fees are too high. Alternatively, physicians and health care facilities are concerned about inconsistencies in the maximum fee limits established by insurers and the levels of reimbursement, The insured persons are caught in the middle of this crossfire between health practitioners and insurance companies. An insured person often does not know what a physician will charge or how much of that charge will be accepted as reasonable by his or her insurer. This has led to a situation where the insured person is called upon to pay the physician or hospital and then collect from the insurer, even though the insured person has been regularly paying their insurance premiums. Madam Speaker, this type of condition was never intended to be and defeats the whole concept of the provision of health insurance coverage.

The Health Insurance Law, 1997 and Regulations were therefore amended to establish a system of fees for health insurance purposes. Under this system, the Health Insurance Commission will obtain input from hospitals, physicians and insurers to establish a set of maximum covered fees for use by the insurers and insured persons. The insurers would be required to accept hospital and physician fees to such maximum level as reasonable and customary and would be prohibited from reducing fees below this level for benefit payment purposes.

The revised Law requires hospitals and physicians to inform patients whether they accept fees less than or equal to the maximum covered fees as payment in full. Under this system hospitals and physicians would still be allowed to establish their fees at any level they believe is appropriate. However, patients would know in advance whether their insurer would deny paying a portion of the physician or facility fee and would then have an opportunity to make an informed decision as to which practitioner or facility they chose to utilise for their medical care. They would also know what portion of the cost they would have to pay themselves if they chose a practitioner who charged more than the maximum fee covered by the insurer.

To make such a system work the Law and Regulations have provided for the use of codes, which

are now generally accepted by health care providers and insurers in North America, to be used for identifying treatments provided to patients. The codes to be used in the Cayman Islands include International Classification of Diseases (ICD) and Current Procedural Terminology (CPT) and any other relevant codes as necessary.

The Cayman Islands Medical and Dental Society (CIMDS) recently provided me with a copy of their CPT codes document which they prepared. The Ministry is currently reviewing this document and is pleased that the CIMDS has chosen to keep pace with modern practices by utilising the codes aforementioned.

(d) Utilisation Management

Insurers, facilities and doctors have all expressed concern about the apparent unnecessary utilisation of medical services. Some doctors also express concerns about patient expectations. They stated that some patients with health insurance believed that they should go and see a doctor for any medical condition regardless of severity or real need for medical care and that they should not have to pay for any portion of the cost for their visit to the doctor. On the other hand, insurers complained about the high fees for services such as a visit to a specialist and when a patient required hospitalisation.

The data reviewed by the KPMG consultants indicated that there is excessive utilisation. For example, emergency room utilisation is about two times higher than levels of utilisation observed in areas with similar population demographics in the United States. Similarly, it appears that in-patient hospital utilisation is approximately 20 percent to 30 percent higher than levels observed in the United States. It is recommended that insurers establish a common utilisation management organisation to perform functions such as pre-certification of hospital admissions and other utilisation management functions.

The recent amendment to the Health Insurance Law, section 6, seeks to put some control over the ever-increasing fees for medical services, in that it requires every health care facility and registered practitioner to file with the health insurance commission annually, and, not later than one month after any adjustment, the maximum fee charged for each health benefit. Indeed, Madam Speaker, the Commission will publish the fees in the Gazette for all to see. This will bring a level of openness and transparency to the fees being charged by health care providers.

Insurance cards should not be utilised like credit cards however, when an insured person requires medical attention, he or she should feel confident that their medical care will be provided by a competent health care practitioner without all of the current frustrations experienced by some patients because the doctor will not accept their insurance card or the insurance company not pay their doctor for the services provided.

(e) Standardisation of Benefit Options

Under the original Law and Regulations, the benefits of the Standard Health Insurance Contract were designed to provide basic coverage for insured persons, primarily to cover hospitalisation. It is obviously desirable for persons to have coverage that is greater than, or in excess of, the Standard Health Insurance Contract.

The common practice appears to be that most insured persons obtain coverage, which is greater than the Standard Health Insurance Contract levels. However, there are a number of issues associated with providing coverage in excess of the Standard Health Insurance Contract under the original Law and Regulations. These include:-

(i) Potential for significant benefit variations

There are currently at least six health insurance companies and each one is free to implement alternative benefit designs that vary in terms of covered services, benefit limits and cost sharing features such as co-insurance, deductibles and co-payment. This clearly makes it difficult for facilities and physicians to keep track of the benefits that their patients have and complicates procedures for billing patients for non-covered portions of the costs. It also complicates the comparison of benefits and costs by employers, employees and health care providers.

(ii) Unregulated premium rates

Under the original law and regulations, the combination of the Standard Health Insurance Contract plans, plus various supplemental benefits, led to the situation where the combined premium rates were largely unregulated and subject to constant change. The revised law and regulation now provides for four standard health insurance contracts including the basic contract.

Contracts II to IV will come into force on a date determined by the Governor in Cabinet and published by notice in the Gazette. All standard contracts would be subject to premium rating, underwriting and other requirements of the insurer. The four options will give insured persons the opportunity of choice with the ability to clearly see what the differences are between the contracts relating to coverage, co-payment deductibles and the cost of the premium.

In addition, the four options complement the proposal for electronic verification of benefits, which is currently being required by MEDICARE in the United States of America, and which I am strongly encouraging insurers and health care providers to utilise in the Cayman Islands. This system will allow the immediate verification of an insured person's health care benefit at the time that the person is registering with the health practitioner to receive care. It will also inform

the health practitioner regarding what level of insurance coverage the patient has and how much will be paid by the insurance company and if any co-payment is necessary from the patient.

To the extent that the Ministry has responsibilities related to the Health Insurance Law and Regulations, the Ministry and the Health Insurance Commission require timely information from insurers to fulfil their responsibilities under the Law. The Monetary Authority currently receives premium rate filings and financial statements from insurance companies. However, the Monetary Authority considers this information confidential and will only release it to a third party on an aggregated basis, or on a blinded basis where the names of health insurance providers are withheld. The Ministry and the Health Insurance Commission must be provided with more and better information to ensure that it understands the volume of insured health care services used by residents, the price of those services, the premiums paid for insurance coverage, the financial performance and status of the insurers. Without this information, it will not be possible to effectively monitor the performance of the health insurance industry and where necessary work pro-actively to improve performance deficiencies.

The amendment to the Law, section 11(a), requires health insurers to provide appropriate information on their operations on a regular basis, including the volume of insured lives in the Islands, the premium paid for health insurance, and the financial performance and status of all approved insurers.

In conclusion, the KPMG Report sets out the context for substantial changes made to the Health Insurance Law and Regulations 1997. Issues relating to portability, premium rating, facility and physician reimbursement, utilisation management, standardisation of benefit, and information filings have all been addressed. One will never be able to satisfy the wishes of all parties involved. However, as is clearly stated in this Report, some amendments were necessary to strike a balance between the ideal as perceived by each one according to their individual needs and with what is possible and reasonable for all concerned.

I thank Honourable Members for their attention and recommend the KPMG Report for their information and consideration.

The Speaker: Thank you. Madam Clerk.

The Health Insurance (Amendment) Regulations 2003
To supersede the Regulations laid on the Table 16 July 2003

The Speaker: Honourable Minister for Health.

Hon. Gilbert A. McLean: Madam Speaker, I beg to lay on the Table of this Honourable House the Health Insurance Law, 1997 and the Health Insurance (Amendment) Regulations 2003.

The Speaker: So ordered.

Does the Honourable Minister wish to speak on the said paper?

Hon. Gilbert A. McLean: Madam Speaker, the proposed amendments to the Health Insurance Regulations are designed to:

1. Better protect the insured person and to ensure greater access to health insurance by the uninsured.
2. Prevent excessive or frivolous claims on the provider of health insurance.
3. Standardise and simplify the process for the making and payment of health insurance claims.
4. Ensure that the Health Insurance Law and Regulations are enforced; and
5. Strengthen the means by which employers in default of the Health Insurance Law will become know to the authorities and provide penalties for non-compliance.

I have previously given the background to the proposed amendments and I wish to speak about those amendments, which have been made.

I would also bring to the attention of this Honourable House that, since the amendments were first produced, I have held consultations with licensed insurers and other interested person to discuss the various amendments. Various suggestions were made, some of which were accepted, others not, and Cabinet, on the 22nd July approved the present amendments to the health insurance regulations.

Having the benefit of the KPMG Report and witnesses who appeared before it, and through internal deliberations, the Select Committee issued certain instructions, which I took into account when these amendments were being prepared. Detailed comments were received from the following entities –

- Dr. Steve Tomlinson, Chrissie Tomlinson Memorial
- The Cayman Pharmacist Association
- The Cayman Islands Medical and Dental Society
- The Cayman Islands Insurance Association

As a result of these submissions, some amendments are necessary in order for the legislation to be as fair as possible to the insured persons, employers, approved insurer and health care providers. I believe that we must strive for a balance between the ideal as perceived by each one according to their individual circumstances and with what is possible and reasonable for all concerned.

I have been told emphatically and repeatedly by health insurance providers that restricting their ability to increase health insurance premiums at their free will, providing for a portability of health insurance

when the insured person changes jobs or the employer changes health insurer, to just give two examples, will negatively impact their ability to obtain re-insurance cover.

I am also informed that given the approximately 30,000 population not covered by a government plan; the five or six insurers have an extremely small number of lives within each portfolio, which limits the health risks that they are able to take on.

However, I believe that for compulsory health insurance to succeed in the Cayman Islands it must not do so at the expense of the insured person. That has been the case for too long given that for those who are able to get health insurance, the premiums are ever-increasing or, conversely, the benefits are ever-reducing. In addition, when they take their health insurance cards to many health practitioners the cards are not accepted. They must then, in addition to the monthly health insurance premium, pay for health care, submit a claim to the insurer and wait for months in some cases to have the claim paid, denied or receive only partial payment. This, Madam Speaker, has to stop.

I shall now detail the proposed amendments as set out in the Health Insurance Regulations 2003, which are presently before this Honourable House.

Regulation 3 – a significant element of standardising the insurance coverage to be provided is the addition of other standard health insurance contracts II to IV. They are not compulsory but, unlike the present situation where the insurers are able to write numerous varieties of contracts to the confusion of the insured person and the health care provider, the standard contracts, II to IV, provide additional benefits but are readily understood because the benefits are now clearly described and can be publicised. The standard contracts, which will give greater choice of benefits, are at a higher cost and they are optional. The Law only requires the insured person to be covered by the minimum present standard health insurance contract.

Under regulation 3(b) an approved insurer must now authorise overseas treatment for a compulsorily insured person.

Regulation 4 – the approved insurer may decline to provide insurance for a high-risk person and shall concurrently advise the Commission that it has declined such a person.

This is one of the amendments made after meeting with the insurers and two KPMG consultants, who have worked on the KPMG Report as it would be unreasonable to think that an insurance company could not deny insurance for a high-risk person. The compromise was reached that they would also, concurrently, have to advise the Commission that coverage had been denied to a person. This places the Commission in a position to investigate and to gather data regarding denied coverages and if needs be the Law, could be further reviewed and amended to deal with the situation. The fact is, if insurance companies, presently operating in the Cayman Islands, have unfettered rights to not cover people in this country (when they are legally required to do so)) it creates a serious problem, which places the Government in a position where it will have to assist where these persons who might be financially indigent. If it is not the case that a person is initially financially indigent it means that their savings or earnings will be exceptionally highly taxed in paying for health care. Thus, it continues to be a major problem.

I am currently working with the KPMG consultants to find a way to offer insurance coverage to persons who have been refused by the insurance companies and this will include persons already being paid for by government. I would like to assure Members and the persons, many of whom have written directly to me about their difficulties in obtaining insurance because of age—not necessarily even sickness—that the Government will be the one to find some means of dealing with this situation.

In Regulation 6, the approved insurer must have the consent of Governor in Cabinet for its standard premium, prior to its first effecting a standard health insurance contract, and the approved insurer shall not increase its standard premium without then prior written consent of the Governor in Cabinet.

For those who are affected by the high cost of insurance premiums and who have coverage above the standard health insurance contract, they are paying premiums which are fixed at total discretion of the insurance companies. If they are increased they are increased by the insurance companies.

The Law only requires compulsory insurance to the level of the standard health insurance contract and it is that premium cost that the insurance commission and the Governor in Cabinet will set, so that everyone will know what that cost is and that it cannot be increased. This does not stop the insurance companies from increasing fees in all of the other contracts that they are offering.

In fact, I regret to say that the insurance companies in some instances have informed their clients that they have had to increase it again in anticipation. I think the people who are getting that kind of pressure ought to speak out against this situation. Fees at the hospital have been fixed since last year and doctors are not necessarily increasing their fees on a daily basis therefore I really do not follow the insurance companies' argument as to why they must increase their premiums.

I should also say that the KPMG consultants enlightened me considerably, and I think all of us, following the meeting, by bringing to our attention that when one speaks of re-insurance it refers to the cover taken on catastrophic illnesses which amount to hundreds of thousands of people. It is not intended for every company, and it is not common practice anywhere, to try to go a re-insurer to have them cover them for a claim that might be a $10,000 claim. A

company which is operating in any country has to bear a certain amount of risk. It must be capitalised to the extent that it can meet the regular run-of-the -mill claims that are made on it.

However, if you have a situation where insurance companies try to get re-insurance for every bit of cost then the re-insurers take the position, "Look, if you want us to cover you for every little bit of cost this is what it is going to cost you.". Of course, in such instances the premiums shoot up for the people who are insured. I simply make that point, Madam Speaker, as I found it very enlightening and I think it should be valuable information for all of us.

Regulation 7(1) – **"…the minimum period of coverage provided under any standard health insurance contract shall be three months."**

This was amended because we were informed that normally a contract is issued for an average minimum period of 90 days Under this section of the Law, coverage is also required to be continued three months after the person leaves the job however, the insured person would have to pay the premium to the employer. The employer is accommodating them by keeping them under their contract.

Regulation 7(6) – Where an employee changes his employer or an employer changes his approved insurer, the employee shall be covered under his employer's contract of insurance under terms and conditions which are no less favourable than those he had previously.

Regulation 7(7) – **"An approved insurer shall not refuse to renew a contract of insurance on the grounds that a compulsorily insured person has contacted an illness."**

Regulation 7(8) – provides all health insurance claims shall be made in the new forms which are set out in the second schedule and shall be submitted no later than one hundred and eighty days after the receipt of a prescribed health care benefit by that person.

We have been told that the claims sent by the hospital and the doctors and so on, are in a format with which the insurance companies are, in some instances, unfamiliar, so it takes more time. The form, which is now in the schedule in the Regulation, is a standard form, which is used in the industry, therefore that excuse should be removed.

Regulation 9(1), (2) & (5) where a compulsorily insured person has submitted a claim form and any document required by the approved insurer under Regulation 8 and there is no dispute as to the claim made, an approved insurer shall process and respond or pay the claim not later than thirty working days after receiving the claim.

This had to be brought into the Law because what was happening in terms of claim settlement was really absurd. It was only the insured person who was seriously paying the price – some of the practitioners as well – when they made claim for fees.

The claim forms to be used shall include the CPT (current procedural terminology) and ICD (international classification of diseases) codes and such other approved diagnosis and treatment codes where applicable. Where a compulsorily insured person has submitted a claim form later than 180 days after the receipt of a prescribed care benefit, the approved insurer shall not be obligated to deal with such claim, as it is expected that in a six month period people would make their claims.

We should not be misled in believing that CPT coding can only done on a computer as it can be done manually too. There is what is called a "super bill", which is a legal size sheet of paper with all the codes down the side of it with their descriptions and any doctor or any hospital can fill in the amount of money they want to charge on the right hand side. There are forms set up with the CPT coding and the ICD.

Regulation 9(6) – where an approved insurer fails to pay a claim within the prescribed time limit and there is no dispute to that claim from the 31st day after the claim is submitted the approved insurer shall be liable to pay interest on that claim to whomever the payment is due.

Regulation 16(1) – the Governor in Council may appoint officers of the Health Commission to be inspectors for the purposes of the Law.

Regulation 19A(1) – "**An approved insurer, with whom an employer has effected a contract of health insurance, shall report to the** [Health Insurance] **Commission any failure on the part of the employer to pay the required premiums on the date such premiums were due and the approved provider shall make the report no later than 45 days after such due date"**.

Under the First Schedule, Part 3, 22(d) a definition of pre-existing condition has been added. It states that **"'pre-existing condition' means a medical condition known to the compulsorily insured person prior to the date of a health insurance contract or a medical condition for which treatment was given or recommended or drugs taken or prescribed or of which symptoms were or had been manifested during the period of 48 months prior to the date of the health insurance contract and of which the compulsorily insured person should have been aware."**.

I wish to have this changed to "24 months" as it is, I believe in the view of the Ministry, a more reasonable time.

Under the First Schedule, Part 4, 3., a compulsorily insured person shall be required to pay for any benefit received under Part 1, twenty per cent of that benefit subject to a limit of $2500 after which the approved insurer shall pay 100 per cent subject to the annual limit of $100,000.

Again, I wish to emphasise we are talking about the basic contract for the country. The other

standard contracts, the benefits and so on are much higher.

Under the First Schedule, Part 2., out-patient benefits and approved insurers shall be liable to pay 80 per cent of the published fee for the benefits specified under paragraphs 1 and 4, up to the maximum of the costs for such benefits specified in those paragraphs. This is $100 each calendar year for a visit to a registered medical practitioner, anti-natal service at a health care facility in the Islands subject to a maximum of $500 per year pregnancy. One visit and the coverage is expended.

However, this basic package is more to cover hospitalisation and the higher item costs. If a person wants coverage above that they can have it, which could cover more money for out-patients costs but could also create an excuse for the insurance industry to further increase the costs.

Save for the standard contracts II to IV which are detailed under the First Schedule, Part 4, this covers and concludes the proposed amendments to the Health Insurance Regulation. Thank you, Madam Speaker and Members of this Honourable House for your attention.

Suspension of Standing Order 24(5)

The Speaker: I recognise the Honourable Leader for the suspension of Standing Order 24(5).

Hon. W. McKeeva Bush: Madam Speaker, I move for the suspension of Standing Order 24(5).

The Speaker: The question is that Standing Order 24(5) be suspended to allow the Honourable Minister of Health to bring the Government Motion No. 2/03.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 24(5) suspended to allow Government Motion No. 2/03 to be taken.

The Speaker: Is it the will of the House to take the luncheon break at this time? In light of the fact that it is the desire of many Members, if not all, to expedite the business to either conclude today or tomorrow, I propose that we reconvene at 1.15 pm.

Proceedings suspended at 12.35 pm

Proceedings resumed at 1.48 pm

The Speaker: Please be seated. Proceedings are resumed.

GOVERNMENT BUSINESS

MOTIONS

GOVERNMENT MOTION 2/03

The Health Insurance (Amendment) Regulations 2003

Change in Order of Business – Standing Order 14(1) and (4)

The Speaker: I recognise the Honourable Leader.

Hon. W. McKeeva Bush: Madam Speaker, we will be taking those matters tomorrow so under Standing Order 14(1) and (4) we propose to go back to the agenda.

The Speaker: The question is that in accordance with Standing Order 14(1) and (4) that the Order Paper be changed to allow Questions to be taken at this time as is set out on the agenda.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. In accordance with the provisions of Standing Order 14(1) and (4), the House revert to the Order Paper.

The Speaker: Since it is past the hour of 11am I recognise the Leader to move the suspension of Standing Order 23(7) and (8).

Suspension of Standing Order 23(7) and (8)

Hon. W. McKeeva Bush: Thank you, Madam Speaker. We move for the suspension of Standing Order 23 (7) and (8) to take questions after 11am.

The Speaker: Thank you. The question is that Standing Order 23(7) and (8) be suspended.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: I believe the Ayes have it.

Agreed. Standing Order 23(7) and (8) suspended.

QUESTIONS TO HONOURABLE MINISTERS AND OFFICIAL MEMBERS

Question No. 57

The Speaker: The Member for North Side.

Ms. Edna M. Moyle: What is the size and the projected cost of the properties making up the Barkers National Park in the district of West Bay?

The Speaker: The Honourable Minister responsible for the Ministry of Tourism, Environment, Development and Commerce.

Hon. W. McKeeva Bush: Madam Speaker.

As Honourable Members of this House are aware, a number of public meetings were conducted by the Ministry and Department of Environment to discuss this project. The properties within the boundary of the proposed National Park at Barkers will be acquired on a phased acquisition basis.

Phase 1 will include the acquisition of 7 Parcels.

Phase 2 will include the acquisition of 9 Parcels.

Phase 3 will include the acquisition of 13 Parcels.

The approximate cost of the land acquisitions is currently being determined.

Funding for the acquisition of these properties and the development of the Barkers National Park will be sourced from the Environmental Protection Fund. However, the timetable for the acquisitions and development of the Park is not yet finalised.

The Speaker: Are there any supplementaries? If not, we will move on to the next question.

Questions Nos. 58 & 59
(*Deferred)*

The Speaker: The Second Elected Member for George Town has tendered apologies for absence therefore I will ask for a Member to allow for it come at a late time either today, if not tomorrow.

Hon. W. McKeeva Bush: Madam Speaker, I propose that the questions for the Member be taken tomorrow morning.

The Speaker: Is that the will of the House or would you wish me to put it to a question? Alright. Madam Clerk, please make note.

Question No. 60

The Speaker: The Second Elected Member for Cayman Brac and Little Cayman

Mr. Lyndon L. Martin: What is the current status of the Cayman Islands Investment Board, including the Cayman Brac and Little Cayman Islands' Agency?

The Speaker: The Honourable Minister responsible for the Ministry of Tourism, Environment, Development and Commerce.

Hon. W. McKeeva Bush: Madam Speaker, this question relates to the Cayman Islands Investment Bureau. The Members of the Growth Management Board of the Cayman Islands Investment Bureau were appointed by the Executive Council on 25 March 2003. The Board comprises the following members -

Mr Naul Bodden	Chairman
Mr Richard Hew	Member Telecommunications
Mr Burnard Tibbetts	Member Rep Cayman Brac and Little Cayman
Mr Linburgh Martin	Member Finance
Ms Pilar Bush	Member Tourism
Mr Bruce Blake	Member E-Commerce
Director of Planning	Member
Collector of Customs	Member
Director of Environment	Member
Mrs Karin Thompson	Member Legal
Mr Orrett Connor	Member Immigration
Ms Juliet Dufeu	Member Human Resources
Ms Patricia Ulett	Secretary

The Cayman Islands Investment Bureau currently has offices in London and New York and the Grand Cayman office is slated for official opening in September this year. The Bureau will employ a Cayman Brac and Little Cayman representative in the near future. Someone, I should say, has been identified.

The Speaker: Are there any supplementaries? If not, that concludes Question Time.

STATEMENTS BY MEMBERS OF THE GOVERNMENT

East End Police Station

The Speaker: I recognise the Leader of Government.

Hon. W. McKeeva Bush: Madam Speaker, thank you very much.

I took note of the question on Monday in regard to the East End Police Station. I checked with the Honourable Financial Secretary to ascertain whether or not any request was made to him or the Budget and Management Unit by the Police, or if any was made to the Portfolio of Internal and External Affairs for renovations to be carried out on the East End Police Station. None was made. The police station con-

firmed that no request was made for funding for this to the Government.

As we are now aware of the situation I have asked that any works needed for the East End Police Station be done through the normal and appropriate channels. The Cabinet agreed and the Minister for Public Works started to expedite the process.

This Government continues to support any reasonable request that is made to us on as timely a basis as is possible. There are long-term plans to upgrade this and other police stations. In the meantime, the necessary repair works for the East End Police Station will be done.

The Speaker: Do you have another statement? Please proceed.

Social Development Direct - Report to "Realise Human Rights in the UK's Overseas Territories"

Hon. W. McKeeva Bush: Madam Speaker, I make this statement on the Report of the Social Development direct field visits to the Cayman Islands on 31 October to the 3 November 2001 and 4 March to 11 March 2002.

I would caution that any interpretation of the report must be weighed against the limited time in which it was conducted by the group from the United Kingdom. The authors themselves have made mention of this and, frankly, this does not significantly detract from the strength of the report, which is to inform us on where we stand in regard to human rights. It should be crystal clear that the United Democratic Party supports human rights. The tabling of this report by the social development direct re-affirms this position. Madam Speaker, I think the Report should have been brought to the House. If not, they will be made available to the Honourable House but I do want to lay this copy on the Table.

The Speaker: So ordered.

Hon. W. McKeeva Bush: Thank you very much, Madam Speaker.

The Speaker: May I have a motion for the adjournment?

Hon. W. McKeeva Bush: Madam Speaker . . .

The Speaker: Member for East End.

Short Questions
Standing Order 30(2)

Mr. V. Arden McLean: Thank you, Madam Speaker. I did not get the chance between the Minister's two statements and I am wondering if, with your permission, under Standing Order 30(2), I could ask the Minister a short question on his first statement.

The Speaker: The timing for that, Member for East End, has gone but I will put it to the Leader of Government who can exercise the discretion to a response.

[Inaudible interjection]

The Speaker: I will allow the question. Please proceed.

Mr. V. Arden McLean: Thank you, Madam Speaker. I tried catching your eye at the time but I could not. I do apologise for that.

The Speaker: That is alright.

Mr. V. Arden McLean: Madam Speaker, I wonder if the Minister can say if this means that my services to now spearhead the community; assisting with the police station, are no longer needed.

Hon. W. McKeeva Bush: Madam Speaker, a representative's first duty is to see a need in his community and bring that need to the Government. If the Government does not respond then pressure is applied through this House by a Motion or by questions. If the Member so desires to assist Government that is his duty, he is the elected Member for the area. However, the appropriate channels are that Public Works will initiate the work and that is what we did yesterday in Cabinet. Not only with that, but, as I said, with West Bay. Other police stations are slated for long-term development as is East End's Police Station.

The Speaker: The Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. Just for the sake of clarification, I have discussed the repairs of the police station on this Honourable Floor and in Finance Committee on a number of occasions. However, my next question to the Minister is if he can tell us when they expect to commence the repairs?

The Speaker: Honourable Leader.

Hon. W. McKeeva Bush: Madam Speaker, as I said the Minister was asked to expedite the process and that is what will be done in the very near future. I do not know about any request the Member made, if he did make any.

ADJOURNMENT

The Speaker: Can I have a motion for the adjournment, please?

Hon. W. McKeeva Bush: Madam Speaker, as Members have quite a bit of work that is ongoing and somewhat disruptive of the timetable of the House, we propose to come back tomorrow morning at 9 am, when we will take the Terrorism Bill and other matters on today's order paper.

Having said that, we have agreed to adjourn the Honourable House until tomorrow morning at 9 am.

The Speaker: The question is that the Honourable House be adjourned until Thursday, 24 July 2003 at 9 am.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: I believe the Ayes have it

At 2.10 pm the House stood adjourned until Thursday, 24 July 2003, at 9 am.

OFFICIAL HANSARD REPORT
THURSDAY
24 JULY 2003
10 AM

Eighteenth Sitting

[Deputy Speaker in the Chair]

The Speaker: I will invite the Third Honourable Official Member to grace us with prayers.

PRAYERS

Hon. George A. McCarthy: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 10.03 am

The Speaker: Please be seated. Proceedings are resumed.

ADMINISTRATION OF OATHS OR AFFIRMATIONS

Oath of Allegiance

By Mr. Donovan W. F. Ebanks, MBE

Mr. Donovan W. F. Ebanks: I, Donovan W. F. Ebanks, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, her heirs and successors according to Law, so help me God.

The Speaker: On behalf of this Honourable House I welcome the Honourable Temporary First Official Member. I invite you to take your seat.

Please be seated.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies from the Honourable Speaker, who is away this morning on official business, and from the Minister responsible for Communications and Planning who is also off the Island.

I recognise the Honourable Leader of Government Business.

Change in the Order of Business

Standing Order 14(1) and (4)

Hon. W. McKeeva Bush: Mr. Speaker, in accordance with the provision of Standing Order 14(1) and (4) I beg to move that the order of business be changed to allow committee stage and all the Bills to be taken at this time.

The Speaker: The question is that there has been change, in accordance with Standing Orders 14(1) and (4), the order of business of the day to allow the committee stages of the Bills to be passed.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. In accordance with the provisions of Standing Order 14(1) and (4) the Order of Business is changed.

The Speaker: I would like to ask the Clerk to move us to committee stage.

GOVERNMENT BUSINESS

BILLS

House in Committee at 10.07am

COMMITTEE ON BILLS

The Chairman: Please be seated.

The House is in committee.

With the leave of the House may I assume that, as usual, we should authorise the Honourable Second Official Member to correct minor errors and such like in these Bills?

Will the Clerk state the Bill and read the clauses?

The Terrorism Bill 2003

The Clerk: Clause 1 Short title

The Chairman: The question is that clause 1 stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 1 passed.

The Clerk: Clause 2 Definition

The Chairman: I recognise the Honourable Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker. In accordance with the provisions of Standing Order 52(1) and (2) I, the Second Official Member, give notice that I intend to move the following committee stage amendments to the Terrorism Bill 2003; that clause 2 be amended in the definition of "regulated sector" –

(a) by inserting after paragraph (g) the following paragraph – "(h) the Securities Investment Business Law 2001;" and

(b) by renumbering the present paragraph (h) as paragraph (i).

The Chairman: Can I just confirm that everyone has a copy of the amendments that were circulated?

I notice that some Members are saying that they do not have it. The Clerk is saying that they were circulated from the 16th July. We are getting some copies done.

[Pause]

The Chairman: Honourable Members, since we now have the copies circulated, an amendment has been moved.

Does any Member wish to speak thereto? If no Member wishes to speak, I will now put the question that the amendment as proposed stands part of the clause.

All those in favour, please say Aye. All those against, No.

Aye.

The Chairman: The Ayes have it.

Agreed. Amendment to Clause 2 passed.

The Chairman: The question is that clause 2 as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 2 as amended passed.

Clauses 3 through 10

The Clerk:

Clause 3	Terrorism
Clause 4	Weapons training
Clause 5	Restriction on development, etc. of certain biological weapons and toxins.
Clause 6	Use of nuclear weapons
Clause 7	Use, etc. of chemical weapons
Clause 8	Exceptions
Clause 9	Defences
Clause 10	Extra territorial applications

The Chairman: The question is that clauses 3 through 10 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 3 through 10 passed.

Clauses 11 through 17

The Clerk:

Clause 11	Power of entry
Clause 12	Offences by body corporate
Clause 13	Interpretation for this Part
Clause 14	Directing terrorist organisation
Clause 15	Possession for terrorist purposes
Clause 16	Inciting terrorism overseas
Clause 17	Duty to disclose information relating to offences and terrorist acts.

The Chairman: The question is that clauses 11 through 17 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 11 through 17 passed.

Clauses 18 through 29

The Clerk:

Clause 18	Terrorist property
Clause 19	Soliciting terrorist property
Clause 20	Use and possession
Clause 21	Arranging for property to be used for terrorist purposes.
Clause 22	Money laundering
Clause 23	Disclosure of information: duty
Clause 24	Disclosure of information: permission
Clause 25	Disclosure of information: regulated and public sectors
Clause 26	Co-operating with Reporting Authority and the police
Clause 27	Penalties
Clause 28	Forfeiture
Clause 29	Forfeiture of terrorist cash

The Chairman: The question is that clauses 18 through 29 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 18 through 29 passed.

Clauses 30 through 35

The Clerk:

Clause 30	Account monitoring orders
Clause 31	Terrorist financing – things done outside the Islands
Clause 32	Exchange of information relating to terrorist groups and terrorist acts
Clause 33	Counter terrorism convention to be used as basis for extradition
Clause 34	Counter terrorism convention to be used as basis for mutual assistance in criminal matters
Clause 35	Offences under this Law deemed not to be offences of a political character for purposes of extradition.

The Chairman: The question is that clauses 30 through 35 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 30 through 35 passed.

Clauses 36 through 42

The Clerk:

Clause 36	Terrorist investigation
Clause 37	Cordoned areas
Clause 38	Power to designate cordoned areas
Clause 39	Duration
Clause 40	Police powers
Clause 41	Powers
Clause 42	Disclosure of information, etc.

The Chairman: The question is that clauses 36 through 42 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 36 through 42 passed.

Clauses 43 through 54

The Clerk:

Clause 43	Terrorist: interpretation
Clause 44	Arrest without warrant
Clause 45	Search of premises
Clause 46	Search of persons
Clause 47	Authorisations - power to stop and search
Clause 48	Exercise of power
Clause 49	Duration of authorisation
Clause 50	Defences under this Part
Clause 51	Authorisations - parking
Clause 52	Exercise of power
Clause 53	Duration of authorisation
Clause 54	Offences.

The Chairman: The question is that clauses 43 through 54 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 43 through 54 passed.

Clause 55

The Clerk: Clause 55 Power to intercept communications and the admissibility of intercepted communications.

The Chairman: I recognise the Leader of Government Business who had made notice of an amendment.

Hon. W. McKeeva Bush: Mr. Chairman, in accordance with the provision of Standing Orders 52(1) and (2) I, the Minister of Tourism, Environment and Commerce, Leader of Government Business give notice that I intend the move the following further committee stage amendment to the Terrorism Bill 2003. By deleting clause 55 and substituting the following – "Power to intercept Communications and admissibility of intercepted communications."

"55. (1) Subject to subsection (2), a constable who is of at least the rank of inspector may, for the purposes of obtaining evidence of the commission of an offence under this Law, apply ex parte to a judge of the court for an interception of communications order.

"(2) The constable may make an application under subsection (1) only with the prior written consent of the Attorney General.

"(3) A judge to whom an application is made under subsection (1) may make an order requiring a service provider to intercept and retain a specified communication or communications of a specified description received or transmitted or about to be received or transmitted by that service provider if the judge is satisfied that the written consent of the Attorney General has been obtained as required by subsection (2) and that there are reasonable grounds to believe that material information relating to -

(a) the commission of an offence under this Law; or
(b) the whereabouts of the person suspected by the constable to have committed the offence

is contained in that communication or communications of that description.

"(4) Any information contained in a communication -

(a) intercepted and retained pursuant to an order under subsection (3); or
(b) intercepted and retained in a foreign state in accordance with the law of that foreign state and certified by a judge of that foreign state to have been so intercepted and retained

shall be admissible in proceedings for an offence under this Law, as evidence of the truth of its contents notwithstanding the fact that it contains hearsay."

The Chairman: The Honourable Minister moving the Motion has given notice and I recognise in him in speaking to the amendment.

Hon. W. McKeeva Bush: Mr. Chairman, we have enjoyed over a long period of time, and it is my hope that we will continue to enjoy, a mutual beneficial working relationship with the United Kingdom Government. This relationship has respected the rule of law, human rights and the separation of the powers of the state and its citizens and the maintenance of the privacy of citizens, unless there are compelling circumstances which dictate that these basic tenets, which are imperative to any democracy, should be breached for the interest of the public at large.

When this occurs there has to be a process in place to ensure that these unusual powers are not abused. The best way to ensure that and to protect the people is to have an impartial tribunal, that is, a judge or a court to examine the circumstances under which citizens normal rights are being removed by the state.

In most democracies, including the United Kingdom, this power is not vested in the Prime Minister, the Mayor, the Queen, a Member of Parliament or any politically appointed person. It is vested in the court. Our people do not deserve any less protection and it is the duty of this Government to protect our people from any potential abuse, real or perceived.

For those reasons I believe that the power to tape people's private conservations for whatever reason should be vested in a member of our judiciary, not in the Governor who is appointed by the Foreign and Commonwealth Office in the United Kingdom. The Government of the United Kingdom has trumpeted these principles in the European Union throughout the United Kingdom and has been promoting them in its partnership for progress and prosperity millennium programme. We have difficulty in understanding its change of principle on this issue and I hope it is not because we are an Overseas Territory that the United Kingdom Government regards our citizens as less

entitled than those in the European Union and elsewhere.

It appears, Mr. Chairman, that there are some in this House who believe that, for the sake of good relationships with certain sections of the United Kingdom Government, they should sacrifice the rights of our people. They should clearly explain this to the voting public and not to seek to muddy the waters for cheap and misleading political gain. In the spirit of transparency, the rule of law, the maintenance of our democracy and the protection of our people, this amendment must be passed today.

I should report to this Honourable Committee that His Excellency the Governor has charged the Chief Secretary, who will be acting Governor from Saturday, with the passage of the Bill as the Governor wants it.

Therefore, Honourable Members, what we do here today, in all good conscience and for the best interest of our people, we recognise because of our weak constitutional order which gives no protection against the intrusion of the United Kingdom Government into people's basic human rights to privacy. As we are the people's duly elected representatives we can do no more than what we are doing and that is to say "No" to the Governor's order in Cabinet, and thus the Foreign and Commonwealth Office's order to him.

I believe that makes the Government's position crystal clear, Mr. Chairman.

The Chairman: Does any other Member wish to speak? I recognise the Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Chairman. On behalf of the Opposition I would just like to say that we are relieved that the Government has taken this step.

We had grave concerns that a Bill was brought to this Honourable House which contained a provision which would vest that draconian power and authority in the Governor of the Cayman Islands, that is, the power to intercept communications. We were disturbed to receive a Bill that contained such a provision, particularly in light of all that transpired during the Euro Bank trial.

We were disturbed to receive a Bill which contained such a provision. We are glad that the Government has accepted the submissions of the Opposition, in relation to this matter, and that, indeed, in the spirit of unity and in the overall best interest of the Cayman Islands we have presented, and we hope that we will continue to present, a unified front to the Governor and to the United Kingdom on this fundamentally important matter.

I spoke for the best part of two hours in relation to this Bill therefore I am not proposing to repeat what I said during the debate on the Bill however I simply continue to indicate our position and to thank the Government for accepting our submissions in that regard.

The Chairman: The Honourable Leader of Government.

Hon. W. McKeeva Bush: Mr. Chairman, I indicated quite clearly for all to hear and to try to let them understand, however it sometimes seems that there are those who are forever willing to try to aggravate a situation and to take credit, where indeed some credit should be given, but not to lay blame on the Government; the Opposition has a good way of doing that.

I explained quite clearly for all to hear that we took a Bill to the Executive Council which contained the very provision that I am proposing today. That provision was removed by the Governor by orders from the Foreign and Commonwealth Office and that communication or memorandum was tabled in this Honourable House.

Therefore, when the Member says that they have had problems with why the Bill was brought to this Honourable House he should understand, if he understands the Constitution, as far as the Government accepting their position, we are happy that they took that position because whenever the Governor comes with a position, (whether we are going right) they are determined to go the other way. Thus, we are happy they took the position they did because we intended to move the Motion that I have now moved.

The Chairman: Does any other Member now wish to speak? If no other Member wishes to speak, I now put the question that the amendment stands part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment to Clause 55 passed.

The Chairman: The question is that the clause as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: Just for clarity, we did the "amendment stands part of the clause" and now we are doing that the clause stands part of the Bill, alright. Therefore, the question is that clause 55 as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 55, as amended, passed.

Clauses 56 through 63

The Clerk:

Clause 56	Interpretation for this Part
Clause 57	Police powers
Clause 58	Powers to stop and search
Clause 59	Evidence
Clause 60	Regulations
Clause 61	Directions
Clause 62	Provisions as to offences under this Law on the Terrorism (United Nations Measures) (Overseas Territories) Order, 2001
Clause 63	Report to the Legislative Assembly

The Chairman: The question is that clauses 56 through 63 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 56 through 63 passed.

Schedules 1 through 3

The Clerk:

Schedule 1	Disclosure of Information, Regulated and Public Sectors
Schedule 2	Forfeiture orders
Schedule 3	Forfeiture of terrorist cash

The Chairman: The question is that Schedules 1 to 3 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Schedules 1 to 3 passed.

Schedule 4

The Clerk: Schedule 4 Account monitoring orders

The Chairman: I recognise the Second Official Member who has given notice of an amendment.

Hon. Samuel W. Bulgin: Thank you, Mr. Chairman. In accordance with the provision of Standing Order 52(1) and (2) I, the Second Official Member, give notice that I intend to move the following committee stage amendment to the Terrorism Bill 2003: By amending Schedule 4 in paragraph 1(1) by deleting sub-paragraph (d).

The Chairman: Does any Member wish to speak?

If no Member wishes to speak I will now put the question that Schedule 4 be amended and that the amendment stands part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment to Schedule 4 passed.

The Chairman: The question is the Schedule 4 as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Schedule 4 as amended passed.

Schedules 5 and 6

The Clerk:

Schedule 5	Terrorist Investigations: Information
Schedule 6	Detention

The Chairman: The question is that Schedules 5 and 6 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Schedules 5 and 6 passed.

The Clerk: A Bill for a Law to Combat Terrorism; to Suppress the Financing of Terrorism; and for Incidental and Connected Purposes.

The Chairman: The question is that the Title stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Title passed.

The Judicature (Amendment) Bill 2003

The Clerk:

Clause 1 Short title and commencement
Clause 2 Amendment of section 12 of the Judicature Law (2002 Revision) - payment of jurors
Clause 3 Amendment of the First Schedule - court funds
Clause 4 Amendment of the Second Schedule - attachment of earnings orders
Clause 5 Transitional

The Chairman: The question is that clauses 1 through 5 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 1 through 5 passed.

The Clerk: A Bill for a Law to amend the Judicature Law (2002 Revision); and for Incidental and Connected Purposes.

The Chairman: The question is that the Title stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Title passed.

The Criminal Procedure Code (Amendment) Bill 2003

The Clerk:

Clause 1 Short title
Clause 2 Amendment of section 127 of the Criminal Procedure Code (1995 Revision) - election of trial by judge alone

The Chairman: The question is that clauses 1 and 2 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 1 and 2 passed.

The Clerk: A Bill for a Law to amend the Criminal Procedure Code (1995 Revision); and for Incidental and Connected Purposes.

The Chairman: The question is that the Title stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Title passed.

The Chairman: The question is that the Bills be reported to the House.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Bills to be reported to the House.

House Resumed at 10.38am

The Speaker: Please be seated. Proceedings are resumed.

REPORTS ON BILLS

The Terrorism Bill 2003

The Speaker: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker. I beg to report that a Bill entitled A Bill for a Law to Combat Terrorism; to Suppress the Financing of Terrorism; and for Incidental and Connected Purposes was examined by a committee of the whole House and passed with three amendments.

The Speaker: The Bill duly reported and set down for Third Reading.

The Judicature (Amendment) Bill 2003

The Speaker: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker. I beg to report that A Bill for a Law to Amend the Judicature Law (2002 Revision); and for Incidental and Connected Purposes was examined by a committee of the whole House and passed without amendment.

The Speaker: The Bill duly reported and set down for Third Reading.

The Criminal Procedure Code (Amendment) Bill 2003

The Speaker: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker. I beg to report that A Bill for Law to Amend the Criminal Procedure Code (1995 Revision); and for Incidental and Connected Purposes was considered by a committee of the whole House and passed without amendment.

The Speaker: The Bill duly reported and set down for Third Reading.

THIRD READINGS

The Terrorism Bill 2003

The Speaker: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker. I move for the Third Reading of a Bill entitled A Bill for a Law to combat Terrorism; to Suppress the Financing of Terrorism; and for Incidental and Connected Purposes.

The Speaker: The question is that a Bill shortly entitled The Terrorism Bill 2003 be given a Third Reading and passed.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Terrorism Bill 2003 given a Third Reading and passed.

The Judicature (Amendment) Bill 2003

The Speaker: The Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker. I beg that a Bill for A Law to Amend the Judicature Law (2002 Revision); and for Incidental and Connected Purposes be given a Third Reading and passed.

The Speaker: The question is that a Bill shortly entitled the Judicature (Amendment) Bill 2003 be given a Third Reading and passed.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Judicature (Amendment) Bill 2003 given a Third Reading and passed.

The Criminal Procedure Code (Amendment) Bill 2003

The Speaker: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker. I beg that a Bill for A Law to Amend the Criminal Procedure Code (1995 Revision); and for Incidental and Connected Purposes be given a Third Reading and passed.

The Speaker: The question is that a Bill shortly entitled The Criminal Procedure Code (Amendment) Bill 2003 be given a Third Reading and passed.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Criminal Procedure Code (Amendment) Bill 2003 given a Third Reading and passed.

PRESENTATION OF PAPERS AND OF REPORTS

Withdrawal of the Health Insurance (Amendment) Regulations 2003 laid on table 16th and 23rd July, 2003

The Speaker: I recognise the Honourable Minister of Health.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move for the withdrawal of Regulations tabled on the 16th and the 23rd July 2003 relating to the Health Insurance (Amendment) Regulations.

The Speaker: The Motion is that there be a withdrawal of the Regulations that were tabled on the 16th and the 23rd of July of 2003.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. That the Health Insurance (Amendment) Regulations 2003 laid on the Table 16 and 23 July 2003 be withdrawn.

The Health Insurance Law, 1997, The Health Insurance (Amendment) Regulations 2003, Revised

The Speaker: The Honourable Minister responsible for the Ministry of Health Services.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to lay on the Table of this Honourable House the Health Insurance Law 1997, the Health Insurance (Amendment) Regulations 2003 Revised.

The Speaker: So ordered.

Would the Honourable Minister wish to speak thereto?

Standing Order 14(1) and (4)

Hon. Gilbert A. McLean: Mr. Speaker, seeing that the amendments just laid are the consolidated amendments that are now complete, I would beg to move, under Standing Order 14(1) and (4), that the Order of Business be changed to allow Government Motion 2/03 to be taken at this time.

The Speaker: The question is that the Order of Business be changed to allow Government Motion 2/03 to be taken.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Order of Business changed to allow Government Motions No. 2/03 to be taken at this time (Standing Order 14(1) and (4)).

GOVERNMENT BUSINESS

MOTIONS

GOVERNMENT MOTION 2/03

The Health Insurance (Amendment) Regulations 2003

The Speaker: The Honourable Minister responsible for the Ministry of Health Services.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move Government Motion 2/03 Health Insurance (Amendment) Regulations 2003, which reads:

"BE IT RESOLVED THAT THE Health Insurance (Amendment) Regulations 2003, having been laid on the Table of this Honourable House, be now affirmed by the Legislative Assembly pursuant to section 19 of the Health Insurance Law 1997."

The Speaker: The question is that the Health Insurance (Amendment) Regulations 2003, having been laid on the Table of this Honourable House, be now affirmed by the Legislative Assembly pursuant to section 19 of the Health Insurance Law 1997.

The Motion is open for debate. Does the Honourable Minister wish to speak thereto?

Hon. Gilbert A. McLean: Mr. Speaker, on two different occasions yesterday I spoke extensively on the amendments contained in the Regulations and, at this time, I do not propose to speak further on the various amendments. I would be prepared to reply to any matters that other Members may choose to raise.

The Speaker: The Honourable Leader of Opposition.

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

We do not expect to speak long on this Motion either, but would just ask the Minister to give some type of indication—with regard to the schedules that are attached to the various standard contracts, and so on—as to what type of comparisons, with the amounts placed in here, there would be regarding consultations with the providers?

Is there general satisfaction or are there any specific problems? What is the position that the Government has taken in regard to the amounts, understanding clearly that this would be with the advice of the consultants?

Thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak?

If no other Member wishes to speak, does the Honourable Mover wish to exercise his right of reply?

Hon. Gilbert A. McLean: Thank you, Mr. Speaker.

In reply to the Honourable Leader of Opposition when he refers to the schedules, I take it that he refers to the various other health insurance contracts.

The Speaker: The Honourable Leader of Opposition.

Hon. D. Kurt Tibbetts: Yes, Mr. Speaker.

For purposes of clarity perhaps 'schedule' is not the right word. Let me begin by referring to the bottom of page 11 which goes on to page 12 – Standard Contract II. I am not referring to the very last attachments. Thank you.

The Speaker: Thanks for that clarification. The Honourable Minister of Health.

Hon. Gilbert A. McLean: Thank you, Mr. Speaker.

The Honourable Member will notice that at the end it is stated in section 21, **"The provisions of the First Schedule relating to the standard contracts II to IV shall come into force on a date to be determined by the Governor in Cabinet and published by a notice in the Gazette; and until such date an employer shall be obligated only to offer the standard contract I and regulation 3(2) shall be construed accordingly."**

I can say to this Honourable House that the matter of these other three contracts was discussed at considerable length with representatives of the health insurance industry.

It all centred around the fact that they offered various insurance coverages however, they now have the ability to put in or to take out any coverage, or exclude any particular benefit, and cost it again according to what they choose to do. The main objection to this was that—and I am generally summarising what was said—the insurance companies would have to compete on the basis of how each of these particular benefits was costed.

I would refer to what one person said which was that they wanted to compete with each other in other areas other than cost. I am not quite sure what that was supposed to mean, however from the point of view of the consumer I would think that the consumer would be looking to see who would offer this standard contract at the best price.

The whole idea of these standard contracts is that the consumer would know which one of the contracts they are buying, the insurance company would know what they have to sell and the doctors or the hospital or whomever, would know exactly what the contract covered.

Due to the extended discussion that we had, I thought it would be best to give all the other amendments time to be dealt with and to be better understood and so on, and to bring these in at a point in time when perhaps it might be better done. These contracts will set a level playing field for everyone. At least that is the understanding that I had from the consultants and from everyone else. The general feeling was they did not want to compete with one another only on price. Therefore, if they can cherry-pick and add or take away or whatever, that is how they will price their product.

That is the best answer I could give. This has been designed by the consultants, and I am told that these are reasonably designed plans. Of course, number 4 would be like the platinum or gold contract, whatever one might term it, and indeed if a company sold that, then this is what they would be selling.

I would say that I do not think these amendments will be the perfect answer for our insurance industry, or health insurance coverage under the Law, however I think they go a long way to correcting a number of practices which are wrong.

Just before I take my seat, I would like to say that only this morning I heard of two stories, which involve health insurance and they relate to persons within this Honourable House. One was in regard to a lady of 68 years of age who has hypertension although I understand she never misses a day work and the other one involved an 18-year-old.

The 18-year-old's story was the most fascinating to me. This young lady's parent changed jobs—high executive jobs—from one company to another and the other company where her mother took up employment had a different insurer from the one where she originally worked. On the form it asked whether there was any eminent treatment. Consequently, the parent put that the young lady may have to have a wisdom tooth removed. She was refused coverage. She is 18 years old and for all practical purposes in this instance she became uninsurable. What the parent was required to do was to go to the dentist to get a letter stating that she did not have any scheduled appointment to have it removed; it was merely a medical consideration. This young lady is on an athletic scholarship in the United States and even as I speak is currently representing the Cayman Islands at a pre-Olympic competition.

These are the types of ridiculous things that are happening with insurances and health insurance coverage in the Cayman Islands. I want to appeal to all of us here because I think we understand the situation. We hear complaints from our constituents and this is one thing that I believe we can all co-operate on to see this product changed and bettered. When we get flak and resistance from the companies who are not prepared to play fair we should stand together on this particular issue. However, just this morning these facts were told to me. Yes, there are many other cases like that that we do not hear about.

I think that the present amendments will help and I would recommend them to this Honourable House.

The Speaker: The question is that the Health Insurance (Amendment) Regulations 2003, having been laid on the Table of this Honourable House, be now

affirmed by the Legislative Assembly pursuant to section 19 of the Health Insurance Law 1997.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Government Motion No. 2/03 passed.

QUESTIONS TO HONOURABLE MINISTERS AND OFFICIAL MEMBERS

Question No. 58
(Deferred 23 July, 2003)

The Speaker: The Second Elected Member for George Town.

No. 58: Mr. Alden M. McLaughlin, Jr. asked the Minister responsible for the Ministry of Tourism, Environment, Development and Commerce what is the present number of members of the Land and Sea Co-operative, and what privileges and benefits do members enjoy?

The Speaker: The Honourable Minister responsible for the Ministry of Tourism, Environment, Development and Commerce

Hon. W. McKeeva Bush: The Land and Sea Co-operative presently has one hundred and seventy nine (179) members. In addition to the obvious benefit of receiving pre-booked tours by virtue of their membership, the members are also afforded benefits and privileges such as liability insurance coverage for the tour boats and vehicles used as taxis. Staff members participate in a contributory health insurance scheme.

Supplementaries

The Speaker: Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. Thanks also to the Honourable Minister for that response. I wonder if he could tell us what criteria is employed in determining whether or not a person is eligible for membership in the Land and Sea Co-operative.

The Speaker: The Honourable Minister of Tourism.

Hon. W. McKeeva Bush: Mr. Speaker, membership criteria is that an application is made – obviously, they are Caymanians – if they have the necessary equipment, that is, vehicles or boats, and pay their membership fees and are in good standing with the courts. They are then entered as a member.

The Speaker: Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. I wonder if the Honourable Minister can say how the pre-booked tours are distributed among the membership.

The Speaker: The Honourable Minister of Tourism.

Hon. W. McKeeva Bush: Mr. Speaker, I understand they have a rotation system.

The Speaker: The Second Elected for George Town.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I wonder, from his very terse response can I ask the Honourable Minister, if it means all members of the Land and Sea Co-operative have an opportunity during this rotation to have access to all, or the same number of, the pre-booked tours. I am trying to ascertain what the system is.

The Speaker: The Honourable Minister of Tourism.

[Pause]

Hon. W. McKeeva Bush: Mr. Speaker, I am sorry, I was taking information from the Permanent Secretary. Some days there are not sufficient tours for all members. We are still working with the Florida Caribbean Cruise Association on providing more people for the tours. Of course, members must be present.

The Speaker: Second Elected for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. I wonder if the Honourable Minister can say whether or not there is a maximum carrying capacity for the vehicles and vessels used by the members of the Land and Sea Co-operative. If so, what is that capacity?

Could he also explain how the numbers of visitors are divided in instances when one bus can carry 40 whilst other buses can only carry 15? Similarly, how are visitors divided in relation to vessels? In other words, are the visitors distributed proportionately, in relation to the capacity of the various vehicles and/or vessels, or is it simply a case, if booked for a tour, a bus or vessel can be filled to its carrying capacity, and beyond?

The Speaker: The Honourable Minister of Tourism.

Hon. W. McKeeva Bush: Mr. Speaker, we can say that there is a maximum capacity. There is an approximate number for each boat and they are distributed proportionately. I think the Member should know, while we give a grant, we do not operate the Co-operative.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. Perhaps the Honourable Minister did not note that part of my question in his response, however, I asked if he could advise us of what the maximum capacity is in relation to vessels and buses.

The Speaker: The Honourable Minister of Tourism.

Hon. W. McKeeva Bush: Mr. Speaker, I do not know that number.

The Speaker: If there are no further Supplementaries, we will move on to the next question.

Honourable Members, we have now reached the hour of 11am. Is there a Motion for the suspension of Standing Orders 23(7) and (8)?

Suspension of Standing Order 23(7) and (8)

Hon. W. McKeeva Bush: Mr. Speaker, I move for the suspension of Standing Orders 23(7) and (8) so that questions can be taken after 11am.

The Speaker: The question is that Standing Order 23(7) and (8) be suspended to allow Question Time to continue beyond 11am.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 23(7) and (8) suspended to allow Question Time to continue beyond 11am.

Question No. 59
(Deferred 23 July, 2003)

The Speaker: The Second Elected Member for George Town.

No. 59: Mr. Alden M. McLaughlin, Jr. asked the Minister of Tourism, Environment, Development and Commerce with regard to the reconstruction at the Cayman Islands Turtle Farm:

a. What is the cost of the completed phases of the project;
b. What is the projected cost of outstanding phases;
c. How is the project being funded; and
d. What is the anticipated date for completion of the entire project?

The Speaker: The Honourable Minister of Tourism, Environment, Development and Commerce.

Hon. W. McKeeva Bush: Mr. Speaker, before I answer the question I should say to the Honourable Member that if he has any questions he feels needs answering that he may not have thought of in regard to the Land and Sea Cooperation he could submit them in writing, Also, if he has suggestions regarding how improvement could be done or how it should be run then I would ask him to submit that in writing too and we would be glad to take it on board.

The answer, Mr Speaker. Before answering the substantive question I would like to give some background information, which will put into context the redevelopment plans for the Cayman Turtle Farm and the associated contractual and financing arrangements.

Cayman Turtle Farm (1983) Limited (Ltd.) and United Contractors Ltd. signed a contract for the construction works associated with Phase 2 of the farm's Redevelopment Plan on 16th July 2002. This phase included the following works:

- The construction of a new breeding pond that will replace the one destroyed by Hurricane Michelle in November 2001.
- The civil works associated with the salt water supply and discharge system to the new breeding pond and associated tanks.
- The construction of a new seawall on the southward portion of the farm's coastal property.

I would like to take this opportunity to highlight the facts that have resulted in the awarding of that contract to United Contractors Ltd.

After the damage sustained by the farm as a result of Hurricane Michelle the decision was taken by the Government and the farm's Board of Directors to relocate the farm's operations to the landside of the farm's property.

The conceptual development plan was prepared with the priorities being identified based on the requirement to re-establish the complete programme that was in place prior to Hurricane Michelle. The breeding pond was identified as the most urgently required, as it was needed to house the remaining breeders in an acceptable environment.

Upon the completion of more detailed drawings it was agreed that Phase 1 should be the excavation of the new breeding pond. This was completed under the supervision of the farm's Operational Department with technical assistance being provided by a local engineering consultant.

In relation to the construction works associated with Phase 2, the Government was desirous to provide an opportunity for smaller local contractors to carry out these works. A number of established smaller contractors were identified as potential candidates for inclusion in a group of contractors with whom a negotiated contract could be established. Subsequently, a number of these smaller local construction companies combined their resources and formed the locally registered company, United Contractors Ltd.

The Cayman Turtle Farm's Board of Directors agreed upon the following resolution in relation to these negotiations after much consideration:

"The Board of Cayman Turtle Farm (1983) Ltd. (hereinafter known as CTFL) HEREBY RESOLVES to enter into a negotiated contract with preferred local contractor(s) for the construction of Phase 2 of CTFL's redevelopment plan.

"BE IT FURTHER RESOLVED THAT the contract price will be established after the preferred contractor(s) have priced the Bill of Quantities which will be compared to estimates of two (2) independent cost consultants using the same Bill of Quantities.

"BE IT NOW THEREFORE RESOLVED THAT the Board awards the construction contract, using the foregoing methodology, and subject to all other necessary professional advice and services."

The Managing Director was then given the responsibility for executing the resolution on behalf of the Board with the following actions being taken in relation to this matter:

The service of BCQS Ltd. was retained to prepare a Bill of Quantities for the Phase #2 works that would form the basis of the pricing exercise that would be undertaken by both the preferred contractor and the farm. After the Bill of Quantities had been prepared, they were then priced by the preferred contractors (this work was carried out on their behalf by Deloitte & Touche Property Management). The farm also had the same document priced on their behalf by BCQS Ltd. and Trinjam Ltd. for the purpose of ensuring that a competitive price was obtained from the preferred contractor.

Once the three entities had submitted their proposed contract price to the farm's management, a review was carried out with a presentation being made to the Board of Directors. As a result of this presentation, the Board of Directors of Cayman Turtle Farm unanimously agreed upon the contract price and the contract was subsequently awarded to United Contractors Ltd.

I will now answer the substantive question.

a. The completion of Phase 1 included the excavation of the new breeding pond at a cost of CI$139,677.37. Phase 2 included the construction of the breeding pond, civil works related to the salt water supply and discharge system to the new breeding ponds and tanks and the construction of a new seawall on the southward (coastal) portion of the property at a cost ofCI$2,288,432.93. I should add this came in under the budget contract.

b. The outstanding phases of the Cayman Turtle Farm's Master Redevelopment Plans are:

1) Phase 3 - with a projected estimated budget ofCI$9,463,526.00 and include the turtle discovery area, commercial turtle area, entry building, aviary/nature walk, car parking and enabling mechanical, electrical and plumbing (MEP) works.
2) Phase 4 - has a projected estimated budget of CI$18,840,460 and will include the marine attractions, snorkel lagoon ancillary building and enabling MEP works.

c. The project is being funded through a bond lease issue by private placement in the United States (US) debt capital market using the Credit Tenant Lease Financing Programme.

d. The anticipated date for completion of the entire project is December 2005.

Supplementaries

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker.

In his substantive response the Honourable Minister has referred to four phases in relation to the reconstruction of the Turtle Farm. He said Phase 1 cost roughly $139,677, Phase 2, roughly $2.2 million and then Phase 3, roughly $9.5 million.

I am just seeking to clarify something. In the budget address it was stated that the first phase of this project is worth $13 million and will start during the next financial year. The way that the Minister has described it in his answer Phase 1 was a relatively small exercise. Therefore, am I correct in assuming that Phase 1 in the budget address is actually a combination of Phases 1, 2 and 3 in his answer?

The Speaker: The Honourable Minister.

Hon. W. McKeeva Bush: I would think that is correct, Mr. Speaker.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. Phase 3 refers to the development of a turtle discovery area, commercial turtle area, entry building, aviary/nature walk, car parking and enabling MEP works, then Phase 4 will include the marine attrac-

tions, snorkel lagoon ancillary building and enabling MEP works.

I wonder if the Honourable Minister can say whether or not it is contemplated that as part of these marine attractions, referred to in this answer, that this would also include the creation of a dolphin attraction at the Cayman Turtle Farm.

The Speaker: The Honourable Minister of Tourism.

Hon. W. McKeeva Bush: Mr. Speaker, I named what will be part and parcel of the development. I did not mention anything about dolphins; however I can tell him that these costs do not include any works for a dolphin area.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I am not quite sure I understood the answer properly. Is the Minister saying that it is not contemplated that there will a dolphin attraction at the Turtle Farm?

Hon. W. McKeeva Bush: Mr. Speaker—

The Speaker: Honourable Minister of Tourism.

Hon. W. McKeeva Bush: I certainly did not say that. What I said was in answer to his question, which did not ask about it first of all, and when I named the items and various attractions certainly none was included. I did say no dolphinarium cost is included in the estimates given here.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I was not asking about cost in that supplementary question. I am seeking to ascertain, and the Minister is skilfully evading a direct answer, whether the marine attractions, which are contemplated as part of the redevelopment of the Turtle Farm, include a contemplated dolphin attraction at the Turtle Farm.

The Speaker: Honourable Minister of Tourism.

Hon. W. McKeeva Bush: Mr. Speaker, that is the first compliment I have received from that Member in two-and-a-half years, probably the last, however I should say that I am very specific in what I have said.

The question which he has in writing in front of him said, **"... will include the marine attractions, snorkel lagoon ancillary building and enabling MEP works."** I have said nothing about a dolphinarium. In fact, I said that it does not include it.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I am very well aware that this substantive answer does not include any such statement. I am asking him, with the greatest of respect, to answer the question. Will there be a dolphin attraction at the Cayman Islands Turtle Farm?

Hon. W. McKeeva Bush: Mr. Speaker, that is a separate and total question from what he has been asking and he will have to put that one in writing. I did not come prepared for that. I have said that it is not included in this work because that was his first question.

However, I have said to this country that we support such a facility in this country and the reasons why we support it. Once all the scientific research, and all the work, has been done and has complied with all the requests of the Convention on International Trade in Endangered Species of wild Fauna and Flora (CITES), then I have no problem in supporting it. I believe it is a good thing for our tourism product. Practically all of our major competitors in the region, and even those that are not, have dolphin programmes. I do not see any reason why this country should not have one once all the scientific work has been done.

The Speaker: The Second Elected Member for George Town. I will allow one…

[Pause]

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I would really beg your indulgence because the Honourable Minister danced so much with that set of supplementaries that I was really asking the same thing over and over again. Therefore, I am begging you for your indulgence in order that I can ask a few more supplementaries.

In his response the Honourable Minister has said that the project is being funded through a bond lease issue by a private placement in the US capital market using the Credit Tenant Lease Financing Programme. In the budget address it was stated that the funding for this project will not come from the Government nor will the Government have to provide a guarantee. I wonder, Mr. Speaker, if the Honourable Minister could provide us with a bit more detail in relation to this Credit Tenant Lease Financing Programme. What does it involve? How is it structured? Does it mean that, essentially, the control of the Turtle Farm is going to vest in the hands of some outside entity and who, in particular, is this entity?

The Speaker: The Honourable Minister of Tourism.

Hon. W. McKeeva Bush: Mr. Speaker, let me try to answer some of that because I cannot answer all of it. I will make a statement in September once we have completed certain negotiations.

The farm reviewed local options for financing the project however could not get the funding without a Government guarantee. Government's role in the financing programme is that the Government does not have to give a guarantee nor will it be carried on the Government's balance sheet. it will be a fixed cost amortising lease contract. The business plan presently accommodates the lease payment with significant margins. Mr. Speaker, I cannot say anymore about it because negotiations are not complete. When the negotiations have been completed we will bring it to the public as I have always done.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I am even more puzzled now. The Honourable Minister has referred in his answer to a Credit Tenant Lease Financing Programme. To the best of my knowledge the Turtle Farm is owned by a company which is wholly owned by the Cayman Islands Government. Again to the best of my knowledge, all of the assets of the Turtle Farm, including the site, are owned by this company which in turn is owned by the Cayman Islands Government. I am therefore very interested to learn what sort of Credit Tenant Lease Financing Programme we are talking about.

Is it proposed that the farm and its assets be leased to some company who will then sub-lease it to us? How are the lease payments going to be paid and what are they going to be paid for? We already own the Turtle Farm, as far as I am able to ascertain. I really do hope that the Minister can go someway to explain this new terminology. We have heard about Private Financing Initiative (PFI) and we know what that means now but this, Credit Tenant Lease Financing Programme, is a brand new creature and I wonder if the Honourable Minister could educate us about it.

The Speaker: The Honourable Minister of Tourism.

Hon. W. McKeeva Bush: Mr. Speaker, he is correct, the Turtle Farm is owned by a company and that is the reason why we can go into this new arrangement which is part and parcel of the PFI. It has been explained in this House over and over again.

As to the question how lease payments will be made; they will be made by making money, and when the money is made the lease will be paid. Mr. Speaker, I have no more information at this time to give. When we have concluded negotiations I intend to make a full open statement on all. I am not going to delve further into it because they are presently in negotiations.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I do not want the Minister to become alarmed. I am not trying to delve into the details of the negotiations; I am trying to understand the structure of the financing arrangement. The Minister has given us a little glimpse into it by saying it is a form of Private Financing Initiative (PFI). That causes me to ask another question because PFI has been explained to us by the Honourable Minister of Communications and Works in the past.

As we understood it, Private Financing Initiative works because Government does not actually own the asset hence the risks involved in the development of the project vest in the PFI contractor, whoever that entity or individual is. That is what is being proposed regarding the two new Government buildings. However, what I find difficult to understand about this is that to the best of my knowledge — and indeed this has been confirmed by the Honourable Minister just now — the property and the assets at the Turtle Farm are owned by the company, Cayman Islands Turtle Farm Limited. Therefore, what is it that this PFI contractor or Credit Tenant Lease Financing contractor is going to lease to us since we already own the property? That is what I am having difficulty understanding.

The Speaker: Honourable Member, we have gone deep into that. If we insist on using up the supplementary questions on the same item, understand that we will have a limited number of Supplementaries. I will allow the Minister to answer this one and I will allow one further supplementary.

Hon. W. McKeeva Bush: Mr. Speaker, I have said it is not yet completed and I can offer no other information at this time. A good Opposition will understand that. They have asked a question, I have given as much information as I can. Albeit they have asked in a roundabout way and as I said, when the matter is completed I will be open, as usual, with the matter.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Just one last supplementary, Mr. Speaker. I wonder then if the Honourable Minister can confirm that the Private Financing Initiative contractor involved in this case is a company called Prospect Ventures out of Canada.

The Speaker: The Honourable Minister of Tourism.

Hon. W. McKeeva Bush: Mr. Speaker, the financial institution providing the required funding for the pro-

ject is William Blair and Company and Quad Capital both out of Chicago, I think. There is a Caymanian owned entity which acts as agent and is a Cayman Islands registered company.

The Speaker: Madam Clerk.

Question No. 61

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

No. 61: Mr. Lyndon L. Martin asked the Minister responsible for the Ministry of Tourism, Environment, Development and Commerce if there is provision in the current budget for the acquisition of a second K-9 dog and handler for Cayman Brac?

The Speaker: The Honourable First Official Member responsible for the Portfolio of Internal and External Affairs.

Hon. Donovan W. F. Ebanks: Mr. Speaker, there is no provision in the current budget to acquire a second K-9 dog for the Cayman Brac police, but the use of police K-9 dogs on Grand Cayman is flexible enough to allow deployment as and when needed on Cayman Brac.

In the meantime there is a dog under the control of customs in Cayman Brac.

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

Supplementaries

Mr. Lyndon L. Martin: Thank you, Mr. Speaker. I would like to ask the Temporary First Official Member for an undertaking that during periods of leave for the dog handler in Cayman Brac, be it annual leave or sickness, that a dog and handler could be provided from Grand Cayman given the flexibility noted in this substantive answer to ensure coverage.

The Speaker: The Honourable First Official Member.

Hon. Donovan W.F. Ebanks: Mr. Speaker, certainly we can liaise with Customs, who have control of the dog that is currently there, and try to come up with an arrangement where there is information passed on in terms of scheduled leave or any extended leave or other unforeseen reasons.

The Speaker: The Honourable Leader of Opposition.

Hon. D. Kurt Tibbetts: Thank you. Mr. Speaker, can the Honourable Member state how many K-9 dogs and accompanying dog handlers we have in total?

The Speaker: The Honourable First Official Member.

Hon. Donovan W.F. Ebanks: Mr. Speaker, I am advised that Royal Cayman Islands Police (RCIP) has seven dogs and seven handlers. I am also aware that Customs has a number of dogs at Northward although I cannot, unfortunately, give you a number for either one of those agencies.

The Speaker: The Honourable Leader of Opposition.

Hon. D. Kurt Tibbetts: Thank you. Mr. Speaker. Is it that it is one dog per handler, or a pool of dogs? I know there is this personal relationship thing where it is one dog per handler. Thus, any deployment would mean a dog and a handler.

The Speaker: The Honourable First Official Member.

Hon. Donovan W.F. Ebanks: Yes, Mr. Speaker, the Honourable Member is correct in his assumption on the relationship with the dog and the handler.

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker. I think the Official Member said there were some seven or eight dogs in the police force and he was unaware of the number in Customs, but they certainly have a few. Why is it we need all these dogs in Grand Cayman? Can't one of these K-9s plus the handler be deployed to Cayman Brac in the meantime, until they receive one for Cayman Brac?

The Speaker: The Honourable First Official Member.

Hon. Donovan W.F. Ebanks: Mr. Speaker, there is a dog assigned to Customs over there and there are dogs here that, when an operation is scheduled or when there is a need, are deployed over there.

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

Mr. Lyndon L. Martin: Thank you, Mr. Speaker. I would like to add some information that I have just learned from the Customs officer. The budget does have a provision for adding a new dog to the Brac although it is under Customs and not Police.

The Speaker: If there are no further supplementaries we will move on to the next question.

Question No. 62

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

N0. 62: Mr. Lyndon L. Martin asked the Second Elected Member for Cayman Brac and Little Cayman if all law enforcement officers are required to register all outside interests.

The Speaker: The Honourable Temporary First Official Member responsible for the Portfolio of Internal and External Affairs.

Hon. Donovan W.F. Ebanks: Mr. Speaker, in accordance with section 13(a) of the Police Law (1995 Revision), no police officer shall engage in any trade, business, employment or office whatsoever, or take part in any commercial undertaking outside the scope of his duties under this law, except with the authority of the commissioner. The commissioner of police has granted permission to some RCIP officers to engage in some of the above undertakings.

Other law enforcement officers are governed by General Orders.

The Speaker: Are there any Supplementaries? If not, Madam Clerk, we will move on to the next question.

Question No. 63

The Speaker: The Elected Member for East End.

No. 63: Mr. V. Arden McLean asked the Honourable First Official responsible for Internal and External Affairs if any students from St. Matthew's University have ever been arrested for drug related offences?

The Speaker: The Honourable First Official Member responsible for the Portfolio of Internal and External Affairs.

Hon. Donovan W.F. Ebanks: Mr. Speaker, four students from the St. Matthews University have been arrested for drug related offences. This arose from the same incident on 2nd November, 2002.

Supplementaries

The Speaker: Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker. Here we go. My question is, have those students been charged with an offence?

The Speaker: The Honourable First Official Member.

Hon. Donovan W.F. Ebanks: Mr. Speaker, the four individuals were not charged; they were dealt with by way of formal caution.

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: Mr. Speaker, can the First Official Member tell us what Government's policy is with regard to drug use?

The Speaker: The Honourable First Official Member.

Hon. Donovan W.F. Ebanks: Mr. Speaker, Government's policy is reflected in the legislation that we have in place and there are various matters that constitute offences and there are various provisions for how those pieces of legislation are enforced. Therefore, when the Member asked what Government's policy in relation to drug offences is, I think he is quite familiar with the relevant legislation.

The Speaker: The Elected Member for East End

Mr. V. Arden McLean: Thank you, Mr. Speaker. What I was looking for is whether there is a percentage of tolerance that is allowed before prosecutions are implemented, or someone is reprimanded with a slap on the wrist and allowed to leave the station.

The Speaker: The Honourable First Official Member.

Hon. Donovan W.F. Ebanks: Mr. Speaker, I think in any situation where a law enforcement officer comes into contact with a situation where an offence has been potentially committed, or has been committed, for example, stopping someone driving down the road for doing more than the speed limit, the officer makes some judgement whether to prosecute, to caution or take some other course.

I do not think there is any written policy that if you find people of a certain age, of a certain nationality with a certain quantity of a certain drug, that you will caution rather than prosecute. Nevertheless, that is not the only situation where police have used caution in circumstances they felt warranted it.

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: Mr. Speaker, am I hearing the First Official Member say that in issues relating to drugs the police have in the authority to caution people and allow them to move on? Is it not the country's policy that there is zero tolerance on drugs? Is it that we are hearing that the police have the authority to remove that policy? What about Vision 2008? Is that not the Government's policy on drugs?

The Speaker: The Honourable First Official Member.

Hon. Donovan W.F. Ebanks: Mr. Speaker, I hear the Member's question and I hear his passion. I could ask him, have we not, with equal passion as a community, said we wanted to stop killing young people in car accidents and would he be as vehement, or alarmed, if

he heard that police were cautioning someone who was doing 41 miles per hour rather than 40 miles per hour? There is an element of discretion that law enforcement officers have and I can assure him that in the case of drug matters it is not exercised liberally; however I will be honest with him when I say that is not the only incident when that route has been used.

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: Mr. Speaker, I wonder if the First Official Member can now tell us why was it exercised so liberally in this instance.

The Speaker: The Honourable First Official Member.

Hon. Donovan W.F. Ebanks: Mr. Speaker, whether liberally or not, I can tell him why it was exercised. The individuals were people who were, certainly from our records, of previous good character and they were in their final year of studies and the officer felt that under the circumstances the caution was appropriate. They were persons who would have been, in any case, leaving the Island in the foreseeable future.

The Speaker: Elected Member for East End.

Mr. V. Arden McLean: Mr. Speaker, I have seen in my country, these Cayman Islands, where we too have caught students in our schools with drugs before graduation and who were charged under the Misuse of Drugs Law. I would like to know why it is that someone who is a resident in this country, albeit he or she is a student, cannot be charged and is not charged only because they are in their final year of college. Has it ever been that the Government of this country has had to negotiate with other countries about our students committing an offence there, having them reprimanded and released? I cannot think of many, however, I am wondering about that question.

The Speaker: The Honourable First Official Member.

Hon. Donovan W.F. Ebanks: I am not aware of any situation where the Government has had to negotiate with any foreign government in relation to any Caymanian student resident in a foreign country. I do not exactly know what the Member is pointing at however I am not aware of any such situation.

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: Mr. Speaker, can the First Official Member tell us the rank of the officer and possibly the name of the officer who made such a decision? If not the name, the rank.

The Speaker: The Honourable First Official Member.

Hon. Donovan W.F. Ebanks: Mr. Speaker, the rank of the officer was that of the Detective Chief Superintendent.

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: Mr. Speaker, can the First Official Member tell us what section of the police force was this Chief Inspector working in. Is he head of the Drug Task Force? Is he head of the Special Forces?

The Speaker: The Honourable First Official Member.

Hon. Donovan W.F. Ebanks: Mr. Speaker, at the time of the incident the officer was head of the Drugs Task Force.

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker.

Back to square one. We got him again. I am wondering if the First Official Member can tell the country and this Honourable House if Mr. Derek Haines was the arresting officer or did he intervene in the case.

The Speaker: The Honourable First Official Member.

Hon. Donovan W.F. Ebanks: Mr. Speaker, it is my information that the Detective Chief Superintendent was not the arresting officer although the officers who were arresting were officers under his command and as such were responsible to him.

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker, for your indulgence. Can the First Official Member tell us what the charges were? Possession? Use? Distribution? Importation?

The Speaker: The Honourable First Official Member.

[Pause]

Hon. Donovan W.F. Ebanks: Mr. Speaker, as I understand, there were no charges filed. As such, my only answer to the Member in terms of what the charges were is that there were no charges.

I can tell him that the circumstances of the incident, as I understand it, were that the police officer was called to a home occupied by these four persons on an unrelated matter. The officer smelled what he thought was ganja, requested a search and as a result he found four separate amounts of vegetable matter which together totalled 5g or ¼ oz. All four persons were arrested, three of the individuals' urine samples showed positive for ganja use.

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: Mr. Speaker, can the First Official Member tell us on suspicion of what; whether it was distribution, importation, possession, consumption. Which of those charges were they suspected of?

The Speaker: First Official Member.

Hon. Donovan W.F. Ebanks: Mr. Speaker, I would expect that having found something that the arrest would have been on the suspicion of possession and consumption.

The Speaker: The Elected Member for East End, I will allow one additional supplementary after this one.

Mr. V. Arden McLean: Thank you, Mr. Speaker. It is a sad day in our country, but such is life. We will have to get over this one too like these same individuals have created in our country. I guess time will heal all. These people come here and use the Law to their advantage, and we do nothing about it.

However, I am wondering if the First Official Member can tell us, if circumstances were reversed and there were Caymanians in a home with 5g or ¼ oz of marijuana . . . has there ever been a time that they were slapped on their wrists and released? And how many times it has happened?

[Inaudible interjections]

Mr. V. Arden McLean: Mr. Speaker, I am sorry about that, they sabotaged my microphone too. Could the First Official Member respond please?

The Speaker: Honourable Member, in accordance with Standing Order 22(g), **"A question shall not solicit an expression of opinion or the solution of an abstract legal question or be hypothetical"**.

However, if the Honourable First Official Member would like to make some comment on the question, I would allow it.

Hon. Donovan W.F. Ebanks: Mr. Speaker, it is difficult to say whether, inherently, that quantity would attract a different response in a different set of circumstances. As I mentioned earlier, it is not an avenue of caution which is something that officers have used exclusively in relation to non-Caymanians.

One of the examples that I was given was one of 17-year-old Caymanian student who was caught with a small quantity prior to leaving for college in the US, and who was similarly formally cautioned.

As I said, there is an element of discretion that officers exercise and any of us can have our judgements as to how it is exercised, and I hear the Member's sentiments and I do not take them lightly. However, I will try to answer the question in terms of the reality of what pertains out on the street, as it were.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Anthony S. Eden: Thank you. Mr. Speaker. Would this information have been shared with the head of the college, or would this not have happened?

The Speaker: The Honourable First Official Member.

Hon. Donovan W.F. Ebanks: Mr. Speaker, I am advised that it would have been.

The Speaker: Madam Clerk, you can move on to the next question?

Question No. 64

The Speaker: The Second Elected Member for George Town.

No. 64: Mr. Alden M. McLaughlin, Jr. asked what steps are being taken by Government to address the recent increase of criminal activity and, in particular, violent crime in these Islands, aside from increasing the number of Police patrols?

The Speaker: The Honourable First Official Member responsible for Internal and External Affairs

Hon. Donovan W.F. Ebanks: Mr. Speaker, I was hoping that after last week's press conference on the subject the Member might have all the information he needed. The answer is:

1. The RCIP have designed and put in place a number of strategies and tactics to address the level of offences that are both covert and overt and mirrors the overall strategic policing plan of the RCIP: community policing, targeted policing and responsive policing.

2. The overt policing strategies include, inter alia, high visibility policing, including "joined-up" uniform and plain clothes police officers that patrol by marked vehicles, police equipped bicycles and on foot.

3. In addition, the Commissioner of Police at the request of Cabinet met and briefed the Honourable Ministers on the policing plans and resources required to meet the increased activities and demands placed on the service. In consequence of cabinet's expression of support and finance committee's provision of funding:-

   (a) Recruiting is now being conducted in the UK, Canada and within the Caribbean region for 20 experienced police officers to bolster the RCIP response to the increase in violent crime. In the meantime, overtime payments

are being made to officers undertaking additional counter crime duties.

(b) A new computer fingerprinting system is already in place and is being loaded with the RCIP fingerprint collection.

(c) Ballistic and stab proof vests, required to ensure the safety and confidence of police officers' performing their duties at this difficult time, are being attained.

(d) A specially equipped vehicle for Uniformed Support Group (USG) use is being procured.

(e) Additional police radios have been purchased and are already in use.

4. Other measures include working with the other law enforcement agencies (customs, immigration and prisons) on information gathering and intelligence sharing and, in some instances, joint operations that targets both domestic and foreign persons suspected of criminal activities.

5. As part of the continued restructuring of the RCIP, the community policing programme will be restructured and community beat officers will be placed in each constituency and under the direct command of the police district commanders (GTPS, WBPS and BTPS/outstations), they will work closely with their community development counterparts in each constituency and other community leaders and residents in solving problems at the grassroots level.

6. The implementation of crime prevention initiatives, including the recent publication of a crime prevention handbook. Other crime prevention initiatives will follow and an experienced officer that was responsible for spearheading the crime prevention handbook has been appointed to develop other crime prevention initiatives, including revitalising the neighbourhood watch scheme.

7. Re-deployment of traffic officers to district police stations (GT, WB and BT/outstations) to provide a planned approach to policing and patrols and to give district police commanders additional resources to address problems at the district level.

8. Two UK firearms and tactical experts recently conducted a four-week, intensive, advanced tactical firearms training of USG officers, as well as firearms incident and tactical commanders training for police senior managers and were joined by two senior customs officers. These officers are highly trained and six officers have attended specialised training in the UK. They are available 24-hours. In addition, a police armoury vehicle is on duty 24-hours and can provide a rapid response to any firearms incident.

9. Four police officers have already attended the gang identification and investigations training in the USA and will be attending the advanced gang identification and investigations training shortly. On their return, they will further develop the RCIP's gang strategies and tactics. They will also conduct further training of local officers and will be available to give presentations in the schools to students, teachers and parents and any other interested persons/groups.

10. Regarding the covert aspect of the policing strategies due to the sensitive nature of these operations and the need to preserve the integrity of ongoing investigations the commissioner would be happy to provide the members with a private briefing, including an intelligence briefing/presentation along with other key personnel and answer directly any questions or concerns that the Honourable Members might have.

Supplementaries

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. The Honourable Member has provided a comprehensive response which demonstrates how Government is going to react to the increase in violent crime in these Islands.

However, I wonder if the Honourable Member can say what is being done to study and treat the underlying sociological reasons for this increase in crime other than by demonstrating superior force.

I wonder if Government's social engineers have been tasked with the responsibility of delving into this to try to identify why this increase in crime is manifesting itself. What are they doing about the tremendous amount of work that was done two years ago dealing with youth violence, as there is a report on that?

The Speaker: The Honourable First Official Member.

[Pause]

Hon. Donovan W.F. Ebanks: Mr. Speaker, I made a comment outside of the answer on an event that took place last week and it was reported by the media at the time the press conference was given by His Excellency the Governor and the Leader of Government Business, Chief Secretary, and the Commissioner of Police. It was announced, at that time, that a high level committee involving the Chief Secretary, the Commissioner of Police, the Director of Social Services and a few others were being appointed to look at the subject of crime. I am unable to say specifically what the committee's terms of reference are and what timescale they propose to report to whom in. However, there certainly is this higher level initiative that is also underway.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I wonder if the Honourable Member would agree with me when I say that it does not appear that seeking to identify and deal with underlying problems is high on Government's list of priorities because we have been provided with a four page comprehensive response and nothing has been said about how Government is seeking to address the question of gangs or why it is that our society is becoming increasingly more violent? Nothing is being said about the root causes that are requiring us to react by over-policing.

I think, at this point, the Honourable Member should perhaps indicate what the complement of the Cayman Islands Police force is and how that relates to other similar countries in terms of ratio to population. My belief is that we must be on the high end of the scale. Therefore, I wonder if the Honourable Member can give some indication in that regard.

The Speaker: Honourable Member, I also find it necessary to draw attention to Standing Order 22(f)(xii) which limits the raising: **"of questions of policy too large to be dealt with within the limits of an answer; . . ."** We are talking about policy across, possibly various, Ministries nevertheless I would allow the question in terms of the number of police officers.

Hon. Donovan W.F. Ebanks: Mr. Speaker, the current complement is in the vicinity of 230 with 20 positions vacant, which we are now trying to fill. On a per capita basis that ratio may seem high. Obviously, when you are a jurisdiction of this size you have no other resource to draw on for any of the services, in fact, we provide the full complement. Any comparisons I think would have to be with jurisdictions of some other socio-economic and geographic parity.

The Speaker: The Elected Member for North Side.

Ms. Edna M. Moyle: Thank you, Mr. Speaker. I wonder if the Honourable Temporary First Official Member could say what specialised training these community beat officers from the police service are given prior to them taking up these positions in the districts.

The Speaker: The Honourable First Official Member.

Hon. Donovan W.F. Ebanks: Mr. Speaker, I am advised that officers are generally given training in community policing on an annual basis. It is hoped to run those courses more frequently as some of the complement is, or the vacancies are, filled up to better staffing levels in this programme.

The Speaker: The Elected Member for North Side.

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

I would like to thank the Honourable Temporary First Official Member for that reply and I look forward to seeing the improvement in these community beat officers as the training goes on.

My second question is, will this restructuring ensure that community beat officers will be in the districts and not taken out to do other jobs but will always be in that district doing community work; not taking up prisoners to town because the person who is supposed to do it is not there, and being totally out of the district at most times, as mine in North Side?

The Speaker: The First Official Member.

Hon. Donovan W.F. Ebanks: Mr. Speaker, it is perhaps best to say that the filling of the vacancies I mentioned earlier will be the most curative treatment for the problem the Member was alluding to. That is more than an actual restructuring however I am aware of her concerns and as we are able to fill those vacancies I would expect that she see less of that disruption.

Ms. Edna M. Moyle: Are you bringing supplementary finance appropriation to put them in?

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker. I have taken note in the substantive answer that we are currently conducting a recruitment drive in the UK, Canada and within the Caribbean for experienced officers to bolster the RCIP responses in increase in crime. My first question is, why all the way to UK?

The Speaker: The Honourable First Official Member.

Hon. Donovan W.F. Ebanks: Mr. Speaker, I think for a number of reasons, the police model system here is UK based. Our community here is very much a metropolitan and diverse one and we have always tried to ensure that the Force was reasonably reflective of the community that it policed. Finally, I do not think we would want to be seen to be drawing too many officers from any one particular jurisdiction.

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: Mr. Speaker, I cannot understand that answer however we will leave that one as it is anyway. I just wonder if vacancies are being advertised locally which, I know would not fill experienced posts, would certainly change the makeup of the police force or assist with changing the makeup in order that more Caymanians could be there as well. Is it anticipated that, in conjunction with this, young Caymanians will be given the opportunity to also join the police force.

The Speaker: The Honourable First Official Member.

Hon. Donovan W.F. Ebanks: Mr. Speaker, certainly the RCIP has been active and, I would suggest, has been quite successful in the last few years in terms of attracting young Caymanians into the police service. I have attended a couple of graduation events and the last one I went to a few months ago, out of a group of about 13, there must have been at least eight or nine Caymanians. Another group of recruits have just commenced classes and although I do not have an exact number, I think it is substantially Caymanian as well. Every effort is being made to attract Caymanians into the service. I think the majority of these people who are being recruited, as the substantive answer indicated, were for positions that required more experience.

What I am saying is we are actively recruiting and training. We had a graduating class about three months ago and a new class of recruits that have started training already and those efforts are ongoing. Certainly, the percentage of recruits coming in, is substantially Caymanian, I would think 75 to 85 per cent, which is where it should be and where it would have been nice to have been many years earlier.

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

Mr. Lyndon L. Martin: Thank you, Mr. Speaker. I was hoping the Honourable Member could provide the House with any information, directly pertaining to this sister Islands of Cayman Brac and Little Cayman, of any efforts in that jurisdiction to curtail the rise in crime, especially related to drugs and domestic violence.

The Speaker: The Honourable First Official Member.

Hon. Donovan W.F. Ebanks: Mr. Speaker, the RCIP is aware of the problems in both categories that the Member alluded to and I am advised that there are currently initiatives underway aimed at both target groups of offences.

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

Mr. Lyndon L. Martin: Thank you, Mr. Speaker. In an answer to an earlier question, the need has been recognised for additional training for the community policing officers. I would like to go on record and ask the First Official Member to express gratitude to the Royal Cayman Islands Police force for Mr. David Ashurst, the community police officer for Cayman Brac, who has been recognised by all of the schools and the community as doing an outstanding job in Cayman Brac.

The Speaker: The Honourable First Official Member.

Hon. Donovan W.F. Ebanks: Mr. Speaker, I am grateful for the Member's sentiments and I will certainly pass them on to the RCIP.

The Speaker: Madam Clerk, can we have the next question?

Question No. 65

The Speaker: The Elected Member for North Side.

No. 65: Ms. Edna M. Moyle asked the Honourable First Official Member responsible for Internal and External Affairs **t**o give the total number of Caymanian Status granted since November 2001 by:

(a) Grant;
(b) Marriage;
(c) Descent; and
(d) Executive Council

The Speaker: The Honourable First Official Member responsible for Internal and External Affairs.

Hon. Donovan W.F. Ebanks: Mr. Speaker, the total number of persons granted Caymanian Status from November 2001 to May 2003 broken down by category is as follows:-

(a) Grant	-	986
(b) Marriage	-	248
(c) Descent	-	61
(d) Executive Council	-	3

Supplementaries

The Speaker: The Elected Member for North Side.

Ms. Edna M. Moyle: Thank you, Mr. Speaker. Perhaps I should repeat my question as it appears on the Order Paper and on the reply.

"**To give the total number of Caymanian Status granted since November, 2001 by:**

a. Grant;
b. Marriage;
c. Descent; and
d. Executive Council"

My question makes no mention as to May 2003, therefore I would assume that my answer should have been up to the time that the reply has come back to Parliament and that is the question I need answered, Mr. Speaker.

The Speaker: The Honourable First Official Member.

Hon. Donovan W.F. Ebanks: Mr. Speaker, it is true that the question makes no reference to May; however the question was tabled on 10 June. It is normal

practice for answers to be prepared within a week to ten days, or two weeks, to the question, which was within June and the timescale that the question was worded in was in months.

In other words "from November"—and not in a specific date in November—and the answer that is given basically covers November to the previous month. I can understand that the Member may have been expecting more, and it is obviously now July. Nevertheless, the answer was ready and I apologise, however that is the period that it covers.

The Speaker: The Member for North Side.

Ms. Edna M. Moyle: Thank you, Mr. Speaker. I wonder if the Temporary First Official Member could then give this Honourable House the number of Caymanian status grants by Executive Council since May 2003 to the present time.

The Speaker: The Honourable First Official Member.

Hon. Donovan W.F. Ebanks: Mr. Speaker—

[Inaudible interjection]

Hon. Donovan W.F. Ebanks: Although, sometimes ignorance is good.

[Inaudible interjection]

Hon. Donovan W.F. Ebanks: That is why I can smile and look at the Honourable Member and tell her that I honestly cannot answer the question.

Mr. Speaker, I honestly do not know the number. I know there have been some grants, I think the Leader of Government Business earlier in this Sitting mentioned the fact that there were some grants related to the Quincentennial initiative. However, I do not know the number of grants that have been given by Council up to the present time.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I wonder if the Honourable Member would give this Honourable House an undertaking to provide forthwith—in writing or otherwise—the number of persons to whom Caymanian status has been granted between May 2003 and today 24 July.

The Speaker: The Honourable First Official Member.

Hon. Donovan W.F. Ebanks: Mr. Speaker, I will be more than willing to look to update element (d) of the answer. I understood that was the element the Member wanted more current numbers on. I will do so. I do not know about the forthwith dimension, however, I will certainly do so as soon as possible.

Ms. Edna M. Moyle: Just do not forget, which is the normal procedure for Council—to forget Supplementaries to bring back.

The Speaker: If there are no further supplementaries, we could move on to the next question.

Question No. 66

The Speaker: The First Elected Member for George Town.

No. 66 Hon. D. Kurt Tibbetts asked the Honourable Third Official Member to give an update on the implementation stage of the Financial Management Initiative with regard to the now "assented to" Public Management and Finance Law.

The Speaker: The Honourable Third Official Member responsible for the Portfolio of Finance and Economics.

Hon. George A. McCarthy: Mr. Speaker, as Honourable Members will recall, the Financial Management Initiative (FMI) was planned to be implemented in three phases over five years.

Phase 1: Involves Output budgeting and reporting, on a cash accounting basis and new budget documentation being completed by 2002/3.

Phase 2: Involves accrual budgeting and reporting, and output budgeting on an accruals basis being completed by 2004/5.

Phase 3: Involves decentralisation of financial inputs controls, being completed by 2005/6.

I am happy to report that the implementation is on schedule.

I would like to provide Members with more details about each of the phases and what we have achieved to date and, what we are planning to do.

The implementation of **Phase 1** is almost complete. As members are aware the move to strategic output budgeting has been completed. Members have received the new budget documentation for the 2003 half-year t and the 2003/4 fiscal budget year. Members have also received the Strategic Policy Statement for the 2003 half-year and the 2003/4 fiscal budget year.

The appropriations are also on the new basis and, as a result, Ministries and Portfolios have been given greater freedom to move money between input categories. Internal monitoring processes have also

been developed to ensure expenditure is controlled within appropriation limits.

A new Supplementary Budget process has also been designed and members received the first Supplementary Annual Plan and Estimates and passed the Supplementary Appropriation Bill at the end of June. This is in line with the requirements of the Public Management and Finance Law, and replaced the old Finance Committee process.

The next major step in Phase 1 was quarterly reporting. The report, on actual performance for the first three months in the 2003 half-year compared to the performance specified in the budget documents, was presented to this House in June 2003. This was an important development as this is the other side of the budget coin. Members should note that these reports were prepared on a cash basis. The annual report for the 2003 half-year is currently being compiled by Ministries and Portfolios.

Phase 2 of the implementation is concerned with moving to accrual based budgeting, accounting and reporting. This phase is currently underway.

All departmental and section finance officers have undergone introductory accrual accounting training and all departmental finance officers have also undergone more advanced training. In addition, persons with Certified Public Accountant (CPA) or equivalent qualifications have been recruited as Chief Financial Officers for each ministry and portfolio.

The Government's Financial Management System, IRIS, has been adapted to run on an accruals and multi organizational basis and has been rolled-out to each ministry and portfolio. As the rollout takes place, practice accrual accounts will be developed.

Work is also well advanced in preparing an opening balance sheet for the financial year commencing 1st July 2004. Fixed asset registers are nearly complete, as is the valuation of assets.

In August 2003 work will begin on preparing the first ever consolidated accrual forecast financial statements and these will be completed in time to inform the Strategic Phase for the 2004/5 budget process. The 2004/5 Strategic Policy Statement, which will be prepared on an accruals basis, will be tabled in the House in November 2003.

The consolidated accrual statements will include the financials of all statutory authorities and Government owned companies.

The 2004/5 budget will also involve the implementation of the remaining elements of the new budget system, namely inter-agency charging, three-year base line budgets and the capital charge regime.

Phase 3 is concerned with development of Ministry and Portfolio management systems and capability and the consequential delegation of input controls to Ministries and Portfolios. This is a key part of the implementation strategy because the new management system will require civil servants to change from being administrators who are required to apply centrally defined rules, to managers who are responsible for the efficient and innovative management of their ministries and portfolios. Achieving this transition this transition is the principal aim of phase 3.

Considerable work has already been undertaken as part of this phase over the last 2 years. This has focused on developing output specification, output costing, budgeting and reporting capability.

During the next 18 months the focus will shift to developing systems and capability in five new areas namely:

- Strategic Planning
- Managing output and ownership performance (including production management)
- Staff Performance Management
- Input acquisition and management
- Financial management and controls

A Management Support Unit has been set up under my Portfolio to assist the transition process.

Therefore, in summary, Mr Speaker, the implementation of the Financial Management Initiative (FMI) is on track to comply with the requirements of the Public Management and Finance Law that will come into effect from the 2004/5 financial year.

I would like to say in conclusion that a public reform initiative of this magnitude does not happen overnight. It requires committed people in the organisation that have a vision for doing things a better way; it requires careful sequencing to avoid reform overload being experienced by the civil service, that is why we have developed a five year implementation plan.

It also requires the understanding of legislators that we will make mistakes along the way, and I would like to thank Members of this Honourable House for their support, patience and forbearance as we have implemented the various phases of these changes.

I would also like to thank the Civil Service, Mr. Speaker, because they have been very co-operative.

I intend to hold an informal briefing session for Honourable Members on FMI and the way forward in the not too distant future.

Honourable Members will recall there was a request put forward for us to review the Public Management and Finance Law (Provisions) and this exercise will be undertaken quite soon.

Supplementaries

The Speaker: The Honourable Leader of Opposition.

Hon. D. Kurt Tibbetts: Thank you, Mr. Speaker. I would like to express my sincere gratitude to the Honourable Third Official Member for such a comprehensive answer. That response was certainly very much in line with his prayer this morning.

On page two of the substantive answer, third paragraph from the bottom, the Honourable Third Official Member says, **"Work is also well advanced in preparing an opening balance sheet for the financial year commencing 1st July 2004. Fixed asset registers are nearly complete, as is the valuation of assets."**

We have had discussions on this previously and I know that in itself was a very extensive exercise. What I would like to ask the Honourable Third Official Member in regard to the fixed asset registers is how he envisages this working with Private Finance Initiative (PFI).

I will explain quickly in order that the Member fully understands what I am saying. At some point in time, with introduction of PFI, some of Government's assets are going to be leased to certain entities and there is going to be, in my view, the possibility of some kind of mix. I am not quite clear how that is going to work. I wonder if the Member could relate to what I am speaking about to bring some clarity to that issue.

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, the concept of PFI is in its infancy and it is being explored as a financing arrangement. No final position has been taken on the PFI mechanism as yet and I will not run the risk and attempt to give an answer to the Honourable Member as to how the treatment of assets will be dealt with.

One of the things I can say is that under section 9 of the Public Audit and Finance Law, and that remains in force until the Public Management and Finance Law comes fully into force, there is a provision that any form of a guarantee to be issued by the Government in respect of a stream of payments, whether it be lease payments or any form of commitment, to an entity to procure services, over a period of time, can only be allowed by this Honourable House. It says that, unless it is approved by the House or approved in Finance Committee, it is not a valid undertaking that is given and then it becomes a personal obligation of the officer who gives such a guarantee.

This a roundabout way of addressing the question, however I will say that, in order to get to that stage, whoever is putting forward a PFI proposal will have to bring that proposal to this Honourable House's Finance Committee and at that time we trust that the specific accounting treatment will also be explained to this Honourable House and to the country as a whole. However, at present I would not run the risk and attempt to give a specific response to the Honourable Member because I am not in a position to do so.

The Speaker: The Honourable Leader of Opposition.

Hon. D. Kurt Tibbetts: Thank you. I am certain that the Member will remember the discussion, nothing more at this time. I am going to turn that thought into a question although it seems it will not be answered I think it warrants raising the issue here also.

As of 1 July, 2004 Government companies and the like, are going to be brought into the picture in some form or fashion when we are capturing the entire debt service ratio, and so forth. Therefore, I want to ask the Member to give an undertaking, when moving forward with all of those things, that these thoughts are borne in mind so that it does not create a situation that becomes very difficult and unwieldy to deal with. I am certain there are answers available as to methodology to be employed to keep the Public Management and Finance Law in line and to keep the Government not being ultra vires. I think that it is worth mentioning at this point in time therefore I am asking the Honourable Member to give a commitment to make sure that those things are borne in mind as the move is made forward.

The Speaker: Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I can give a commitment to the Honourable Member, however if he will recall there was a request, at the last meeting of Finance Committee, that a session be held with Members of the Legislature to go through the specific provisions of the Public Management and Finance Law. We do trust that as we go through we will look, in terms of the financial arrangements that will need to be put in place for the specific entities of Government, at what the expectations are under the Law and if there any amendments or adjustments to be made. Whatever considerations are to be given will be addressed at that time as we roll forward. It is not going to be just a broad brush exercise. I envision this exercise taking place where we will be going through paragraph by paragraph because it is not a question to be addressed by a specific Government. We are talking about the accounting framework for the country as a whole. We do trust that by the end of that exercise there will be a very clear understanding in terms of what treatment will be to given to all of these issues in terms of PFI, how assets will be treated, how lease arrangements will be addressed and all transactions that are likely to arise under the legislation.

The Speaker: The Honourable Leader of Opposition.

Hon. D. Kurt Tibbetts: Thank you. I thank the Member for that. In his answer when the Honourable Third Official Member referred to Phase 3 of implementation he mentioned that this concerns the development of management systems and capability and consequential delegation of input controls to Ministries and Portfolios. This is a key part of the implementation strat-

egy because the new management system will require civil servants to change from being administrators to managers responsible for the efficient and innovative management their Ministries and Portfolios.

Can the Honourable Third Official Member state, while everything is on target, whether the necessary amending legislation, or rules, or whatever form of policy documents, are also on target with any changes that have to be made? As there are going to be specific changes which will have to be dealt with, regarding personnel and the human capital involved? Under what auspices they will function? Can the Member refer to that issue with regard to where we are with that?

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I can confirm to the Honourable Member that initiatives are underway to address the personal aspects of the administration of Government. To this extent, the Chief Secretary is overseeing the development of a new Public Service Legislation Law together with accompanying regulations to give effect to the personnel reform. The design for the reform was developed and agreed by the Government last year. The design is consistent with the financial management reform and is based on the same philosophy of centralising responsibility to chief officers. The personnel reform is once again a Cayman model and includes appropriate safeguards and employment arrangements suitable to these Islands. Work on drafting the new legislation is progressing well and the Government expects to introduce the legislation during this current year.

The Speaker: The Honourable Leader of Opposition.

Hon. D. Kurt Tibbetts: Thank you. Finally, Mr. Speaker, perhaps the Honourable Member might think that this goes outside the ambit however I am hoping that he will be able to stretch his arm out and take the catch. In line with what he just spoke about, there is going to be an issue with regard to personnel and the ability of managers to deal with personnel issues, which changes the present structure.

Legislation that may be forthcoming would certainly dedicate the methodology to be employed however there is also a constitutional issue, which may not have any effect at present although perhaps will come. Can the Member state if these safeguards he refers to and the other issues involved are all being thought about to ensure that we are not spread-eagled without the ability to stand when we have to work with all of the various aspects in order for the well-oiled machine to function in the future?

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I cannot give the Honourable Member the specifics. However, I can say to him that the legislation is being developed in the context of the revised proposed Constitution and this is the track that it is on.

The Speaker: If no further Supplementaries we will move on the next question.

Question No. 67

The Speaker: The Honourable Leader of Opposition.

No. 67: Hon. D. Kurt Tibbetts asked the Honourable Third Official Member to give an update on the proposed new computer programme for the Customs Department which will allow for proper records to be kept on the various categories of dutiable items that are imported annually.

The Speaker: The Honourable Third Official Member responsible for the Portfolio of Finance and Economics.

Hon. George A. McCarthy: Mr. Speaker, in early 2002, consideration was given to the possibility of introducing ASYCUDA (Automated System for Customs Data) to the Cayman Islands. In July 2002, the Regional Technical Adviser for ASYCUDA visited the Cayman Islands, at no cost to Government, and delivered a two and a half hour presentation on ASYCUDA to Customs personnel and representatives from other key Government agencies such as the Treasury, Computer Services, Statistics and Economics Research Unit. The Financial Secretary was also in attendance.

Computer Services obtained the World Customs Organisation's Harmonised Tariff System on a compact disc and, in September 2002, demonstrated that its coding structure could be loaded into Customs Department's existing computerised system, the Customs Tariff Support System (CTSS).

The coding and classification structure contained in the Harmonised Tariff System will give a greater level of precision as to the value of individual items imported into the Islands each year, that is, a greater level of precision when compared to the present coding and classification contained in the Customs Tariff Law (2002 Revision). In late September 2002, Customs Department agreed to partner with Computer Services for continued use and modification of our existing CTSS system because it could achieve the same end result of producing better quality information at a cost that is less than acquiring ASYCUDA.

It was also recognised that before the Harmonised Tariff System's codes could actually be used in CTSS, the Customs Tariff Law required changing to become consistent with the coding structure in the

Harmonised Tariff System and, a Business Needs Survey, addressing both current and future requirements for the Customs Department and all other interested parties including major importers and traders, needed to be carried out.

A high-level "business needs survey" was completed by the Customs Automation Committee and their findings were submitted to Computer Services at the end of April 2003.

A team, comprised of staff from Customs, the Statistics Office and the Portfolio of Finance, has been established to make the necessary changes to the Customs Tariff Law. The team is tasked with adopting and modifying, in certain instances to suit our local needs, the coding structure in the Harmonised Tariff System and, changing the coding structure in the Customs Tariff Law accordingly. It is envisaged that this task will be completed by 30th November, 2003.

The Speaker: The Honourable Leader of Opposition.

Supplementaries

Hon. D. Kurt Tibbetts: Can the Honourable Third Official Member state, for the benefit of the Members of the House and the public at large, what are the true benefits to Government of the Customs Department being able to have proper records kept in the various categories of dutiable items that are imported?

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: The true benefit, Mr. Speaker, will be the availability of detailed information necessary for proper decision-making to take place. For example, the Honourable Member will recall (and this was done with the best intentions in the world) that a couple of years ago Government decided to remove customs import duty from bakery products. The view was based on the limited information that the impact on revenue within the Customs Department would have been negligible. It turned out that up until now, it has not been accurately quantified. However, during that time the Government lost over an estimated $7 million per annum. When members of the budget review committee took that decision the view was that perhaps it was just bread, bullas and buns and a few other items. Nevertheless, it impacted over two long shelves in most supermarkets.

[Inaudible interjection]

Hon. George A. McCarthy: No, not the Customs Department, I am not putting blame… I said the budget review committee.

[Inaudible interjection]

Hon. George A. McCarthy: I will leave it there.

There is a budget review committee that deals with the budget, Mr. Speaker. Therefore, this will allow the Government to find out what the impact will be within a narrow category rather than just within a broad band area; this information will be available.

In addition, this allows for the public at large, especially the importers themselves, to get a sense in terms of trends, and to see by way of statistical information, in terms of quantity, goods that are arriving in the country. If the Government has to take decisions and also guide discussion with segments of the community as a whole, in terms of the quantity of items arriving, whether it relates to customs import duty or other factors under consideration, this information will be available.

At this point the bands are very broad. If, for example, the Government decides that it is going to vary the duty on a specific item it cannot say that under item x (x being a part of a field) if the duty is, say, reduced by 10 per cent what the impact will be because of the fact that the banding was so broad. As a result, decisions cannot be properly taken by the buying community or the Government as a whole.

The Speaker: The Honourable Leader of Opposition.

Hon. D. Kurt Tibbetts: Thank you very much. I wish to thank the Honourable Third Official Member again for highlighting the importance of the exercise that we are discussing. Having explained the importance of it, he says in the very last sentence of his answer that, **"…it is envisaged that this task will the completed by 30th November 2003."**

I understand the task to relate directly to the changes in the existing Customs Tariff Law. If that is correct, can the Minister then state if there is a proposed timeline—understanding the cost constraints that have been looked at—for the Customs Department to be in a position to give the information that it cannot currently give, by being properly equipped to do so?

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, the Computer Services Department will be working very closely with the Customs Department in the development of the system. It will require retraining of staff however we would expect that once the software has been developed by Computer Services it will not pose a difficulty for the system to commence generating the information. As mentioned earlier, in terms of the Harmonise System that is being used by the world community, it has already been demonstrated that this can be loaded on top of the existing customs system.

I am aware of the fact that the senior management or the customs administration is also very

knowledgeable of what that system entails. What it does is that, with most wholesalers within the world community, especially in the United States, the goods that are being bought there fall within a certain category. Rather than these goods being brought to Cayman and having then to be reclassified, they would come with a standard coding and once the agreement of the importers has been secured then that becomes a basis on which duty would be assessed.

Therefore, rather than having to sit down and bulk ten or twelve items together into the 20 per cent category we do trust that, everything being so high-tech these days and computerised, this information could be provided by way of floppy disk or other means by which processing can take place. We are trusting that this information can be accessed on line by the Statistics office, the Economic Division and broadly available to all of the users that need that information. Hence, I do not envision that once this system has been developed that there will be a time-lag before it becomes operational within the Customs Department.

The Speaker: The Honourable Leader of Opposition.

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

My final question. First of all, just to say to the Honourable Third Official Member that I can tell him that the information he refers to is available because in the global village it does not suit anyone to want to withhold it because of the vicious circle that never ends. It does not suit one entity for the other entity not to be able to perform in the same fashion. It is available and I know that.

While the Honourable Member has not given me the timeline that I asked for, I am hoping he will give me an answer to the next question. This is a matter that has been discussed now for several years. I respect the fact that this answer gives something more tangible than I have ever known before besides just talking about it. It is an important issue and I would ask the Member to give an undertaking that—since it seems like the cost restrictions are not hurdles that cannot be overcome any more—he will keep abreast of the matter and push it forward?

For more reasons than the obvious revenue and budget ones it is important that Government has these records and the longer we take to create them the longer we will be disadvantaged for not having access to them. These reasons can, in the future, become very important to the Government of this country.

The Speaker: Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I can give an undertaking to the Honourable Leader of Opposition that the Government will keep abreast of this matter because everyone recognises the importance of this. It is not that I want to be evasive in terms of not agreeing a timeline because the steering committee was established in order to guide this process has decided on the 30 November.

There is a view for completion of this exercise and I sat on that steering committee meeting. The view was to have the consultation done with the importers and all of the interested parties and also for all of the administrative work activities to be gone into with a view that amending legislation could be brought to this House. I know it is a close call in September of this year and for this activity to be operational by November. I have been told that November is a bit ambitious however I always believe that it is important to set a timeline because the foreseeable future and the near future can be tomorrow as well as the next five years. I believe if we say the 30 November and it cannot be done then we can say by the 15 or 19 December. Nevertheless, I am anticipating that this will be in operation and information available and flowing by the latest 31 December of this year.

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: Thank you. Mr. Speaker, I know the Third Official Member spoke of the major importers, merchants and their involvement. I am wondering if he can tell us if these people are signed on and understand their role in supporting this programme such as providing information in electronic form as opposed to hard copies, and the like. Are they all supporting Government on the introduction of this system?

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, the Honourable Member has asked a very good question. I cannot say to him at this time that importers and all interested parties have signed on although this is what we are anticipating will take place once the advantages have been pointed out to them; that this information is not being collected for the Government's use as such, it also for them. We trust that with the consultation process in terms of meeting with the importers and all interested parties we will be able to secure their willingness to co-operate in this process.

Information has just been passed on to me that the Customs Department has given the assurance that the importers are willing to work with the Government. There is co-operation there.

The Speaker: Honourable Members, if there are no further Supplementaries, we will conclude Question Time. I now propose that we take the luncheon break and resume at 2.30pm.

Proceedings suspended at 1.15 pm

Proceedings resumed at 3.02 pm

The Speaker: Please be seated. Proceedings are resumed.

STATEMENTS BY MEMBERS OF THE GOVERNMENT

The Speaker: I have not received any notice of statements.

OTHER BUSINESS

PRIVATE MEMBERS' MOTIONS

PRIVATE MEMBER'S MOTION NO. 1/03

Survey Of Flood Prone Areas And Disaster Response

The Speaker: The Honourable Leader of Opposition.

Hon. D. Kurt Tibbetts: Thank you. Mr. Speaker, before I move the Motion I would seek some guidance.

There is an amendment that has been circulated and in order to expedite the process I would seek leave to read the amendment and perhaps if you would allow the debate on both rather than debate the amendments separately.

The Speaker: So ordered.

Hon. D. Kurt Tibbetts: Thank you. Mr. Speaker, I beg to move Private Members' Motion No. 1/03 entitled Survey of Flood Prone Areas And Disaster Response. The Motion reads –

"WHEREAS there are various areas in the Cayman Islands that are prone to flooding during sustained rainfall;

"AND WHEREAS virtually every year some residents of these Islands suffer damage to their homes and personal belongings as a result of storm water run-off;

"AND WHEREAS the exceptionally heavy rainfall as a result of a cold front in January of this year caused major flooding in some areas of George Town, in particular the communities of Scranton and the East, the Washington Boulevard area, Rock Hole, School House Road and Windsor Park;

"AND WHEREAS the January flood caused major loss, damage and inconvenience to many residents of George Town;

"AND WHEREAS residents in the flood prone areas of these Islands will continue to have to endure flooding during heavy rains unless a means can be found divert and dispose of the storm water run-off;

"AND WHEREAS there exists a National Hurricane Committee which is responsible for national hurricane preparedness and response in the event of tropical storm or hurricane conditions in the Cayman Islands;

"AND WHEREAS there is no governmental agency with similar responsibility in the event of major flooding.

"BE IT NOW RESOLVED THAT Government do give consideration to commissioning a survey of the flood prone areas of the Cayman Islands, particularly those in George Town, to determine the most effective means of alleviating flooding in these areas ;

"AND BE IT FURTHER RESOLVED that, following the said survey, a report of the findings be laid on the Table of this Honourable House [I will, therefore, just read the amended version thereafter rather than read the initial last resolved section. However, as a matter of clarity I will read it and then move the amending section. The last resolved section originally read:]

"AND BE IT FURTHER RESOLVED THAT the National Hurricane Committee be renamed the National Hurricane and Disaster Committee and that the said Committee be charged with responsibility for coordinating effective response to disasters such as flooding."

The Speaker: Is there a Seconder?

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I beg to second that Motion.

Amendment to Substantive Motion

The Speaker: The Motion has been moved and seconded. In the interests of time I am wondering if the Member would now bring the amendment.

All right.

Hon. D. Kurt Tibbetts: Thank you. Mr. Speaker, there will be the question put to the Motion, certainly, and I will speak to the Motion however I wish, at this point in time, to give notice of an amendment to Private Members' Motion No. 1/03.

In accordance with the provision of Standing Order 25(1) and (2) I give notice of my intent to move the following amendment to Private Members Motion No. 1/03 entitled, Survey of Flood Prone Areas and Disaster Response. By deleting the last resolved section and substituting the following, the proposed amendment is as follows:-

"AND BE IT FURTHER RESOLVED THAT the newly formed Stormwater Management Committee be charged with responsibility for coordinating effective response to all severe weather disasters including flooding both from rainfall and storm surge."

The Speaker: Can I have a Seconder for the amendment please?

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I beg to second that Motion.

The Speaker: The question is that Government do given consideration to commissioning a Survey of the Flood Prone Areas of the Cayman Islands particularly those in George Town to determine the most effective means of alleviating flooding in these areas,

"AND BE IT FURTHER RESOLVED THAT following the said survey a report of the findings be laid on the Table of this Honourable House.

"AND BE IT FURTHER RESOLVED THAT the National Hurricane Committee be charged with responsibility for coordinating effective response to all national disasters, including flooding, both from rainfall and storm surge."

Private Member's Motion No. 1/03

As Amended

The Speaker: The Motion is open for debate. Does the Member wish to speak thereto?

Hon. D. Kurt Tibbetts: Thank you, Mr. Speaker. I am grateful to you for allowing me open the debate on the Motion dealing with the amended version.

Just to make sure that I am doing the correct thing as the question been put on the original Motion and has it also been put on the amendment?

The Speaker: When I put the question I included the amended portion in order that the Private Member's Motion as amended is the Motion that you are debating.

Hon. D. Kurt Tibbetts: We are all seeking the same objective, Mr. Speaker. I was just making it absolutely clear that I was doing it right. Again I thank you very much for allowing the debate to take place on the amended version.

I thought that rather than take the Motion in each WHEREAS clause one by one and put forward my arguments in that manner I would simply try to give a synopsis of the situation and move forward with it, saying from the beginning that this amendment, along with the original Motion, is as a result of discussions with the Minister for Communications and Works, who would normally have been replying to this Motion however is off Island. Hence, another Minister will reply to it. Having had those informal discussions we have come to agreement with regard to the last resolved section of the Motion.

Needless to say, this Motion has been hanging around for quite a while and I am very pleased to know that we are able to debate it this afternoon, hopefully, with a view to move forward and see some tangible results in the near future.

Storm water drainage has always, as far back as I can remember, been a major issue in Grand Cayman. It has escalated over the years for reasons which I will put forward in my debate however the underlying reason from the onset is simply because the Island is flat and low-lying.

For many years people simply avoided the flood prone areas and developers left these locations in their virgin state. Traditionally, our storm water management system has consisted of vertical wells, known as deep wells, drilled in low spots where water is known to settle. These drain wells, especially the deeper ones with a larger diameter, are effective with moderate rainfall if they are maintained and kept clean. It sounds simple when we refer to maintenance and keeping clean, however, if this is not done, the difference when water is not being taken in by those deep wells would amaze you.

Over the past two decades we have experienced a very rapid pace of development; perhaps a little longer than two decades but especially over the last two decades and the majority of this development has taken place in small concentrated areas: commercial, industrial and residential zones, which have seen unprecedented activity.

This has been real good for the economy and at first glance we can easily boast a wind-fall that perhaps very few countries have ever experienced, especially given our comparatively small land mass and population. However, events during the recent and not so recent past beg the question, "At what price are we able to make this boast?"

The social landscape could be examined and debated for weeks on end and still the observations would not be totally exhausted. For now though, let us just focus our view on the topography and the impacts of the development which the country has experienced over this period. It is a fact, I submit, that rapid and indiscriminate development has been the culprit which continues to increase the storm water drainage dilemma which we face today.

Many of the naturally occurring drainage catchment areas have either been filled in or the natural drainage path to them has been blocked off. Storm water run-off either evaporates, seeps into the ground, sinks into the ground via natural ponds or deep wells.

As an area develops, roofs, parking lots, and other impervious surfaces replace the previous ground and this results in a very significant reduction in the amount of run-off that can seep into the ground.

Consequently, where used to be virgin land, you now have a building and a parking lot that is paved; water cannot penetrate and seep through.

It is almost like the woes of a rain forest with development; as development continues to take place there is less and less area in which the animals or the natives can survive.

Our planning laws and our regulations are stringent in their requirements and one of the standard conditions for any type of before any construction can take place development is that the ground be brought to at least four feet above mean sea level. This is to ensure that the developed area does not itself experience flooding. However, the mere fact that not all of the raw land is being developed simultaneously explains why so many residents, and the country, continue to experience more frequent and devastating flooding. Even what might be considered to be very slight changes in the topography as a result of land reclamation can and certainly will result in drastic changes to drainage patterns.

Since water seeks its lowest level land reclamation can have devastating effects on properties literally miles away. Whenever weather patterns cause storm water run-off on land it is ironic that those who suffer most are, in most cases, the least equipped to deal with the resulting economic and social consequences.

Whilst George Town faces the brunt of the problem, and many find they are unable to cope at times, flooding does not only occur in George Town. It also occurs in the other districts including Cayman Brac and Little Cayman. It is always heart-wrenching to see entire communities devastated, with families having to stand by and watch their houses and their belongings either being destroyed or damaged, unable to do anything but watch and pray for it to end sooner rather than later. We have had several recent examples of that.

I remember we used to expect it once a year and you would almost brace up when it came around that time. You would expect it unless there was a hurricane or something like that occurring. For example, within six months this year we had two shots of it and the third one came that close. Another hour or two of continuous rain and we would have been faced with a similar situation again.

The Public Works Department, the Fire Department, the Department of Social Services and all of the other relevant agencies all do their very best when these situations occur. Consider the damage to homes, buildings, personal effects and businesses too. Besides the physical damage to structures, many man hours are lost due to having to close down for repairs before they can get back up and running again. Continuous flooding also causes tremendous damage to roads and it dramatically shortens their life span. Although I am not trying to compare human beings to roads I mention these things to try to get a clear picture of the difficult kinds of costs we are looking at when, on many occasions, flooding occurs.

We look at schools having to close for days and finding it almost impossible to catch up during the course of the year. Children move from one school to the next not having had the benefit of completing a curricula. Again, it is difficult to attach cost to that but it is real damage that inevitably, some of which, cannot be fixed.

When we moved this Motion originally, in February, it was not a knee-jerk reaction. The real truth of the matter is we accept fully that, as time has gone on, the situation has become more acute because of development.

Also, if attention is paid to our weather patterns, and if we speak to the older folks, we realise that those weather patterns that were constant and consistent for many years have been changing and rainy seasons are here nowadays that were never heard of ten or fifteen years ago because that was a different time. That is fact. I am not trying to explain all of that however I am saying it is a fact because it has happened and it continues to happen.

Thus, it is not like you can have a window and say, "Well, we are going to be okay for now and let us see if we can prepare during this small period of time and if we can get through that we will be okay"'. It does not work like that anymore. What we need to do is to find real solutions in order to be prepared all the time.

Unfortunately, the situation does not allow for each individual to be able to take care of his own situation in order to fix it. As I said earlier in the debate, the physical effects of one location can affect what will happen three or four miles away simply because of the topography of the land.

There are specific and individual situations which are difficult to arrive at solutions for. I remember a few years ago there was a similar situation continually occurring at Randyke Gardens and there had to have been, to the best of my memory, at least four or five occasions when the majority of those 40 plus houses flooded out. It caused much hardship, much pain to people, a lot of money, a lot of wrangling with insurance, trying to get repairs done and trying to put deep wells into areas where the water tables were so high that it hardly made any sense.

A solution was found with culverts that extend through a dyke going out into the sea. Once that was done it was figured out that if the water had an avenue by that method to go there, it was realised where the flooding was physically coming from. It was not just coming from what might have fallen out of the sky directly on to the ground in that location. It was coming through a dyke that kept overflowing because of the lay of the land and water seeking its lowest level through. Hence, when that discovery was made and

culverts were put straight through into the sea there has been more severe flooding since then and they have been fine.

While the solutions may not all be easy I make the point to say that we need to find solutions that are real and we need scientific data to be able to arrive at those solutions. Some people may just pass it off and say, "Well, if you flood the place with deep wells it will be okay" however we all know the answer is not as easy as that because you have to have the space in the ground to take the water and if there is no space the water is not going to go in. That will help to a certain point although there will have to be other solutions and I am certain the answer will not be found with a single solution; it will inevitably be a multi-pronged approach which might bring meaningful solutions.

Many of us have witnessed situations where we have to find ways and means for that not to be a regular occurrence, because, as I said before, we will inevitably find that the majority of people this flooding affects are least equipped to be able to deal with it. These people continue to be frustrated and we must find some type of solution towards this end. It does not limit itself to those types of people as I already mentioned. It includes businesses and schools, and the rest.

I want to take just one little area to show why the answer is not easy. The area that is known down in the east; the very fringe of that area does not normally flood however there is a certain section where the majority of the homes are literally in the bottom of a basin. Development has taken place around it in different areas. Planning laws and regulations have mentioned before the land has to be brought up to a certain level. Therefore, the land around it in several different locations is a lot higher than the bottom of this basin. After a certain amount of rainfall the ground cannot take it anymore; the pumps and the drain wells can only do so much and the water seeks its lowest level. Consequently, it goes right down into the basin. The people there have tried their best by doing different things; they have raised their floors or put up small retaining walls in the front of and around the sides of their homes for the water not to come in, but even that does not work beyond a certain point.

Right in that area for instance, is where the new Government buildings are going to go. I am not quite sure of my direction, however I would think somewhere to the south east of that location. I am certain it is going to call for that ground to be elevated. There are plans for a multi-storey car park and sizeable structures which mean more impervious surfaces. No matter what type of on-site drainage is planned it is going to cause a problem because that land mass is not going to be there anymore to absorb the water that falls on it. That in itself is a problem.

One might say they were in a prime commercial area hence the value of their property should allow for them to be able to sell and relocate comfortably except it is nowhere near as easy as that. Individual parcels of many of those homes are much less than a normal house lot. While the per square foot value might seem to be fairly high, the net value is not that great and it does not stop there. You have generations of decent citizens who have been staying there as a close community and who do a lot of things together. You could take one yard and find that over the years, because of their ability to co-exist, four brothers and sisters are living on the same parcel of land, from three generations ago, and each of them has his or her own little location. You might have a two-storey structure and one brother and his family live downstairs, a sister or another brother and her family live upstairs. Consequently, if you speak about relocating four different families it is a problem. The answers are not as easy as we think. Besides, when it does not flood those people do not want to go anywhere from there. It is only when this problem arises that you hear them saying they want to move away because they cannot take it anymore. However, the moment it goes away and somehow they get things back to normal there is not much you can tell them to convince them to move from there, unless they have those vivid memories of their problems with flooding from a few days or weeks before. I only use that as an example and I am not saying that everywhere is like that. However, there are many situations where businesses and individual home owners face similar problems, " Who is going to buy my home that floods out and give me enough money to go somewhere and live that does not flood?"

By and large, I say relocation is by no means anywhere near an answer that will provide some type of solution. Therefore, we have to find solutions within the present circumstances.

It is my understanding that the Government has recently formed this Stormwater Management Committee and I would not venture to say what its charge is because I am not quite sure. However, I understand that this committee will consist of many of the technocrats that would be required to have a real look at the situation, together with the representatives from the various agencies required to coordinate an immediate response when emergencies occur.

What we need to happen and what the Motion is seeking is to be able to assess the problem that we face and to be able to arrive at meaningful and short, medium and long-term solutions to that problem. It also seeks to have a dedicated entity which is charged with the responsibility of being able to coordinate the type of response that is absolutely necessary whenever situations do occur. Even when you are able to provide solutions that will come about with rainfall there are other situations which will occur at

the hands of nature and the elements which may be extreme. While God has blessed us for many years and we have not had the type of disaster that we have seen elsewhere, it is not impossible and we must be able to deal with whatever may come our way, if we are going to be the protectors of the citizens of this country.

It is apparent from my discussion with the Minister that the Government is minded to accept the Motion. There are other aspects of the Motion which I could discuss. I think I have laid the groundwork as to the intent of the Motion and I think that having done so we can now wait to hear what other Members have to say. I will then be able to respond accordingly in closing.

Suffice to say that all of the Members of the Parliamentary Opposition not only are in support of the Motion but would eagerly anticipate action on the part of the Government.

I would also like to say that the Members of the Parliamentary Opposition are quite willing, as we always are, to play whatever role we can play with regard to assisting in bringing about the very urgent solutions that are necessary in order to make some meaningful response to alleviate the problem with flooding that seems to be occurring almost on a regular basis now.

I certainly commend the Motion. As I said, I will wait to hear what other Members have to say and then, assuming safe passage, will be able to move forward with timelines to be able to see some tangible results. Those people who are most affected by the problem highlighted in the Motion can see some light at the end of the tunnel. It is not something that can be solved in a day however once it is known that there are pointed efforts in that direction it will give some comfort and the strength to wait until solutions can be found and implemented. Again, Mr. Speaker, I commend the Motion and I will wait to hear what other Members have to say. Thank you.

T**he Speaker**: Does any other Member wish to speak? The Honourable Minister for Community Services.

Dr. the Hon. Frank S. McField: Mr. Speaker, I will give a response to Private Members' Motion No. 1/03 which is a response by the Honourable Linford A. Pierson, OBE, JP, Minister of Planning, Communications, Works and Information Technology on the Survey of flood prone areas and disaster response.

Before I go on to make the comments on behalf of the Honourable Minister of Communications and Works, I would like to thank the Leader of the Opposition on behalf of the Government for the research he did, in terms of being able to present to this House a comprehensive view of the issues which are involved in this particular Motion, not only from the technical side but also from the social side.

In response, the Honourable Minister of Communications and Works states: **"The Government is in support of this Motion though it is of my opinion that this Motion has been subsumed by Government's ongoing initiatives on crisis readiness and management strategies. I would like to point out that this Government and, indeed, past governments have been addressing the issue of storm water management for several years.**

"While there are many problem areas still remaining there have been some significant improvements. Most notably of these is Randyke Gardens where a drainage system consisting of a dyke to the South Sound area and several drainage culverts on the South Sound road to the sea have practically eliminated the severe flooding previously experienced in that development.

"Under the Public Works Department (PWD) drainage improvement programme, over the past few years, numerous drainage wells have been installed in problem areas including almost 50 new deep wells in 2002. Also, in the current review of the development plan the infrastructure special issue committee addressed storm water management in great detail and made the following recommendations to the development plan review committee which has now been included in the proposed development plan 2003. [He quotes] '**Development is encouraged to implement state of the art techniques that manage storm water run-off through redesign streets, open spaces that take into account the natural drainage characteristics and overall designs which require less corrective measures in the long-term. When a site is developed the design should maintain drainage characteristics of the site as much as is feasible through innovative design and use of alternative construction techniques. Development should be designed so that post development storm water run-off is less than predevelopment run-off. For an island that is almost completely flat, topographically, low-lying storm water management has always been a major issue.'**

"Storm water run-off generated during periods of rainfall can be managed in one of the following ways. It can:

- **be collected and stored in some type of storage tanks and cistern,**
- **Percolate into the ground naturally or by installation of drainage wells;**
- **Remain as standing water for long periods until it evaporates;**
- **Flow to lower surrounding areas and/or ponds at times eventually to the sea.**

Implementation of a properly designed drainage system may include one or more of the methods mentioned above.

"During the rapid development of the Islands over the past ten to fifteen years, although PWD and the Planning Department made efforts to require that developers implement drainage systems to manage storm water run-off generated on their sites, there has not been enough thought or attention given to the effect of new development on the surrounding areas.

"This is particularly true of the Linwood Street and Martin Drive areas off Shedden Road or Scranton and the East. These areas are naturally very low lying and are now surrounded by developments that have been built much higher. As a result, storm water run-off in the low-lying areas has become extremely difficult to manage since the ground level is very close to the water table, the ground becomes easily saturated and drainage wells do not work effectively.

"This situation exists in several locations on the Island, primarily in the densely developed areas of George Town. Government believes that there are two components to the drainage problem that must be addressed. They are:

1) corrective measures for those areas currently experiencing severe drainage problems; and

2) drainage systems designed to accommodate future development without negatively affecting existing areas.

"The Public Works roads divisions has already carried out preliminary investigations and made recommendations for several levels of actions to be taken in the Prospect Park area and are currently undertaking a similar exercise in the Scranton and East area. The result of these studies and costs to alleviate the flooding problem will be advised to this Honourable House when the exercise has been completed.

"I am pleased to report that during the recent heavy rains in late May, while there was significant flooding in certain areas in George Town, it was not necessary to evacuate the residents as control measures taken earlier by PWD caused the water to subside at an accelerated rate. The area of Rock Hole also experienced very little flooding, in part, as a result of the number of deep wells placed in the area.

"At this time I would like to publicly thank the crews of the Public Works Department who attended to the clearing of the drains during the rains and also to the Members of the Legislative Assembly and the public who assisted. The drains can only function as long as debris is kept clear and the residents help and community spirit is very much appreciated.

"The issue of storm water management will continue to be an issue of major importance as the Island continues to be developed. Part of my Ministry's ongoing efforts to deal with this important issue will be the securing and purchase of key watershed property, which is a critical element in our long-term strategy to deal with flooding.

"Government has recently purchased one such parcel in George Town, off Walkers Road, which will be retained as a natural collector of storm water. These areas are also important as habitats for wild life. My Ministry has also formed the storm water management committee which will be chaired by the chief engineer, PWD and will have representatives from Public Works roads and buildings divisions. Water Authority, Lands and Survey, Mosquito Research and Control Unit, Department of Environmental Health, Social Service, the Planning Department as well as from the National Hurricane Committee to comprehensively review the issue of storm water management and related flooding and drainage issues. The committee has met and has made specific recommendations for action and implementation that are deemed appropriate to address this national issue.

"I would also like to point out that in the Government's policy statement delivered by the Honourable W. McKeeva Bush, OBE, JP, Leader of Government Business, on the 17 June, 2003, he stressed the high priority and the strategic plans being made to pro-actively deal with a whole range of potential crises that could affect our Islands including natural disasters and events such as flooding and hurricanes. This implementation of the Cayman Islands crisis readiness programme is being pursued and will involve the comprehensive training of both private sector and public sector organisations to better prevent, prepared, respond and recover from these threats.

"I would again like to thank all of those involved in our efforts to mitigate and respond to the risks associated with flooding and to advise that Government will continue to place high emphasis on this issue. The storm water management committee is expected to report back to the Ministry within four months with specific recommendations. I intend to brief this Honourable House again following receipt of the report. Thank you, Mr. Speaker."

I have just concluded reading the response of the Honourable Minister responsible for this particular issue and to state again he and the Government accept the private member's motion as amended.

I would just like to restate that we thank the Opposition for the clarity of their presentation and the

research they have done in order to include both the social and technical aspects involved in the issue.

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

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. I will not be very long and I certainly will not belabour the point. I think that the Honourable Leader of Opposition has done an exceptionally good job, and I think that has been acknowledged, in outlining the reasons for the concern and the issues, both physical and social, involved in this complex matter. We are grateful to the Honourable Minister for Community Services, who responded on behalf of the Minister responsible for Communications and Works, for gracefully accepting the Motion and indeed going further than that and actually outlining what it is that the Government is doing and contemplating doing about this serious issue.

I know both Honourable Ministers, on that side of whom I have spoken, feel, as we do on this side, the sense of almost hopelessness and helplessness at times of major flooding, particularly in the district of George Town. It is really heart-breaking because there is little to do when it is actually happening except try to empathise with the people who are suffering the effects of this flooding.

In this past year all of us, both Ministers on that side, myself and the Honourable Leader of Opposition, have been in the midst of the torrent and have seen the tremendous damage it does, not just to the physical properties but also psychologically to the people who are affected by it, particularly the older people, who are literally displaced as a result of it.

The situation in January was something I never beheld in my entire years in Cayman, particularly in the area known as Rock Hole and down in the east. In this last flood I did my rounds, as I am sure we all do when these things are happening because many of our constituents call us as they have nowhere else to turn. There is not a great deal that can be done except to make some provision, as the Government has done, to evacuate them and put them up. There is not a great deal to do while it is actually happening. I was astounded at the depth of the water in some areas of Windsor Park. The water in some streets there was at least three feet deep. I would like to point this out to the Minister although I am sure he probably is aware of it.

In the area where the affordable housing project is going in, that area has been built up significantly and I was not able to see that there was any major flooding on that particular site because I went there during the flood. However, over the course of the following weekend, constituents from that area came to my house to complain about the fact that their properties had suffered some water damage, which had not been the case in the past, because this area had actually been built up.

As the Honourable Leader of Opposition has said, this is a common problem when surrounding areas are elevated to meet with planning requirements and the like, and buildings are subsequently placed on that property, impervious surfaces are increased and since this land is actually elevated and because water has the tendency to find its level somewhere else, it has the effect of displacing water that would have otherwise remained on that particular property with the resultant problems to adjacent properties.

I think we all acknowledge and understand the seriousness of the problem. Even in the Prospect Park area, where I live (which the Honourable Minister referred to), there is a significant problem, particularly on Marina Drive. This is going to be one of the challenges to address because it is not simply a matter of raising the road as the homes there do not flood. By and large, it is the road. The water not only creates serious damage to the road and creates a dangerous situation, in many instances, for extended periods of time, following the flood. However, if one were to try to raise the roads then almost inevitably it would cause flooding of the homes and properties adjacent to the streets. Thus, another means has to be found to dispose of the storm water run-off there. Perhaps that one can be resolved although it will be fairly expensive. Technically, I do not think it is as big a problem as some of the others, not that I am an engineer, however the sea is relatively close and the installation of culverts would probably resolve the problem in that area.

I have just highlighted a few of the areas and issues. As the Seconder of this Motion, and as a representative of the district of George Town where there is the most serious flooding on a regular basis in the country, I have spoken to at least some length about this critically important matter which impacts the community so significantly and, certainly on a personal level, often brings tears to my eyes when I see the suffering of the people who have to endure this now on a all too regular basis.

With those few words I will conclude my short submission speech in support of this Motion which I commend to all Honourable Members of this House. Thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? The Third Elected Member for Bodden Town.

Mr. Anthony S. Eden: Thank you, Mr. Speaker. I rise to offer my support to this very important Motion.

I must say I was quite pleased at the level of debate that has taken place here this evening and the acceptance of both sides of the House on this very

important Motion which affects all of our people no matter which district we are from.

I would like to highlight some of the areas in my electoral district of Bodden Town and this is not a complete list. Some of the areas really have a difficult time.

The first one I will speak about is the Savannah Gully. This is a unique phenomenon. From the time I can remember and, I am sure, from time immemorial in the Sandy Ground area, on the west side of Pedro Castle, it is known as a gully. Once the wind, especially from passing hurricanes, crosses by, within hours, you can see the water coming through that gully coming into the Savannah area behind the United Church, heading up the road, across the garage into the Savannah area. I was told by many of the older people that this was what happened in 1932. It then went up to the Lower Valley area, into the Newlands area, behind Lower Valley. As a matter of fact, the two seas actually met because that water was coming from the south side and it went over into the Newlands area.

Another area that is affected by this same phenomenon and flooding is Savannah Heights (where the Honourable Chief Secretary lives). It is just a matter of time for the water to start coming up through Savannah and heading to the Lower Valley area crossing over Hirst Road and going down into Newlands.

A number of deep wells have been put in the area however, my conviction on the deep wells is, when you have literally dozens of acres of land under water it is like spitting in the ocean because the area is flooded and there is no where for that water to go. What I am hoping for is that this storm water management committee will be able to identify ways to drain. I know that the conservationists have concerns about this water going back into the sea.

However, when I was in government a few years back, the development on the major problems in the Randyke Gardens area involved a struggle getting public works and others to deal with that. We put our idea forward, however, to get them to put the machinery in there to open up the dykes and the culverts ... and I need not say any more. The success that has been achieved by draining that water into the South Sound area ... we have to look at man or beast or whatever.

I travelled with my two colleagues from George Town, the Honourable Leader of Opposition and the Second Elected Member, and all of us here on the Back Bench, to the down east area and it really pained our hearts to see how these people suffered.

I remember a few years ago in the area of what used to be Kirk Plaza, they created a drainage system there that was probably two or three feet wide by I do not know how many hundred feet long. This type of drainage proved quite effective and I would urge the committee, when they are looking at ways to solving these flooding problems, to look at something like this. The great United States have these, and it is going to cost a few dollars. The drainage would go into the sea, but there are ways of filtering the heft of the sediment that goes into these drains that would eventually go into the sea.

I remember they finally raised that up down by Treasure Island a few years ago, thank God—although the Government that I was a part of caught a lot of hell for that— and it was very important because when your car passed there you literally floated across because the of the mud or rainwater. Once again, as I said, this is hundred of acres of land under fresh water therefore the drain wells are not effective when this amount of rainfall comes to the Cayman Islands.

Back to my district of Bodden Town; the other area is the North Sound Estates and down in Cumber Avenue and Belford Estates. The people in Belford Estates have suffered a long time. For many years they had no roads, the whole area was flooded then the roads were developed and when the roads were raised their house lots were flooded. It is literally a no-win situation however I am hoping that one of these days, once a system is designed, proper drainage will alleviate those problems.

I found it quite interesting (a few mornings ago) as I listened to Captain Paul Hurlston on one of the talk shows, when he reminded us of how in the old days they had types of drainages in different parts of the Island. One of those drains at the top of South Sound (somewhere in the Crew Road area) proved very effective. However, development has destroyed those on the ground culverts. I would encourage that when the committee meets they invite or co-opt people, like Captain Paul and others, these old-time Caymanians, to give some ideas and share their experiences of what they have been through and what they have seen that benefited us here in the days when they were designing things.

I must say that, as the Honourable Minister of Community Services indicated, the Honourable Leader of Opposition did a very good job in putting forward the complete picture, not only from the physical structure but as we all, as representatives, witnessed—I know those representatives in George Town of recent times were hardest hit—in seeing the physical and mental trauma that the people went though. I look forward to this being dealt with in a bipartisan manner and we put whatever efforts and resources to bringing this to fruition.

Thank you.

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker. I will not be long and it does not make sense to belabour

what has been adequately put forward and accepted by Government. However, I must draw the committee's attention to the district of East End because over the years we have witnessed the same problems, explained here earlier, of flooding as within the district of George Town. We all know that has been the one that has drawn the attention of the whole country, and rightly so, because of the devastation that George Town experienced during the flooding.

On the issue of the district of East End, while the country may not be knowledgeable of the flooding in East End, it does exist. If we picture East End topographically you have the beach ridge and a hill that runs the entire length of East End. However, between the beach and the hill there is an area that lies below both. That area is where all the residential dwellings are and as a result of many years of building we have sort of blocked both ends of that little depression. Over the years we have put in wells in those low areas, however, more and more residential development has caused the water to now reach the stage of flooding. It is increasing; it is not spreading out anymore in those areas. The wells in those days were only three or four inch wells—I think they were minimum three inches but the majority were four inches in diameter. They are not accommodating the water fast enough to prevent the rise that will create flooding in some homes.

Since 2000 we have put in a few more wells, which are not adequate either because we need more. While I have been asking Public Works and the Government on a number of occasions about the wells because of financial constraints they have not been forthcoming. I must admit that recently the Minister said to me that I should again address it with the Public Works Department upon my visit to the district. However, what we need now are larger diameter wells. The terrain is a little different from George Town in that the water table, the aquifer, is not as shallow in East End as it is in George Town. Therefore, I believe that wells have worked very efficiently in East End although now we need to increase the size and perhaps the number of wells too.

I am very glad that Government sees it necessary to address this issue in a most efficient manner because I too have witnessed, particularly, the people of George Town suffer in recent times. I have seen the water in East End rise to an unmanageable level as well. However, when we get the wells blown I have myself, since being elected to this Honourable House, put on my water boots and gone to assist with the blowing of the wells. I do not think it is trying to ridicule, or criticise, however I believe one of the problems that we have with the drainage wells in this country is that after they are installed there does not appear to be an efficient maintenance programme. We need to ensure that those wells are properly cleared by Public Works and all other agencies, whoever they may be, are given the proper equipment to get the wells cleared. I would appeal to the residents as well. It is in our best interests as ordinary citizens to take on the responsibility of ensuring that the drain wells are cleared of debris because at the end of the day it is going to affect our homes, even if Public Works forgot or they did not get to that one in time, it should be cleared.

We should also take the responsibility to call Public Works to get it blown out at least once a year. Then those on the streets can be left for Public Works to ensure they are cleared. We have a responsibility to ensure that we protect ourselves. We should not leave it to Public Works to remember to come and clear leaves out of a drain. My appeal to the people of the country is when we see a drain well with debris we should clear it out ourselves and call Public Works and remind them to blow it out. They are human beings too and they may have put the wells there ten years ago and forgotten about them. In many instances they are not easily visible because I know many of those in East End are in people's back yards.

Therefore, Mr. Speaker, I thank the Honourable Leader of Opposition again for being so thoughtful in bringing this timely Motion. His presentation as well, as was stated by the Minister for Community Services, was well researched. Very importantly I would also like to thank the Government and the Minister for Community Services because his constituency is the one that the emphasis is placed on in this area. I trust that he too will push his colleagues in Cabinet to ensure that we address it in a timely and efficient manner. I thank you, Mr. Speaker.

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

Mr. Lyndon L. Martin: Thank you, Mr. Speaker. I too would like to lend my support to this Motion. Like the Member for East End explained, Cayman Brac suffers from the same type of topography of having a beach ridge and then the Bluff that creates a valley in the middle which our people inhabit.

Over the years it has become more frequent to have residents experiencing traumatic moments of flooding. It has been attempted to remedy the flooding throughout the Island of Cayman Brac by the normal methods of installing deep wells and through direct drainage into the ocean. However, there are still areas that need to be addressed therefore I welcome this Motion that calls for a survey of the various areas in the Cayman Islands.

I thank the Mover for making this Motion comprehensive of all districts throughout the Island and look forward to benefiting from the results of the survey and the implementation of this timely Motion. I lend my support and thank the Mover for bringing this Motion to the House.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? If not, does the Mover wish to exercise his right of reply?

Hon. D. Kurt Tibbetts: Thank you. Mr. Speaker, first of all I would like to thank the Government for accepting the Motion and I have to say that tomorrow the Government and the Opposition will fight over another matter. That is the nature of this thing called politics. I am extremely grateful that when there are issues which we all know are not partisan issues, but which deal with the benefit of our entire population, that it is not difficult for us to band together to try to get some positive results.

I do not think that I have to make mention of any more specific issues with regards to the Motion. In the Minister's response, the Government has said that they are addressing certain issues as we speak and that they have plans to table a report with a timeline of approximately four months. I think that is what the Minister said and welcome that because so many times we have committees, and we have committees, and we have committees, and that is all we have – a committee. However, I believe that this is one of those real situations and I am confident that we will see some tangible results.

Again, Mr. Speaker, on behalf of the Opposition I wish to thank the Government, not just for accepting the Motion, as in their reply it seems fairly obvious that there will be specific and pointed efforts towards finding solutions to the problems that have been highlighted in the Motion. While the Motion itself does not bring about any solutions, the people of the country can look forward eagerly to hearing exactly what will be done, arising from whatever technical synopses that become available and whatever studies are done, in order to try to find some empirical data that could be used to derive some solutions.

I want to highlight one more point. My colleague, the Third Elected Member for Bodden Town, stated some of those older Caymanians are still around and have a very good knowledge of the terrain and the acts of nature and what has worked in the past. Even though there has been this tremendous amount of development that has taken place, I think whatever committee is formed would certainly welcome input from these kinds of persons; like Captain Paul from South Sound, and there will be others in other districts.

As representatives from most of the districts have said some districts will be affected more dramatically than others. However, I dare say that, there will probably not be anywhere that will not be affected in some way by flooding depending on the level of storm water drainage that we have. I would expect that Cayman Brac and Little Cayman would not be left out of any study that is done–separate Islands, but all one. Certainly, there would be support from our part to ensure that this is not something that is phased to do one then the other. Whatever is being done now, let us get it all done and out of the way. I do not think that is expecting too much because I do not think this is one of those things that is going to take a huge amount of dollars and cents initially to know what has to be done. If we arrive at the point where we know exactly what has to be done then we can plan and phase the implementation. At least we will know exactly how to prioritise that implementation.

I again commend the Motion and I am very grateful to all Members for the support that has been expressed for the Motion which again, is way beyond support, however the results might be forthcoming. Thank you.

The Speaker: The question is that Government give consideration to commissioning a survey of the flood prone areas of the Cayman Islands particularly those in George Town to determine the most effective means of alleviating flooding in these areas,

"AND BE IT FURTHER RESOLVED THAT, following the said survey, a report of the findings be laid on the Table of this Honourable House;

AND BE IT FURTHER RESOLVED THAT the National Hurricane Committee be charged with the responsibility for coordinating effective response to all national disasters, including flooding, both from rainfall and storm surge."

Before I put that question, I think we have an error in the amendment.

Hon. D. Kurt Tibbetts: Mr. Speaker, if I may, I think perhaps that is where I was confused in the very beginning. The Motion itself calls for the original last resolve to be deleted therefore it would not have anything to do with the National Hurricane Committee. The last resolve would simply read:

"AND BE IT FURTHER RESOLVED THAT the newly formed Stormwater Management Committee ... ". Am I clear?

In other words, the original Motion had as its last resolve: **"AND BE IT FURTHER RESOLVED THAT the National Hurricane Committee be renamed the National Hurricane and Disaster Committee…"** The amendment is asking for that resolve section to be deleted.

The Speaker: Honourable Leader of Opposition, you are right. However, the amendment that I have says: **"AND BE IT FURTHER RESOLVED THAT the National Hurricane Committee be charged with responsibility…**". I do accept that in your reading initially your wording was different and the Motion that was debated did say that: **"The newly formed Stormwater Management Committee be charged with …"** Therefore, the resolve that we—

Hon. D. Kurt Tibbetts: If I may, Mr. Speaker. I hear you and follow you clearly. However, what has happened is that this was the original amendment that you are reading but there is a subsequent amendment to that original amendment. It was signed and circulated. Members may not have it with them now because we have been at it for so long. Notice of Amendment No. 2 deletes the last resolve section— again substituting it with:

"**AND BE IT FURTHER RESOLVED THAT the newly formed Stormwater Management Committee be charged with responsibility for coordinating effective response to all severe weather disasters, including flooding, both from rainfall and storm surge."**

Not to take up any time, Mr. Speaker, however, the reason I want to make sure that this is the amendment that is passed is because it would have an ongoing effect once the Motion is accepted and voted on with regard to where certain responsibilities lie.

The Speaker: Thanks for that clarification.

The last resolve will read: **"AND BE IT FURTHER RESOLVED THAT the newly formed Stormwater Management Committee be charged with responsibility for coordinating effective response to all national disasters, including flooding, both from rainfall and storm surge."**

The Speaker: All those in favour —

Hon. D. Kurt Tibbetts: Mr. Speaker, I am sorry Sir, we will get there; it is the last thing now. It is not **"… to all national disaster…"** it is **"…to all severe weather disasters…"**.

The Speaker: Just for clarity I will read the last resolve.

"AND BE IT FURTHER RESOLVED THAT the newly formed Stormwater Management Committee be charged with responsibility for coordinating effective response to all severe weather disasters, including flooding, both from rainfall and storm serge."

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Private Member's Motion No. 1/03, as amended, passed.

Private Member's Motion No. 3/03

Small Business Act for the Cayman Islands
Withdrawn

The Speaker: The Second Elected Member for West Bay.

Mr. Rolston M. Anglin: Thank you, Mr. Speaker. I would beg leave of the House under Standing Order 24(14) to withdraw this Motion at this time. You know as the Seconder of the Motion, the two of us have decided that we needed further consultation with certain private small businesses who desire to have that before the Motion came to this House and we would therefore bring it back in September.

The Speaker: The question is that Private Members' Motion No. 3/03 be withdrawn to a later sitting of the House. Could I have a Seconder for the withdrawal?

Capt. A. Eugene Ebanks: Mr. Speaker, I beg to second the Motion.

The Speaker: Thank you. The question is that private members motion No. 3/03 be withdrawn to the brought back at a later sitting.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. In accordance with Standing Order 24(14) Private Member's Motion No. 3/03 withdrawn.

ADJOURNMENT

The Speaker: Since we have reached the end of the business can I have the Motion for the adjournment.

Dr. the Hon. Frank S. McField: Mr. Speaker, I move that this Honourable House be adjourned until Friday, 25 July 2003, at 10am.

The Speaker: The question is that this House do now adjourn until Friday 25 July 2003 at 10am.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

At 4.37 pm the House stood adjourned until Friday, 25 July 2003, at 10am.

OFFICIAL HANSARD REPORT
FRIDAY
25 JULY 2003
10.36 AM

Nineteenth Sitting

The Speaker: I will invite the Second Elected Member for George Town to grace us with prayers.

PRAYERS

Mr. Alden M. McLaughlin, Jr.: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 10.39 am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

The Speaker: There are no announcements this morning. I wish to apologise for the unavoidable delay in starting this morning. Madam Clerk.

QUESTIONS TO HONOURABLE MINISTERS AND OFFICIAL MEMBERS

Suspension of Standing Order 23(6)

The Speaker: I recognise the Honourable Minister of Health.

Hon. Gilbert A. McLean: Madam Speaker, I beg to move the suspension of Standing Order 23(6) to allow more than three questions appearing in the name of the same Member to be taken.

The Speaker: Thank you, Minister. The question is that Standing Order 23(6) be suspended to allow more than three questions to be taken by the same Member.

All those in favour please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 23(6) suspended to allow more than three questions appearing in the name of the same Member to be taken.

Question No. 68

The Speaker: The Honourable Leader of the Opposition.

No. 68:Mr. D. Kurt Tibbetts asked the Honourable Minister responsible for the Ministry of Education, Human Resources and Culture if the Education Department prepares and delivers an annual deposit of statistics in order to assist with forward planning, performance assessment and target setting for improvement in the relevant areas.

The Speaker: The Honourable Minister of Education, Human Resources and Culture.

Hon. Roy Bodden: Madam Speaker, the preparation of annual statistics by the Education Department will be a requirement of the annual corporate plan due to be implemented this year. Presently, statistics on performance assessment in schools are produced annually by the curriculum and test assessment staff. Forward planning and target setting are critical areas in the newly restructured Education Department.

As quarterly reporting under the new Financial Management Initiative becomes more standardised, statistics will be collated on a quarterly basis as well as annually. This will assist more timely interpretation of information, although comprehensive forward planning, performance assessment and target setting are expected to continue on an annual basis.

Annual statistics are presented for the Economics and Statistics Unit as well as for the UNESCO project office.

Supplementaries

The Speaker: Are there any supplementaries? The Honourable Leader of the Opposition.

Mr. D. Kurt Tibbetts: Thank you. In the Minister's answer he says: **"The preparation of annual statistics . . . will be a requirement of the annual corporate plan due to be implemented this year."**

Can the Minister state when these statistics will be prepared and implemented on an ongoing basis as he prescribed in the answer?

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Madam Speaker, many of these statistics will be available through the system that we are currently implementing called Star Students and it is anticipated that we should have these statistics available later this year.

The Speaker: Any further supplementaries? Have you finished, Honourable Minister?

Hon. Roy Bodden: I just wanted to add that this system is part of the ITALIC (Improving Teaching and Learning in the Cayman Islands) programme, which we are in the process of phasing in now.

The Speaker: Thank you. The Honourable Leader of the Opposition.

Mr. D. Kurt Tibbetts: Thank you. With regard to the special education needs throughout the Cayman Islands at present — especially for the trained staff that are employed, and the numbers that are hired on an annual basis — what methodology is employed by the Department and/or the Ministry in order to know the number of qualified teachers in the various areas that are necessary for those children at various age levels with special needs?

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Madam Speaker, the following question is related to the special education needs policies. However, I wonder if the Honourable Member would consider—

The Speaker: The Member for North Side.

Ms. Edna M. Moyle: Thank you, Madam Speaker. I wonder if the Honourable Minister is in a position to say if one requested statistics on the performance assessment in schools, how far back we would be able to have these statistics that are produced by the curriculum and test assessment staff. Would it be back one, two, three or four years?

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Madam Speaker, it is my information that these statistics will be available for about three years.

The Speaker: Are there any more supplementaries? If not, we will move on to the next question.

Question No. 69

The Speaker: The Honourable Leader of the Opposition.

No. 69:Mr. D. Kurt Tibbetts asked the Honourable Minister responsible for the Ministry of Education, Human Resources and Culture if there is a plan for the necessary development and implementation of special education needs' policies.

The Speaker: The Honourable Minister of Education, Human Resources and Culture.

Hon. Roy Bodden: Yes, there is a plan for the development and implementation of the Special Education Needs (SEN) Policy.

A SEN Policy and Guidance document has existed since 1991. Following all reviews of Special Educational Needs (SEN) Services the document is usually revised and updated. It was revised in the 1995 Education Department Strategic Plan and again in 1997 following the Special Education audit of 1996. Currently as a result of the updated Education Department Strategic Plan 1999, the Vision 2008 Plan, the review of the Cayman Islands Education Department (2000) and findings from the Inspection reports (1997-2001) another update has been undertaken. This updated document highlights the following areas:

- A working definition of pupils with Special Educational Needs
- Philosophy Statement
- Education Department aims and provisions for Special Educational Needs and Services

The Updated Policy document has been in progress since April 2002 and is ongoing. It is used to provide guidelines for schools in identifying SEN and the provision of services to address these needs.

As will be noted, Special Education Needs is a dynamic service. New development in Government Education Policies, Educational Research and students' needs will result in accompanying evaluation and review of the policy document as deemed appropriate.

The Speaker: Are there any supplementaries? The Honourable Leader of the Opposition.

Supplementaries

Mr. D. Kurt Tibbetts: Thank you. Where he speaks about the special education audit of 1996, could the Minister state, if he has the information available, what entity, conducted that audit?

The Speaker: The Honourable Minister of Education

Hon. Roy Bodden: Thank you, Madam Speaker. There was an internal review conducted by the schools' inspectorate.

The Speaker: Are there any further supplementaries? The Honourable Leader of the Opposition.

Mr. D. Kurt Tibbetts: Thank you. Madam Speaker. In the answer, I do not see any specific reference to the assessment of the type, quality and quantity of human resources needed with regards to implementation of this policy; the various types of counsellors, teachers or whatever else. Can the Minister give some explanation as exactly what methodology is employed within the policy to assess the numbers? I think that was the supplementary from the last question.

The Speaker: The Honourable Minister responsible for Education.

Hon. Roy Bodden: Madam Speaker, I believe that the Honourable Member is talking about the teachers. If that is the case, then these students are handled in a variety of ways. Each student will have what is called an Individual Education Plan (IEP) and they will have someone assigned to them to work with that plan. Or, it could be that students are grouped, in which case they will have a teacher responsible for instructing them.

The Speaker: The Honourable Minister of Education I will allow one more after this. The Honourable Leader of the Opposition.

Mr. D. Kurt Tibbetts: Thank you, Madam Speaker. To follow up on what the minister has just said. Can he say at present—understanding that the process of developing the special education needs policy is an ongoing one, not fully firmed up yet—how the numbers are, in the present system of these specially trained staff, decided upon?

I will quickly explain so the Minister will understand where I am coming from. Throughout the years there has been the statement that there are not enough of these teachers to go around to the various schools. I think it is very critical how that decision is made, besides whatever financial resources that may be available and the constraints that we may have.

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Firstly, Madam Speaker, it is based on the needs, identification of the students, determination of the progress the students are making and then identification of staff needed to deliver the programmes.

The Speaker: Any further supplementaries? If not, we will move on the next question.

Question No. 70

The Speaker: The Honourable Leader of the Opposition.

No. 70:Mr. D. Kurt Tibbetts asked the Honourable Minister responsible for the Ministry of Education, Human Resources and Culture if the Education Department has undertaken a staffing analysis in all of the public schools.

The Speaker: The Honourable Minister responsible for Education, Human Resources and Culture.

Hon. Roy Bodden: Madam Speaker, each year the Education Department reviews staffing levels and needs with Principals to ensure optimum deployment of staff. The Education Department has undertaken a staffing analysis in all of the public schools by securing a list of all staff and especially those who are 50 years and over, so as to identify time of retirement and identifying persons especially young, aspiring Caymanians who will be able to fill these vacancies.

A list of all staff in all schools is available and is updated at regular intervals, that is, when staff has left the service and are replaced by new persons. This document includes the name of person employed, the title of their post, the school and telephone number. Returning Caymanian graduates are also placed in posts of their specialist areas.

The Speaker: Are there any supplementaries? The Honourable Leader of the Opposition.

Mr. D. Kurt Tibbetts: In the very beginning the Minister says: **"Each year the Education Department reviews staffing levels and needs with Principals to ensure optimum deployment of staff".**

Can he state if, for this September, this exercise has been done? I do not know if the time is right or if this is something that happens between now and

September. If it has been done, is it done specifically for George Hicks High school, especially since there are new levels of numbers of students who are going to be attending that school? Have the needs been identified and are they definitely going to be satisfied?

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Madam Speaker, the update has been done for that school and the George Hicks High school will be getting five new teachers in this up-coming year.

The Speaker: Any further supplementaries? The Honourable Leader of the Opposition.

Mr. D. Kurt Tibbetts: Thank you. Madam Speaker, I used the George Hicks High school as an example because I think that is the school with the largest number of students in the entire Cayman Islands. I am certain the same applies for other schools. Is the Minister satisfied, since he says that this exercise is completed, that all the required posts will be filled for the September term, including the special needs section?

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Yes, Madam Speaker, I am satisfied. Any request from any one particular school has to be balanced against the requests from other schools. With regard to the George Hicks school we got the request in July, so we are dealing with that now. I am confident that we will be able to manage these requests in such a way that no school will be put out significantly. The monies for the July budget have been approved for the posts for the George Hicks school and we are dealing with those now.

The Speaker: The Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. Evidently, the Minister was replying to a question on staffing levels and it appears it was just teachers' staff levels. I would like to extend that and ask the Minister about the other staff levels, like teachers' aides, in particular, at the East End school. Some time ago the Education Department made a commitment to provide teachers' aides for the East End school. Can the Minister tell us if that has been done and if the staffing level in East End in adequate at this time?

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Madam Speaker, there have been no new teachers' aides' posts. There have only been replacements. We have not been able to manage additional teachers' aides' posts.

The Speaker: The Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. I wonder if the Minister can tell us if that is because of unavailability of suitable people or the lack of funds.

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Budgetary constraints, Madam Speaker. I regret to say that we are just trying to arrive at a position where we can meet all the needs now. It will take some time before we are over the period of budgetary constraints. There are twelve teachers' aides' posts for all of the schools and we are cognisant of the fact that these will have to be increased and I give the undertaking that it will be done as early as we can afford to do so.

The Speaker: Member for East End, did you have a follow up or will you give way to the Member for North Side.

Mr. V. Arden McLean: I will give way, Madam Speaker.

The Speaker: The Member for North Side.

Ms. Edna M. Moyle: Thank you, Madam Speaker. I wonder if the Honourable Minister is in a position to say that the double classes being taught by one teacher in the North Side primary school, even without a petition, where one teacher is controlling two different age groups, has now come to an end and there will be sufficient staff for the North Side Primary school come September.

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Madam Speaker, I am happy to assure the Honourable Member that that indeed is the case.

The Speaker: The Member for North Side.

Ms. Edna M. Moyle: Madam Speaker, I would just like to thank the Honourable Minister for dealing with this matter finally, because I have been fighting for this for ten and a half years. Therefore, I would like to say thanks very much to the Minister for Education.

The Speaker: Are there any supplementaries? The Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. Following the reply to my supplementary earlier, I am wondering if the Minister can tell us when it is anticipated that he will be out of this financial drought that the Government seems to have been experiencing. They can build buildings but they cannot do schools. Can he indicate when he expects the end of this financial problem – the lack of monies?

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Madam Speaker, I have to caution the Honourable Member for over-interpreting what I said. We have 12 teachers' aides' posts, and 27 support assistants. I think that the Government is doing well because we have managed to create a balance where no school is significantly under-staffed while, at the same time, initiating a $6 million information and communications technology project.

In addition to that, we have entered very concrete proposals to build three new schools. It would be good, and it would be my heart's delight, if I could cater to every individual need in education for the various public schools. Regrettably, we have to make priorities, and these are structured in such a way that when we come to serious financial constringency and austerity we do it in a way that no one school suffers more than the other. I hope the Honourable Member will take cognisance of that.

The Speaker: Madam Clerk, next question.

Question No. 71

The Speaker: The Honourable Leader of the Opposition.

No. 71:Mr. D. Kurt Tibbetts asked the Honourable Minister responsible for the Ministry of Education, Human Resources and Culture if a joint truancy action programme has been developed with the Police and the Department of Social Services.

Just to make it clear, that would mean with those two agencies and the Education Department.

The Speaker: The Honourable Minister of Education, Human Resources and Culture.

Hon. Roy Bodden: Madam Speaker, one of the recommendations coming out of the recent Millet Report 2000 (Education Department Review of Support Services) was the need for a multi-agency approach to help deal with the issue of truancy. The Education Department, in its action plans, has set out a series of actions to commence in the 2002-2003 school year, which will involve the Department of Social Services and RCIP/Family Support Unit in discussions on relevant findings towards the establishment of a joint national truancy action programme.

The Speaker: The Honourable Leader of the Opposition.

Supplementary

Mr. D. Kurt Tibbetts: Thank you. Madam Speaker, seeing as the school year for 2002/2003 is now over, can the Minister then state what actually has been accomplished during that time?

Suspension of Standing Orders 23(7) and (8)

The Speaker: Honourable Minister, before you respond would you be so kind as to move the motion for suspension of Standing Orders 23(7) and (8) as we have passed the hour of 11am to allow questions to continue.

Hon. Roy Bodden: Madam Speaker, I beg to move the suspension of Standing Orders 23(7) and (8) so as to allow Question Time to proceed beyond 11am.

The Speaker: Thank you. The question is Standing Orders 23(7) and (8) be suspended to allow Question Time to proceed beyond 11 am.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: I believe the Ayes have it.

Agreed. Standing Orders 23(7) and (8) suspended to allow Question Time to continue beyond 11 am.

The Speaker: Please proceed, Honourable Minister.

Hon. Roy Bodden: Thank you, Madam Speaker. I would crave the indulgence of the Honourable Leader to provide the update on the information which he has sought because the two officers who would have knowledge of that are on leave at this time. I could, however, give him an idea of how the programme was set up, in that, firstly, we identified and collected available data, then there was an analysis and interpretation of this data, discussion of the findings of the RCIP family support unit and the Department of Social Studies, then the establishment of the national truancy programme and then the promotion of a joint policy statement.

The Speaker: Are there any supplementaries? If not, we will move on to the next question.

Question No. 72

The Speaker: The Honourable Leader of the Opposition

No. 72:Mr. D. Kurt Tibbetts asked the Honourable Minister responsible for the Ministry of Education, Human Resources and Culture if the Education Department has developed the national requirement for graduation, both at primary and secondary levels.

The Speaker: The Honourable Minister of Education, Human Resources and Culture.

Hon. Roy Bodden: Madam Speaker, proposed criteria for graduation from high school has been devel-

oped. Such criteria must now be presented to the Education Council, and if accepted, will come into effect two academic years later. The purpose of this delay is to acquaint all students with the criteria and give them every opportunity to meet them during their last two years of compulsory education.

I would like to add that we have also been discussing the development of a code of conduct, which will regulate the behaviour and the requirements, set standards and protocols for students, teachers and parents. We will produce that in a handbook, which will be available to every student and every parent in the government schools in the Cayman Islands.

Supplementaries

The Speaker: The Honourable Leader of the Opposition.

Mr. D. Kurt Tibbetts: Thank you. I am almost certain that the proposed criteria for graduation from high school will include some type of academic standard to have been achieved. I am also certain that the Minister would be cognisant that if that becomes part of the criteria that some onus would be put on the Department to ensure that students are allowed to develop to that standard. At present, how is it dealt with—and the Minister would be quite aware of what I am talking about—with regards to students who the staff know full well are not tooled properly at the end of the compulsory school years?

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: At present, Madam Speaker, these situations are dealt with on attendance, effort and conduct rather than academic performance. However, the Honourable Member is quite right; when the criteria are set great emphasis will be placed on academic performance and I can briefly lay out some criteria. The attendance rate will have to be at least 90 per cent, the students will have to maintain an effort grade at 3.0 or better, they will have to maintain a conduct grade of 3.0 or better and there will have to be less than 15 days of suspension.

The Speaker: The Honourable Leader of the Opposition.

Mr. D. Kurt Tibbetts: Thank you. The Minister, I am sure again, will appreciate that this goes into a lot of other areas. Rather than wait until the end of the day to say to the student he will not be allowed to graduate because all of the criteria were not met, is there a staged process which will involve parents to give students a chance to make up for any deficiencies at certain periods and to ensure that they have every opportunity to graduate, so it is not just when it is all over an assessment is made and there is no chance to repair the situation?

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Madam Speaker, with reference to the supplementary asked by the Honourable Member, the system, as it operates currently, is one in which parents are kept informed every ten weeks through term reports at high school level. It is also my understanding that students know of this criterion from the time they enter the high school in year 10. They are informed of the criterion and of the necessity to maintain standards. Therefore, if they fail, then it is anticipated that they are cognisant of what the sanctions will be and the system does not offer any recourse for those who have not met the standards.

The Speaker: The Honourable Leader of the Opposition.

Mr. D. Kurt Tibbetts: Thank you. I will try to wind down my supplementaries as quickly as I can, Madam Speaker. The question referred to primary and secondary levels and the answer refers only to the secondary level and I understand, without having heard an answer, that perhaps this is something that is being worked on.

My question to the Minister is that as the results of the primary years will have tremendous effect on what goes on during the secondary years, can the Minister state whether this is a priority? It seems to me that it is just as important to develop the primary one prior to the secondary one rather than vice versa.

The Speaker: The Honourable Minister for Education.

Hon. Roy Bodden: Madam Speaker, as I understand it, primary school students really do not graduate. At the primary level students must have completed six years of primary school education in order to enter the George Hicks High school. The Key Stage Two exam result is used as a guide to place students in sets for instruction. I would like to say—as an educator and having attended many of these functions—I am concerned that parents get taken up with this whole business of graduation even from pre-school, primary school. What is more important is to ensure that the children have managed to acquire the necessary skills and knowledge sets, which are appropriate for them at these various levels. While I am not putting a damper on any parent's enthusiasm, I would caution against going through all the expense. It is the performance that counts and perhaps there should be greater concentration on that, particularly as it will impact students at the high schools, and college and university level. It looks as we are turning the whole thing into an exercise where the focus is more on appearance rather than the business of substance and the knowledge and skills acquired by the students. That is why I

like the American expression, commencement exercises, because they realise that you are just beginning.

The Speaker: Madam Clerk, next question.

Mr. D. Kurt Tibbetts: Madam Speaker, if I may please. I had one last supplementary, I was winding down —

The Speaker: Please proceed with your last supplementary.

Mr. D. Kurt Tibbetts: Thank you, very much. Having heard what the Minister has said, I still want to revisit the primary levels and even though they may not go through an actual graduation exercise, I am certain the Minister will agree with me that it does not bode well for a student exiting primary level and entering the secondary level who is barely literate. I am certain that the Minister knows that we have instances of that. I am just trying to determine if there is some type of assessment which can be developed, earlier rather than later, during the primary years to ensure that a child is not left so disadvantaged—whether he is partially or mostly responsible for it or not—when entering secondary school. Regardless of the sets that the children are being put in some do not even have basic reading skills —

The Speaker: Honourable Leader, could you please turn it into a question?

Mr. D. Kurt Tibbetts: Yes, I will do that, Madam Speaker. I am trying to ask the Minister if anything is physically being done to ensure that the numbers, which are received in the secondary schools similar to what I just described, are becoming less and less rather than more and more?

The Speaker: The Honourable Minister of Education.

H**on. Roy Bodden:** Madam Speaker, the Honourable Member's concern is dealt with by the following: there are key stage tests at the end of years three, six and nine. Those students who do not do satisfactorily can be made to repeat. It is happening in some instances, rather infrequently because, of course, there are other concerns that come into play, however in extreme cases I can assure you that it is happening. You will appreciate that we will have to consider all the ramifications including the effect that such retardation will have on the child's self esteem.

The Speaker: Madam Clerk.

Question No. 73

The Speaker: The Honourable Leader of the Opposition.

No. 73:Mr. D. Kurt Tibbetts asked the Minister responsible for the Ministry of Education, Human Resources and Culture if a plan has been formulated to bring on stream the recommendations made in the Millet Report in order to provide the Education Department with an effective strategy for improving its own performance and the performance of the schools it supports.

The Speaker: The Honourable Minister of Education, Human Resources and Culture.

Hon. Roy Bodden: A plan has been formulated in response to the recommendations of the Millett Report 2002. This plan is presently being circulated to all schools, the Education Department, the Ministry and the Personnel Department. This plan will provide an effective strategy for improving the Department's own performance as well as that of schools. School improvement forms a major thrust of the plans. The Education Department is working with the Schools' Inspectorate to respond to major issues raised in school inspection reports. This work has been ongoing for the past year with the training of "link" officers who will work with schools in specific areas. An example of a more general response involving all schools is the recent purchase of a new reading scheme and subsequent training in response to the issue of raising standards of literacy in primary schools.

The establishment of the Communication and Data post is in response to the Millett Report for improving communication links within the Department as well as with other agencies.

The Star Student programme, which will be in place in September, seeks to improve the performance of the entire system, especially in the area of record keeping and data retrieval.

I have a copy of the action plans arising out of the Millett Report recommendations.

The Speaker: Honourable Minister, I wonder if you could ask your staff to ensure that the last paragraph that you read is circulated to Members.

Are there any supplementaries?

The Honourable Leader of the Opposition.

Mr. D. Kurt Tibbetts: Thank you. Madam Speaker, in the Minister's answer I believe the most of it is concentrated on improving the performance of the schools. Could the Minister be a little bit more specific, if possible, in outlining the plans for the Education Department to improve its own performance?

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Madam Speaker, the Education Department, has done some staff restructuring, added the data communications officer, and have generally improved and sharpened the requirements and per-

formances of other staff members. I am heartened that with these improvements we are bound to see the positive effects, not only in the Department but also in our schools.

The Speaker: Any supplementaries? The Honourable Leader of the Opposition.

Supplementaries

Mr. D. Kurt Tibbetts: Thank you. As the Minister has mentioned restructuring and in any other process that may have or is or will be taking place, can he state if, during any of these stages, there are any plans to have specific job descriptions, specific performance objectives and any other associated criteria attached to the specific posts within the Department?

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Madam Speaker, I am happy to tell the Honourable Leader that this has been a requirement; it has been done and the Department now has job descriptions for all posts because this is also a requirement of the Public Service Commission.

The Speaker: Are there any further supplementaries? The Honourable Leader of the Opposition.

Mr. D. Kurt Tibbetts: Thank you. Can the Minister then state if the performance appraisals are done annually? If not, how are they done and who does the appraisals and, ultimately, who is responsible for ensuring that the post holders' performance is in line with the job description?

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Madam Speaker, the appraisals are done annually and senior department personnel; the chief education officer, senior education officers, and a deputy chief education officer conduct them.

The Speaker: Do you have a follow up? Please proceed.

Mr. D. Kurt Tibbetts: Thank you. I wish for the Minister to know that I personally know of at least one case when a Member of staff was asked to perform his or her own appraisal and —

The Speaker: Honourable Leader, can you turn that statement into a question?

Mr. D. Kurt Tibbetts: Yes, Madam Speaker, I am going to do that. I would ask the Minister to give an undertaking to ensure, regardless of the confidence placed in any member of staff, that this is not continued or becoming a habit.

The Speaker: Thank you. The Honourable Minister of Education.

Hon. Roy Bodden: Madam Speaker, it is not uncommon in modern management practices to have staff members set their own performance objectives. Indeed, it is to be encouraged hence I do not find it unusual to ask a member to set their performance objectives and then to have these objectives reviewed, to see whether they have been achieved, by someone senior.

The Speaker: The Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. In the first part of the substantive answer the Minister says a plan has been formulated in response to the recommendation of the Millett Report 2002. This plan is presently being circulated to all schools, Education Department, the Ministry and the Personnel Department. I am wondering if the Minister can tell us the reason for circulating it. Is it for consultation or implementation?

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Madam Speaker. The reason for the circulation is for both consultation and implementation.

The Speaker: The Member for East End.

Mr. V. Arden McLean: Madam Speaker, I wonder if the Minister can now tell us then when will we see a similar document for the Department of Education and its improvements, where it sets targets for its performance, specifically, with the staff and the likes, as required by the Millett Report.

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Madam Speaker, such information can be gleaned from the budget where the Department's outputs are listed but the schools have their own plans and the Department has its plan. So, we are equipped and ready.

The Speaker: We will move on to the next question.

Question No. 74

The Speaker: The Honourable Leader of the Opposition.

No. 74:Mr. D. Kurt Tibbetts asked the Honourable Minister responsible for the Ministry of Education, Human Resources and Culture if the Independent Appeals Tribunal to hear and redress complaints relating to the work of the Education Department and the schools has been established.

The Speaker: The Honourable Minister of Education, Human Resources and Culture.

Hon. Roy Bodden: Madam Speaker. No, This will be done in a later stage of the implementation of the Millett Report.

The Speaker: Are there any supplementaries? If not, we will move on to the next question.

Question No. 75

The Speaker: The Honourable Leader of the Opposition.

No. 75:Mr. D. Kurt Tibbetts asked the Honourable Minister responsible for the Ministry of Education, Human Resources and Culture if it is an agreed policy of the Government to retain the George Hicks High School and the John Gray High School in their present state, that is, with each school having enrolment of years seven, eight and nine and 10, 11, and 12 respectively.

The Speaker: The Honourable Minister of Education, Human Resources and Culture.

Hon. Roy Bodden: After extensive study it was decided to retain the two schools in their present form, and to concentrate on strengthening the curricula of both. Any changes to the structure of the schools would necessitate physical additions, which the government is not in a position to consider at this time.

Supplementaries

The Speaker: Are there any supplementaries? The Honourable Leader of the Opposition.

Mr. D. Kurt Tibbetts: Thank you. I remember on one occasion hearing the Honourable Minister speak to the fact that a consultant had advised that all of the high schools would have to have the same curriculum, that is, including the proposed new one. Notwithstanding the answer that has been given, when this new high school comes on stream, will that be for the full six years of high school and if so, what will become of the two existing schools?

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Madam Speaker, it is proposed that the new high school will be a full six-year high school and the existing two schools will continue with the curriculum which they have. Cayman Brac High School now has six years also; we do not anticipate there will be any problems. One of the things that we have to be concerned with is to ensure that there is a proper balance and that there are no significant differences in the curriculum of the high schools so that we can ensure all of our students pass through the same curricula and are expected to achieve the same standards. This is why we have opted to be cautious in our approach.

The Speaker: Are there any further supplementaries? The Honourable Leader of the Opposition.

Mr. D. Kurt Tibbetts: If I understand the Minister correctly, when it is all over the Cayman Brac High school and the new high school will be full fledged six-year high schools. The George Hicks will remain the first three years and the John Gray will remain the second three years. If that is the case, is there any consideration whatsoever being given to the simple basic difference of such larger numbers of the same years being concentrated in two schools and the other two schools experiencing the luxury of having much lesser numbers of each year and for those students to be able to be dealt with in a much more personalised manner?

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Madam Speaker, let me inform the Honourable House of the dilemma; the Honourable Leader of the Opposition knows that my predecessor said that we needed about $50 million of physical infrastructural work.

One of the problems we are going to have to deal with in the next little while is the redevelopment of the John Gray High school site, whose buildings are at the end of their natural life. Many of the buildings are termite ridden and they are breaking down because the maintenance, although we have been thankful for it, is not what it should have been. That being the case, we are going to have to undertake the redevelopment of that site. At the same time we are going to have to work out the challenges we have at the current George Hicks site. George Hicks and John Gray High schools will have less numbers when the Frank Sound High school comes on line and therefore we believe that we will be in a much better position to deal with the challenges of curriculum at those sites.

The Speaker: The Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. Following the reply from that supplementary, I am wondering if the Minister can tell us why additional floors are not added onto the buildings, that is, three floors, instead of the footprint of the school being so large. The redevelopment of the school could be done immediately while schools are in session. I am wondering why the Government has never looked into that, or if they have.

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Madam Speaker, these are the design decisions taken by previous political directorates and I would hope that the Honourable Member would not attempt to hold me responsible for that. I have always held the view based on experience in Canada that our schools should be built as he suggested. I can assure him that the schools, which are being designed and proposed to be built on my watch, will be just that way. The Spotts school and the proposed Frank Sound high schools will be storey buildings rather than sprawling campuses. In all fairness to past political directorates, I believe the reason for that was our schools at that time were not air-conditioned. Now they are air conditioned it makes it much easier to build storey buildings.

The Speaker: If there are no further supplementaries, we will move on to the next question.

Question No. 76

The Speaker: The Fourth Elected Member for West Bay.

No. 76:Mr. Cline A. Glidden, Jr. asked the Honourable Minister responsible for the Ministry of Education, Human Resources and Culture what is Government's position concerning the implementation of a minimum wage after the acceptance of Private Member's Motion No. 1/01.

The Speaker: The Honourable Minister of Education, Human Resources and Culture.

Hon. Roy Bodden: Madam Speaker, both the present Labour Law and the proposed new Employment Law contain provisions for the establishment of a Minimum Wage Advisory Committee.

While the appointment of such a Committee remains a priority, the Ministry has concentrated its efforts over the past two and a half years on restructuring the old Labour Department into the Employment Relations Department and on revising the main Labour legislation. It is not anticipated that such a Committee will be established until the main legislation is approved.

However, when this is done I can assure Honourable Members and the public that full consultation, and the publishing of the Committee's report will be ensured, as I have done with all major reports of national interest commissioned by my Ministry.

The Speaker: Are there any supplementaries? If not, we will move on the next question.

Question No. 77

The Speaker: The Member for North Side.

No. 77: Ms. Edna M. Moyle asked the Honourable Minister responsible for the Ministry of Education, Human Resources and Culture have Government Primary Schools changed their reading programme, if so, when did this change take place?

The Speaker: The Honourable Minister of Education, Human Resources and Culture.

Hon. Roy Bodden: Madam Speaker, all government primary schools have changed their reading programme. Their reading programme that has been adopted is the McGraw Hill Reading Programme. This change took place in September 2002. All schools adopted the programme at the same time and were supplied with the materials needed to successfully implement the programme. By October 31st 2002, all ten government primary schools received the required students' texts, teachers' manuals, teacher resource materials and technology support required for the successful implementation of the programme.

Supplementaries

The Speaker: The Member for North Side.

Ms. Edna M. Moyle: Thank you, Madam Speaker. I wonder if the Honourable Minister is in a position to say if teachers were trained in this new programme. If so, where did this training take place, by whom, the length of time, and how many teachers were involved in the training?

The Speaker: The Honourable Minister responsible for Education.

Hon. Roy Bodden: Madam Speaker, the programme was introduced using a six-step approach. To date, three of these steps have been successfully completed.

In June 2002, teachers were given an initial orientation to the programme where the philosophy, rational and approaches were discussed. In addition, teachers were all supplied with their teaching manuals and other resource materials to facilitate planning during the summer.

In August 2002 all classroom teachers from years one through six were give in-depth training workshops by consultants of McGraw Hill. These sessions addressed teaching, managing, pacing, testing and other phases of the programme with the goal of achieving a level of comfort and efficiency while teaching the new reading programme.

In March 2003 all classroom teachers attended grade level follow up in-service workshops aimed at addressing any areas of concern. Based on a survey conducted by the education officer for Language Arts the consultant of McGraw Hill were able to address areas of concern raised by teachers.

At this end of this academic year, 2003, all schools will be asked to give a comprehensive report of student performance on the programme. Principals have all been provided with resource packets that will facilitate the monitoring of the programme in each primary school.

Step four will focus on parental involvement in the programme. This will be presented in the academic year of 2003 to 2004.

Step five will focus on continued workshops and professional talks for teachers.

Step six will focus on the provision of ongoing in-service to ensure smooth implementation for new teachers entering the teaching service in the Cayman Islands.

The Speaker: The Member for North Side.

Ms. Edna M. Moyle: Thank you, Madam Speaker. In the Honourable Minister's reply he said that all teachers were given the necessary resources for this new reading programme. My question to the Honourable Minister: Should a teacher test my child on this reading programme and that child fails, is the teacher in possession of the necessary resources to retest that child at a later date to see if he has achieved what is supposed to be achieved?

The Speaker: The Honourable Minister for Education.

Hon. Roy Bodden: Madam Speaker, it is my understanding that the tests are done at various levels. Yes, a teacher should be in possession of the necessary material. For example, if a child fails at a higher level that child can be tested at a lower level to ascertain exactly if it is a problem with the difficulty of the material being presented.

The Speaker: The Member for North Side.

Ms. Edna M. Moyle: I wonder if the Honourable Minister is in a position to tell the House how the Department is measuring the success of this new reading programme.

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Madam Speaker, I will reiterate; at the end of this academic year 2003, all schools will be asked to give a comprehensive report of student performance on the programme. Principals have all been provided with resource packets that will facilitate the monitoring of the programme in each primary school.

The Speaker: Are there any further supplementaries? The Member for North Side.

Ms. Edna M. Moyle: Thank you, Madam Speaker. I understand the Honourable Minister's reply clearly but my concern is an entire year has passed. What measure does the teacher have that reports to the Education Department to let us know that these children are achieving what they are supposed to achieve since September 2002?

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Madam Speaker, the students are tested at the end of each unit thereby allowing the teacher to determine the progress of each child and to have those children who need special help arrange for special help.

The Speaker: The Member for North Side.

Ms. Edna M. Moyle: Madam Speaker, I am still wondering if the Honourable Minister can say if the Education Department has any idea of the success rate of this reading programme in the past year in our primary schools.

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Madam Speaker, I give an undertaking to provide such information at a later date. It is not available now. I would also say that this is a new programme and I would caution against any over-interpretation of the success rate. I would think from my experience, that we would probably need about four or five years into this programme before we can definitively arrive at a decision as to its appropriateness and the success rate however, I will undertake to provide that information that the Lady Member requests subsequently.

The Speaker: The Member for North Side. I will allow two supplementaries after this one.

Ms. Edna M. Moyle: Thank you, Madam Speaker. I thank the Honourable Minister for agreeing to undertake that and let me have the results. I would like to make a point to the Minister for the Education Department. I, personally, have had representation from teachers in primary schools who said that they are doing this programme by a trial and failure effort because they have no re-testing resources and the matter needs to be looked into as soon as possible.

The Speaker: Honourable Minister, do you wish go respond?

Hon. Roy Bodden: Only to say that I have heard the Member's statement and I will discuss it with the Education Department.

The Speaker: Thank you. Are there any further supplementaries? The Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. The Minister said that this is a new programme and we need time to determine the success rate and I support that. Albeit new I am wondering what monitoring mechanisms have been employed to follow this up to ensure the desired results are achieved, be it three years or so.

The Speaker: The Honourable Minister for Education.

Hon. Roy Bodden: Madam Speaker, the Education Officer for Language Arts has the responsibility of monitoring the progress and effectiveness of this programme. That officer visits the schools, speaks with the teachers, makes necessary assessments and then works with the students. I want to say this: I read between the lines of the questions of the Honourable Members that they may be getting some complaints. It is not unusual, Madam Speaker, that the introduction of any new system when it departs from what has been the accepted norm, is going to cause some feelings of apprehensiveness. I believe that, given time and an open mind, the teachers will get over that apprehensiveness. Perhaps their dissatisfaction comes from the fact that this new system replaced the old one with which they were familiar. I am confident that the new system is equally or more effective than the old one and if the teachers are conscientious they will come to find that out in due course.

The Speaker: Madam Clerk, next question.

Question No. 78

The Speaker: The Elected Member for East End.

No. 78:Mr. V. Arden McLean asked the Honourable Minister responsible for the Ministry of Education, Human Resources and Culture to give an update on the expressed policy of providing a laptop for every child in the public schools.

The Speaker: The Honourable Minister of Education, Human Resources and Culture.

Hon. Roy Bodden: The Italic (Improving Teaching and Learning in the Cayman Islands) Programme includes giving each child in our school system the skill, the means and the access to the Internet. The first step in this process is training of the teachers. A laptop programme for teachers has begun.

At the present time we are about to pilot a system of laptop carts in two schools. Another school has had a laptop cart donated by its PTA.

Because technology is changing so fast, laptops are only one of the tools available for teaching and learning. No decision has been made to issue each child with his/her own individual laptop, as it maybe that when we are ready to provide individualized access new tools for either the student or the student's home are more appropriate.

Supplementaries

The Speaker: Are there any supplementaries? The Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. My first supplementary is, which two schools is the pilot project being employed at?

The Speaker: The Honourable Minister for Education.

Hon. Roy Bodden: Madam Speaker, Cayman Brac High school, John Gray High school. John A. Cumber High school in West Bay was the recipient of a laptop, courtesy of their Parent Teachers' Association.

The Speaker: The Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. I hear the Minister and particularly in the last paragraph of his substantive answer, that technology is changing so fast there may be other things that will come on line. I am wondering if the Minister can tell us then what time frame we can anticipate this will be in place. Is it 2005 or 2006?

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Madam Speaker, we have a contract with IBM who are our strategic partners in this exercise for five years. The contract is for $6 million over five years. We have just started to train the trainers, which are the teachers. When we get them trained we are going to begin. This is a far-reaching exercise, it has widespread ramifications and it is no under-statement to say that it is going to revolutionise the way we deliver instruction to our students in the schools. We are not only going to be in communication with the students but we are going to be in communication with the parents. To say exactly what year will depend upon the progress we make but I would anticipate in the next two years we should be reaching the maturation point.

The Speaker: The Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. My last supplementary is that in the substantive answer the Minister said that the first step in the process is training the teachers—and he just spoke of training the trainers, which I suspect are the same people - therefore when will that first step be completed?

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Madam Speaker, to date 86 teachers have been trained to do the Teacher Uni-

verse On Line course. It is anticipated that at least another 90 or so teachers will be trained by 28 August to access the teacher universe on line course. There are presently 16 certified teachers who are going to assist us with this training.

The Speaker: The Honourable Leader of the Opposition.

Mr. D. Kurt Tibbetts: Thank you. Madam Speaker, I have, on occasions when the programme was initially announced, heard individuals referring to how they consider it is going to work over an extended period of time when, in this age of information technology, such devices as laptop computers become obsolete in a matter of eighteen months. I am sorry if there was an answer and I was not in the Chamber. I wonder if the Minister could clear that up so it will be obvious to those wondering how it will work.

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Madam Speaker, I made reference to that in the substantive answer. Over and beyond that we have, as a strategic partner, unquestionably the leader in information and communications technology, not only as it relates to education but the world over, in IBM. I am confident that we will get the best and the people we deal with are very cognisant of the rapid developments in the world of computers and information technology. We have already been introduced to the micro information processors thus we very well know that this is the case and we are familiar with the contingencies that we are up against.

The Speaker: Are there any further supplementaries?

[Inaudible interjection]

Hon. Roy Bodden: No, no. Absolutely no.

The Speaker: The Member from East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. I am aware that in the primary schools we use Apple McIntosh and in the high schools we use Microsoft office. Now we are going to IBM, which is a different application again. I am wondering if IBM will be compatible with McIntosh at the primary level, in order that we do not have to make the current computer labs obsolete.

The Speaker: The Honourable Minister for Education.

Hon. Roy Bodden: Madam Speaker, this has been a challenge we are aware of and the training to which our teachers are subjected is equally applicable on the various systems. Eventually, we are going to standardise the system and we will be phasing out the Macintoshes. We are aware this is a sensitive matter and it has to be handled in such a way that we do not waste resources, particularly as many of these resources were gifts.

Question No. 79

The Speaker: The Honourable Member for East End.

No. 79: Mr. V. Arden McLean asked the Honourable Minister responsible for the Ministry of Education, Human Resources and Culture to give an update on the needed improvements to the East End Primary School.

The Speaker: The Honourable Minister of Education, Human Resources and Culture.

Hon. Roy Bodden: The list of needed improvements to the East End Primary School is as follows: the replacement of windows in Rooms three, four, five and six and the library, the installation of water coolers facing the hard court area, drainage of the courtyard in front of room two, as well as resurfacing of the car park. These projects have been listed in the minor works budget submissions for 2003.

Other capital needs are: to upgrade the playing fields and to construct a purpose built hall and canteen. These projects would require significant funding and it is not anticipated that either of these would be included in the present allocation of capital funds.

Supplementaries

The Speaker: Are there any supplementaries? The Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker.
I wonder if the Minister can tell us when the capital improvements to the schools or additions, that is, the building of a hall and canteen, are anticipated to begin.

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Madam Speaker, I am sure my Honourable friend will appreciate this bit of humour. When last I saw my gypsy I had more pressing matters than the East End primary school so I did not ask her about this but now that some pressure is easing on me about personal survival matters this would be for the next time.

[laughter]

Hon. Roy Bodden: I am cognisant of this need. The Honourable Member has been pressing me about it but the problem is that we are just getting to the point where our funds are allowing us to address some of these issues. I give the Honourable Member an un-

dertaking, a politician's promise; this is going to be dealt with as expeditiously as the monies will allow us to do.

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. Perhaps I need the address of the gypsy too from the Member however I will talk to him afterwards.

The Speaker: The Elected Member for East End, Standing Order 22(1)(g) unfortunately will not allow you to go down the gypsy lane. It says: **"The question shall not solicit expression of opinion or the solution of an abstract legal question or to be hypothetical."**

Please proceed.

Mr. V. Arden McLean: Thank you, Madam Speaker. I was just asking for an address. I thank the Minister for his politician's commitment on the hall and the canteen—the major items, and East End school. I thank him most of all for saying that I have been pressing him for the last two and a half years. My question now is on the smaller matters such as the replacing of the windows in the library and in the classrooms. When can we expect these to be completed?

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Madam Speaker, we already have the water coolers replaced and we will be painting the interior and exterior of the school in the next little while. I would hope that these repairs will be well in hand before school is set to reopen in September. I give the Member that undertaking.

The Speaker: Any further supplementaries? If not, we will move to the next question.

Question No. 80

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

No. 80:Mr. Lyndon L. Martin asked the Honourable Minister responsible for the Ministry of Education, Human Resources and Culture who currently possesses the right to the National Song of the Cayman Islands and what would be required to have the wording altered to reflect the three Islands by substituting the "isle" with "isles".

The Speaker: The Minister of Education, Human Resources and Culture.

Hon. Roy Bodden: The rights to the National Song written by Mrs Leila Ross-Shier are held by the estate of her late granddaughter Mrs. Marcia Bodden-Bush. The Coat of Arms, Flag and National Song Law which was enacted in 1993 does not give the government the right to make any changes to either the words or the music of this piece of work.

The Ministry has been advised that in order to change the word "Isle" to "Isles" there are two options: (a) to obtain the consent of the owners of the song to the change; (b) to prevail on the copyright owners to assign the rights to the original version to a third party, for example the National Archive. The new owners of the copyright could then change the words.

Supplementaries

The Speaker: Are there any supplementaries? The Second Elected Member for Cayman Brac and Little Cayman.

Mr. Lyndon L. Martin: Thank you, Madam Speaker. It is desirous to have the words changed to reflect the three Islands and I am seeking the Minister's commitment to pursue one of the two options outlined in order to have the wording changed.

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Madam Speaker, I will explore the possibilities of having this done.

The Speaker: Are there any further supplementaries? The Second Elected Member for Cayman Brac and Little Cayman.

Mr. Lyndon L. Martin: I thank the Member for his commitment to explore but I too would like a politician's promise.

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: I will give him a promise from the gypsy that I will check it out. Madam Speaker, I will promise to do that.

The Speaker: Honourable Minister you have enticed the Chair and if we were not running late I would ask for clarification.

That concludes Question Time.

Madam Clerk.

STATEMENTS BY HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

The Speaker: I have not received any notice for statements this morning so I will recognise the Minister responsible for District Administration to move the motion for the adjournment.

ADJOURNMENT

Hon. Gilbert A. McLean: Madam Speaker, the business for this session of the House has been completed and I would take the opportunity to thank you for ably presiding over this session of the House and today for The Honourable Minister of Education undertaking to answer a number of questions which he did to complete those as well. Also, the Opposition for the role they played and all Honourable Members indeed. I would like to move a motion that this Honourable House stand adjourned until a date to be named.

The Speaker: The question is that this Honourable House stands adjourned sine die.

Hon. Gilbert A. McLean: Madam Speaker.

The Speaker: The Honourable Minister for Health.

Hon. Gilbert A. McLean: There is a question regarding the questions that are still outstanding. It is my understanding that at least one Minister intends to give the answers in writing. For any others I would propose that they be carried over until the next session.

The Speaker: Thank you. Before I put the question I caught the eye of the Second Elected Member for George Town. Will you give way to the Leader of Opposition? The Honourable Leader of the Opposition, is it a matter of national concern?

Mr. D. Kurt Tibbetts: No, Madam Speaker, it is not a matter of national concern and I was not going to take up much of the House' time. I just wished to thank the Honourable Minister of Education for taking the time out to spend one morning to answer that many questions.

The Speaker: I was about to call on you. The reason I put that supposition is because I was going to invite you to also express your gratitude to any entities. If not, I will put the question that the Honourable House stands adjourned sine die.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: I believe the Ayes have it. From the Chair we should wish to thank the staff, the press and all other vested interested persons.

At 12.22 pm the House stood adjourned until a date to be determined.

OFFICIAL HANSARD REPORT
WEDNESDAY
17 SEPTEMBER 2003
10.50 AM

First Sitting

The Speaker: I will now call upon the Elected Member for the district of North Side to grace us with prayers.

PRAYERS

Ms. Edna M. Moyle: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Executive Council and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together*: Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 10.53 am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Mr. Denniston Fraser, BVI Clerk

The Speaker: I wish to welcome the new Clerk from the British Virgin Islands, Mr. Denniston Fraser, who is sitting in the gallery with us today. He is on attachment for the duration of one week with the Cayman Islands Parliament.

For the record, I also wish to make one short statement to all and sundry. As Speaker, and as a Cayman Islander—in particular, a Cayman Bracker, and more importantly a child of God—I would like those in the gallery as well as all Honourable Members to consider that a House divided shall not stand, and take the principle and apply it accordingly.

ADMINISTRATION OF OATHS OR AFFIRMATIONS

The Speaker: Please come to the Clerk's dais.

All rise.

Oath Of Allegiance
Mr. Donovan W. F. Ebanks
(Administered by the Clerk)

Mr. Donovan Ebanks: I, Donovan Ebanks, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, her heirs and successors according to law, so help me God.

The Speaker: Mr. Joel Walton.

Oath Of Allegiance
Mr. A. Joel Walton
(Administered by the Clerk)

Mr. Joel Walton: I, A. Joel Walton, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, her heirs and successors according to law, so help me God.

The Speaker: On behalf of this Honourable House, I wish to welcome both Honourable Members. I ask them to kindly take their seats.

Please be seated.

STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE GOVERNMENT

Electricity Industry In the Cayman Islands

The Speaker: I recognise the Honourable Deputy Leader of Government Business.

Hon. Linford A. Pierson: Recent events have made it both necessary and desirable that this Government make a statement to the Legislative Assembly about its policy, both in the short term and in the long term, regarding the future of the electricity industry in these Islands.

Before setting out the details of the Government's policy and intentions in this area, however, I need to explain why this Government feels that this is the opportune moment to make this public statement. Although for legal reasons we are unable to comment on the present dispute between Government and Caribbean Utilities Company (CUC) regarding CUC's most recent rate increase, one thing we intend to make clear is that we believe we are acting in the best interests of the consumer, both in the current CUC disagreement and from a wider policy perspective.

This Government is committed to ensuring that consumers pay no more than a fair and reasonable price for electricity consumption. One way of driving companies to supply their product at the lowest economic cost is by introducing competition into the marketplace. For this reason the Government is announcing today that amendments to the Electricity Law (2003 Revision) will shortly be brought to the Legislative Assembly. In future, no new licences for the generation or supply of electricity "to the public for reward" shall be granted on an exclusive basis.

In the near future, the Government will also be publishing a public invitation for expressions of interest in all aspects of the generation, supply, and distribution of electricity from interested and qualified parties, which will, of course, include the present incumbent. A fundamental provision of any licence granted in the future will be that CUC will be obliged to offer interconnect facilities to other generators or suppliers at reasonable cost.

Additionally, the Government will be bringing some marginal amendments to other sections of the Electricity Law (2003 Revision) to make it clear that neither CUC's present licence, nor the Law itself, prohibits any other business from generating electricity, provided it does not do so "to the public for reward."

The Government also intends to promote a special advisory campaign to emphasise that individuals and businesses are already free to generate electricity for their own consumption, and to bring home the need to conserve electricity as a means of reducing consumption and, thus, the cost of production.

We repeat that there is no vehicle available to the consumer faced with rate increases by a monopoly provider to challenge those increases. Government, however, can and will do whatever is necessary to ensure that such a valuable utility is provided to the consumer at the lowest possible cost and at a price that produces a reasonable and acceptable profit to the generators and suppliers.

We trust that our approach will receive not only the thanks of consumers, but also the unqualified support of all Honourable Members of the Legislative Assembly.

Thank you, Madam Speaker.

The Speaker: Thank you, Honourable Deputy Leader of Government Business.

I now recognise the Honourable Minister responsible for Community Services, Gender Affairs, Youth and Sports.

The Reduction of Incarcerated Juveniles and Young Offenders

Dr. the Hon. Frank S. McField: Madam Speaker, contrary to what has recently been reported by the Leader of the Opposition, the Ministry responsible for Youth has seen a 37 percent reduction in the number of young offenders being incarcerated between 2001 and 2003.

The highest number of incarcerated youth occurred during the leadership of [the Member for North Side] in January of 2001. At that time, 32 young offenders and juveniles were behind bars. As of 12 September 2003, that number was halved, with only 16 young offenders and juveniles being held—a 50 percent reduction. The lowest number to be held during that time occurred in June of this year, with only 10 in custody. This represents a 68 percent reduction between the highest (32 in January 2001) and the lowest (10 in June 2003) number of incarcerated youth.

The Ministry responsible for Youth has adopted a comprehensive approach to find and address the root causes of criminal behaviour. We are using a multidisciplinary approach to reduce those causes and increase the possibility for young offenders to become productive members of our society. We remain committed to breaking the cycle for these young people and their families.

An example of a clear and decisive strategy being used to address these issues is the recent hiring of two youth drug counsellors at the Department of Substance Abuse Services. These counsellors will work with youths in various programmes throughout the country to address this extremely prevalent problem.

Two youth probation officers are being hired to work exclusively with young offenders. These officers will work with youths and their families to promote the acquisition of life skills that are lacking, and to increase protective factors to help break the cycle for these children and their families.

The recent decision to completely separate the upcoming secure youth rehabilitation facility (Chapter House) from the prison management is further evidence of this strategy. This new facility will not focus on incarceration as its ultimate purpose; it will focus on providing education, pro-social life skills, and family mediation. The staff will work with other agencies to enhance necessary services such as drug and alcohol counselling, and address behavioural health

needs, the return to mainstream education, and the exploration of vocational opportunities. Much work has been conducted in this area.

We are continuing to increase our focus on children and families by incorporating preventative measures to further decrease the statistics. These are all very clear signs of a defined and coherent policy focusing on the reduction of incarcerated youth in this country.

Thank you, Madam Speaker. I hope that the Leader of Opposition will take a good look at the statistics.

The Speaker: Thank you, Honourable Minister.

I recognise the Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Madam Speaker, we are going to suspend Standing Orders in order to allow debate on Private Members' Motions to take precedence this morning. I therefore move the suspension of Standing Order 14(2) to allow Other Business to take precedence over Government Business.

Suspension of Standing Order 14(2)

The Speaker: The question is that Standing Order 14(2) be duly suspended to allow Private Members' Motions to take precedence over the Government's Business this morning.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 14(2) suspended to allow Other Business to take precedence over Government Business.

The Speaker: I recognise the Honourable Leader of the Opposition.

OTHER BUSINESS

PRIVATE MEMBERS' MOTIONS

PRIVATE MEMBER'S MOTION NO. 4/03

Grants of Caymanian Status by the Governor in Cabinet

Hon. D. Kurt Tibbetts: Thank you, Madam Speaker. I beg to move Private Member's Motion No. 4/03 entitled, Grants of Caymanian Status by the Governor in Cabinet.

The Speaker: Do we have a seconder?

Mr. V. Arden McLean: Madam Speaker, I wish to second the Motion.

The Speaker: Thank you.

The Motion has been duly moved and is now open for debate. Does the Honourable Leader of the Opposition wish to speak thereto?

Mr. Serjeant, could you accommodate the Honourable Leader of the Opposition with the speaking podium?

Honourable Leader of the Opposition, for the record, perhaps you could first proceed with reading the preamble and the resolution to your Motion. Thank you.

Hon. D. Kurt Tibbetts: Thank you, Madam Speaker. Private Member's Motion No. 4/03 reads as follows:

"WHEREAS in recent months the Governor in Cabinet of the Cayman Islands has granted Caymanian status to a large number of persons (more than 1,400);

"AND WHEREAS the Leader of Government has recently stated the intention of Government to revise the Immigration Law (2003 Revision) or to bring new immigration legislation enabling up to 6,000 persons to be granted Caymanian Status in one fell swoop;

"AND WHEREAS the Parliamentary Opposition has been inundated by a groundswell of apprehension and opposition to the recent actions and declared intentions of Government in relation to the process of granting of Caymanian Status;

"BE IT THEREFORE RESOLVED THAT this Legislative Assembly does hereby condemn and censure the actions of the Governor in Cabinet in making the recent grants of Caymanian Status;

"AND BE IT FURTHER RESOLVED THAT the Legislative Assembly acknowledges the far reaching implications of the unilateral and wholesale grant of Caymanian Status by the Governor in Cabinet to thousands of persons in one fell swoop;

"AND BE IT FURTHER RESOLVED THAT the Legislative Assembly calls upon the Governor in Cabinet to forthwith cease making grants of Caymanian Status pending the holding of widespread consultation with and approval by the electorate of the course of action taken by the Governor in Cabinet in this matter;

"AND BE IT FURTHER RESOLVED THAT section 20 of the Immigration Law (2003 Revision) be amended to restrict the ability of the Governor in Cabinet to grant Caymanian Status so as to limit such grants by the Governor in Cabinet to six per annum."

The Speaker: Thank you.

The Motion has been duly moved and is open for debate. Please proceed, Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Madam Speaker, before proceeding with the debate, it is only right that I trace back a short bit of history so that everyone can gain perspective on the situation.

It has been recognised by many of us that, because there was no fixed policy in place for quotas, over the years the numbers of individuals and families living in the country have been steadily increasing as more people came to the Islands to live and work. As time has gone on, these periods of time have extended themselves.

Due to the fact that for some 11 years there was no quota under the section of the Law referring to residency, we ended up with a large number of people who had been living in the country for fairly long periods of time, varying periods, and there was no policy to afford them any real security of tenure.

Madam Speaker, in the Select Committee to review Immigration (I think that the last one was in 2000), we acquired some statistics from the Immigration Department which gave us some indication as to what the numbers were at that time. The statistics that were provided did not necessarily give us exact figures, but they provided a good indication of these. I personally have not had the benefit of any statistics since then, but if we extrapolate from those figures and add the years that have gone by, simply doing so in chronological order, we come to the conclusion that there were, perhaps, some 6,000 individuals living in this country who had been here over ten years. The period of time those individuals would have been here would vary—in most instances, between twenty and thirty years (that is, from ten to thirty years)—some even longer.

Having laid down that platform, I think that all of us in the country fully recognise and accept (or shall I say the vast majority of us fully recognise and accept) that this was not a situation that could simply continue without being addressed.

If we go a little further, Madam Speaker, in 2001, an Immigration Review Team was set up consisting of Members of the Legislative Assembly, the then Chairman of the Immigration Board, the Chief Immigration Officer, and a representative from the Legal Department. That Review Team was tasked with trying to get a grip on the situation and making recommendations based on a wide range of considerations as to what the way forward should be. The plan was to produce recommendations towards amending legislation that could address the situation in an orderly fashion.

Again, Madam Speaker, I believe that all Members in this Honourable Legislative Assembly are on the same page up to that point. Unfortunately, what has transpired since then is that we have not seen any legislation recommended to deal with the situation. I am reminded also that we have not seen the official reports that were completed by the Immigration Review Team.

Recently, I have heard the Leader of Government Business say publicly that there is legislation being drafted, and there seems to be a will to move it forward fairly quickly. To this point, we do not know exactly what the final recommendations were or what the draft legislation will contain. We have had some insight into the deliberations of the Immigration Review Team and, therefore, we have an idea of what those recommendations might have been; but as of now we really do not know anything else.

Madam Speaker, it is stated that the Governor in Cabinet of the Cayman Islands has, in recent months, been giving numbers of status grants. The Motion itself speaks of 1,400 or more. We understand that it is closer to 2,000 at this point in time. Again, we have not heard any official word, but that is the understanding around town.

We, on the Opposition side, have had a slew of representations from hundreds of individuals who have expressed concern—or, more appropriately, concerns. Many of them see some negative effects from these large numbers being granted in short periods of time. Depending on where individuals are placed in society, they see a different affect on themselves personally.

We have looked at the situation in the best way we know how. We have tried to make our own general assessment without the knowledge and benefit of certain statistical data and empirical evidence while considering all the concerns that have been raised.

Madam Speaker, we felt a duty and an obligation to use this avenue to bring this to the attention of the Government, with the hope that we could end up with some clear direction, with something that would be publicly known; something that could be accepted by the public as a way forward, and perhaps a policy that might put the situation to bed and create some light at the end of the tunnel for many individuals. At the same time, the Caymanian society would have to be willing to accept whatever that way forward might be. Therefore, here we are with the Motion.

Madam Speaker, when we examine the economy as it is today, and when we consider how many Caymanians are in the workforce, much of the concern has been from the point of view that large numbers of status grants are seen as a huge impediment to the upward mobility of many young Caymanians. Being fair and candid about the situation, the fact is that it needs to be examined very closely.

In a society such as ours, one must almost always accept that there will be, and in fact there should be, an orderly integration process. We will always (at least we have to this point, and perhaps we will for the foreseeable future) have a need for imported labour in certain sectors. We are simply not producing the individuals to supply the labour demands that are inherent in an economy such as ours. Whether the economy is booming or flat, it is still

based on the gross rate that we have experienced. There has to be a certain level of imported labour.

There is a balancing act that must be looked at very carefully because we have a responsibility to every person who lives in the country. We also have an inherent responsibility to our own Caymanian population to ensure that they feel protected and that their opportunities will not dwindle in the future as they apply themselves or school themselves in certain skills.

There is another concern that has been raised. Again, some will hold the view that the concern is a no-brainer because it does not matter. With all that any one of us might say, we have not really taken the time to fully appreciate, nor are we in a position to anticipate the effect this might have on many of the core services provided by Government for its citizens. We speak of schools and health services and various other aspects within our society, Madam Speaker.

I may not be able to stand here and use cold hard facts to speak about those concerns, so that we all might appreciate what real level of concern is warranted. However, we cannot say that there should be no concern, or that all will be well. At this point in time, it seems absolutely uncertain what the numbers will be if we continue in the manner in which we have been going for the past couple of months.

There have to be some serious question marks when we look at the possible ramifications. In a society—and ours is no different from most others—if there are any sudden shocks where people see the slightest possibility of negative effects on their wellbeing or their ability to coexist in that society as they have been, then even their perceived fears (without any physical facts) are warranted. Fear plays the same trick on us. We cannot deny that.

When the Caymanian society is perturbed, there is only one way to satisfy that situation, and that is to use facts and say, *'This is what obtains; this is what we know*. *We know that we have to do something to relieve the situation. This is the direction in which we are going to go. This is how we are going to do it. These are the numbers we are going to deal with, within certain periods of time.'* When you deal with it in this way, you satisfy both sides of the coin in the society. You find our population (and in our instance, our Caymanian population), with levels of acceptance and tolerance to the point where you are able to work sensibly without having to fight with them to get them to understand.

At the same time, you are doing what you should do as a matter of natural justice, if nothing else. You are offering people who have come into our society—who have contributed to society and who coexist with us, whose children have grown up with our children—the opportunity to feel secure in what they are doing in society and in life. Life can go on in a manner that is (as the term is commonly used) harmonious.

The Motion contends that what has been done thus far is not in line with the picture I have just painted, and that it has caused some serious problems in the minds of many. Enough time has not transpired for any of those perceived problems to manifest themselves so that people can say, *'See what I told you? You see if you had not done it that way?'* We cannot wait until that time transpires to make the judgment calls, to say at that point in time, *'Well, the fears were unfounded,'* or*, 'Oh, Lord, if only we had done it differently.'* We cannot do it like that. There lies the contention of the Motion.

I think we can all agree on what the problem is. Unfortunately, where we part ways is in how we should go about solving the problem. I think that that is the crux of the matter. When we get down to whatever methodology is employed, people can air their views, give their ideas, and try to find common ground that is acceptable and sensible so we can move forward. However, the way we have seen the situation evolve thus far has given no opportunity for that. The Government has the authority. The Opposition, like most other people, can only voice its opinion.

If the position is really to make genuine attempts to bring about a resolution to this problem—understanding that it is going to be an ongoing situation, and that we must find ways that can be sustained and accepted that will end up assisting the wellbeing of our society rather than putting it at risk—then, Madam Speaker, I contend that it is something that must be thought through very carefully.

However, we are not at the very beginning. There has been much debate. There has also been much talk among individuals, former parliamentarians, and some of us who are still here. I am not certain, but I would want to believe, Madam Speaker, that the same Immigration Review Team that has produced reports from its own research and discussions has had the benefit of other discussions in which you and I have participated over the years during various reviews.

Most of us will have a handle on what the situation is generally; but I come back to the Motion. If we wish to bring resolution to the problem, then some things have to be done differently. That is our contention.

We looked to the Motion specifically because we had no idea what was going on. We were not able to discern exactly how the course of events would unfold. The first resolve clause of the Motion reads: **"BE IT THEREFORE RESOLVED THAT this Legislative Assembly does hereby condemn and censor the actions of the Governor in Cabinet in making the recent grants of Caymanian Status."**

Some may say that the words used in the Motion are a bit far reaching. However, Madam Speaker, the kind of representation we suddenly have warrants at least that we stop and think about how to proceed. Therefore, we have come to this point. We have the Motion and we will simply have to hear what comes

after it. I want to lay the platform for the Motion so that it is crystal clear. This is not about us and the Government. Neither is it about who does what, who gets to do what, or who does not have an opportunity to do something. This is about the people and their concerns. I daresay that at this point in time we too represent the people.

Madam Speaker, I spoke a little about the possible implications to some core Government services, and I spoke generally about social pressures that might occur. There are some economic factors to take into consideration. Therefore, the second resolve clause of the Motion reads: "**AND BE IT FURTHER RESOLVED that the Legislative Assembly acknowledges the far reaching implications of the unilateral and wholesale grant of Caymanian Status by the Governor in Cabinet to thousands of persons in one fell swoop."**

There is a little more to say about that.

We have heard in recent times that these people are already here, so for them to acquire Caymanian status does not change the landscape at all. On close examination, however, that is absolutely not the case. It does not, on its own, tell us whether the numbers end there or whether there are a number of dependants or other family connections involved—spouses, for example. That, alone, needs to be dealt with immediately, Madam Speaker.

I have not had the benefit of going through the Immigration Law (2003 Revision) line by line, but section 22(7) caught my eye. With your permission, Madam Speaker . . .

The Speaker: Please proceed accordingly.

Hon. D. Kurt Tibbetts: It reads: **"22(7) Any person under the age of eighteen years who –**

> **"(a) is an illegitimate child of a person who possesses Caymanian status; and**
>
> **"(b) has been ordinarily resident in the Islands for a period of three years immediately preceding the application, may apply to the Board for the grant of Caymanian status."**

What that tells me is this: If a person is granted status and that person has any number of illegitimate children under the age of 18 years, those individuals will have to be resident in the country for three years before they are eligible to apply for Caymanian status. If we look at cause and effect (if that is appropriate), how, then, are we going to say to an individual who has been resident here for three years and who wishes for his or her children (who may not be living in the country at this point in time) to apply for Caymanian status, *'We are not going to let your child come here'*? It is not going to work like that. That, in itself, could speak to numbers in a different way.

We are not simply talking about status, because that is only one issue. The Law does not say that they *shall* be granted status. It says that the person *may apply* to the Board for Caymanian status. I respect that. But for them to have the opportunity to apply, they will have to have been residing here for at least three years. The question about section 22(7) of the Immigration Law is: Are there any implications to people being allowed to bring their children here? If there are children under 18, the vast majority of them would be of school age. If they have left school but are under 18, we are talking about work permits if they are going to legally reside in the country before they can apply for status.

I raise this point simply to say that we cannot deal with the situation blindly without examining such circumstances as this.

I think there is another such situation in section 21.

The Speaker: Honourable Leader of the Opposition, are you seeking the Chair's indulgence?

Hon. D. Kurt Tibbetts: Yes, Madam Speaker, just for a second.

If we move again to the Immigration Law (2003 Revision), section 21(1) reads: "**21(1) After the 15th October, 1992, any person under the age of eighteen years who is the legitimate child, stepchild or adopted child of a person who possesses Caymanian status shall, for the purposes of this Law, himself possess Caymanian status and shall continue to possess such status unless and until he loses it under any other provision of this Law."**

There may be other provisions in the Law that speak of the individual having status until age 18 and then having to deal with the situation on his or her own. However, Madam Speaker, let us be practical. Once a child possesses Caymanian status he must automatically be permitted to reside in the Islands. There is no question there. If a child lives here from age five until age 18, no one can tell that child he has to leave the country. It is not going to happen.

When we examine that circumstance together with the one I mentioned from section 22(7), we see that these are real factors that must be considered as part of the whole sphere when we look at these grants.

One might choose to say that situations such as these will not be problematic, that they will sort themselves out. Madam Speaker, any right-thinking person understands that that is absolutely not the case, and would not be the case. It depends totally on the numbers with which you are dealing. If you do not have the data when you are dealing with these grants, then it is very difficult to say with real conviction that they will cause no effect on the way life is at present.

Some people will think that in delivering this Motion I am only looking for obstacles, or looking to create problems. That is not the case. In my view, it is

much better for us to be aware of these situations and to arm ourselves with knowledge. We would be much better off making attempts to be sure as we move forward, because, obviously, there is no turning back. The situation, which has not been dealt with for several years, is going to have to be dealt with now and on an ongoing basis. The two factors I have mentioned, along with the ability of Government's core services to cope with additional numbers in various areas (depending on what the needs are), must be considered.

Of course, it is very difficult to speak of natural justice, to speak of what we know is inherently right to do, and at the same time look at what obtains within society and strike the balance to satisfy everyone. We accept that. We accept that that is a difficult proposition, but it is one that must be grappled with continually. It is only through discussion and information-gathering that we can make the best decisions when we look at the way forward.

Madam Speaker, the third resolve clause of the Motion reads: **"AND BE IT FURTHER RESOLVED THAT the Legislative Assembly calls on the Governor in Cabinet to forthwith cease making grants of Caymanian Status pending the holding of widespread consultation with and approval by the electorate of the course of action taken by the Governor in Cabinet in this matter."**

Madam Speaker, we have all dealt with motions and participated at some level in the crafting and drafting of motions. When you deal with a motion of this nature, you try to pack it with as much as you can to make sure that its purpose stands the best chance of being served. It is as simple as that.

The third resolve looks at what the Opposition believes is the best way forward. Fair play comes into play here (pardon the pun). I am fairly certain that we all have heard in recent times some type of complaint from an individual stating his or her case: *'Why did this person get status, having only been here for a certain period of time? Why can I not get it, when I have been here so much longer?'*

Most of the public statements that we have heard regarding this matter lean toward the fact that there are so many people who have been here for such extended periods of time. That is something I acknowledged from the very beginning when I started speaking to this Motion. I think it is safe to comment that it is something we all accept. If we recognise that specific situation, then any solution we seek to bring about must deal specifically with the tenure that is involved. One has to develop a methodology that caters to the ability of everyone to pass through whatever system exists so that everyone will be looked at comparatively—by length of stay, by tenure. That is not the be-all and end-all of any criteria, we know that. We know that one has to be very conscious of developing criteria to satisfy oneself that those who are being allowed to become the closest thing to what we could call citizens of this country are worthy of being allowed that privilege, but who are also, and who will continue to be, productive citizens and not impediments to society.

Madam Speaker, when we speak in the third resolve of ceasing these grants of status until such time as we have widespread consultation and approval by the electorate, we are saying that if there is legislation on the way—as the Leader of Government Business has said—we have to assume that such legislation would encompass the tools and the wherewithal to deal with the situation I just put forward.

If you simply deal with names, you cannot know whether an individual is 10th in line, 110th in line or 5,010th in line. That is the point I wish to make. If the grants, in most instances, were made on the grounds of residence (as I believe the case to be), then our contention is: Bring the legislation! Let us all debate it and thrash it out and come to some conclusion about that part of the process. There will be other situations, and we know that; but the majority of these grants will have been made on the grounds of residence.

At that point in time, we could all have the benefit of the real numbers involved, and of the potential situations that might occur (such as those about which I have just spoken) which the Law as it exists now would allow. We have to anticipate and deal with those. If we were able to deal with the situation in that fashion within the Law, if having obtained the statistics we knew the numbers with which we were dealing, we would be able to look consciously at what rate of entrance the society could reasonably stand by way of a type of quota on an annual basis.

Madam Speaker, I saw the first Draft Report from the Immigration Review Team. I believe there was a recommendation for an *up-the-ladder* situation. I cannot remember the date exactly, so I will speak in a hypothetical fashion. There was a type of recommendation that suggested, perhaps, between ten and fifteen years. Once that criterion was met (that is, length of stay), the person was to be granted permanent residence. Then, as soon as that time had passed, the person was able to move into a situation of acquiring Caymanian status. It would not necessarily be brought to the level of being a simple administrative affair, but the tenure of permanent residence would certainly dictate how easily the status was granted to that person once the time had passed.

In my view, there is absolutely no way that we can fail to consider the fact that the granting of status has to be staggered. You cannot even consider failing to stagger the situation simply because there has been so much inactivity in that area for such a long period of time. The numbers are simply too large, compared to our entire population.

Madam Speaker, if you or I were foreign nationals in the Cayman Islands—you, with your professional qualifications, and I, a hard-working person making a decent living and looking after my family—and we knew that once we had justified our existence

in society, once we had been here for a certain period of time and contributed the way we normally would we would get some security, and after another period of time some extended security, we would not be uncomfortable. The uncertainty has been our biggest problem, in my view.

If we can get to the point where the legislation deals with that, we can look at the numbers and create reasonable quotas.

I have to pause here, Madam Speaker, because I heard a caller on the radio yesterday referring to a statement made by the Honourable Leader of Government Business. I cannot quote verbatim, but I am fairly certain I will not be out of sync with what was said.

The situation posed was that, even now, if there is a quota of 300 grants to be made annually by the Immigration Board, they may have more than 300 applications. At the same time, they are only granting 100 or 150. That was, in effect, what the Leader of Government Business said. Using that information, the person who called in said, "Well, if you look at the numbers, and if no matter how many people apply they are only granting 100 or 150 annually, it will take some people 40, 50, or 60 years to be granted status."

I am certain that that is not what the Leader of Government Business meant. I simply do not know how it could be the case that there is a possibility of 300 grants and they are only doing 150 for the year. I do not know whether this occurs at the Board with the applications they get. God knows it is hard to imagine that with all the applications they receive they would only find 150 deserving, but that would have to be considered as a possibility because I do not know any differently. Perhaps they physically do not get to deal with the process or bring it to completion within that period of time. I do not know exactly what the reasons might be.

If you have a fixed quota of 6,000 individuals (and I am using that same 6,000, whether that is the case or not), and if you accept that as each year goes by a certain number will be added, that means it is an ongoing process. Still, you have 6,000 fixed in the pasture—6,000 cows that you have to take care of.

Madam Speaker, I saw a surprised expression on your face. That was not what I meant.

The Speaker: I was just making sure that I heard "cows".

Hon. D. Kurt Tibbetts: Yes.

The Speaker: All right.

Hon. D. Kurt Tibbetts: I was not making light of the situation. I was simply putting the picture together. That is all I was doing. I certainly do not look at people as cows—nothing like that.

I was only saying that you know you have a fixed number of people, and you have a record of their length of stay. Certainly, they could not all have come here on the same day; it simply does not work like that. They will have been here for certain lengths of time—say, over ten years. You will be able to categorise them by tenure, which would tell you when they would be eligible for status under whatever rules you set.

You could then choose a quota—that is, the number of these people that you know will be dealt with within a five-year period. In the meantime, there is another level of security of tenure with which they can feel satisfied. They know that once each year goes by, '*This is my turn; next year is the other one's turn.'* In the meantime, the people who are coming on stream through their tenure would not bundle up to another 6,000.

If you have a quota, and state in your directives that the number of applications you have exceeds that quota; and if there is no real justification for a refusal (that is, a criminal record or something of that nature), then you must fill the quota. That is how those people would be taken care of. I do not profess that what I am proposing is perfect, but that is how I see it. After all of my thoughts and discussions about it, I would think this is the most acceptable way. Whatever the policies are, via the Law or policy directives, you will know how you are going to accommodate people coming into the country as other people come on stream, and how many you want to facilitate to create balance and a sense of direction.

That is, in general, what we think the way forward should be. If it is done like that, Madam Speaker, I believe that, although you will not satisfy everyone—and this is one of those circumstances that will certainly not satisfy everyone—you will find the most acceptable way to deal with it.

There is a very important thought here: What we cannot have in this country—because it is the perfect formula for disaster—is one set of people feeling that they should have more rights than another set of people, even though they are afforded the same rights. In order for that not to happen we have to accept that there will be an integration process. That is already happening around us, but it must be done in orderly fashion so that you do not have such friction all the time. It is our view that it can be done.

If we were to go about it in that way, no one would feel that someone slipped ahead of them in the queue and was dealt with in more fair a fashion. That is what I am saying.

Madam Speaker, the fourth resolve clause reads: **"AND BE IT FURTHER RESOLVED THAT section 20 of the Immigration Law (2003 Revision) be amended to restrict the ability of the Governor in Cabinet to grant Caymanian Status so as to limit such grants by the Governor in Cabinet to six per annum."**

Accepting that we do not have an ideal situation at present, we are proposing a way forward that we believe the good people of the Cayman Islands will

accept. This last resolve clause refers to the Immigration Law (2003 Revision), section 20(d)—Caymanian Status. It reads: **"20. (d)A person shall, for purposes of this Law, possess Caymanian status if the Governor, in his opinion finding special reason for so doing, grants such status to him."**

If we look under the Definition section, the term "Governor" is defined as the "Governor in Council" (Cabinet), formerly Executive Council. Therefore, it is the Governor in Council (Cabinet) who would grant status to an individual, having found special reason for doing so. Madam Speaker, this is perhaps the most contentious point. We hold the view that the spirit of this section of the Law, and its intent, was to use a window from English common law, that in case any special circumstances occurred that any other section of the Law did not accommodate, then this was the way out. That is our opinion, not only after thinking it through ourselves but in speaking to . . .

The Speaker: Honourable Leader of the Opposition, by virtue of Standing Order 32(6) you have now spoken for one hour and you have one hour remaining.

Hon. D. Kurt Tibbetts: Thank you, Madam Speaker.

As I was saying, that section of the Law was put there so that, if no other section could accommodate a specific circumstance with which the Governor in Council (Cabinet) needed to deal, then this was to be the way out. I do not believe at all that the intent was to use that section in the manner in which it has been used in this instance.

Madam Speaker, this resolve clause speaks of limiting the number of grants. We would not want to go so far as to say strike it out so that it could not happen at all. The reason we chose the figure six was that, historically, it appears that no more than that number has ever been granted on an annual basis. In the past, we have heard of former attorneys general and governors being granted status by Cabinet. I think we may also have heard on the odd occasion of sports personalities who represent the country who have had problems travelling. Therefore, we hold the view that we should leave the window in place, but limit it to six. In doing so, we would make a commitment to the country that, from this time on, we are going to handle the situation in a different manner. It would send the clear message that we have attempted to bring resolution to the situation that exists now, and that it will be looked at on a continuing basis and not be left to get to this point again.

Perhaps the Law itself (whenever that comes) should contain a section calling for specific time periods for review of certain circumstances and for reports to be tabled in this Legislative Assembly. The country cannot afford to get to this point again. This has to be a lesson learned to ensure that it does not happen again. We could sit here today and call a slew of names and say whose fault it is, but this would not change the fact that we have to deal with it.

We have outlined the Motion, Madam Speaker. The fourth resolve clause speaks of six grants per annum.

I want to clarify something. There was a headline in the *Caymanian Compa*ss a few days ago based on a press release that we put out entitled, "PPM wants Status Grants Limited to Six." People who had not read the article could have construed from the headline that when we said in the Motion that we wanted to limit the grants made by the Governor in Council (Cabinet) to six, that that statement applied to the entire number of grants on an annual basis—it did not.

The press release itself clarified the situation, so let it not be misunderstood. It would be ludicrous for us even to think of that number as an annual total! It would make absolutely no sense, because the numbers are huge. We know that it cannot be dealt with in that fashion for any sensible resolution to come about.

Madam Speaker, in presenting this Motion our purpose, our reasoning, and the way the Motion has been worded, has been explained. What I have said will leave room for any following debate as to the merits or demerits of the Motion. I will listen carefully to the debate so that when it is finished I can do my winding-up, and then we will take the vote.

Based on what the Motion calls for in its resolve clauses, I would not expect the Government to support it. Suffice it to say, that as representatives of the people, and for our purposes and intentions, we felt this vehicle necessary. We will hear how the debate goes and see what moves on from here. Even if what we propose is not agreed, what cannot be said is that we have not made serious attempts to provide an alternative that is acceptable and helpful, and that tries to find a way forward that is satisfactory to the people.

Thank you, Madam Speaker.

The Speaker: At this time, I propose to take a morning break for ten minutes.

Proceedings suspended at 12.21 pm

Proceedings resumed at 12.39 pm

The Speaker: Please be seated.

Is it the intention of the Honourable House to proceed with the debate, seeing what the hour is, or is it the wish of the House to take the luncheon break?

Is it to proceed?

Mr. Alden M. McLaughlin, Jr.: Yes, Ma'am.

The Speaker: Thank you very much.

The Second Elected Member for the district of George Town. I should say, Honourable Member (so that you can gauge your comments), we would then take the luncheon break at 1.00 pm.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker.

I rise to speak on what is, perhaps, the most significant motion ever brought to this Honourable House—certainly the most significant one brought during the tenure of the current Legislative Assembly. The Motion is brought at a time when the majority of people in this country, and certainly all right-thinking people in this country, are outraged and gravely concerned about the future of these Islands and the implications—social and otherwise—that the reckless actions of the Government in the granting of Caymanian status to thousands of persons over the course of the past two months has had. Truly these have not even begun to be felt in this country.

Madam Speaker, the Honourable Leader of the Opposition has said that he does not believe the Government is going to accede to the Motion. Perhaps because of my relative youth, I still have the hope that there are some on that side who have the courage to stand up for what they truly believe in. There are Members sitting across the Floor from me in this Honourable House who I know, from my discussions, interactions, and from working with them on the Immigration Review Team, understand full well the grave implications of this particular act.

I find it difficult to believe that the Second Elected Member for West Bay supports it. He is not here today, although he is a part of the supporting Back Bench of the Government. I know his concerns about the implications this sort of indiscriminate granting of status to thousands of persons is going to have for the upward mobility of young professionals like him.

I know that my good friend, the Second Elected Member for Bodden Town (who is also a member of the Immigration Review Team), understands because we have discussed it.

It therefore boggles my mind that those two right-thinking members of the Government and its supporting Back Bench can accede to this mindless and reckless action on the part of the Government. I hope that one day (when we are all old and grey and have lived long enough) the dictates of political life no longer force us down a certain course of action and that we can talk about it. I hope there is still something to talk about, and that these beautiful and hitherto unspoiled rocks that we call the Cayman Islands—and that we love so dearly—are still around and in the kind of shape that will allow us the privilege of talking about these things.

Madam Speaker, it is my respectful submission that the actions of the Cabinet in conferring Caymanian status on a number of persons that has yet to be determined—but is certainly in the thousands—is unlawful. The Law and its policy, and the premise upon which it proceeds, is clear. The function of granting status in usual circumstances is one that belongs to the Immigration Board as established under the Immigration Law (2003 Revision). The function of Cabinet is to give directions to that Board and to prescribe a quota for the grants of status.

Section 20(d) of the Law (to which the Leader of the Opposition earlier referred) is there to deal with unusual circumstances, as he quite correctly said. The language is quite clear. It says that the Governor in Cabinet may grant status for special reasons—not any reason. There must a special reason. When Government seeks—and continues to seek (or so the Leader of Government Business says)—to confer grants of status indiscriminately on thousands of persons in this community, that is an unlawful act. Cabinet has exceeded its authority and its power under the Law. It has arrogated to itself the function of the Immigration Board, and that is unlawful.

I am here to tell all Honourable Members of this House, as well as the listening public, that someone is going to challenge that—someone who has been here for significant periods of time and who has not been granted status and who, in the ordinary course of events, would likely have got it had the proper procedure and process been followed. In my view, that sort of individual would constitute an aggrieved person. He or she would be entitled to stand before the local court to bring an action, and to prosecute it. This is going to happen! When it does happen, all these grants of status are going to come crumbling down. If we think we have a mess now in the line down by the police station over the course of the past four or five days, wait until it is determined that these grants were unlawful in the first place. What will this do to the worthy persons who did get the benefit of the grant?

I make it quite plain: There are many, many persons who have been granted status as a result of this exercise—unlawful though it has been, in my view. When you are thinking about whether or not to support this Motion, Honourable Members on the other side, this will be your last chance to do something that is right, to wash . . .

The Speaker: Honourable Member . . .

Mr. Alden M. McLaughlin, Jr.: Sorry, Madam Speaker.

The Speaker: Thank you.

Please address your comments through the Chair so that we can remove any element of personality conflict. I should be most grateful.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker. I am trying my best to be respectful.

This is the last chance, Madam Speaker, for Honourable Members of this House to wash some of the blood of this country off their hands, and, if not to redeem themselves, perhaps to mitigate the damage that this has done and is going to do to the social harmony in this country—to the education system, the

social system, and the health care system, just to name a few.

You know, Madam Speaker, I have listened to the Leader of Government Business castigate the Members of the Opposition, calling us hypocrites and worse over the airwaves. I cannot even say I listened with dismay, because I have come to accept that this is the norm coming from him. He says that we had the opportunity to involve ourselves in this process but did not do so. He says that behind the scenes we are egging people on and having our friends in the civil service and other operatives put names forward. He did say that.

Now, I cannot see into the minds and hearts of all Honourable Members here, but I know them well. I am not going to stand here and say that I know as a matter of fact that not one of them has engaged in any of this; but I can tell you that it would blow my mind because we have discussed this at length. I need this Honourable House and the listening public to understand that the Leader of Government Business approached the Leader of the Opposition and said (and he was speaking, in that instance, only to the two of us) that we should put forward 30 names from the district of George Town to be considered as part of the special dispensation.

Again, I do not know where the special dispensation comes from. I know I am digressing for a moment, but I have searched this Law inside out and it does not confer on Cabinet, or anyone else, the right to special dispensation. For this "special dispensation" he said we should put forward 30 names for the district of George Town and he could virtually guarantee that those 30 persons would be granted Caymanian status.

Madam Speaker, we represent 20,000 in George Town. We take the view that we do not represent only those who are able to vote. When one is elected, one represents the constituency. Who has made me God, that I can decide which of the many, many deserving residents in George Town who do not yet have Caymanian status should be preferred as part of this "special dispensation" process? That is the question that the Leader of the Opposition and I asked each other. How do we determine that? What happens to all the others who have been here for long periods as well who are equally or in some instances more deserving? For that reason—and that reason alone—we quickly determined that we were going to have no part in this process.

When we later met with the rest of the parliamentary Opposition to go through the whole thing, we came to the same view collectively. That is what is inherently wrong with what has been done: There have been no published criteria. There is no basis put forward as to why John Brown gets status, but not Mary Smith.

What is the basis on which people are conferred status? I am not asking this question. I know this as a matter of fact: There are operatives. I have not seen any since this week started, I must say, but there are operatives going around collecting names. I can tell you as a matter of fact that not only are there persons who have been granted Caymanian status in this most recent dispensation who no longer live here, there are persons who have never visited these Islands who have been given Caymanian status in this last lot!

There is a Jamaican lady who visits my helper, who came there this morning. Her husband lives in Jamaica with the children, and her children—who have never even visited the Cayman Islands—received status in this last lot. There are persons—and if anyone challenges me I will publish the names because I have them right here—who have been granted Caymanian status, and one, at least, was in jail at the time in our prison here. There is at least one individual, whose name I have, who has been declared *persona non grata.* He no longer resides here, obviously. He has resided in the Turks and Caicos Islands for the last five years, but his name is on the list. There are persons who used to work here whose work permits were refused, and who moved off these Islands. One individual currently lives in Miami and has been there for the last two years. He has been granted Caymanian status.

The Leader of Government Business comes on the radio and the television and talks about the blatant lies of the Opposition and says that no one with criminal convictions has been granted Caymanian status. If that is the case, he should publish the list. I do not mean a sanitised one, or one on which he has performed cosmetic surgery—I mean the real McCoy!

In my respectful view, such a list will never be forthcoming. This country will never know the true number of persons to whom Caymanian status has been granted. At this stage, I am not referring to those to whom the Honourable Leader of the Opposition referred, who will be entitled to status as a matter of course under sections 21 and 22 of the Immigration Law.

To add insult to injury, last Sunday I attended (in the company of the Honourable Leader of the Opposition and the Honourable Member for East End) a large church service held by the United Church, at which their moderator was present (a moderator's communion service). There must have been 600 persons there. When the Honourable Leader of Government Business was called upon to accept, on behalf of the people of the Cayman Islands, a mahogany lectern and a Bible for display in the Honourable Legislative Assembly, he chose that occasion to tell the United Church that, regardless of what people might say, the grants of status by Cabinet were right and were going to continue.

Not only do we not know how many people have been granted status, we now know that more grants are going to happen, unless the attitude has changed since Sunday.

Madam Speaker, I take this occasion to call upon the Government to produce an unaltered, unredacted list—one that has not undergone cosmetic surgery—and to do so forthwith. The people of this country deserve to know who their new fellow Caymanians are, at least.

Point of Order

Hon. Gilbert A. McLean: On a point of order, Madam Speaker.

The Speaker: The Honourable Minister for Health Services, please state your point of order.

Hon. Gilbert A. McLean: Madam Speaker, the Member has been saying that persons who are in prison, persons who are criminals, and persons who are not in the Islands have been granted Caymanian status. Since he is calling for the Government to publish a list, I think it is his responsibility to table such a list. It would be good for this Honourable House and for the country as a whole, and he should do so.

Madam Speaker, when one charges the Cabinet—which is the highest body in the Land—and implies that it has knowingly done such a thing as he is saying, it is indeed very serious. Therefore, he should produce a list.

The Speaker: Thank you, Honourable Minister.

Honourable Second Elected Member for George Town, are you in a position to substantiate your allegations made thus far? Or would you wish for the luncheon break to be able to so do?

Mr. Alden M. McLaughlin, Jr.: No, Madam Speaker. When I stand up here to say something, I know what I am saying.

Let me deal with one point the Honourable Minister made which is untrue. I never suggested that the Government knowingly did this. That is an important part of my whole argument—it has been indiscriminately done.

The Speaker: Honourable Member, you may so do, but if you are in a position to do so at present, could you make the requisite request for laying upon the Table and then move on to the next point so we are not dealing with two points?

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, I do not have a list. The Government has granted the status. I have the names of a number of . . .

[Inaudible interjection]

The Speaker: Order!

Mr. Alden M. McLaughlin, Jr.: . . . persons in the categories I described earlier. If they want me to call those names on the Floor of this Legislative Assembly, I will do so right now:

- Status granted while in prison: Jonathan Karl Campbell.

- Person who has been declared *persona non grata,* and who currently resides in Turks and Caicos Islands: Alfred Pink.

- Person who has been granted Caymanian status following the refusal of his work permit two years ago and who no longer resides in the Island: Albert Chin.

By no means do I pretend to have a comprehensive list. I have examples of real people.

I hope that satisfies the Honourable Minister.

The Speaker: Thank you, Second Elected Member for George Town.

It is 1.02 pm. We will take a luncheon break and reconvene at 2.30 pm.

Proceedings suspended at 1.02 pm

Proceedings resumed at 3.06 pm

The Speaker: Please be seated. Proceedings are resumed.

Hon. W. McKeeva Bush: Madam Speaker.

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Madam Speaker, the Second Elected Member for George Town, the Member speaking, has made serious allegations involving the Cabinet. We are having that matter checked and clarified by the Cabinet Secretary.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, is this a point of order or not?

Hon. W. McKeeva Bush: Madam Speaker, I am going to ask you to . . .

The Speaker: Order! One Member should speak at a time.

The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, I am on my feet and speaking at this point. If the Honourable Leader of Government Business wishes to interrupt, he must raise a point of order; otherwise he is not entitled to speak.

The Speaker: As I understood it, Honourable Second Elected Member for George Town, when I caught his eye, the Leader of Government Business was rising on a point of procedure and clarification. It is in that vein that I am entertaining his submission.

Please proceed Leader of Government Business.

Hon. W. McKeeva Bush: Thank you, Madam Speaker.

As I was saying, the Member who just interrupted has made serious allegations against the Cabinet involving His Excellency the Governor, the Attorney General, the Chief Secretary, the Honourable Financial Secretary and, of course, the Elected Ministers. We are having those allegations checked, and this will probably take 20 more minutes. I ask you to suspend proceedings until the Cabinet Secretary arrives. We have asked him to clarify this matter.

The Speaker: I am entirely at the wish of the House.

The Second Elected Member for George Town, do you have a point of order?

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, that is entirely out of order. They can check as much as they want, but I have the right to speak in this Honourable House.

The Speaker: Second Elected Member for George Town, I shall put the question.

All those in favour of an adjournment for 20 minutes only, please say Aye. Those against, please say No.

Ayes and one No.

The Speaker: I believe the Ayes have it.

Agreed: That a 20-minute suspension be taken to clarify a matter that has arisen in the records of this Honourable House.

The Speaker: I should say that I expect to be back in the Chamber with a quorum in 20 minutes.

Proceedings suspended at 3.08 pm

Proceedings resumed at 3.56 pm

The Speaker: Please be seated. Proceedings are resumed.

I recognise the Second Elected Member for the district of George Town.

Point of Order

Hon. W. McKeeva Bush: Madam Speaker, on a point of order.

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Madam Speaker, when we took the break, I had asked for a suspension of the House in order to address a serious allegation made by the Second Elected Member for George Town. He has made a very serious and damaging statement on the Floor of this Honourable House, one to the effect that the Cabinet of this country granted Caymanian status to a person in prison, namely, Jonathan Karl Campbell.

The Cabinet Secretary, Mr. Connor, has confirmed that there is no such person who has been granted Caymanian status. I have a letter that I am going to read into the records and lay upon the Table of this Honourable House. It is a statement from the Cabinet Secretary, and it reads: **"This statement serves as confirmation that the Cabinet Office is in possession of the names of those persons who were granted Caymanian status by the Cabinet between June 17, 2003, and September 2, 2003. I, Orrett L. Connor, Cabinet Secretary, confirm that I have checked such list and have been unable to find the name, Jonathan Karl Campbell on this list."**

It is dated 17 September 2003.

I lay this, for the record, upon the Table of this Honourable House.

The Speaker: So ordered.

Can the Serjeant ensure that all Members have the appropriate copies for their perusal?

Hon. W. McKeeva Bush: Madam Speaker, the next person he named was one Mr. Alfred Pink. It is not true that Mr. Pink was deported. Mr. Pink has no criminal convictions against him. In June 2000, an investigation was conducted and he was arrested on suspicion of working outside of the terms and conditions contained in his work permit. The month after the Immigration Enforcement Section completed its investigation, he was issued with a warning letter. No charges were laid before the court; therefore, he was never convicted by Immigration.

He was advised by the Deputy Chief Immigration Officer at the time, Mr. Franz Manderson, to depart the Island, and that he could not return until a work permit was approved for him. He was a resident of the Cayman Islands for 15 years. On 4 June 2000, he departed the Cayman Islands. A work permit was approved for him from 23 May 2001, valid until May 2003, for GEK Construction.

Mr. Albert Chin and Mrs. Sharaine Chin have been residents in these Islands for 11 years. They own a home and qualify for Caymanian status. These are the facts.

Madam Speaker, as far as we are concerned, the Member has impugned the conduct and the char-

acter of the Cabinet. He should withdraw his allegations.

The Speaker: I have listened to the position of the Government after research done by the Cabinet Secretary. I now call upon the Second Elected Member for George Town to, first of all reply, and then to substantiate his allegations before I so rule.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker.

We have called upon the Government since 24 July to publish the list of all persons to whom Caymanian status has been granted by Cabinet.

The Speaker: Honourable Member, please make a statement within the realm of the response I gave you.

Mr. Alden M. McLaughlin, Jr.: I am seeking to do that, Madam Speaker.

The Speaker: Thus far you have failed. Thank you.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, without sight of a certified copy of the list, published and certified by His Excellency the Governor . . .

The Speaker: Honourable Second Elected Member for George Town, one minute please.

Out of an abundance of caution, please let me repeat my statement.

You made allegations earlier today, which you had every right to do. The Government has now responded after researching and acting on the advice of the Cabinet Secretary. The Chair is giving you, via the process of natural justice, an opportunity to respond to the allegation. There will be ample opportunity in the remaining one hour and 39 minutes if you wish to introduce new evidence. At this stage, I am asking you to respond to what the Government has said and for you to substantiate your allegations. Please proceed accordingly.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, I am seeking to reply, but every time I start you interrupt me.

With the greatest of respect, the Honourable Minister stood there and said what he had to say without a whimper from anyone. I am trying to respond, but each time I try to do so, the Chair—with the greatest of respect—interrupts me. It is not fair.

Madam Speaker, I am going to start over.

We have called for the Government to publish the list time and time again. I do not believe, nor is this House entitled to believe . . .

Point of Order

Hon. W. McKeeva Bush: Madam Speaker, on a point of order.

The Speaker: Please state your point of order.

Hon. W. McKeeva Bush: Madam Speaker, the Member . . .

The Speaker: Please state your point of order. Only one Member can . . .

Mr. Alden M. McLaughlin, Jr.: *[Addressing the Hon. Leader of Government Business]* You cannot rise on a point of order during the course of a point of order. You should know that by now. Sit down!

The Speaker: Honourable Members, I will have order in this House from both sides! I shall not repeat that.

I am going to ask the Leader of Government Business and the Second Elected Member for the district of George Town to meet me in my office. I ask all other Members to stay here. This is an Honourable House of Parliament, and it shall so be conducted.

Proceeding suspended at 4.05 pm

Proceedings resumed at 4.15 pm

The Speaker: Please be seated. The House is resumed. I recognise the Second Elected Member for the district of George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker.

When we took the short adjournment, I was seeking, on your invitation, to respond to what the Honourable Leader of Government Business had said in relation to these three names. I am going to be brief and say that in the absence of a published list, Members on this side of this Honourable House have to rely on information given to us from sources we regard as reliable. That is what I did.

I will stand by what I have said until the day I see a published list, and His Excellency the Governor has certified that it is the original list, unredacted and unaltered, cosmetically or otherwise.

The Speaker: Thank you, Honourable Second Elected Member for George Town.

As a final point of clarity, are you saying that based on the information supplied from what are, in your opinion, reliable sources, you have come to a conclusion with the three names that are now on record? Is that a correct interpretation?

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, I have related the information that I was given.

The Speaker: Thank you. I am obliged.

You still have one hour and 39 minutes remaining in your . . .

Honourable Leader of Government Business?

Point of Order

Hon. W. McKeeva Bush: Madam Speaker, on a point of order. I see that the Member is forcing a fight. He has made a very serious allegation, which, as I said, we believe impugns our conduct. In fact, he claimed that what he said was a fact. Now he is saying that he was reliably informed.

The Member wants a fight here. I am not going to accede to that. I know what he wants. I have the right to call for that withdrawal, because he did not lay any proof. As a lawyer, he knows that. We have given him a statement from a constitutional person in this country dismissing his claim.

Madam Speaker, if we call on the Member to withdraw and he does not, and you put that question, it will cause another fight. Members of the Opposition will then go on the warpath and the country will be that much less settled again. We can substantiate our case. It has been substantiated thus far, and I promised the country a list, by way of a statement. That is what I am going to do later in this Meeting, when it has been compiled.

As I said, we do not want to reach a place where the Member is suspended; we want them facing us.

Perhaps we should leave things alone and let him continue to hang himself with the reliable sources he claims he has.

The Speaker: The Second Elected Member for George Town, one hour and 39 minutes remain in which to continue your debate on the Motion presently on the Floor of this Honourable House.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, what was the point of order?

The Speaker: Honourable Member, you know full well that if you are going to ask that question, it has to be done in the duration of the presentation. Please proceed.

Would you wish a few minutes? How many, Honourable Member?

[Pause]

The Speaker: All right.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, before we took the luncheon adjournment, the Honourable Minister of Health Services stood on a point of order and insisted that I produce the names that have caused this small controversy this evening. The Honourable Leader of Government Business has now sought to throw doubt on the veracity of statements I made in relation to those three names.

I have reflected on the audacity of the Honourable Minister for Health Services in raising that issue, because this now relates to a matter about which I personally know. I have a brother-in-law who happens to be a doctor at the hospital. He has been married to my sister for some seven years, but he has not been here quite two years yet. He received a personal phone call from the Honourable Minister of Health Services, who congratulated him on being a new Caymanian—having first enquired about his correct name, because he did not even know that. They can talk about whether my information is good, reliable or misleading . . .

Point of Order

Hon. Gilbert A. McLean: On a point of order, Madam Speaker.

The Speaker: Please state your point of order, Honourable Minister of Health Services.

Hon. Gilbert A. McLean: Madam Speaker, the Member is not telling the whole truth. I called his brother-in-law to ask him if he would be interested in my putting his name forward to be considered for the grant of Caymanian status. This was done in other instances. I believed that it was serving a public cause, since his specialisation is obstetrics and gynaecology, an area of medicine that is very much needed. I knew he was married to the sister of the Second Elected Member for George Town, who is a Caymanian as far as I know. I knew they had a family and I wanted to know whether I could assist that family by giving his brother-in-law the comfort and the reassurance that we wanted him around here.

If that is a sin, Madam Speaker, then indeed I am condemned; but that is the truth of it. When Cabinet accepted that recommendation, I called to tell him that Cabinet had favourably considered the proposal. It did not have anything to do with the length of time he has been here.

The Speaker: The Second Elected Member for the district of George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker.

I am grateful to the Honourable Minister for that clarification. It has saved me having to say what I said, but it does not for one moment alter the principle that I have been seeking to enunciate for some two or three weeks about this whole process. Perhaps I may be forgiven for not regarding the act as being quite as benevolently motivated as the Honourable Minister has sought to persuade us it is. That is just me, Madam Speaker.

You see, persons like my dear brother-in-law, whom I love like a brother, are good and able people. In due course, if they do their time and pay their dues in this country, they should come to be entitled to Caymanian status. However, you do not—brother-in-law of mine or not—walk off a plane eighteen months

ago and ensconce yourself in a job in Cayman and find yourself handed Caymanian status. Must I applaud that? No, Madam Speaker, it is fundamentally wrong!

We are at a point now, I believe, where all Caymanians—the indigenous ones as well as those who have come to be Caymanian through a grant of status—are bound to feel that the closest thing to citizenship any person in this country can enjoy has been trivialised, debased, and devalued. It has nothing to do anymore with how much time you spend here, or what kind of contribution you have made to this community. It has nothing to do with those fundamental things that guided the Immigration Board when it performed the function of determining whether someone should be granted Caymanian status or not. That point seems to have eluded the Honourable Members of Cabinet.

Earlier in my debate, I referred to what I considered to be the usurpation by Cabinet of a principal function of the Immigration Board by using or abusing . . .

Point of Order

Dr. the Hon. Frank S. McField: Madam Speaker, on a point of order.

The Speaker: Honourable Minister responsible for Community Services, Youth, Sports and Gender Affairs, please state your point of order.

Dr. the Hon. Frank S. McField: Madam Speaker, the accusation that the Cabinet is usurping the powers of the Immigration Board, which is empowered by the Immigration Law, is, again, a very serious charge. If he refers to section 20(d) of the Law, the Member, being a lawyer, will note that the Governor . . .

The Speaker: Are you referring to the Immigration Law (2003 Revision)?

Dr. the Hon. Frank S. McField: The Immigration Law (2003 Revision), section 20(d).

The Speaker: Thank you.

Dr. the Hon. Frank S. McField: It says: **"A person shall, for purposes of this Law, possess Caymanian Status if the Governor, in his opinion finding special reason for so doing, grants such status to him."**

Again, Madam Speaker, it says, "the Governor, in his opinion." It does not say the opinion of the Member or the opinion of the Opposition, but *His* opinion, "finding special reason." For the Member now to suggest that the Cabinet has usurped the functions of the Immigration Board or the Law, is to mislead this House, since that Member is aware of the Law.

The Speaker: Honourable Minister, thank you. Perhaps you may wish to refer to the interpretive section of the Immigration Law, which gives the definition of "Governor," in order to make the point clear for all and sundry.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, may I assist, because I really do not want . . .

[Inaudible interjections]

The Speaker: Order!

The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: I am going to make a concession, Madam Speaker, which will probably resolve the problem.

The Speaker: One second, please—I have asked the Honourable Minister responsible for Community Services (who has a copy of the statute in his hand) to refer to it. I would hope that having reached this level of his career he would have no difficulty in so doing.

Mr. Alden M. McLaughlin Jr.: I hope not.

[Laughter]

Dr. the Hon. Frank S. McField: Madam Speaker, I would like to bring a little humour to the atmosphere, as the learned Second Elected Member for the district of George Town has done. Now that he has played the trick—and it has backfired—he thinks that humour will dissipate the serious charges he has made, which he must now withdraw.

"'Governor' means 'Governor in Council'", and in this particular case it means Governor in Cabinet. It means the whole Cabinet. Therefore, I would ask that the Honourable Second Elected Member for George Town withdraw his remarks that the Cabinet has usurped the powers of the Immigration Board or the Immigration Law.

Again, Madam Speaker, the special reasons have nothing to do with residency requirements.

The Speaker: Thank you, Honourable Minister of Community Services.

The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, the Honourable Minister is going to law school now.

[Inaudible interjections]

The Speaker: Order!

Mr. Alden M. McLaughlin, Jr.: I am prepared to make the concession that in my view, my submission,

or my opinion, section 20(d) does not entitle the Government to do what it has done. That is my view, and I am entitled to hold that view. He might not agree. I do not expect him to.

The Speaker: Honourable Leader of Government Business, we have reached the hour of adjournment. May I have a motion for the adjournment under the appropriate Standing Order?

ADJOURNMENT

Hon. W. McKeeva Bush: Madam Speaker, I suppose this will be the only thing that we agree on.

Before moving the adjournment, I would like to alert Honourable Members that it is the intention to carry on business until 7.00 pm tomorrow, God willing.

[Inaudible interjections]

Hon. W. McKeeva Bush: They really test my patience, you know.

I beg to move the adjournment of this Honourable House until tomorrow, Thursday, 18 September 2003, at 10:00 am.

The Speaker: Thank you. The question is that this Honourable House do stand adjourned until Thursday, 18 September 2003, at 10am.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: I believe the Ayes have it.

At 4.34 pm the House stood adjourned until Thursday, 18 September 2003, at 10 am.

OFFICIAL HANSARD REPORT
THURSDAY
18 SEPTEMBER 2003
10.30 AM

Second Sitting

The Speaker: I will invite the Third Elected Member for the district of West Bay to grace us with prayers.

PRAYERS

Capt. A. Eugene Ebanks: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of the Cayman Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together. *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come. Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For thine is the Kingdom, the power and the glory, forever and ever, Amen.*

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

Proceedings resumed at 10.33 am

The Speaker: Please be seated.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

The Speaker: I have not received any notice of apologies for this morning.

PRESENTATION OF PAPERS AND OF REPORTS

The Agriculture and Industrial Development Board Financial Statements for the two months ended 28 February 2002

Housing Development Corporation Financial Statements for the two months ended 28 February 2002

The Speaker: I recognise the Honourable Leader.

Hon. W. McKeeva Bush: Thank you very much, Madam Speaker.

I wish to table the closing Financial Statements for the two former statutory financial institutions**,** the Agricultural and Industrial Development Board and the Housing Development Corporation, for the two-month and eight-month periods, respectively, that ended 28 February 2002.

There was no activity under the Housing Development Corporation (HDC) since that portfolio was sold. However, the Corporation assumed responsibility for the Government Guaranteed Home Mortgage scheme on 1 February 2002.

The Accountancy Investigation and Discipline Board (AIDB) which was effectively in operation for a two-month period granted only five student loans amounting to $104,000. In addition, the Board continued to administer the Government Guaranteed Student Loan Scheme, as well as the administration of the government scholarship funds.

With the closure of these institutions in February 2002, the Cayman Islands Development Bank, the Islands' first development bank, became operational on 1 March 2002. The powers and functions, as well as the assets and liabilities of the former AIDB and HDC, were transferred and vested in the Cayman Islands Development Bank. Madam Speaker, as you will recall, the principal function of the Cayman Islands Development Bank, as stated in the Law, is to mobilise and provide finance for; and promote and facilitate the expansion and strengthening of the economic development of the Islands, the particular reference to the Industrial Tourism and Housing sectors, as well as the development of the Human Resources.

During its first eighteen months of operation the Bank strove to fulfil this mandate by building on the foundations of the former statutory financial institutions.

A number of strategic objectives were put in place and were attained, including the enlargement of

the Bank's loan portfolio, the increase in its operational efficiencies, the relocation to a more accessible and attractive site, as well as a site or offices that are condoned for the easement and happiness of staff, and of course, the development of a plan to achieve self-sufficiency within the short-term. Madam Speaker, this is a good time for this information to come since the Opposition has been saying that the Government has done nothing for Caymanians, particularly the lambasting that I, as the Minister for Tourism, took during the inauguration of the People's Progressive Movement (PPM).

As at the end of August 2003, the total assets of the Bank stood at $6.4 million with a loan portfolio of over $5.4 million. Total approval of 133 loans with a value of over $5.39 million as at 12 September 2003, were recorded. Of the total number approved 43 per cent were for student loans (human resources); something they said we were not doing.

Twenty-six per cent was for small businesses, all Caymanians, no status holders either. So they cannot complain about that. I figure that would get some sort of response from the Member from East End who does not know when to keep his mouth shut.

Thirty-one per cent for mortgage financing – another need for Caymanians who they said we were not helping. Student loans received were some 58 at $1.2 million. Small businesses, such as buses, taxis for tours, and various other business opportunities for young, and otherwise, Caymanians – something they said was not happening.

Mortgage loans, $43 million, in addition to other consolidated loans which totals $5.3 million. So, Madam Speaker, in spite of the rhetoric and unfounded accusations of the PPM at their inauguration, the facts again bear that they cannot tell the truth.

A Report of the Cayman Islands Development Bank's activities during its first ten months of operations will be tabled shortly. At that time I will further outline the goals and objectives which are in keeping with the Bank's vision to become an efficient, successful and profitable lending institution. The community will be enhanced by optimising the use of scarce resources through the implementation of meaningful development programmes and projects for the benefit of all its stake holders and all our Caymanian people.

Madam Speaker, I lay these Reports on the Table of this Honourable House. Thank you.

The Speaker: So ordered.

The Honourable Second Official Member.

The Misuse of Drugs (International Cooperation) (Amendment) Bill, 2003 - White Paper

Hon. Samuel W. Bulgin: Thank you, Madam Speaker. I beg to lay on the Table of this Honourable House a Discussion Draft Bill for a Law to Amend the Misuse of Drugs (International Cooperation) Law (2000 Revision) to enhance the ability of the Cayman Islands to offer international cooperation in criminal matters.

The Speaker: So ordered.

Does the Honourable Member wish to speak thereto?

Hon. Samuel W. Bulgin: Madam Speaker, just to briefly introduce by saying that the purpose of the proposed law is to enhance the ability of the Cayman Islands to provide assistance in criminal matters to overseas authorities.

In all criminal matters the Misuse of Drugs (International Cooperation) Law, as it currently stands, only allows for assistance in drug trafficking matters. The objective is that when this Law is so amended by this Honourable House it will cover all crimes and not just drug matters. Most importantly, it will allow the Cayman Islands to be able to provide assistance at the very early stage, that is, when investigations are ongoing.

As it is now, we are somewhat impotent, for want of a better word, to provide assistance at the very early stage. In the past that was what attracted criticisms of these Islands and other jurisdictions. So, I am hoping that we will agree to the passage of this Bill in this Honourable House since it will alleviate that problem.

I intend to speak in more detail when the Bill comes up for debate at a later stage.

Thanks, Madam Speaker.

The Speaker: Honourable Second Official Member, have you already tabled it? The Clerk does not seem to be in possession of it.

Thank you.

QUESTIONS TO HONOURABLE MINISTERS AND OFFICIAL MEMBERS

The Speaker: I recognise the Second Elected Member for the district of George Town.

Question No. 81

No. 81:Mr. Alden M. McLaughlin, Jr. asked the Honourable Second Official Member responsible for Legal Administration when will a Bill be brought to the Legislative Assembly to amend the Succession Law in accordance with Private Member's Motion No. 7/01 passed by the Legislative Assembly on 15 March 2001.

The Speaker: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Madam Speaker, subsequent to the passage of the above-mentioned Motion, the Legislative Drafting Department set about attempt-

ing to draft the relevant amendment to the Succession Law. However, it was soon realised that it was not practicable to amend the Succession Law to the required extent in order to give effect to the spirit of the Motion.

Accordingly, the Department, after consultation with the Attorney General and the Ministry of Community Services, Youth, Sports and Gender Affairs, has drafted a stand alone piece of legislation, a Bill to create a "Status of Children Law" which will reflect the spirit and intendment of the Motion.

It will, inter alia, address the issue of succession of an illegitimate child to the estate of the father. It will also make provisions for paternity of an illegitimate child to be proved in a number of ways, including by the consent of the father.

The Bill will be taken to Cabinet shortly, thereafter, it will be sent to the Legislative Assembly to be debated.

The Speaker: Are there any Supplementaries? If not, we will move on to the next question.

Question No. 82

The Speaker: The Second Elected Member for George Town.

No. 82: Mr. Alden M. McLaughlin, Jr. asked the Honourable Second Official Member responsible for Legal Administration what steps have been taken to restructure the Financial Reporting Unit (FRU) as undertaken by the Governor earlier this year?

The Speaker: Honourable Second Official Member.

Hon. Samuel Bulgin: Madam Speaker, since the announcement by His Excellency the Governor there have been several meetings of the Anti-Money Laundering Steering Group (AMLSG) which has been working on an amendment to the Proceeds of Criminal Conduct Law (PCCL) to restructure the Financial Reporting Unit (FRU).

The AMLSG is comprised of His Excellency the Governor, as Chairman, the Financial Secretary, the Attorney General, the Commissioner of Police, the Collector of Customs, the Managing Director of the Monetary Authority and the Assistant Financial Secretary 1.

A draft Bill for the restructuring has been approved by Cabinet and is currently at the Legislative Assembly where it will be debated in this Meeting.

Honourable Members should be aware that as part of its deliberations and restructuring of the AMLSG consulted extensively with representatives of the private sector associations. At the time of the presentation of the Bill I will provide more details on its contents.

The Speaker: Honourable Second Official Member, for the purpose of the record could you clarify whether it is the Assistant Financial Secretary or the Assistant Financial Secretary 1, as stated in the express format of your response?

Hon. Samuel W. Bulgin: Thank you, Madam Speaker. Assistant Financial Secretary 1.

The Speaker: Thank you. Are there any Supplementaries?

The Second Elected Member for the district of George Town.

Supplementaries

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker.

There are many Supplementaries but the Honourable Member said that the Bill is coming in this Meeting of the House so I will reserve my questions for the substantive debate on the matter.

The Speaker: Thank you. Are there any other Supplementaries? If not, we will move on to the next item of business.

STATEMENTS BY HONOURABLE MINISTERS / MEMBERS OF THE GOVERNMENT

Update on the Improving Teaching and Learning in the Cayman Islands (ITALIC) Project

The Speaker: I have received notice of a statement by the Honourable Minister responsible for Education.

Hon. Roy Bodden: Thank you, Madam Speaker.

On August 27 of this year, all government school teachers in the Cayman Islands received an update on the ITALIC Project. They also had the opportunity to hear from Dr. John Conyers from a school district in Chicago as to a similar project being implemented in the schools under his jurisdiction.

Dr. Conyers' visit was sponsored by IBM and I thank our strategic partner for their continuing support. It gives me great pleasure today to provide this Honourable House with an update on this very exciting project which was launched in November of 2002. Part of the Ministry's Five Point Platform School improvement through the ITALIC, the acronym for Improving Teaching and Learning in the Cayman Islands is considered a major part of the Ministry's commitment to modernising education and promoting our mission.

The creation of dynamic learning environments for all our students is finally becoming a reality. To date, 173 teachers have been trained in the Teacher Universe Programme. This programme in-

volves training our teachers in the use of technology tools to deliver an integrated curriculum. Included in the 173 teachers are 35 teacher trainers who have been certified to train the remaining 50 per cent of the teaching service.

Every government school in Grand Cayman and Cayman Brac has at least one certified trainer. By June of 2004 all teachers, school inspectors and education officers will have been trained in the Teacher Universe Technology Integration course.

I must single out Mr. Herbert Crawford, Senior Education Officer with responsibility for School Improvement and Training, who has been particularly instrumental in ensuring that the training is organised, scheduled and delivered. He has taken on a primary role in the ongoing professional development of our educators and has himself become a certified Teacher/ Universe Trainer.

Through the ITALIC infrastructure project our schools are being equipped with wireless technology in every classroom in every school to allow access to online education resources and the Internet.

Our Cayman Islands learning village portal is being developed as teachers and Education Department personnel add resources, activities and lesson plans to be shared across our schools. In the near future Internet and Intranet access will allow schools, the Education Department, the schools inspectorate and the Ministry of Education to communicate with all stake holders in our Islands.

The Record Management System known as Star Student is being revised and re-developed to provide up-to-the minute information on the student body and to deliver access to timely and accurate statistics for planning and other purposes.

The Advocate Team, a dedicated group of senior experienced educators, meet every month to review progress and make decisions. They are now reviewing the Draft Information and Communications Technology Policy Document for schools, which includes the Internet use policy currently being used now, although it is in the draft stages.

We expect that a project manager who will be answerable to the advocate team will be appointed this week. When we began this project we emphasised that it had three parts: -

- o Training
- o Software; and
- o Hardware.

The training is well under way. A software advisory group will shortly be drawn from teaching and advisory staff with policies and procedures which will give teachers the maximum assistance in the use of support materials. Some hardware has been purchased, some labs have been upgraded but we are attempting to maximise the use of existing computers in our schools. Our overall commitment is that every student has access to a computer and the Internet.

The key to the success of this programme is our teachers. They are investing their personal time, energy and ideas into creating exciting and new ways to teach and motivate our students. I applaud them in their efforts and thank them for their continued dedication.

As Mark Vandoren said, "The art of teaching is the art of assisting discovery." Our teachers are demonstrating that they are all artists. The ITALIC programme must be sustained until all schools and all of our students, teachers and administrators are model users of technology. ITALIC must be extended to our Community College and also to the broader community so that all of our people will get the opportunity to upgrade their skills and prepare themselves for the 21st century.

Finally, Madam Speaker, I would like to take this opportunity to extend to you and all the Honourable Members of this House an informal invitation to the ground breaking for the Prospect Primary school which will be held on Friday, 3 October at 10 am. I have instructed my Ministry to send formal invitations to you all.

I thank you.

The Speaker: Thank you, Honourable Minister.

The Member for North Side.

Short Questions—Standing Order 30(2)

Ms. Edna M. Moyle: Under Standing Order 30(2), at your discretion may I ask the Honourable Minister one question?

The Speaker: Permission granted.

Ms. Edna M. Moyle: Thank you.

I wonder if the Honourable Minister is in a position to say if all staff members in the Education Department who will be involved in the ITALIC programme have been trained and if they have all been equipped with the wireless equipment.

The Speaker: The Honourable Minister for Education.

Hon. Roy Bodden: Madam Speaker, those who were conscientiously listening to my statement would have heard when I said—and I repeat—to date 173 teachers have been trained in the Teacher Universe Programme. I also went on to say it is recognised that every member is not trained so training is still continuing. We still have a significant number including about 173 more teachers left to be trained. To date, all personnel have not been trained and all of them have not been issued wireless equipment because the project, Madam Speaker, is a five- to six-year project and we just started in 2002.

I thank you.

Ms. Edna M. Moyle: Thank you, Sir.

OTHER BUSINESS

PRIVATE MEMBERS' MOTIONS

PRIVATE MEMBER'S MOTION NO. 4/03

Grants of Caymanian Status by the Governor in Cabinet

(Continuation of debate thereon)

The Speaker: The Second Elected Member for George Town continuing with a remaining time of one hour 30 minutes.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker and good morning.

The Speaker: Good morning.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, when we took the evening adjournment, I was developing one of the submissions I made in my opening. The grants of Caymanian status in the present circumstances by Cabinet to a yet undetermined but clearly significant number of persons was unlawful and is unlawful. It continues because they have exceeded their authority under section 20(d) of the Immigration Law (2003 Revision), and they have usurped unto themselves the principal function of the Immigration Board. Madam Speaker, in the first part of my submission this morning, I will seek to demonstrate why I am of that view.

The Honourable Minister for Community Services made a very useful intervention yesterday afternoon because he caused my mind to focus on yet another aspect of this matter. Further, to add another plank to my argument that this action of Cabinet is not contemplated by the Law runs against the fundamental premise on which the Law proceeds and is, therefore, unlawful.

The point the Honourable Minister made—and he is absolutely right about that—is that when the Cabinet proceeds to grant status under section 20(d), having found, in their opinion, that there is a special reason for so doing, they need not have regard to the usual considerations which the Immigration Board is bound by Law and by the Directions to have regard to. He is absolutely right about that. However, Madam Speaker, that then brings into stark relief the reason why Cabinet is not entitled to use the power and authority which it has been accorded under section 20(d) of the Law in the indiscriminate and significant way in which it has done so.

You see, Madam Speaker, the Immigration Board, when considering whether or not to grant status to an individual, or a set of individuals, is required under Direction 24 to have regard to 11 different matters in determining whether or not to confer status. All of those Directions are aimed at one thing and that is to ensure that the grant of status to an individual(s) is in the overall best of the Cayman Islands, bearing in mind the social and economic and other considerations.

When Cabinet exercises that function of granting status they are not required by the Law or by the Directions to have regard to those matters. Therefore, it must follow that reasoning, in addition to others, that the ability and the exercise of that authority under section 20(d) is severely restricted and circumscribed.

The Law never contemplated what Cabinet has done, for if it had it would have said, and it is bound to have said that Cabinet must have regard to certain matters in deciding whether or not to grant status. Because the underlying premise of the Law—and it is not just the provision relating to the grant of status—is the protection and promotion of the interest of Caymanians. The whole Law is developed on that fundamental platform and that principal premise even in relation to the grant of work permits. Before you grant the permit to a foreigner you must be certain that some worthy and able Caymanian is not being prevented from getting that particular job. That is a fundamental premise on which this Law proceeds.

There is a provision which says that the Governor in Cabinet may grant status, if in his opinion the Cabinet finds special reasons for so doing. So, it is clear that provision is there for an unusual circumstance where there is a special reason. It is not there to give Cabinet the authority to make wholesale grants of status in the number of thousands. There is another reason, but before I go on let me indicate in a little more detail what matters the Immigration Board is bound by the Law and the Directions it takes into account in determining whether persons are granted Caymanian status. As a matter of Law, persons granted Caymanian status on the basis of long time residents must be here for 10 years.

Secondly, Direction 24 says: **"24. The policy for the grant of Caymanian status shall include—**

(a) "that the grant of Caymanian status to any person shall not imply any obligations to permit the entry on temporary or permanent terms of servants, gardeners, etc., even if such persons may be in short supply within the Islands. . ."

Well, I am not going to press that one. It is not terribly relevant to the current circumstances.

(b) "that persons seeking Caymanian status must be able to satisfy the Board that they have sufficient financial resources to support adequately the applicant and any dependents;"

I pause here to say that the lack of regard to that particular provision in the exercise of Cabinet recently is going to come to haunt us in ways that I fear even to contemplate.

(c) "that Caymanian status shall not be granted to a person who has more than a spouse and three children under the age of eighteen years except in exceptional circumstances and at the Board's discretion;"

The lack of regard for that provision is going to cause us major grief.

(d) "the economic situation of these Islands and the due protection of persons already engaged in similar gainful occupation;"

In other words, be careful to ensure that when you grant status to this person or these individuals you are not displacing some Caymanian in the process.

(e) "the advantage which the continued residence of the applicant or his family may afford to these Islands;"

(f) "that there are no reasonable grounds for suspecting that the applicant uses or has been or is involved in illegal drugs;"

A police report should be received before consideration of the application. We really think that Cabinet had regard to police records before they made those grants of status.

(g) "that the applicant has not had a background of subversive political activity, or of organising such activity, or is organising, causing or promoting racialism or any other illegal activities;"

(h) "that the applicant has not been involved in financial problems, including bankruptcy or liquidations of companies or entities especially where creditors have not been repaid the whole of their debts;"

(i) "that the Board receives directly and not through the applicant at least three good character references from respectable persons of Caymanian status as well as a bank reference;"

We really believe that any such references were provided to Cabinet when they granted these 2,000 or thereabout persons, status? If so, I would like them to say so when they get up to speak.

(j) "that the Board . . ."

Well, that is the bit about putting a photograph in the paper. They clearly did not do that.

(k) "the Board shall take account of the desirability of granting Caymanian status to applicants with different backgrounds and from different geographical areas, to maintain a suitable balance in the social and economic life of the country."

Madam Speaker, the most ironic thing about these policy Directions . . . I know you know where they are derived from. They were derived from Cabinet. These are the policy Directions that Cabinet sends to the Immigration Board to say, "Listen guys, you need to take these important matters into account when you are deciding whether or not a person is worthy of being given Caymanian status. You also need to make sure that the implications to existing Caymanians are not the wrong kinds of implications". So the Immigration Board is bound to consider these but Cabinet is not, and Cabinet has not, in the exercise of its authority under section 20 (d), had regard to those. That is my submission and I am waiting with bated breath to hear the response from the other side on how they seek to demonstrate that they have had regard to these matters when conferring these recent grants.

Madam Speaker, my second argument is that this exercise by Cabinet of their purported authority is unlawful. That is all to do with the precise language of section 20 (d) which says: **"A person shall, for the purposes of this Law, possess Caymanian status if—**

(d) the Governor in Cabinet, in his opinion find special reason for so doing, grants such status to him,"

The operative and critically important words, as far as my submission is concerned are, "special reason for so doing." In the past this section has been used to confer status on former Attorneys General, Governors, Commissioners of Police, certain sports persons who wished to represent the country and had performed capably but did not meet the other criteria - in any event, a very small number of persons. One can see why we would want to allow the Cabinet of the country to have the ability to exercise a certain discretion in circumstances, which the Law either does not contemplate or permit persons to get status. The reasons are principally that people would not meet the financial requirements set by the Board or they might not have been here for quite the 10 years. However, there are some good reasons why you would want to confer status on them. That is why the Motion itself does not seek to shut out the ability of Cabinet to grant status altogether but to limit it to six per year.

Madam Speaker, if we examine, "special reason" perhaps it is possible that there might be a special reason to contemplate granting status to persons in a certain category. If the numbers were not unduly large one could even say that if Cabinet had said that persons who have been here for periods exceeding 10 years who meet certain other requirements; good character, significant enough investment in the country, then special reason would have to be that they made a significant contribution to the country. There is some good reason why the Immigration Board cannot do this, which is going to be hard for me to think of. One could possibly contemplate those kinds of circumstances but that is not what transpired here.

We have persons who have been here for long periods of time who have gotten status but we also have persons who have been here for as little as 14 months. They themselves have told me that they have gotten status. I will not say that there are persons who have been here for less than a year who have gotten status because I do not know. So, my submission is that special reason cannot be made out by the Government because the grants have been indiscriminate. There have been no established criteria; there is no benchmark against which any of these grants can be, and no rationale put forward as to why certain persons have been granted status.

In my respectful submission, they cannot, lump all of them—given the wide range of circumstances which all of them have—and say the special reason is that they are under pressure from the United Kingdom. Perhaps that is not a good enough reason. It is a special dispensation because of the Quincentennial anniversary, and I am waiting yet to hear what the other special reason is.

In my respectful submission, special reason cannot be stretched to cover the wide range of persons and circumstances under which the authority invested in Cabinet under section 20 (d) of the Law. So, Madam Speaker, for those reasons I submit that these grants have been made unlawfully. Therefore, the Motion seeks to have this Honourable House condemn and censure the actions of Cabinet in that regard; and further to have this Honourable House acknowledge the serious, negative implications of that unlawful exercise of authority by Cabinet; and further to seek to prevent that sort of reckless behaviour from occurring again by restricting by law the ability of Cabinet to confer such grants to six per year. That, in summary, is the objective and the purpose of the Private Member's Motion.

That brings me to the question of the social and economic implications of these grants. The framers of this legislation (the Immigration Law) clearly understood that there were serious implications when conferring status on persons. Those implications in many instances are positive but if careful regard is not paid to the local circumstances and the plight of the Caymanian in the process the implications can be grave. That is why the Directions set out in such detail what the Board must have regard for when contemplating whether or not to confer Caymanian status on persons. That is clearly not what Cabinet has regard for in their recent little exercise.

The Speaker: I take it Honourable Member that that is still your opinion.

Mr. Alden M. McLaughlin, Jr.: Entirely my opinion, Madam Speaker. Carefully considered and very much a conviction, but it is simply my opinion and my submission.

We have just recently been told that the Honourable Minister for Education has imported a number of pre-fabricated, so-called temporary class rooms to accommodate the ever burgeoning number of students in the education system of these Islands.

One set of these classrooms has been placed at the Bodden Town Primary School and the other set is at the George Hicks High School. We need not look any further for evidence that the physical plan of the education system of these Islands is not only under stress but it is incapable of accommodating the number of students that are coming into the system.

Bear in mind also the submissions made by the Honourable Leader of the Opposition with regard to the impact and effect of sections 21 and 22 of the Immigration Law, which do two things: 1) It gives to all legitimate children of persons who have Caymanian status, Caymanian status at least until they reach the age of 18; and 2) It gives to illegitimate children of persons who have Caymanian status the right to apply for Caymanian status after being resident here for three years.

You might ask yourself whether or not the persons who have been here on work permits were able to bring their dependents to this country but their level of income did not allow them to do so. Because, again, under the policy guidelines set out by Cabinet the Immigration Board determined that they did not have the financial means to support those dependents. But now if the children are legitimate, Immigration Board cannot tell them anything. They are entitled as new Caymanians to have their children here.

We have two factors operating now: We have persons whom we have previously determined did not have the financial means to support dependents in this country and, therefore, were prohibited or prevented from bringing them here. Now they can bring them but they are still earning the same money. So how are they going to support these dependents?

Secondly, these children are now Caymanian children and are not only entitled but are also required to attend school here. You can be certain that if their parents did not have the financial means to support them here, they certainly do not have the means to send them to an expensive private school, and the government schools are filled to capacity. But do you know when the harsh reality of this matter is going to hit us squarely in the face? It is not now; we are just

starting to feel the waves of it coming through but by the start of the next school year we are going to be faced with a crisis of enormous proportions.

We cannot build schools fast enough. I suppose you will have to import more temporary classrooms. This is not speculating; this is simply the exercise of logic. I can tell you as I stand here this morning that the implications of this have already hit the Social Services Department. I am not asking anyone, I have made enquiries there and the number of applications from persons who have sought assistance since these grants of status has increased significantly. In a number of instances they are persons . . .

[Inaudible interjections]

The Speaker: Order.

Mr. Alden M. McLaughlin, Jr.: . . . who were previously on work permits and who were therefore unable to seek assistance from Social Services. Now that they have been made Caymanian they are seeking the benefit of that Department.

So, we have only begun to feel the impact of this wholesale and indiscriminate grant of status to persons who otherwise would not have qualified. The Government can sit over there and mumble and say ridiculous things as much as they want, but we are all going to come to understand the truth and seriousness of the statements I have made.

I go back to the question of why this way and why now. The Honourable Leader of Government Business is all too fond of accusing the Leader of the Opposition of taking too long to do things and not doing enough in the short year that he was the Leader of Government Business. But I can say that one of the things that the Leader of Opposition did do was to establish an Immigration Review Team. He gave it a mandate to carry out an enquiry into the need for Immigration Reform to develop a policy and to make recommendations for draft legislation. He appointed to that team, Mrs. Sherri Cowan, the then Chairman of the Immigration Board, Mr. Orrett Connor, the then Chief Immigration Officer, Mr. Patrick Schmid, the then Deputy Chairman of the Immigration Board. Mrs. Sheena Westerburg-Frederick, who was the Government Crown Counsel principally dealt with Immigration matters.

The Speaker: Honourable Member, you have 58 minutes remaining.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker. The Leader of Government Business is complaining that that is too long.

He also appointed to that Immigration Review Team the Honourable Minister for Health, Mr. Gilbert McLean, Mr. Rolston Anglin, Second Elected Member for West Bay who is my good friend, and, myself. While the Leader of Government Business has just said that all he did was appoint the Team, the Team certainly did its work and we produced our first report on the eve of the unceremonious ejection of the new Leader of Opposition, and the Elected Member for North Side from Cabinet. That was the week of 1 November 2001. I am asking no one whether that is correct because I personally delivered the reports to the Honourable Temporary First Official Member.

For almost two years the Leader of Government Business has been sitting on a report from the Immigration Review Team doing absolutely nothing about it and then comes to the country and says that because of pressure from the United Kingdom Government Cabinet is required to dispense Caymanian status to 2000 or thereabouts persons. Madam Speaker that is absolute nonsense.

The reports—because two have now been delivered—from the Immigration Review Team proposed a comprehensive Immigration Policy; it looked at the history of immigration in this country; it looked at the recent census and indeed at the pace at which the population had increased; it talked about and understood the implications to this society of absorbing huge numbers of persons over such a short period of time; it acknowledged the need to address the concerns and the rights of long-term residents; and it recommended a course.

One of the things that it acknowledged in its policy was the fact that the country could not absorb two many persons in any one given period without having serious adverse implications. It was also critically important that we stagger the absorption of new persons, not into the society, but as Caymanians or persons possessing Caymanian status, into the society.

So the Government cannot say that they have not been told the correct course to take. They may say it but they have not yet said that they have rejected the recommendations of the Immigration Review Team. If they so do, they reject recommendations which were made by a team that comprised one sitting Minister of Government and one supporting Back Bench Member. In my respectful view, they would be foolhardy to reject those recommendations because they reflected a tremendous amount of work and research and insight. Persons on the Team had played a part in administering the Immigration regime in this country for many years, and I am not talking about myself in this instance, I am talking about people like Mrs. Sherri Cowan, Mr. Orrett Connor and Mrs. Sheena Westerburg-Frederick. They were intimately involved with administering the Immigration regime in this country and I have heard . . . I know when I sit down some of them will get up and assert that those on this side do not want to see long-term residents get their true rights and the fruits of their labour, and that line of argument.

I am one of the few Members who was eventually elected to this Legislative Assembly this time around; who was bold enough to stand on platforms

throughout George Town and say that we could not allow the rot to continue. We could not deal with the immigration system by not dealing with it, which had been the way the game had been played for many years. We had to acknowledge the rights and the importance of giving security of tenure to long-term residents but we had to balance that with the rights of existing Caymanians and the impact any such grants would have on their businesses and their abilities for upward mobility and success in their businesses. That is easy to say, but difficult to do. The proposals of the Immigration Review Team sought to do that.

As I say, we are at 18 September 2003, and the Leader of Government Business has had the benefit of this report since November 2001. Where is the immigration legislation? We still have not seen it. We keep hearing about it.

[Inaudible interjection]

Mr. Alden M. McLaughlin, Jr.: Yes, election is coming, and soon too.

[Inaudible interjection]

The Speaker: Order.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, that is not the end of the matter because even if the Government has not had the benefit of that report and those recommendations on which to act we still have an Immigration Law, defective though it may be. If indeed a dictate had come down from Her Majesty's Government that we had to address this as a matter of urgency, which quite frankly is again absolute nonsense, the Leader of Government Business received no such order or dictate and he cannot stand on the floor of this honourable House and tell . . .

Point of Order

Hon. W. McKeeva Bush: Madam Speaker, on a point of order.

The Speaker: Please state your point of order.

Hon. W. McKeeva Bush: Madam Speaker, the Member knows that he is misleading the House one more time. They cannot find anywhere that I said that we have received any order from the United Kingdom. What I said was that the United Kingdom keeps putting pressure on us, telling us that we need to do this thing and they had sent consultants here to put pressure on us and exposed us to the international world of the atrocious . . . he is wrong in saying so and he should withdraw it because I did not say that. What I had said was the explanation I just gave. The UK has been asking us to do something about the situation.

The Speaker: Second Elected Member for George Town, do you have with you express evidence for the statement, which you just made?

Mr. Alden M. McLaughlin, Jr.: No, Madam Speaker, I am so grateful to the Honourable Minister for having clarified the matter.

[Interjection: No, no]

The Speaker: Honourable . . .

Mr. Alden M. McLaughlin, Jr.: I will do anything you want, Madam Speaker, because what I wanted was an express statement from the Minister. He is very good at skating around the issue and leaving a certain impression.

The Speaker: Honourable Member, I am glad you had a condition precedent that you will do anything the Chair wants because the Chair now requests you to withdraw the remark which you are not in a position to substantiate.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, which remark? I will tell you what I said and I am happy to withdraw it. I said the Leader of Government Business cannot stand on the floor of this House and say that he has had any dictates, and if you want me to withdraw that I will.

Point of Order

Hon. W. McKeeva Bush: On a point of order, Madam Speaker.

The Speaker: Second Elected Member for George Town, there were other statements that you made which went much further than that saying the Leader of Government had directions for a mandate and that he could not say that. I can easily get the words because I would not want to put any words in your mouth but . . . . Is that what you want? I can easily get it.

Mr. Alden M. McLaughlin, Jr.: No, Madam Speaker, I do not want to blow this out of proportion, I want to carry on with my debate. I am most happy at the explanation that the Honourable Minister has given. I will withdraw any remark that offended him or anyone else in relation to what I said which provoked that remark, because it is a remark that I am happy about. I withdraw whatever it is, Madam Speaker.

The Speaker: Second Elected Member from George Town, although the Chair is most grateful for your consideration that we be most efficient in saving time, I am not in a position to accept a general withdrawal. I will take a morning break to see the exact words so

that it can be taken out correctly and there will be no room for any further speculation.

Proceedings suspended at 11.44 am

Proceedings resumed at 12.10 pm

The Speaker: Please be seated. Proceedings are resumed.

We took the short break because I wanted to clarify within my own mind the exact wording in which the Second Elected Member for George Town did say. I am most happy that I did take that break because a picture is worth a thousand words. I have had an opportunity to listen to the tape, as well as to read the *Hansard,* unedited though it be. The Chair is persuaded that the format in which the Second Elected Member for George Town presented it was in a hypothetical position and did not comprise of a statement of fact. Hence, the Chair will not ask him to withdraw it as the statement now stands.

Please continue Second Elected Member.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, I was saying that while I did not believe that there was any dictate from Her Majesty's Government—based on Human Rights issues, causing the Government to act in the way they did in making these grants of status— even if there were, the proper course for a well intentioned Government would be to use the vehicle and the mechanism that has existed in this country for over 30 years to award grants of status to long time residents. That is the Immigration Law (2003 Revision) that we currently have.

Even if there were the need for some urgency—which I do not buy, particularly given the fact that the Leader of Government Business has had the report of the Immigration Review Team since November 2001—the proper course would be for Cabinet to carry out that function it was given under the Immigration Law. Further, a prescribed quota could have been given to the Immigration Board saying that in this Quincentennial year—since that is one of the reasons that has been put forward as a basis for this grant—we would like to make 500 grants of status to the most deserving persons in the Cayman Islands. Having prescribed the quota, the Immigration Board would proceed to do as it has done since the Law was passed, to make public the fact that there is a quota. And the process would go on in an orderly manner prescribed by the Law. In that way status would have been awarded on a competitive basis whether it was 500 or 2000. So we would wind up having the longest serving, most contributing persons in the country getting status and they would have had to meet the 10-year residency requirement.

Therefore, we would not be in the situation that currently obtains where persons who have been here for barely a year having gotten status while persons who have been here for twenty or more years, have not. I am not using this as an example because I come from the legal profession so I know a bit more than other areas of the economy and industry. Just yesterday it was brought to my attention that lawyers who have been here for more than twenty years, who are outstanding advocates in some instances, were not even considered this time around. There is at least one lawyer—and I hope I am not forced today to call another name, but I can—who has been here for fourteen months and has been given Caymanian status. That is a fact.

When you adopt a process where there is no set criteria, where the basis for determining who is considered is by gathering a list by operatives in the society who simply go around and say "Yes, I think he would be a good person for status, yes . . . no man, he is not no good, this is a good man," you are departing from an established procedure by throwing the Law away.

There is a good reason for Government—and the bureaucracy that it entails, as troublesome as it can be—to ensure due process, to ensure that the rule of law obtains; to avoid arbitrary and wrong decision-making. Any country that allows its system to operate other than in accordance with the rule of law is a country that is doomed to disaster and anarchy.

If the Immigration Board had been allowed to do its job to carry out one of its principal functions under the Immigration Law, even if the quota had been 2000, we would not have had this uproar in the society about this matter. There would have been some people who lamented two thousand persons getting Caymanian status. I am not saying that there would not have been some complaint but we would not have had the kind of uproar that we have now.

While many worthy persons have gotten status—and for them we are all happy—the process should have had the Law contemplated with a prescribed quota every year. Because of the indiscriminate way in which this process has been allowed to proceed, a whole lot of persons who are unqualified and ineligible under the Law have been granted status. That is what has caused great concern to all of us. The scrutiny which is available, and a necessary part of the undertakings of the Immigration Board, when considering who should be granted status, never occurred.

Police records are required to have been sought after the fact. We are talking about the closest thing that this country has to citizenship. It is supposed to be a prized possession. You are supposed to be proud to have been granted Caymanian status. But as I said yesterday, this process has trivialised Caymanian status; it has debased it; it has devalued it, particularly in the eyes of long time residents who earned it the old fashioned way. I am not speculating about that because a number of them have said to me, "I was here fifteen years, I was in the Rotary Club, I did this, I did that, I did the other, I had to build a house, I had to invest, I had to show that I had a

commitment to this place." When we have situations, as have been reported to us, where persons who have never even been here got their names put on the list and got status, what does that do for the process and what does that do for the value which we ascribe to Caymanian status?

You know, Madam Speaker, I really do not think that the Government meant to do this. I really do not. I think that this is a situation that has taken on a life of its own and has gotten completely out of hand. As I said yesterday at least the two Members who were on the Immigration Review Team—unless they have done a complete right-about turn philosophically—would be, in ordinary circumstances, vehemently opposed to what transpired. I know the Honourable Minister for Health and the Second Elected Member for West Bay care deeply and value greatly being Caymanian and the importance of Caymanian status.

I really cannot expect the Honourable Minister for Health to act or to say anything other than in accordance with the policy of his Government. He is bound by collective responsibility. However, I am hoping that a principled individual like the Second Elected Member for West Bay will be prepared to stand up and take his distance from these reckless and dangerous acts of his Cabinet.

Madam Speaker, I know that when I sit down there is going to be a barrage of assertions, allegations or accusations that I, and the other Honourable Members on this side, particularly the Leader of Opposition, do not want to see worthy persons get their just due in this society, and that we want to keep long serving and long time residents out of Caymanian status and have them relegated to the sidelines of society, and that sort of argument.

As I said a while ago, I have been an advocate of immigration reform from long before I even contemplated standing for election to this Honourable House. My record stands for itself. I believe that the people of this country, and not just those in George Town, know that when there is a matter, particularly an immigration matter which needs attention, they turn to me or the Leader of the Opposition. I know that I have personally battled and pleaded and cajoled members of the Immigration administration, even the Chairman of the Immigration Board on occasions when I thought a matter had not been given the proper attention. When I thought a decision had been wrong, I sought—and I still do—their advice and advocated and continue to advocate on the part of persons who are here on permits and persons who do not have permanent residence or Caymanian status. We must be a just and fair society and that means regardless of where one comes from, regardless of their lack of ability to vote we must ensure that their rights—nothing more than that—are observed and protected. So they can lodge any accusation they wish about me in that regard. I know that the people whom I represent and the people, whom the Leader of the Opposition and the other Members of the Opposition represent, understand that much about us.

Madam Speaker, when we talk about one's underlying philosophy in relation to matters such as these, particularly immigration reform and the attitude that we should have in relation to persons who have lived and worked here for long periods of time . . . I had occasion during my preparation for this debate to do a little research about the attitude of Members of this Honourable House to immigration reform in the past, particularly to the vexed issue of Caymanian status. I must say, having looked at the Fifth and Final Report from the Select Committee of the whole House on immigration legislation . . .

The Speaker: Honourable Second Elected Member for George Town, if I could have your indulgence, it is approaching 12.30 and you are starting a new point. I made arrangements to be somewhere else, so with the wish of the House if we could take the luncheon break at this time and reconvene at 2.15 pm I would be most grateful.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, how much time do I have left?

The Speaker: There are 26 minutes remaining.

Proceedings suspended at 12. 29 pm

Proceedings resumed at 2.32 pm

The Speaker: Please be seated. Proceedings are resumed. I should wish for the Honourable House to note that the Third Official Member will be absent for the purposes of official travels until 19 September.

I recognise the Second Elected Member for George Town continuing his debate with a total remaining time of 26 minutes.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker.

When we took the luncheon break I started to talk about the philosophies of respective Members of this Honourable House in relation to immigration issues, particularly the vexed issue of Caymanian status. I come now to say how significantly the views of certain Members of this Honourable House have been altered given the passage of time and perhaps the circumstances in which they find themselves.

Some insight into this is provided in the Fifth and Final Report from the Select Committee of the whole House on Immigration Legislation Sessions 1989 through 1992. I ask your leave Madam Speaker to refer to it.

The Speaker: Certainly, Honourable Member. Would you be in a position to have copies because I have been unable to get a copy on my desk thus far?

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, I am quite happy to have it photocopied and I can even wait until it has been done, if that is what you want.

The Speaker: No, please proceed with your debate. I can get it shortly thereafter.

Mr. Alden M. McLaughlin, Jr.: I am referring to page 4 of the Minutes of the Select Committee, twenty second meeting, held Wednesday 15 January 1992, dealing with Clause 15 (that is, of the then Caymanian Protection Law) Acquisition of Caymanian status by grant. I quote: "The Chairman sought Members" views as to whether or not there should be a moratorium in respect of Clause 15 (1)." That is, whether there should be a moratorium in relation to the grant of Caymanian status.

"Mr. McKeeva Bush noted that in 1988 he moved a Motion in the House proposing security of tenure as an alternate for status. He noted that his views remained unchanged and recommended the abolishment of status by grant.

"Mr. Roy Bodden recommended that status by grant should cease and desist. He noted that many persons are content with permanent residency with a right to work and vote and recommended the abolishment of status by grant.

"Mr. Gilbert McLean did not agree to a moratorium because of the stalling effect that the 5-year period would bring about. He recommended that Government should look at the current claims and determine whether any or all applications should be granted status."

[Inaudible interjection]

The Speaker: Members, please pass comments to the Chair.

Mr. Alden M. McLaughlin, Jr.: "He recommended that any persons not granted status should be formally advised that they should, in the future, seek repatriation. He recommended that grants of status by the Governor should cease".

I will read that one again, Madam Speaker. "He recommended that the grants of status by the Governor [meaning the Governor in Cabinet now] should cease. He noted though, that if a person is considered worthy of status that the Board should have the right to grant it."

I could not agree any more with the then Honourable Minister. Absolutely reasonable and rational—his usual position in most matters. So time and circumstance change us all, or at least causes us to change positions. I thought that it was useful to remind Honourable Members of this House who might have perhaps been persuaded to stray from their philosophical moorings of what they said ten or eleven years ago in relation to this matter.

If I might have a moment, Madam Speaker. *[Pause]*

Madam Speaker, I want to move on to deal with the finality, and therefore the gravity, of these grants of status by the Government in Cabinet. You see, what may not have occurred to the Honourable Members of Cabinet is that grants of status conferred by Cabinet under section 20(d) are irrevocable. I repeat, Madam Speaker: Grants of status conferred by Cabinet under section 20(d) are irrevocable. What that means (for those who might not fully understand the implications) is that those persons who have been conferred status by Cabinet are with us for life. No matter what they do; no matter what heinous criminal act they perpetrate, neither Cabinet nor the Court has any recourse. That is separate and distinct from status conferred by the Immigration Board. I will demonstrate by reference to sections 25 and 26 of the Immigration Law, if I might have your permission, Madam Speaker.

The Speaker: Certainly, please proceed.

Mr. Alden M. McLaughlin, Jr.: Section 25(1) reads: **"Any person who possesses Caymanian status shall cease to possess or enjoy that status where-(a) having acquired Caymanian status by grant as mentioned in section 22** [That is not the section that Cabinet confers grants; that is the section that the Board confers grants] **by reason of the grant of a certificate of Caymanian status by the Board or by reason of such a grant under section 18 of the repealed law** [That is the previous Law which is the same section but the numbers change] **he has subsequently been ordinarily resident outside the Islands continuously for a period of five years or acquires a domicile other than a domicile in the Islands;"**

In other words, if you were granted Caymanian status under either section 18 of the old Law or section 22 of the current Law, and you decided after having received that grant to go and live somewhere else for five years by operation of Law, your Caymanian status ceased. That does not apply to status granted under section 20 by the Governor in Cabinet. That is one.

"(b) being a person having acquired Caymanian status as mentioned in section 22(5) by virtue of being married to a spouse who possesses Caymanian status or by reason of section 14(2) or (3) of the previously repealed law or section 18 5) of the repealed law—

- **I. The spouse ceases to possess Caymanian status**
- **II. within ten years from the date that he is deemed to possess Caymanian status—**
  - **a) he commences to live apart from the spouse under a decree of competent court or under a deed of separation;**

b) he is living apart from the spouse in circumstances where, an opinion of the Board, the marriage is irretrievably broken down; or

c) he ceases to be married to the spouse by reason of the dissolution or annulment of the marriage:"

That section is all about status granted to persons on the basis of their marriage to a Caymanian. Again, in those circumstances as set out in these provisions, status would cease by operation of law if certain occurrences came about. I do not want to belabour this point.

There is another sub-section that deals with persons who acquire status by virtue of being a widower or widow of a person who had Caymanian status, and again, in certain circumstances by operation of Law, status ceases.

"d) being deemed to possess and enjoy Caymanian status as mentioned in section 21(1) (or section 14(2) of the repealed law) by virtue only of being a legitimate child, step-child or adopted child of a person who possesses Caymanian status—"

That person ceases to have status if his parents, step parents or adopted parents cease to have status themselves while they are still a minor, or he is adopted in circumstances that he has no parent who possess Caymanian status. That is, if someone who does not have Caymanian status adopts that child, or he had not been ordinarily resident in the Islands for a period of seven years immediately before he reaches the age of 18 years.

The section that the Honourable Leader of Opposition referred to, which conferred on a child the right to Caymanian status if their parent had it, up until the age of 18, in circumstances where that child had resided here for less than seven years before they reached the age of 18, the status would cease. That does not apply in circumstances where the grant of status is conferred by Cabinet. Perhaps, and most importantly of all, for the purposes of my submission, section 26 says: **"Where any grantee of Caymanian status under section 22 or section 18 of the repealed or previously repealed law, is convicted by any Court of an offence—**

a) for which he is sentenced an immediate term of imprisonment of twelve months or more, other than for non-payment of a fine; or

b) which, in the opinion of the Board, was made possible by, facilitated by or connected with the Caymanian status of the offender,

the Board may revoke his status on its own Motion."

Again, those provisions apply only to grants made under section 22 by the Immigration Board. They have no application, whatsoever, to grants made by the Governor in Cabinet under section 20(d).

The Speaker: Honourable Second Elected Member, you have 13 minutes remaining.

Mr. Alden M. McLaughlin, Jr.: Thank you, Madam Speaker.

If they have not already understood the grave implications of their actions, I want the Governor in Cabinet to reflect on the irrevocability, the finality and the lack of recourse in relation to these persons if they do anything to contravene the laws of this land. They are with us, as I said before, for life.

While it is already done, I want them to bear in mind when they contemplate making more of these grants, as the Leader of Government Business has stated they intend to do.

The final point I want to make, Madam Speaker, is to address the question of whether these persons will be permitted to vote in the upcoming elections in November 2004. The Leader of Government Business has said on the radio, and I heard him with my own ears, that this issue is simply one that is a figment of the Opposition's imagination and one which they have postulated simply to stir up the people. I want him to understand, if he has not, that our concern about that has its genesis in a statement made by the Honourable Minister of Education at the re-dedication of the Bodden Town MLA office last month. I would ask the Honourable Leader of Government Business to listen to the tape of that meeting before he gets up and says that this is something that we have made up.

During the course of that meeting the Honourable Minister of Education made it plain that the intention was that these persons would have the right to vote in the next general election. The significance is that for that to happen in the majority of instances, it will require an amendment to the Elections Law. I do not have time to go line-by-line through the Constitution as to the requirements or the qualifications necessary in order to be added to the voters list. Time does not permit me, but I can tell you from careful memory that they require Caymanian status and the possession of British Overseas Territories citizenship, otherwise known as naturalisation.

There are some persons who had been naturalised prior to having been granted Caymanian status by Cabinet. Those persons will qualify to be added to the voters list. I do not have any big argument with that. If the Honourable Minister for Education was speaking for the Government's position when he spoke . . . for the majority of those who are not naturalised, to be added to the electoral register will require an amendment to the Elections Law. I am speaking in layman's terms now. To qualify for naturalisation you need to be, by virtue of the British Nationality Act, which is an English Act, free of immigration control, except in special circumstances, for one

year. Free of immigration control means that you are not subject to work permits, regulations or laws. Therefore, when one bears in mind that the final date for registration on the electoral register for the next election is 20 June 2004, one quickly comes to understand that there is insufficient time between when the very first grants were made. The only way to permit the majority of persons to acquire the tenure to be naturalised in the ordinary course of events, and then added to the register, would be to extend the time for registration, which requires an amendment to the Elections Law.

I am here to say that nothing short of an undertaking by the Government, when they speak that no attempt will be made to do that, is going to satisfy the Opposition or the right thinking members of this community. To seek to perpetrate such an act, in my respectful submission, stops just short of elections fraud. I can tell you, Madam Speaker, all Honourable Members of this House and the listening public that if the Members of the People's Progressive Movement, the Parliamentary Opposition, believe that the Government has the audacity to bring a Bill to this Honourable House to amend the Elections Law, this country will witness a demonstration it never before even believed was possible. We shall not permit it to happen, not on our watch.

During the course of my debate—

The Speaker: Sorry to interrupt again, but I am told by the Clerk you have five minutes remaining, Second Elected Member.

Mr. Alden M. McLaughlin, Jr.: That will suffice. Thank you, Madam Speaker.

During the course of my debate, when I was prodded to call names in relation to some of the examples of the types of persons who had been granted status, the Honourable Leader of Government Business rose some time after on a point of order. The House was then adjourned while the list was being searched.

I am not sure whether it is a certificate or statement, but it was presented to us by the Cabinet Secretary, saying that one of the names which I had called in relation to having a criminal conviction and having been granted Caymanian status did not appear on the list.

I tell the Cabinet to be very, very careful. Be very careful. The statement is worded very carefully. It says: **"This statement serves as confirmation that the Cabinet office is in possession of the names of those persons who were granted Caymanian status by the Cabinet between June 17, 2003 and September 2, 2003. I, Orrett L. Connor, Cabinet Secretary, confirm that I have checked such list and have been unable to find the name Jonathan Karl Campbell on this list."**

It is a very carefully worded statement and I ask them to be very careful, for I am informed that there are a number of such lists floating around, some which have been doctored and some, perhaps, that have not. So I ask them to be very, very careful.

Hon. Gilbert A. McLean: Madam Speaker, a point of order.

The Speaker: May I have a moment please?

Hon. Gilbert A. McLean: Certainly.

The Speaker: Second Elected Member for George Town, I am cognisant of the fact that perhaps you have not concluded what you started to say, and in that event I would give you this opportunity to do so before I make some comments.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, I am saying that I am informed that there are a number of such lists floating around and that, in fact, some have been doctored. I said earlier in my debate that I believe that we will never know the true nature and number of persons who have been granted status and that we will never see an authentic list.

The Speaker: Thank you, Second Elected Member for George Town. I wanted to give you the opportunity in the interest of natural justice to preface what you had received, reliable or unreliable, to bring it to a point where you could formulate it into your opinion or your view. Obviously, it remains as a statement of the fact and unless . . .

[Inaudible interjection]

The Speaker: . . . all right . . . let me finish, please.

Again, unless you are in possession of evidence which would substantiate that, the House cannot entertain the last allegation as a statement of fact unless it is qualified as your opinion, in which you will then hold the consequences.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, I am quite happy to formulate it as my opinion. But, I can tell you that I have done some checks. The Honourable Leader of Government Business assured this House that Mr. Alfred Pink has a work permit. He did not mislead in that respect, but the individual has never taken up his work permit and he has not been in these Islands for more than two and a half years.

Secondly, Madam Speaker, in relation to Mr. Albert Chen, he has not resided in these Islands for more than two years either.

The Speaker: Is that also your opinion, Second Elected Member?

Mr. Alden M. McLaughlin, Jr.: That, Madam Speaker, is the information I have received and I hold it as my opinion.

So I come to the end of my contribution . . .

Hon. W. McKeeva Bush: Praise God.

Mr. Alden M. McLaughlin, Jr.: . . . to this important Motion which seeks to have this Honourable House condemn and censure the irresponsible, reckless actions of Cabinet in granting status . . .

The Speaker: Second Elected Member, time is up but I will permit you to conclude the statement, which you are making so that you will not conclude in mid stream.

Mr. Alden M. McLaughlin, Jr.: I am grateful to you, Madam Speaker . . . which seeks to condemn and censure Cabinet in respect of the irresponsible and reckless actions of granting Caymanian status indiscriminately to what is now thousands of persons, and seeks also to have this Honourable House acknowledge the far-reaching implications of the unilateral and wholesale grant of Caymanian status by the Governor in Cabinet to so many people in one fell swoop.

Finally, it seeks to amend section 20(d) of the Immigration Law 2003 to restrict the ability of Cabinet to grant Caymanian status in such circumstances to a maximum of six persons per annum.

I thank you for your indulgence.

The Speaker: Thank you. Does any other Member wish to speak?

The Honourable Minister responsible for Health Services.

[Inaudible interjection]

The Speaker: Order.

Hon. Gilbert A. McLean: Thank you, Madam Speaker.

I rise to speak on Private Member's Motion No. 4/03 which is titled "Grants of Caymanian Status by the Governor in Cabinet."

I am impressed by the fact that the last speaker has made it quite clear that this Motion is a censure Motion. It is a censure Motion of Government. It is a Motion which is always treated seriously by any good government in Parliament. In fact, it is the Motion which most Parliaments acting properly will set aside other business to deal with and have it dispatched. That is what this Government has done. It started yesterday which is a day that Government Business is dealt with. However, that was set aside to deal with this, and the debate has gone on today, Thursday, which is normally Private Members' Motions day.

Madam Speaker, the second Whereas clause says: **"AND WHEREAS the Leader of Government Business has recently stated the intention of Government to revise the Immigration Law (2003 Revision) or to bring new Immigration legislation enabling up to 6,000 persons to be granted Caymanian status in one fell swoop;"**

Madam Speaker, I challenge that as a statement of fact and that statement has at no time, to the best of my knowledge and belief, been made by the Leader of Government Business. I am one of the Members of Government, and I have been unaware of it. I therefore challenge that statement in the Whereas clause.

In the third Whereas clause it speaks of the **". . . Parliamentary Opposition . . ."** that it **"has been inundated by a ground swell of apprehension and opposition."** So very often I hear the Opposition talk about apprehension and fear and all of the things that supposedly are now being vested on these Islands by the Government of the day. They are experts in this field. If it is one thing that the Opposition can do is create an alarm, and I am alarmed at how many followers they can get.

Madam Speaker, all of the apprehension in this country to date, since the time that the Governor in Cabinet has decided to grant status to certain persons, has been created by the Opposition. They had lost steam after the situation with the Referendum and the Constitution, and now they have seized on this as enabling them to create apprehension and fear.

Madam Speaker, if there is one thing that I have very great concern and alarm about it is the fact that the Opposition consistently and deliberately go out of their way to try to frighten this country. They make all sorts of frightening statements; "indiscriminate use of power", "arbitrary," "mindless" are the types of adjectives they use. They must be speaking personally for certainly they are not speaking of the Government of the day.

In this Motion the Resolve clause is asking that the **"Legislative Assembly does hereby condemn and censure the actions of the Governor in Cabinet . . .".** It is also asking in the Resolve **" . . .That the Legislative Assembly acknowledges the far reaching implications of the unilateral and wholesale grant of Caymanian status by the Governor in Cabinet to thousands of persons in one feel swoop;".** I do not know anything about that either and I am one of the Ministers of Cabinet.

The Resolve clause **" . . . calls upon the Governor in Cabinet to forthwith cease making grants of Caymanian status pending the holding of widespread consultation with and approval by the electorate of the course of action taken by the Governor in Cabinet in this matter;".**

That one really puzzles me, Madam Speaker. The Opposition is asking this House, in effect, to do what it cannot do; to stop the Cabinet from being the executive that it is and taking such actions that are lawful and is considered necessary for the good governance of the country. One must assume that they will go out to the electorate to get approval for what

the Cabinet should do and then the Governor in Cabinet can proceed thereafter.

Madam Speaker, I have brought numerous motions, including censure motions, to this House, but I have never seen one like that before. My colleague from Bodden Town has brought about three, but I have never seen one asking for so mighty an action.

The other resolve clause is that the Immigration Law be amended to restrict the ability of the Governor in Cabinet to grant Caymanian status more than six per annum.

I have been around the legislative landscape for quite a few years and I have seen governments come and go. Indeed, I have seen certain legislators come and go. I have come and gone myself, and have come back. The question of Immigration has been one continuing sore that no government has ever had the guts to deal with. Madam Speaker, it has been talked about, and if talking could kill the issue it would have been dead a long time ago. But it is not dead; it continues to be one of the most important areas of consideration for this Government, or any government before it.

I have heard the Governor's comment about our immigration situation. My friend and I, the First Elected Member from Bodden Town, on two occasions paid our way to London to talk with officials and FCO, and on both occasions they asked us what we thought should be done about immigration and what they wanted to be done about it.

England also has a problem with immigration, and the way they keep their population in control is by allowing a person work for five years and then it is cut off. If you stay beyond five years you become a British citizen for all practical purposes; you can vote and do everything else. They told us in the Legislative Assembly about three or so years ago that we should have cut-off periods for people on work permits and then we would not have a problem of people in our country on work permits for 20, 35 or 40 years. They told us that. All of us were there.

Madam Speaker, the Second Elected Member for George Town quoted from a 1989 *Hansard* on a report of the Select Committee. That was one of the most comprehensive that has ever been carried out. I can say today that if the Government had, at that time, continued in office, there was going to be what was called at that time, '"a sweep up". Once and for all the people who had been in the Cayman Islands long-term would have been incorporated into this society by the grant of Caymanian status or permanent residence. That was the reason why my two colleagues—Ministers at that time, namely the Minister for Tourism and the Minister for Education—said that status by residence should be done away with because we would start after that with people who had family connections or by marriage and so on. That was the fundamental principle that many Members were advocating at that time.

Madam Speaker, I wish to quote from the *Hansard*, more recent than that one, which was the 7 September 2001. It was a statement made by the then Leader of Government Business on immigration issues. I quote the Honourable D. Kurt Tibbetts: **"I do not believe that a day passes . . . "**

The Speaker: Sorry, Honourable Minister, do I have a copy or could arrangements be made for me to have one after you refer to it?

Hon. Gilbert A. McLean: Yes, Madam Speaker, I would be happy to. I do not have a second one at this time but I will have one.

The Speaker: Please proceed.

Hon. Gilbert A. McLean: Thank you.

"Mr. Speaker, I do not believe that a day passes any more without each Honourable Member of this House being reminded in some way, of at least one of the issues related to immigration that face these Islands.

"The inaction of the past several years has resulted in these issues forming something of a cloud looming over us. I believe that each of us who sought office has no doubt given his or her constituents some commitment to try to move this cloud.

"Most certainly, the Government is fully aware of the need to develop and implement immigration policies that will address the many issues existing. More importantly, the Government fully appreciates that whatever policies it ultimately proposes will not meet with the approval of every Member of this House, and that whatever this House gives its approval to will not necessarily satisfy every member of the community. [Truer words could not be spoken.] **However, Mr. Speaker, the Government cannot and will not be deterred by these inescapable facts.** [2001 *Official Hansard Report*, page 1035]

[Laughter]

Hon. Gilbert A. McLean: Madam Speaker, it goes on to say:

"Late last year, and obviously very soon after taking up office, the Government took the decision that it wished for Executive Council to be relieved of the role of serving as the appellate body in respect of decisions of the Immigration Board and the Trade & Business Licensing Board. The Government considered serving in this capacity to be fundamentally inconsistent with good judicial practice and good governance."

Madam Speaker, I absolutely agree with the then Minister. Let me say that this Government, the United Democratic Party, has changed the Law and brought new legislation. Cabinet no longer deals with

appeals; it is dealt with by a completely new appellate Board. I would believe that the Leader of Opposition would be glad to know that what he started has been carried out. It was not being talked about, it has been completed.

Madam Speaker, the then Leader of Government made very much sense when he said, **"More importantly, the Government fully appreciates that whatever policies it ultimately proposes will not meet with the approval of every member of this House** [It is obviously not meeting with the approval of the Opposition] **and that whatever this House gives its approval to will not necessarily satisfy every member of the community."**

I was not at the meeting last night in George Town but I heard about it. The people who came out to the meeting and heard their side of things, obviously did not meet with the approval of a certain number of the community.

Madam Speaker, another significant part of what he said is: **"More recently, as Honourable Members and the public will know, the Government** [meaning his government] **took the decision to issue a quota for 2001 for the grant of Caymanian status under various sections of the Immigration Law that are subject to such a quota. This is not an annual quota, Mr. Speaker; it is intended to merely address the result of the inaction in this area over the past 10 or 11 years."**

There has still been inaction since 2001 until now. All the things that the Member said here I agree with because they are true.

Madam Speaker, I would like at this time to mention a few things in terms of non-Caymanians living in Cayman. We have a spectrum of people that are from all over the earth. This little Island of Grand Cayman—which is 97 square miles, altogether would be 100—has people from all over the earth living here. Just to give an idea of a few: Australia, Belgium, Denmark, Garner, Hungary, Lebanon, Liberia, Portugal, Slovenia, South Africa. I have on the list here all the people from the various countries. Altogether, the total number of persons living in this society for over ten years is 6620. And these numbers are old. Out of a population of 44,000 . . . do the math . . . and that is just those that are living here over ten years, it did not figure in those that were living here for one year up to ten years who are on work permits. That is what this is talking about.

Madam Speaker, I think a few other statistics should advise us well. Earlier this year persons living here from:

Period of time	No. of persons
1 - 5 years	2055
6 -10 years	3791
11 - 15 years	4802
16 - 20 years	920
21 - 25 years	455
26 - 30 years	135
31 - 40 years	59
40 - Upwards	3

Madam Speaker, when the Opposition talks about apprehension and fear, we should be afraid of those numbers. We should be afraid that successive governments have foolishly allowed people to come to this country on work permits for 40 odd years and believe they can work them for another 40 years without giving them any sort of residence security. That is what they should be afraid of.

Madam Speaker, in 1988 when I was first elected to the House—and I remember it so well—I asked the question (and no one has ever answered it): who are we developing for? There are those who say develop irrespective because it is good for the country. One thing is certain, if we develop in a way that creates the need for jobs or for labour, we know absolutely well that we cannot fulfil that need. So, from that perspective we are obviously not developing for ourselves.

I make that statement believing same to be true and quite irrefutable. If we continue to develop and need labour, the only way we can control it so we do not have people on a work permits for 40 years is to make it clear from day one that they are coming to the Cayman Islands to work only for four or seven years, as the case may be, and after that time they will move on. If we continue to need labour for that particular job we will hire new labour. Madam Speaker, that is the only way we can arrest the situation.

There is more than 60 per cent of foreign labour force here, and each day they are in these Islands, the time of their residence is growing. I do not care which corporation; which business; which loud mouth came here and got rich; what individual; accountant; lawyer; or whatever says, "Oh, if you start rolling over people nobody is going to come." It is strange how they keep coming. I do not buy that story nor do I cater to that. I do not think that this or any other government should cater to that. The problem is that there have been so many gutless governments that have not acted in the best interest of the country to do what they should have done. And there is only one answer to it: to limit the time that a person comes to stay here and work.

The employee who comes knows how long they can work; the employer knows how long they can work, so then what is the problem? Everyone is in the know. Everyone plans his life and does what he has to do within the time that has been allotted by Law. That would certainly be my recommendation.

Madam Speaker, the Second Elected Member for George Town pointed out the fact that the former Leader of Government Business appointed an Immigration Review Team. That is a fact, and indeed, I was a member. I did not want to serve because I was an Opposition Member and I saw it as a way of tying me into whatever the results might be. However, I

thought about it and I have always been outspoken about the issue of immigration and what should be done about it. I thought it was worth me being a part of it because I would have gotten to say my piece, although I would have said my piece one way or the other. So, I accepted the invitation to be a Member.

I want to say to the Second Elected Member for George Town that he should never believe for one moment that, as I grow older, my views will go into any change mode. If anything, they are becoming stronger because I dare say the numbers are growing and they are overwhelming me. I am in less of a position to be able to fight them off, so I simply stayed with my opinions as they have been.

I quote again from what the former Leader of Government Business said, **"Mr. Speaker, the Government is committed to clearing this cloud I mentioned at the beginning. It must be done, and, God willing, it will be done."**

Again, I could not agree with him more. Madam Speaker, the problem is that anyone can talk about it, but not everyone is willing to do something about it.

Hon. W. McKeeva Bush: Hear, hear!

Hon. Gilbert A. McLean: Madam Speaker, I am accounting a little bit of the history. As I said, I have been around at various instances with this matter of immigration. One time Truman Bodden and Company had a Law—The Caymanian Protection Law 1984 (Law 24 of 1984). The descriptions of "Eligible Person" means, and I quote:

A. Any British citizen or a citizen of the Republic of Ireland
B. Any British dependent territories citizen
C. Any citizen of Australia, Bahamas, Barbados, Belize, Canada, Jamaica, New Zealand or Trinidad and Tobago; and
D. Any United States citizen.

They were the only people in the whole wide world that could get Caymanian status. I remember attacking this in that same Select Committee that the Second Elected Member from George Town spoke about. When I heard what was one of the most ridiculous statements that Truman Bodden had made to cover what he had done—he said it was to try to avoid getting people with communistic ideas coming to Cayman.

[Laughter]

Hon. Gilbert A. McLean: So, Madam Speaker, this thing goes years back. It was ludicrous. There were people, for example, who were married to Honduran women and they could never get Caymanian status. To be naturalised they had to have status. Twelve months after they got it they could then apply for naturalisation. Yet how could you apply for it when, in the first instance, you are excluded by your nationality? Thank God that part was changed in the Law which followed in 1991, if I remember correctly.

Madam Speaker, when we look at this matter of Caymanian status . . . let me not talk about Caymanian status at this point . . . what we need to do about the thousands of foreign nationals who are living in the Cayman Islands is manage population growth. We cannot continue to go through the route that we have been going before.

Firstly, there has to be definite periods of time in which a person comes to the Cayman Islands to work and then they leave.

Secondly, we cannot just kick the people who have been here 15, 18, 22, 25, 41 years into the streets. They have now made this largely their home. The report that was done made certain recommendations that took into account certain considerations on term limits. That report, which is in three parts as I recall, has not yet come to the end and there has not yet been any legislation produced.

Madam Speaker, I wish to refer to section 20 of the Immigration Law 2003 Revision, under which status grants have been made. The marginal note reads: "General Provisions Regarding Possession of Caymanian Status."

"20. A person shall, for purposes of this Law, possess Caymanian status if –

"(d) the Governor, in his opinion finding special reason for so doing. grant such status to him,

and he shall continue to possess and enjoy Caymanian status unless and until he loses it under section 25."

Madam Speaker, if we go to the definitions of "Governor" it means the Governor in Council. So I suggest that it does not mean the Governor himself, but it means the Governor, and all of his Cabinet Ministers and Members, arriving at a decision which, in their opinion, there is special reason for the granting of Caymanian status. It is separate and apart from the sections 21 to 22 and so on, as has been cited by the Second Elected Member for George Town. They are different. If there were conditions related to those sections, then they would not apply to the case of the Governor in Cabinet granting them. It is a separate section altogether where, for special reason, the Governor in Cabinet chooses to grant Caymanian status.

Madam Speaker, this year is the Quincentennial year and various things that have never happened in the Cayman Islands before have taken place. Certain structures have been erected, various things have been done, which I think has been the mark of forward thinking; we are a people who have reached 500 years in our history and we should celebrate it.

When the Government first took the position that it would be good to approve status grants to certain people, it was on the basis to show the Govern-

ment's intention to deal with this situation, as the former Leader of Government Business said, ". . . to remove the cloud."

Madam Speaker, the process started and as usual the Opposition saw every evil in the world because they were not the ones doing it. From my own perspective, there is one thing that is very important about what has taken place so far and that is: the Cabinet has acted in its opinion that there have been various special reasons where status grants have been made to people. Like the Member for George Town correctly said, some have been here for just over a year. It is a special reason why that person was granted status. Some people have been here for a very long period of time who were not necessarily granted status based on that period of time. One reason may have been that their contribution was visible and they deserved it for special reasons.

One thing that really bothers me is what I perceive happening in my beloved country, and it is not that I am now seeing it or becoming accustomed to it. I have been on planet earth for quite a few years and I am a fairly observant person. I have always known that in this society there have always been well-defined stratums of classes. There is a class that I would term, for my purposes right now, as the "ruling class" and then there is the "serving class". I believe that there has always been a problem in my country of a master-and-slave mentality. It has always bothered me. From the time I was a child I began to perceive it. There were certain families back then, and they have grown just like myself and have gone through various changes and so on, but it is still present here.

Of course, Madam Speaker, I think some of the greatest reactionaries—indeed they are reactionaries—believe "Listen here, you are alright to be in Cayman here for 20 years as long as you are here working for me, and in effect, I got you into a certain bondage and if you mess with me I will send you out of here." But they have a problem with freeing that individual from the bondage and say*: "*Look, you have been here so long by heavens, you are part of me and I am part of you, it is time now that the bondage is ended."

Madam Speaker, in the 1800s that came to an end, but there are some here in my country who believe that is still in place. I know my colleague, the Minister for Education and Labour has major problems with it too . . . no one has to tell me I know . . . it has become a problem with the Minister for Tourism to deal with the numerous complaints and the advantage that is being taken of people who work 14 and 15 hours a day. It happens. "You do not do exactly as I say, for the small wage you are earning I am going to cut you loose and get another work permit." It has happened here and it continues to happen.

Madam Speaker, I want to make it absolutely clear that . . .

[Inaudible interjection]

The Speaker: Order.

Hon. Gilbert A. McLean: . . . the people who are in this country on work permits are here, almost in every single instance, because their labour is needed. And for those who may not believe that and who do not want them around, then go home this evening and tell that helper of yours that she is gone tomorrow. Go home and tell the yard boy he is gone tomorrow. Go on the construction sites and say to the mason and the carpenters that they are gone as of tomorrow and then see tomorrow what happens in Cayman. We have to stop being fools. We have to be sensible people. Generally we are, but I believe that the biggest part of this holler and cry comes as a result of prejudice, discrimination and a desire by a certain number of people in this society to keep the ruling class in place and keep the working class in their place.

[Inaudible interjection]

The Speaker: Order.

Hon. Gilbert A. McLean: Madam Speaker, something I know which bothers some people is those Jamaicans. Well, plenty of those Jamaicans are cooking the food that thousands of Caymanians are going home to eat this evening. They are cleaning their babies' diapers during the day, laying the blocks, doing the carpenter work, all of that stuff. Now, let me just say this, Madam Speaker, to make clear my position: I am someone who does my best to try to live with all people, but when it comes to nationalities the one that I know most is Jamaican.

When I was growing up as a boy there was no such thing . . . I mean poverty made sure that you did not get anyone to do the work for you, you would have to get out there and slave for yourself. After Mrs. Theoline McCoy taught me, my teachers were Jamaicans: Ms. Plunket and Ms. Mitchell. I was a sickly child and it was Nurse Blair and the rest of them who dealt with it. The doctors that attended to me were Jamaican doctors. When I went to Mico College it was Jamaicans who were teaching me. I went to the University of the West Indies and it was Jamaicans that were teaching me. So I have quite a respect for Jamaicans, and I have many friends that are Jamaicans. I want to make it very clear that in any kind of instance where we are considering persons for the grant of Caymanian status, Jamaicans must definitely have their considerations too. I want to make that absolutely clear. However, like many Caymanians who I believe should be in jail, I think there may be Jamaicans in the society who should be in jail too. I simply balance my view on it so no one believes I am a "runaway train" in any one direction.

Madam Speaker, one of the things that really gets me is this thing about status and this "reckless and detrimental thing that is happening here". I look at this People's Progressive Movement insert that was in

the *Caymanian Compass*, dated 6 September and I see some faces here . . .

The Speaker: Honourable Minister, once you are finished, can you undertake to supply the Chair with a copy please?

Hon. Gilbert A. McLean: Yes, Madam Speaker.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, may I request the Minister to lay a copy of it on the Table of this Honourable House?

Hon. Gilbert A. McLean: Yes, Madam Speaker, it is so pretty and nice in colour. Definitely I will lay it on the Table, have no fear. In fact, I will go and buy a copy of this newspaper and make sure I get the one in colour.

When I look at some faces . . . I see Mario Ebanks, Mr. Rupert Moxam, Mr. Colin Charles Adams and Mr. Anthony Duckworth. I wonder if any of these got Caymanian status.

[Inaudible interjection]

Hon. Gilbert A. McLean: No.

[Laughter]

Hon. Gilbert A. McLean: So these are the only ones who should get Caymanian status? Are they the only people who are proper to get Caymanian status? That is the point I make; I believe that is the opinion of the Opposition, and I am telling you that you are solely wrong. This country belongs to more than accountants or lawyers or rich people; it needs both. That is where this Government stands on it and that is where I stand.

Hon. Roy Bodden: Tell them, Minister! Tell them!

Hon. Gilbert A. McLean: I want to know, if we were so hard on giving status and if it was such a terrible thing, how come they come.

Madam Speaker, referring back to when I was a young man going to college in Jamaica, I know what it is to live in a society where there are strong, racial overtones. When I was in university they used to hiss their teeth at me and call me a red man or yellow man. I would go to the bank on campus and the first thing they said before saying good morning . . . in fact, they did not say good morning; they hissed their teeth. A red man had come in front of them. I do not want to see that ever in this country, and it is not going to happen as long as I have any ability to see that it stops.

Hon. Roy Bodden: There are those who want it to happen that way here. If they had their way it would.

Hon. Gilbert A. McLean: This business that "it is good for me but it is not good for you" is a problem. Madam Speaker, the papers have helped . . . "The Gold Rush" . . . the headlines have simply been wonderful in promoting what the Opposition has been saying.

"The rush down by the police station has been a result of what the Leader of Opposition and his other colleagues have said."

I quote from the 12 September *Caymanian Compass.*

"Some in the line by the police station referred to the Compass front page story on Wednesday's paper in which PPM Leader, Mr. Kurt Tibbetts, had "busted the news" that the UDP Government was planning to give possible status to about 6,000 people before the end of the year and the only criteria needed was to be alive and a police record, people in higher places and some other procedure which they did not know about." That is what stared the stampede in "the gold rush." It is on the front page of the newspaper. That is what started "the gold rush".

Madam Speaker, I would like to table a copy of this so it is also in the records of the House.

The Speaker: So ordered.

Hon. Gilbert A. McLean: Let us not talk about what the Government is doing and that we did not know what we were doing, which is a run away. It is a run away because the Opposition made it a run away. They and some other persons who were misinformed told people that Government was "giving away status." How are you going to give it away when you do not have it to give away? It is granted in special circumstances.

Madam Speaker, I can say that I know that within the number of persons that have been granted status there are some poor individuals in the very low income brackets, and some, I am told, in the very rich income brackets. Unfortunately, I am not closely associated with them; I am just told that they fall in those categories. I tend to know more the average citizens, nothing against either side.

Madam Speaker, one thing that we need to make sure of is that we do not create social disharmony in this country. What the Opposition needs to take into account (when they are talking about who is getting status and parading certain people in their papers, et cetera) is that they are not sending a message that we do not want to send in this society, and that has never been here until now.

It would be remiss of me if I did not refer to something that was raised yesterday by the Second Elected Member for George Town. In his zeal to show a wrong doing and particularly to direct that wrong doing at me, he went into a situation regarding his brother-in-law. Now, Madam Speaker, my mother – bless her soul – who is 80 years old now, often says to me, "You know you sit around and keep your

tongue in your mouth [as if it would be any place else] and you do not say anything when people criticise you or whatever the case may be." I only do that certain times, and on a certain level then I respond.

The impression was given that I did some particular evil, in that the Second Elected Member's brother-in-law was one of the grantees of Caymanian status. I think it is necessary just to pause a moment to explain to this House the circumstances surrounding it. I have been around now for about 17 months or so since I have assumed one of the offices of Minister in the Cabinet. The Second Elected Member's sister is a doctor and she wanted to come back to her country to apply for a job. The situation that I was faced with by certain people in management at the Hospital . . . thank heavens I had gotten it changed from a Department into a Health Service Authority where I did have a little more authority to demand that certain things be done.

The Speaker: Honourable Minister, you have one hour remaining.

Hon. Gilbert A. McLean: Thank you, Madam Speaker.

The application from one of our doctors was not getting consideration because for her to be employed it might threaten doctor *so and so* who was there in a certain section. I made it extremely clear, as I can sometimes, that she was going to be employed and if it was going to create a threat to 'Doctor X' then 'Doctor X' had to get out so it was no threat. I am glad that she came and she is a member of the Hospital staff. I did not know, I was told by a staff of the Ministry that she was also married to a doctor. That made it ever greater, oh wonderful, particularly in a specialisation: Obstetrician/Gynaecologist, something in the medical field that is in high demand within the Hospital. I was glad to know he was here.

I want to clarity what I did because two different people from the Brac called me last night and it was reported on the radio said this, that and the other.

I had occasion to meet the Second Elected Member's for George Town brother-in-law and found him to be a very pleasant, soft spoken, respectful, cool kind of person. I called him and informed him that the Cabinet was considering certain persons in special circumstances for Caymanian status. I asked him if he had Caymanian status and he said no. I said to him that I wanted to know if I could put his name forward and if he would object and he said no. He said he considers here his home; his family is here and so on. I said, "Fine I will put your name forward." I did call him when the Cabinet accepted the recommendation. If he is not special to the Second Elected Member for George Town, as far as I am concerned, he is special to me and I think he is special to the country. I leave that story right there.

Madam Speaker, I would like to add that I do not know but I believe the doctor lives in my district and I know he would not be able to vote for me. I just thought that I should add that little appendix to it.

Madam Speaker, we have now heard from the Opposition about the impact of persons here who have been on work permits for 40-odd years. All of a sudden, that is going to have an impact. It did not have it before, but it is going to have an impact now. That is another scare tactic.

Well, I know the Honourable Minister for Education is building two schools; one is about to start soon. It will actually be three because one is supposed to be in West Bay later on as well. So, he is aware that there will be need for more schools. At present, there is need for schools for placements and so on. I am not trying to disagree that if a person is granted Caymanian status, and they have legitimate children, that they may apply for them eventually to come to Cayman. There might be a kind of a situation where the number might be greatly lessoned by the very word "legitimate" as things go, but that is a possibility.

The people who have been granted Caymanian status are now living in Cayman. I do not know if there are any, like the Second Elected Member for George Town says, who are not living here. If they are not living here, well, they do not make any impact. As far as I am concerned, they should be living here if they have Caymanian status. However, there is going to be no more impact on the Health Services than there were before because it is the same contribution to health insurance where they are working now. It might impact if they reach a point which most people are reaching in this country; 60 plus and so on, and the insurance companies refuse to cover them. All of them have fallen victim and have to be covered by Government. Even in instances where people have money and are willing to pay their premiums, the insurance companies are making them indigent. So, I do not see any great alarm, fear or whatever in that regard.

Madam Speaker, it is alarm that is unfounded and it is but an effort of the Opposition Members to create a situation to scare some people who they can scare. It is not leaving a very good feeling in the minds of many people who have been fortunate to be granted Caymanian status. They are now seeing a side of the people they thought they knew and they now are becoming concerned in a kind of scenario; behold thy enemy.

[Laughter]

Hon. Gilbert A. McLean: Madam Speaker, I wish to make it very clear that I think there needs to be a law. As other Members of the Cabinet have said for almost a year—certainly more than nine months—I can personally say also, a law was supposed to be produced to be brought to this Legislative Assembly based on the findings of the Immigration Review Team (IRT) and it has not come. I, for one, am advocating that. I

know the things that are in it because it came to the Cabinet, and I wish to assure the Second Elected Member for George Town that I have not changed my view on what is in that legislation. In the meantime, the Government had to do something. "This Government had the gumption, the guts . . . ". What did he say?

[Inaudible interjection]

Hon. Gilbert A. McLean: This Government had the "audacity" to do something for the first time and not talk about things. We did it instead of talking about it. I personally believe that it will have to change now once and for all because the Government has had the "gumption" to act for the first time. It cannot remain the way it is anymore, it has to change. So, everyone who was gutless and afraid before can now get on the bandwagon and blame us while it takes place.

Some Hon. Members: Hear, hear!

Hon. Gilbert A. McLean: Madam Speaker, as for it being unlawful, if that was the case the Second Elected Member—and I do not know what he would have to file—would have filed that long ago if he thought that it was unlawful. He is talking to hear himself talk.

[Laughter]

Hon. Gilbert A. McLean: Madam Speaker, there have been grants of status and perhaps may have been granted to persons who seemingly would not qualify by virtue of having criminal records. I do not know about those and I want to make it absolutely clear that the Second Elected Member for George Town could never begin to dream to be patriotic or nationalistic than I am. I take what I do dead serious and any criminal that may have been given status I think something has to be done about that.

That brings me to a point of why things like that may have happened? I am not saying something here that I have not said to His Excellency the Governor, but it is because, in large part, the Civil Service has become a sieve. Generally speaking, it seems there is no such thing as confidential anymore. I do not know about now but it is supposed to be the way it was when I was a civil servant. I signed what was called The Official Secret Act, and there are certain things that were confidential to me that I have to take to my grave. If I talked about them anytime in my life, I could be prosecuted if the Government felt I was divulging information that was contrary to the best interest of the state.

I certainly believe that something has to be done about the Civil Service to educate everyone that there is something called "confidentiality". You cannot know public business and divulge it to the embarrassment or the detriment of someone. Why is government different, Madam Speaker? I used to be the government's training officer. I used to teach these things. Why is it so different? Any bank may believe it is so great and powerful, any accounting firm, any law firm, but they are all just individual components that make up the great world of that organisation called government, and it must find a way to deal fairly with all of them, balancing and helping to keep them regulated. That is like the leaks from the Health Services Authority.

I want to say on this note of confidentiality: if I find out who is leaking information out of the Health Services Authority, as sure as I am standing here I will take that information and pass it to the Attorney General's office and ask that they be prosecuted to the full extent of the Law. I believe in the principle of confidentiality and particularly for another reason: if they are going to talk the private business about someone's finances, those same stupid people might talk the business about someone's confidential medical condition if they have access to it. I want to make that clear. That is how I stand on that issue. That is what I believe and no one should ever doubt that I will do it.

I think on a whole the Government needs to stop-up the sieve because that is the only way that certain information can be known to the public – leaks from people that are being paid from the government purse to do the government job and to keep confidential the business of the government. That is why I have the question that I do now from a Member of the Opposition, namely, the Member from East End, to tell him who was hired since last year May and how much they are earning.

Point of Order

Mr. V. Arden McLean: Madam Speaker, on a point of order.

The Speaker: Please state your point of order, Member from East End.

Mr. V. Arden McLean: Madam Speaker, I wonder if the Minister is saying that it is because of leaks in the Health Services Authority why I have asked this question.

[Inaudible interjection]

The Speaker: Order.

Mr. V. Arden McLean: That is not the case, Madam Speaker.

The Speaker: Member from East End, are you seeking a point of elucidation?

Mr. V. Arden McLean: Yes, Madam Speaker. He is misleading the House if he says that that is the reason why he has a question from me.

The Speaker: Member from East End, I believe I am correct in saying that Standing Order 34 says,**"A Member shall not interrupt another Member except-**

(a) by rising on a point of order, when the Member speaking shall resume his seat and the Member interrupting shall direct attention to the point which he wishes to submit to the Presiding Officer for decision;

(b) to elucidate some matter raised by the Member in the course of his speech, if the Member speaking is willing to give way and resumes his seat and if the Member wishing to interrupt is called by the Presiding Officer;"

Subsection (c) does not apply in these circumstances.

When one looks at May's one will see that there is not an option. That is what I asked in the beginning. You either can rise on a point of order, which I will have to rule on, or you will have to rise on elucidation, but you cannot rise on a combination.

Mr. V. Arden McLean: Madam Speaker, on a point of order. The Minister is misleading the House if he is saying that it is as a result of leaks from the Health Services Authority that I have subsequently submitted a question to him.

[Inaudible interjections]

The Speaker: Order.

Hon. W. McKeeva Bush: You just come here and you think you know it all.

The Speaker: Order.

[Inaudible interjections]

The Speaker: Members, please pass comments through the Chair.

Member from East End, I appreciate the fact that you have chosen one of the two rather than combining it. The Chair still needs to be satisfied with the utilisation of the terminology "if" it does not put it into that category yet. I am giving you an opportunity to get it right, Member.

Mr. V. Arden McLean: Madam Speaker, I have changed the "if" to "when he says that as a result of leaks I have submitted the question."

The Speaker: Thank you.

The Honourable Minister for Health.

Hon. Gilbert A. McLean: Madam Speaker, it is as a result of a leak. Clearly, this is coming out of the boardroom or the highest levels of management in the HSA that people can get on the government radio station and read off word-for-word things which were done in boardroom. They are leaks, and I wonder if the Member was prompted by that information that he wanted it verified in the form of a question in the House, or did he just have an inspiration that he wanted to ask that question.

The Speaker: Member from East End.

Mr. V. Arden McLean: Thank you, Madam Speaker.

When I have inspiration it is not about those things. The Minister must also recognise that the Net News had a headline concerning salaries of the executives of the Health Services Authority. Therefore, it was not that I had any direct information from any member of the board. He is correct in saying that as a result of the media I submitted a question for him to answer. Thank you.

The Speaker: One moment, Honourable Minister.

I am grateful to the Member from East End for that clarification. I should also wish to draw to the Member's, and all Members', attention Standing Order 22(1) (b). I would not have been in a position to say this until I have just heard what the Member from East End said, hence the reason that I am making comment now.

"(b) If a question contains a statement of fact, the Member asking it shall make himself responsible for the accuracy of the statement, and no question shall be based upon a newspaper report or upon an unofficial publication;".

Having said that, I wish to see the Member with the Clerk on this particular question, once today's proceedings are concluded.

[Inaudible interjections]

The Speaker: Honourable Member, I could not, at the time of approving it, read your mind. Based on your own evidence in this record, you have confirmed that it was submitted not on inspiration, but as a result of your reading it in a newspaper.

Honourable Minister for Health.

Hon. Gilbert A. McLean: Madam Speaker, the leaks that I speak about that are in the newspapers, and information that I hear read on *Radio Cayman* are clearly coming from the boardroom. However, Madam Speaker, if I should later have evidence of anyone running around with documents or information which is privy to the HSA, I will be passing that on to the authorities and request that they deal with it accordingly.

When the Opposition talks about the freedom of speech and not being able to speak, the government radio station gives two hours, four days a week of airtime for all and sundry to vent their spleen about everything. Usually 98 per cent criticise everything the

Government does, but they cannot truthfully say that it is not freedom of speech. There may be too much but they cannot say there is none.

Madam Speaker, because I am part of the Cabinet and have participated in the decision to make grants of Caymanian Status, it has not put any blood on my hands. Therefore, I do not have to wash any from my hands. I think what I participated in is good for this country and that is an indication.

Instead of talking for all these decades, this Cabinet—the first one ever—has taken the step to say to a cross-section of people in this country, "Look we recognise you, we see you as part of us. We believe you have played a special role and we would like to integrate you and instead of talking, do something that you can concretely feel a part of us." That is what I believe has happened.

I would also say that I know that people have been snuck on the list by people associated with the People's Progressive Movement. They do it through a third party: "Put this name on."

I know also that people involved and connected with their executive have gone to the Glass House to collect letters and take them out to people and say, "Here, this is your letter. You know the Government passed it but we took care of it. Remember how we are going to vote."

Mr. Alden M. McLaughlin, Jr: Madam Speaker.

The Speaker: Second Elected Member from the district of George Town, do you have a point of order?

Point of Order

Mr. Alden M. McLaughlin, Jr: Yes, Madam Speaker.

The Speaker: Please proceed accordingly.

Mr. Alden M. McLaughlin, Jr: The Honourable Minister is misleading the House with that outrageous statement. If he knows of any Member of the Parliamentary Opposition or any member of the PPM executive who has done that, he must say so. Otherwise, he must withdraw the remark.

The Speaker: Honourable Minister for Health, are you in a position to so say?

Hon. Gilbert A. McLean: Madam Speaker, I am saying that that is my opinion and that is the information that was given to me . . . just like the Second Elected Member for George Town has his sources. I did not say him or any of the Members of this House. I figure his party . . . they say it is 700 people . . oh, 1000 . . . so it is a thousand chances then . . .

[Inaudible interjections]

The Speaker: Order.

Hon. Gilbert A. McLean: Madam Speaker, in closing I note, I am unaware of any changes being made to the Elections Law to allow any new persons who have been granted status to vote, nor do I know of any changes to the British Nationality Act to allow them to vote within a month or two. Maybe these things are hidden somewhere from me, but I am unaware of them.

Now, Madam Speaker, I would like to refer to the Motion before I take my seat.

The Speaker: You have 31 minutes remaining.

Hon. Gilbert A. McLean: Thank you, Madam Speaker. This Motion is incorrect, in that there is no move known to me by the Government to make status grants of 6,000 to anyone in one fell swoop. I do not know who the hawk is swooping down to do it. Anyhow, I do not believe that there is any inundation; the groundswell of apprehension except that which the PPM is creating in the society. I do not condemn the Governor in Cabinet and censure the Government, but I condemn and I censure the PPM.

[Laughter]

Hon. Gilbert A. McLean: The far-reaching implications that the grants of status have had is for the good of this country, and I am glad that I participated in it.

[Members: Hear! Hear!]

Hon. Gilbert A. McLean: Also, I would imagine that the Opposition had all the time in the world for holding widespread consultations just as, I think, all the Members of Government have had, meaning the full group of people who form the majority.

Madam Speaker, I will not support any change to the section that allows only six grants per year. I am glad to see that this Government has also broken that chain that only Attorneys General and Governors could be granted status. When you really think about it, it is Governors granting themselves. I am glad that that chain has been broken.

Madam Speaker, I will close on the note of what President Theodore Roosevelt once said. I quote: **"It is not the critic who counts, not the man who points out how the strong man stumbled, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena; whose face is marred by dust and sweat and blood; who strives valiantly; who errs and comes short again and again; who knows the great enthusiasms, the great devotions, and spends himself in a worthy cause; who, at best, knows in the end the triumph of high achievement; and who, at the worse, if he fails, at least fails while daring greatly, so that his place shall**

never be with those cold and timid souls who know neither victory nor defeat."

Hour of Interruption—4.30 pm

The Speaker: We have reached the hour of 4.30 pm. I recognise the Leader of Government to move the suspension of Standing Order 10(2) to allow the House to go on until 7 pm.

Suspension of Standing Order 10(2)

Hon. W. McKeeva Bush: Madam Speaker, yesterday we indicated to Members that we would continue business until 7 o'clock this evening. Therefore, under Standing Order 86 we move to suspend Standing Order 10(2).

The Speaker: The question is that Standing Order 10(2) be suspended to allow the Honourable House to continue its business until the hour of 7 pm.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: I believe the Ayes have it.

Agreed: Standing Order 10(2) suspended to allow the business of the House to continue beyond 4.30 pm.

The Speaker: We will now take the afternoon break for 15 minutes.

Proceedings suspended at 4.33 pm

Proceedings resumed at 4.59 pm

The Speaker: Please be seated. Proceedings are resumed. Does any other Member wish to speak? Does any other Member wish to speak? Last call. Does any other Member wish to speak?

I recognise the Minister of Education.

Hon. Roy Bodden: I rise to give my contribution to the Motion presently before the House. Madam Speaker, I want to begin by saying that I recognise that this is an emotional matter. This is a matter that will draw from Members' feelings which run to their very souls.

During the suspension I had an incident which greatly perturbed me, and I want to share it with you, Madam Speaker, because I am not certain yet as to how I am going to deal with the matter other than, as far as I am concerned, the matter is not closed. When someone trespasses on my honour—the clan from which I come—it is a serious matter.

I was approached by two young men and I was rather surprised that one of them, namely, Mr. Christopher Wight, said to me, "Roy, when you sell status for vote. . ." I said, "Excuse me?" He proceeded to repeat it in the close confines of where I was standing in the Chamber. I was coming up the stairs.

Madam Speaker, you can hear by my voice that I am upset. As far as I am concerned, the matter is not over.

The Speaker: Honourable Minister, can you indicate whether that person who brought on the altercation is still within the precincts of this Honourable Chamber?

Hon. Roy Bodden: Madam Speaker, one was Mr. Christopher Wight. I note that his brother tried, after he realised the seriousness of the statement, to mediate and to get him to understand. There is also another person who tried to mediate who is in the gallery, namely, Ms. Lucille Seymour.

I am grossly insulted and very upset and I want it to be recorded that if this is the kind of supporter that the PPM has, it is no wonder that this country is being polarised to the brink of civil war.

The Speaker: Honourable Minister, I would wish to thank you for bringing this most serious matter to the attention of the Chair, and I would direct the Serjeant with the assistance of the Police Inspector . . .

Hon. Roy Bodden: Madam Speaker . . .

The Speaker: Yes, please, if that person is still within the precinct, have him escorted away.

Please continue, Honourable Minister.

Hon. Roy Bodden: Thank you, Madam Speaker. You will understand there is still the matter of how I personally choose to deal with it.

The Chairman: Certainly, Honourable Minister, but I felt it was very necessary for the Chair to deal with a matter such as this swiftly, as all and sundry would realise that this Speaker has no intention of being intimidated by anyone.

It is my duty as the Speaker to protect both the Members of the Opposition, the Members of the Government, my staff and all others who enter within these hollowed Chambers. I will not tolerate such altercations and adulterations of precedence, which has existed for many decades, within the hollowed Chambers of the Parliament.

Hon. Roy Bodden: Madam Speaker, during my time here I have seen three attempts to solve the problem of immigration in this country. All of these attempts, in my opinion, were marred by an unwillingness and inability, and perhaps, importantly too, an unintentionality to solve the immigration problem.

Madam Speaker, it was my understanding that when this political directorate of which the now

Leader of Opposition was the head came to power, this was one of the challenges we were going to approach with a view to putting some finality to it. It is true that every Honourable Member to a man mentioned this in their campaign as one of the challenges that the country needed to come to grips with in order that we could move into the 21st century.

Madam Speaker, earlier on in the political directorate the members of the Cabinet drew up a charter. It had about 14 clauses and it was signed by the then Governor as an indication of his acceptance of the direction in which we thought necessary to take the country. One of those clauses read: "We pledge to promote human rights and a call for increased social responsibility while emphasising that strong rights presume strong responsibilities."

Another clause read, "We pledge to promote public interest without denying the legitimate interest of the various groups which make up the Cayman Islands."

Madam Speaker, it is inferred from both of those pledges that we recognise that there was a need to deal with some persons in the Cayman Islands who were outside of the immigration mainstream. I grant that the Opposition has a democratic right to object, but I have told them before that what I do not like about them is that they are too quick to be duplicitous; too eager to adopt double standards. It was their interest then so why is it not their interest now?

The ridiculousness as to propose that we could solve this outstanding immigration problem by making six grants per year is simply ludicrous and irresponsible, coming from an entity which should seek to promote responsibility, fairness and a just society. I take note too. I call it inflamed language, mindless. These are inflamed words, inciteful (I do not mean "insightful") loaded; polarising the community, inflaming the passions.

I am a historian and I take note too of the following not an insignificant observation and there is a rising tide of reaction in this country that alarms persons like myself because I know where some people would like to lead this country. However, I stand for fairness and I am happy that I am a part of a Cabinet which recognises that we have to clear this matter up because it has the potential of overwhelming us.

The Minister of Health made reference to the fact that we made two visits to the UK, firstly, in 1995 and the second visit was in 1996. Madam Speaker, we were told by officials of the Foreign and Commonwealth Office in no uncertain terms on one occasion, and this is how it was expressed to us: "There is one regret we have and that is that we put you in charge of your own immigration policies for we are tired of receiving complaints through letters of long-term residents in the Cayman Islands who cannot attain Caymanian status."

It is a situation that we view with the utmost gravity. Madam Speaker, we know that when this political directorate reinstated the quota we were just a little ahead of the courts because there was a challenge.

I heard the Second Elected Member for George Town talking about those people who will issue legal challenges now because they were not considered. Well, there are also those who threatened to issue it before because an unreasonable quota was imposed. We have done the right thing and I am happy that there are persons within the Government who are not timid or afraid to make decisions. I am also alarmed that the Motion could be crafted to censure the Government on such flimsy and unreasonable terms. It is the democratic right, I suppose, of the Opposition to craft censure Motions, but the substance of this one is not even worth the paper that it is written on.

Madam Speaker, the Opposition has called their numbers, they have swelled their ranks, according to them, by those people who are aggrieved. What I would like to know is the numbers of those people who are relieved that there is at last an attempt to recognise that they are appreciated. As I look across on the Opposition—I will not call any names—I see at least one Member who has three close members of their families who are expatriates. I wonder how they are feeling. I wonder if among the six that the Opposition would give if three would be their family members, and who the other three would be.

You see, Madam Speaker, such hypocrisy does not belong in a forum or a society which claims that it is just. Or, perhaps there is such ignorance that it is not realised that these kinds of observations are being made. No entity achieves greatness by shrinking, none. You do not have to be a master of physics to understand that. Greatness usually comes with expansion, be it in physics, business, or ordinary life. So, I do not know how the Cayman Islands could prosper by shrinking the population base to a few that will be favoured by the PPM. I would hope that there is some genius out there, when I have sat down, who can explain that to me.

I do not know how the Members of the PPM can get up and say that they have good conscience and realise that there are people who have been here for as long as 50 years and are *nowhereans*. I pose the question: if these people are good enough to cook our food; if they are good enough to raise our children; if they are good enough to come in the most private recesses of our houses, explain it to me logically and clearly how are they not good enough for us to accept them as fellow citizens. Is it, Madam Speaker, that they want to go back to the old days where we were classified by skin colour or wealth? What is it? In a society which claims Christian heritage how can we be so unthinking? How can we be so uncharitable? How can we be so callous?

Madam Speaker, while it is fresh I want to address the comment made by the Second Elected Member for George Town. According to him they have

a tape recorder . . . well, I did not want to interrupt the proceedings of the House because I have due regard for the Member's turn to speak and I have regard for time. The statement I made was that many of these persons, by a quirk in the various pieces of legislation we have, have the right to vote already because some of them are naturalised but they have no status. I did not say that the Government (because I was not speaking for the Government) was going to bring a law to ensure that they could all vote. I know of no Honourable Member on this side who is that desperate for votes because everyone over here won by a significant majority.

Hon. Linford A. Pierson: Except me.

[Laughter]

Hon. Roy Bodden: Madam Speaker, I do not know of anyone who is that desperate over here who would have to do that. So, I just put that down as sophistry and rhetoric.

Madam Speaker, I hear some howls like the stones are hitting people.

[Inaudible interjections]

Hon. Roy Bodden: You know, Madam Speaker, it would be foolhardy to really expect that any entity in the Cayman Islands would—"in one fell swoop," I believe is the language of the Second Elected Member for George Town, the architect of this Motion and the legal mind over there—make 6,000 citizens. As big-hearted as we are we have not taken leave of our senses. We are just trying to be fair. What has been done is not illegal according to the Law because the Law allows for the grant under special reason.

I know what the problem is because when former Governors and Attorneys General got it no outcry was made. Now that these grants cover the full spectrum, including some of the humble, dispossessed and disenfranchised, some people are alarmed. Some elements are so begrudging that they are not prepared to acknowledge the existence of cooks, housekeepers and nannies.

Madam Speaker, there are elements in this Honourable House who have a social conscience; who realise that if this country is to progress there must be a new social contract. There are elements in this House who are emboldened by democratic ideals and by the necessity to broaden the population base of this country because we have a moral obligation to so do and we are not hypocritical. We have not forgotten . . .

I did not go around in the highways and byways promising people that if I got in I would see that they became citizens, but I know some people who did it and they are not on this side, at least not all of them. I leave that right where it is. "A word to the wise is sufficient."

Madam Speaker, I know the feeling because I have been there. When you have a crowd egging you on it is easy to get carried away and play to the gallery. It is significantly more difficult to be restrained and sober. I listen to the PPM, and the problem I have with them is that their debates do not illuminate and inform; do not lift anyone up; do not educate anyone. It inflames them and impassions them and polarises. Is it that they do not have the ability or is it that that is the kind of game they want to play? It is the responsibility of a representative of the people to elevate them; to lift them up; to inform them so they can make the correct choices; not to take advantage of them by inflaming them and using the emotive language that they can latch onto and get carried away with?

It is my objective that every time I rise here and sit back down the people who listen to me must have learned at least one thing. Perhaps that is the schoolteacher in me. When I am given to sophistry I practice that in the solitude of the jungle where I live, not over the microphone with a national audience or my colleagues in the Parliament. I say that this gesture cannot be as faulty as the Opposition would have people believe it is.

I question; given the circumstances, if roles were reversed would they not have done the same thing? Are they telling me that they are so disobliging, uncharitable and unchristian that they would continue to be satisfied with dispensing six when there are 6,000? It would take a millennium, assuming there were no additions to the list for any reason at all.

Now how in the "creation of crabs" could anyone expect that to be acceptable? How? Tell me! It seems that we need to remind ourselves of how many people are related to Caymanians through blood; through marriage, and then how many have the interest of close friends. Or, do we want to make this an insular and exclusive society as it was in history? No, Madam Speaker, not all.

There is a distant and echoing bugle sounding the charge, but the charge is to advance, not retreat. The Cayman Islands must move forward and not go back into time. There must be progressive leadership and not recidivist and regressive persons. Is there a social cost? Of course there has to be but many of these people, by the very fact that they have been here labouring honestly, have already made a down payment.

[Inaudible interjections]

The Speaker: Please pass comments through the Chair.

Hon. Roy Bodden: Madam Speaker, I do not know but I can say that some thought was taken, questions were raised. The political directorate has an obligation only to honour the legitimate offspring. I do not believe that because people are settled in their arrangement now that there is going to be any necessary exodus or

mass movement. We know in any case that additional classrooms have to be built. I would suspect that some people are going to exercise their option, but I also have faith in the rationality of human beings.

While there may be cases of persons wishing to benefit from a certain gift, I do not believe that there is going to be any great run. If there is, it is the responsibility of the Government to cope. That is why the Government has responsible Ministers like me. They will have to find practical, creative and affordable ways of coping, which brings me to the point of temporary classrooms. That is the problem which I inherited and dealt with.

The temporary classrooms which were imported are no less aesthetically pleasing or practical than the permanent ones. I have already made efforts to build the three schools that are needed and, if more beyond that will be needed, then we will make efforts to build them too. So, I do not see anything frightening or insurmountable by the challenge that we have sought to deal with. The coin has two sides.

These persons who have been endowed and are securing their tenure are now going to participate more deeply in the society by investing in houses, apartments and in businesses. I do not necessarily subscribe to the argument that established Caymanians are going to be disadvantaged from competition from these elements. They are already here. These people are already working, they are already entrenched in the society, so I do not see where any unregulated; any dearth of competition from them is going to detrimentally affect Caymanians. I will tell you what the solution is to the survival and the continued prosperity of Caymanians: ensure that they are properly trained and educated to compete in a global world.

Some Hon. Members: Hear, hear!

Hon. Roy Bodden: This Government is ensuring that the interest of Caymanians and others who are here legally are protected by enforcing strong labour laws which are fair; not short-sighted, protectionist policies it seems the Opposition is leaning towards.

I outlined this morning in a statement I made to the House that the Government is already well on its way as far as education is concerned.

The five-year, $6 million, Information and Communications Technology project with IBM is how we are going to guarantee that Caymanians are able to continue offering excellent services and have marketable skills. I do not want to frighten people away, nor do I want to contribute to the notion that the Government had done this without thinking of the major consequences. That is not to say that there are not going to be an uneven surface on the playfield, but I believe that we can meet the challenges that are going to confront us as a result of this.

Already people who have benefited have said, "Now that we have been bestowed this privilege, here is what we are going to do . . ."

Madam Speaker, I will say something else: has anyone made an attempt to find out how much money leaves this country every week or every month by persons who make remittances overseas because they live in an uncertainty; not sure whether their work permit is going to be renewed or whether their tenure is going to be abruptly cut off and told they are not needed anymore? That is not to say that remittances will not continue to be made, but I bet they will not be so significant an urgency now.

Some of that money will remain in the jurisdiction because those people will now have interest and reason to put it to use here. I am not hearing the Opposition talking about that; I am not hearing them talking about the drain on foreign exchange.

We have 6,000 people here who do not know whether there is going to be a knock on the door tomorrow. I do not hear them talking about those things. Is it that they are so shallow that they cannot conceive of these things? Is it that they can only spread fear and try to smear the Government and talk about divisiveness and that certain measures are close to fraud? Madam Speaker, is it because these words are legally loaded that they use them? "Treasonous," "close to fraud." Are they intended to intimidate, frighten, drive fear, to make the populace believe that the Government is an ogre?

Was there any attempt to sit down conscientiously to see if there are any pros to what the Government is doing? No, there was no attempt to do that; there was a rush to try to indict the Government with a censure Motion. Censure Motion, Madam Speaker? Me? I participated in three. The Minister of Health and I were the architects. Sometimes it was just he and I alone because when the now Leader of the Opposition was with us, if he thought that too many licks were going to fly he sought his little four-inch fence.

[Laughter]

Hon. Roy Bodden: I do not know how someone with his derriere could be comfortable on a four inch fence!

Madam Speaker, I still believe that there are people who do not deserve status. When I come across them I write, particularly if I believe in the world of employment that they are not treating Caymanians as they deserve to be treated . . . my pen still has ink – this Minister. However, I do not know of anyone on this list who was in that category. I know that there are geniuses who know more about me than I know about myself, even at 57. I thought that the mother who brought me into the world had deceased.

Ms. Edna M. Moyle: You might need another one.

The Speaker: Order!

Hon. Roy Bodden: Madam Speaker, this is a serious business. The Government has addressed it in the correct way and the Opposition has sought to make political hay out of it. That is the business of the Opposition and I respect that. However, what I do not respect is that those who are supposed to be responsible have not realised that the language they use runs the risk of inflaming passions, polarising the country and driving a wedge between elements which should have some semblance of coherence and togetherness. Madam Speaker, it is a path on which they should tread with the greatest of care. That is why the Government has chosen to debate this matter in Parliament.

I want to say something in all seriousness: there is another side to this debate and there are established Caymanians in droves who believe that what the Government has done is right. We did not bring them in the streets to any meetings because we did not wish to. We recognise the emotion and the fever pitch that this gesture is capable of igniting. We did not encourage our supporters to come to the gallery.

Do you know how many of our supporters wanted us to have a meeting? [They] castigated us for not having a meeting because they wanted to show that they are significant enough numbers behind us to be counted also. The Government is judicious and wise and there will come a time when we will call upon you to do that, but that time is not now. We believe that the matter should not be inflamed and impassioned. Matters such as this will drive brother against brother. That is not what we want to do and we know that we can achieve our objective without resorting to that. By the same token, neither is the Government going to accept this nonsense because, if anything, we deserve an award and not a censure.

Hon. W. McKeeva Bush: That is right.

[Inaudible interjection]

Hon. W. McKeeva Bush: That is all you can think about.

The Speaker: Order!

Hon. W. McKeeva Bush: The day that comes you are going to get a flogging that you never thought you would get in George Town though. The flogging that Anton Bodden put on you was not enough. . .

The Speaker: Order, Members.

Hon. Roy Bodden: Madam Speaker, reactionaries may choose to thumb their noses at what we have done. However, realists, and those with a social conscience, will praise us because they will realise that we have sought to fulfil a long needed move and a glaring and inconsistent situation.

I listened to the Honourable Leader of Opposition and he, in his usual, eloquent ability, said the whole world and then at the end of the day said nothing. Echoing like a false god . . .

An Hon. Member: Sweet nothing.

Hon. Roy Bodden: I was reminded that that Honourable Member and I were so close that I drove him around for three years. I know his sentiments on this because we discussed it many times. There are not many people closer to you than your driver. I know how my honourable friend feels because this was one of the things he used to defeat the former Minister of Education. No . . . the fairness, granting of status . . . hear the trouble maker, hear the agent provocateur . . .how he so quickly twisted it.

[Laughter]

The Speaker: Honourable Minister, in order for me to determine whether the last statements are of relevance, perhaps I may ask you to oblige the House with an interpretation.

[Laughter]

Hon. Roy Bodden: Yes, Madam Speaker, "agent provocateur" in French is the trouble maker.

[Laughter]

An Hon. Member: There is another one called dirty trouble maker.

The Speaker: Sorry for the interruption. Please continue.

Hon. Roy Bodden: Madam Speaker, I know how the Honourable Leader felt about people who were here for so long . . . disenfranchised . . . and I know the battles that we fought against the forces who sought to perpetuate these kinds of injustices. So, I know that his heart . . . well, he did not say anything too detrimental anyway. That was for the Second Elected Member for George Town.

I know that is his style and that is his role; he is a sweeper. That is what he does. The leader comes out like a leader, he does not want to get dirty or do any dirty work. But he is flanked by his younger, more robust colleague who says "Leave it to me because I have the advantage of knowing the law."

Madam Speaker, to our detriment, he is even learning the gift of the gab. I am frightened because bit-by-bit he is shedding his docility and sometimes he comes close to even shedding civility because he can punch.

[Laughter]

Hon. Roy Bodden: Madam Speaker, they have crafted this Motion in an attempt to embarrass us, in an attempt to hound us from office, but it shall not happen. We believe in the rightness of this cause, but I am alarmed because I had two incidences. I will not repeat the first one but both really alarmed me because I have never been accosted like this. I mean, people curse at me all the time. I have no great fear of that. I tell them sometimes that I would rather get the curses than the licks with sticks and stones because curses do not break any bones.

I want the Opposition to realise and to be responsible in their approach. I would like to believe they are cognisant of what this can do. I know they are still coming off the euphoria of their inaugural meeting when they launched it, but they will soon sober up and come down to the reality. They need to realise that what was done was within the Law.

I do not know anything about any criminal who was deliberately given status. I do not know anything about anyone who was knowingly outside the jurisdiction or not in residence here who was deliberately and knowingly given status. What was dispensed was done so with the best of intentions. Of course, in any exercise of this magnitude some will fall through the cracks. It happens in the most sophisticated jurisdictions and societies, but what was done was legally done.

I resist with all my soul any attempt to smear me or the Government of which I am a part with any illegality. Any suggestion that what was done was treasonous . . . oh, Madam Speaker . . . it was raining the night when they had the meeting over there . . . "treasonous." That is a powerful word. That is perhaps the only charge on the statute books for which a man can be hung. You cannot use that word lightly and you mean to tell me that the Opposition is so reactionary that they would make bestowing of citizenship on deserving persons treasonous. Lord help us if they get in power.

Hon. W. McKeeva Bush: Yes, what do we think they would do?

Hon. Roy Bodden: Madam Speaker, I wonder if it was treasonous to get all those people to sign those signatures that they brought in those wheelbarrows and dumped at the foot of the Leader of Government Business. Further, when the investigation was made it was found out that they were "on ya" but they were not "of ya." I wonder if it is not treasonous to say, *You can join our party if you just* . . . Listen to this one now: *You can join the party if you are resident in the Cayman Islands.* They are castigating us to say well, really, we would like Caymanian citizens in our party. So, you see the duplicity. They are speaking from both sides of the mouth and playing to the gallery.

Hon. W. McKeeva Bush: Oh yes, they are good for that in George Town, them two . . .

Hon. Roy Bodden: Citizenship is not a game. It should not be used to play to the gallery. I am glad they recognise the folly of their ways, Madam Speaker. I hope they repent.

[Inaudible interjections]

The Speaker: Order!

Hon. Roy Bodden: Madam Speaker, we have to ask ourselves when the chickens come home to roost, as they surely will, whether (by keeping people out, untenured, excluded, disenfranchised and outcast) we are not creating a greater problem for ourselves than we are doing when we seek to be charitable, inclusive and accommodating. Are we being indiscriminate? Madam Speaker, I do not know of being indiscriminate, but I believe from the statements I have read attributed to the Opposition and from listening to their debates that they would be discriminating. I believe that they would be willing to deprive some people of what is the natural human right. I see clearly by their behaviour that they have favourites they would want by the admission that they would reduce the quota to six.

Point of Order

Mr. Alden M. McLaughlin, Jr: Madam Speaker, on a point of order.

The Speaker: Please state your point of order, Member for George Town.

Mr. Alden M. McLaughlin, Jr: The Honourable Minister is misleading the House. I have listened to him say it three times, and I decided to let it go, but the Motion speaks specifically to restricting the ability of Cabinet to grant status to six per annum. That is not what it says. It does not make a general provision about the grants of status.

Hon. W. McKeeva Bush: That was what you said on the courthouse steps.

Mr. Alden M. McLaughlin, Jr: It was not, Madam Speaker, anything, such as the Leader of Government Business is suggesting. I ask the Honourable Minister to rephrase what he has said in relation to what the Motion proposes and what we have been saying. I can read it because it seems there is some . . .

Hon. Roy Bodden: Madam Speaker . . .
The Speaker: Honourable Minister of Education . . .

Second Elected Member for George Town, you have made your point of order. The last resolve reads as follows: **"BE IT RESOLVED THAT section 20 of the Immigration Law 2003 Revision be amended to restrict the ability of the Governor in**

Cabinet to grant Caymanian status so as to limit such grants . . ."

[Inaudible interjections]

The Speaker: Members, order! **". . . so as to limit such grants by the Governor in Cabinet to six per annum."**

I would ask the Honourable Minister for Education to keep his contribution within the ambit of that intent unless he otherwise has further proof to the contrary.

Hon. Roy Bodden: Madam Speaker, the travesty is the fact that they would suggest that entity limits the grant to six. That is the travesty. Why only six? Which six? On what criterion would they be considered? That is what stings them because they know that that will only be acceptable among their ranks. They understand that the rank and file will never accept or be content with so stingy a number. I have proven that they are exclusionary, that they are for favourites. I am not condemning them; they condemn themselves. I am only repeating their proposal and I did not say that it was six overall.

The Second Elected Member was stung so much that he did not even allow me to conclude because I was going to point out that they said six by Cabinet. However, six by Cabinet or six by the party, or six by any methodology, is insufficient, inconsiderate, inhumane, and does not demonstrate any ability to be generous. I would have to say that it is downright disgraceful.

What kind of social contract does the PPM want to create for this country? I want them to tell me because I see in their propaganda what they have said. They have not yet said what kind of social contract they want to see in this society other than they want to obliterate the UDP, which they cannot do. I heard them say they have a thousand members. They could have ten thousand.

Madam Speaker, I do not even want to take the Second Elected Member seriously because he was my pupil at school, he is not in my class, he is not in my league. I taught him; not him teach me

[Laugher]

Hon. Roy Bodden: I was scratching my head to recall . . . well . . .

[Inaudible interjections]

Hon. Roy Bodden: No, I do not believe you went to school.

[Laughter]

The Speaker: Order.

Hon. Roy Bodden: Madam Speaker, what is it the Opposition is trying to prove? Are they trying to prove that they are a credible Opposition? Are they trying to say that they agree with what the Government has done but are concerned because they were not in a position to do it? Are they trying to say that they can bring a frivolous Motion and get us all excited? I heard a voice from across the Floor saying all of them. I believe that strongly because knowing that lady and those gentlemen I do not believe that any of them over there who believes sincerely in their hearts that this Motion should stand. I believe that they brought this to try to test the strength of the Government. They have no hope, not even the most forlorn hope that this will pass, but they are just trying to shake us up prior to going into a debate on the Constitution. They are wasting their time. It is futile. It is nothing but a glorified waste of time because we do not do anything which we do not believe in. We do not do anything which we have not held wide consultations about.

Madam Speaker, I like that when I speak I hear groans and aches because that is when I know I am reaching the very soul. If I had known they were going to be so close, it seems like I should have called the priest because before I am finished it looks like we are going to have to offer some rights of absolution.

[Inaudible interjection]

The Speaker: Leader of the Opposition, please pass your comments through the Chair.

Hon. W. McKeeva Bush: He is trying to throw you off now. Roy, just do this now and flog them properly.

[Laughter]

The Speaker: I should say at this juncture that the Leader of Opposition has given notice that he had a prior engagement and would have to leave at 6 pm.

Hon. Roy Bodden: Madam Speaker, I did not know we got from debating immigration to now motherhood.

The Speaker: Honourable Member, you have one hour remaining and I think this is an appropriate time for a water break.

[Laughter]

Proceedings suspended at 6.01 pm

Proceedings resumed at 6.24 pm

The Speaker: Please be seated. Proceedings are resumed.

Continuing the debate, the Honourable Minister responsible for Education with one hour remaining.

Hon. Roy Bodden: Thank you, Madam Speaker. I do not know whether I am going to use the full hour. I have come to the point now that when I think that I have said my piece I will sit down whether that is ten minutes or all the time allotted to me.

I want to spend some time on the Motion to try to draw out the serious implications it has and to juxtapose the clauses in it against what we have done and what we have tried to achieve by so doing.

I want to preface what I have to say by saying that the time has come in the Cayman Islands to put a stop to individual indulgences and the indulgences of self-interested groups and to work for what is best for the community as a whole. I sense that in the Cayman Islands there are those who would wish to prosper simply by taking advantage of persons who are not in the position to fend for themselves as they should. I see it every working day by the experiences that are related to me at the Ministry level, particularly in the employment world. I am chagrined at the number of people who complain that they are being taken advantage of and sometimes hopelessly and futilely so because there seems to be no one willing to take up their cause. I worry about this society which I label as a frontier society.

People who are making it are so insensitive and have so little time and so little disposition to share and to deal with those who they think are lesser mortals than themselves. That is why I believe that this attempt by the Government—to enfranchise and to accommodate a greater number of people, some of whom have applied numerous times to get acknowledgement of Caymanian status and have been denied—is so important, sensitive and appropriate at this time.

We do not want to create a culture of defeat, a culture of alienation and disenchantment, a culture where people believe they have no vested interest in the society other than as mercenaries who work, make money and then have to remit it outside of the country. No matter how long they stay they will have no acknowledgement as an equal in the country to which they find themselves.

Madam Speaker, I say this with a deep sense of feeling and commitment. Caymanians cannot be expected to take in everyone, and quite naturally so because we are a small jurisdiction. However, Caymanians, and other people like me with a conscience, should be the last persons in the world to be uncharitable to anti-immigrants; to be against people who come here and work.

You know what, Madam Speaker? It hits close to home. Many times my paternal grandfather left here and emigrated to the United States and we, his progeny, were the beneficiaries of that. I too exercised my option so I know the coin from both sides. I cannot be prejudiced because my exposure teaches me that I cannot be that way.

I want to hit on a more serious point. When I confront challenges like these, particularly as they have to do with legislation . . . I am a great believer in Edmond Burke. He has left a legacy of advice for representatives, politicians and committed parliamentarians, that is suitable for any and all occasions.

I read this clause in the Motion: **"AND BE IT FURTHER RESOLVED THAT the Legislative Assembly calls upon the Governor in Cabinet to forthwith cease making grants of Caymanian status pending the holding of widespread consultation with and the approval by the electorate on the course of action taken by the Governor in Cabinet in this matter."**

Madam Speaker, imagine how chaotic it would be if we had a system here that every time the Government wanted to make a decision they had to have widespread consultations with the electorate. What kind of system would that be? Democracy, even in its most ideal form, does not call for that. Furthermore, the reason why people elect representatives is to spare them the effort of making decisions themselves. Perhaps, most importantly, the reason why representatives are elected is because the people have a choice to elect those persons as representatives whom they believe are most capable of making these kinds of decisions of exigency. So, if we go back and say to them "We want to know . . . we are your representatives, you elected us to the Legislative Assembly but you tell us how many and whom should we give Caymanian status," what a ridiculous situation that would be. I ask the question, how long would such a consultation be expected to last. Sensible people would say "You know what you do. I have put you there to make the decision. Go and make it*."*

I substantiate that with this quote from Edmond Burke. It is a direct response to this resolution and I quote: **"Your representative owes you, not his industry only, but his judgement; and he betrays, instead of serving you, if he sacrifices it to your opinion."**

Madam Speaker, it is unfair and it is a betrayal for us, having been placed in a position where we have to make these kinds of decisions, to throw it back into the laps of the people who sent us here to make them. So, that dismisses that resolution.

The other resolution says: **". . . Parliamentary Opposition has been inundated by a groundswell of apprehension and opposition to the recent actions and declared intentions of Government in relation to the process of the granting of Caymanian status."**

I can say that the balance to that is the numbers of people who are willing to queue up in the hot, broiling mid-day sun to get police records in order that they could submit their applications. Perhaps those numbers were just as great or greater. More than that, what about the silent majority who never had to do that but recognise that a moral and grave injustice is being rectified and called, encouraged and commended the Government for doing what is right? Let us not be frightened by that resolution either.

As to the resolution that the Legislative Assembly condemn and censure the actions of the Governor in Cabinet in making recent grants of Caymanian status, it would only have to be the PPM to expect that a man would expect vote for his own execution.

Madam Speaker, there is no reason for the Cabinet to censure itself on this matter. What was done was democratic, legal, appropriate, and above all, it was moral. So, why should the Legislative Assembly vote to censure the Cabinet for an act of morality? As for the resolution that says: **" . . . the Legislative Assembly acknowledges the far reaching implications of the unilateral and wholesale grant of Caymanian status by the Governor in Council to thousands of persons in one fell swoop."**

Well, school is out as to the number. What I can say, however, is that it will be far less than the 6,000, as was reported that the PPM said is going to be granted. I do not see any need for that resolution either.

Madam Speaker, I want to turn to challenges that confront us, challenges which we must all, if we are honest, find solutions for. Perhaps this is the major one. Not only is it the responsibility of the Government to deal with this, it is also the responsibility of the Opposition to engage themselves constructively in order to meet this challenge and to find a solution. However, can that solution be constructively engaged by promoting fear, polarising the community, by accusative and inflaming language, by filling the gallery with persons, some of whom accost Members of this Honourable House and are rude to them? They are out of order. Can that challenge be met by the Second Elected Member for George Town threatening to put thousands in the street to vote with their feet? When you invite people to come to the street there is an inherent risk in that. I wonder if the Honourable Member has considered that. I wonder if the Opposition can constructively meet the challenge by drawing reference and using language like "blood" – confrontational language suggesting that they will stop nothing short of war. I wonder if that is the way the Opposition is meeting a constructive challenge. I wonder if there was any attempt by the Opposition to engage the Government in a constructive debate before hitting the streets to inflame the passions of the masses. No, there was none.

We have an advantage, let us cease it. What were their objectives? Is it to see that the country smoothly absorbs these people and that there is some sense of justice and fairness and parity and equality? Or, is it to polarise and rent asunder and split? On one side, we have the haves and on the other side we have the have nots. Is that the objective? Is it the objective to accentuate our differences or is it the objective to let us recognise our similarities? And who in here can say that he or she is independent and has ever been independent of these very people that they would seek to deny equality from them? Are they not some of our helpers? Are they not our in-laws? Are they not our friends? Are they not our associates? I do not get it, Madam Speaker. Why the double standard? Why the duplicity? Is it only because the Government beat them to the draw? Is that the reason? Or are they genuinely saying the Cayman Islands should be so exclusive that only the six people that we say, if we were the Government, should get the citizenship? I would like them to ponder on those things.

I can say, in all good conscience, that what has been done is right and just and it does not have to take any philosopher to understand that. I see people against the granting of Caymanian status who are Caymanian status holders themselves. Now, how in the world can that be? I see two brothers, famous scribes . . . the hypocrisy of it all. It stinks to the high heaven . . . I can get it but you, no, no. No more should be given. Madam Speaker, you know what they call themselves? Educated. I wonder if they do not believe that people are seeing through that. It could never be that those kinds of persons are going to posture themselves for election to public office.

Hon. W. McKeeva Bush: Oh, yes . . .

Hon. Roy Bodden: Madam Speaker, I would take pleasure in disrobing them publicly.

[Inaudible interjection]

Hon. Roy Bodden: Madam Speaker, the great historian Tacitus says: "The task of history is to hold out for reprobation every evil word indeed and to hold out for praise every good and noble world indeed."

When the chickens have come home to roost we will see who was morally right; we will see who was correct and just; we will see who was considerate. I can only hope that the Opposition comes to their senses and cultivate a social conscience, which is obviously lacking at this point. I hold no brief against anyone over there. Heaven knows all of them are treated with respect by this speaker, but I am concerned that they are wayward; they have lost their way and it seems that there is no one capable of helping them to find the right direction. Would to heaven that they would come a little closer to this side before it is too late.

Dr. the Hon. Frank S. McField: Make an alter call.

Hon. Roy Bodden: They are lost. How can you lead a country with no social conscience? How can you lead a country with no concept of a social contract? How can you lead a country with such a narrow sense of community spirit that you would make citizenship exclusionary?

It would be most remiss of me if I would leave without giving a history lesson. In ancient societies do you know what was resorted to sometimes? They would go out and capture people and bring them in to

make them citizens if they thought the population was too small. Madam Speaker, I laugh at people . . .

[Inaudible interjection]

Hon. Roy Bodden: That is the next move . . . that is as shallow as their commonsense is, so you cannot help them. The Honourable Member does not understand the significance of what I was saying. I will spell it to him in simple terms for the feeble minded.

Dr. the Hon. Frank S. McField: Say it more slowly.

The Speaker: Order.

Hon. Roy Bodden: Madam Speaker, it means that growth was so important that when it was not derived by natural means in order for the sustenance and the continuation of the society other means were resorted to. The Cayman Islands, if it is to remain a viable and vibrant society and not a stagnant society, must grow. I know the Honourable Member knows but he is trying to be mischievous.

Hon. W. McKeeva Bush: He does not know, Roy. Leave it at that.

Hon. Roy Bodden: So, Madam Speaker, what has been done is done for all the right reasons. I have come to the conclusion that this Motion was brought because this is the Opposition's way of saying "Since we did not get to do this and could not do this ourselves, by virtue of the fact that we are not the Government we are going to try to drag down and make you look bad."

The Motion has been a negative reflection on their part and shows that they have no solutions for the challenges. Therefore, they are relegated to be a continuous Opposition. I hope that when it is all over—and they will have the last say—they will have learned their lesson and realise that the Cayman Islands is bigger than all of us and that it behooves us to have a charitable spirit. As for me, Madam Speaker, my job like that of Sisyphus is to offer continuous enlightenment to people like that. I would not want them to labour for too many more years in the darkness which they seem to be in.

I rest my case.

Some Hon. Members: Hear, hear!

The Speaker: Thank you, Honourable Minister.

[The Second Elected Member for George Town rose]

The Speaker: Second Elected Member for George Town, are you going to debate again?

Mr. Alden M. McLaughlin, Jr: No, Madam Speaker. I would like to, but I do not have that right.

I had promised to provide this Honourable House with an excerpt from the Fifth and Final Report of the Select Committee of the whole House on Immigration Legislation, and to have it laid on the Table. With your permission I now so do.

The Speaker: So ordered.

Does any other Member wish to speak? Does any other Member wish to speak? Last call. Does any other Member wish to speak? If no other Member wishes to speak . . .

The Leader of Opposition is not here to exercise his right of reply. He gave notice before he left so we would recognise the Leader of the Government.

[Pause]

[The Third Elected Member for Bodden Town rose]

The Speaker: One minute, Member for Bodden Town. I just recognised the Leader of Government and I am waiting for a response.

Hon. W. McKeeva Bush: Madam Speaker, I believe that Members want to speak. If you are going to close the debate to await the arrival of the Leader of Opposition who is out of the House with apology, then I would suggest that you do not do that but give Members an opportunity to speak.

The Speaker: Honourable Members, I have asked three times, which is my custom. Since it seems that many persons are now anxious to speak I will ask one more time. Does any other Honourable Member wish to speak?

[The Hon. Minister for Community Services rose]

The Speaker: The Honourable Minister for Community Services, could I have one minute?

The Member for Bodden Town was rising. Was it on a point of order?

Mr. Anthony S. Eden: No, Madam Speaker, I was just going to suggest, seeing the lateness of the hour, that we take the adjournment at this time. But I see the Government is going to continue.

Thank you.

The Speaker: Thank you.

The Honourable Minister for Community Services.

Dr. the Hon. Frank S. McField: Madam Speaker, I am a little bit tired at this point, but I think that it is interesting to observe the tension that has been brought on by the filing and debate of this Motion. Division and fear have been brought to surface, and at the end of the day Members make jokes and exchange conver-

sations that have nothing to do with the seriousness of the situation.

Sometimes we say things when we are upset, we write it down, we file it with the Clerk's office, we let it go the Speaker to be examined and we bring it before this Honourable House to be debated, knowing that at the end of the day it is not a true reflection of our nature as Caymanians. It is not a reflection of that special Caymanian humanity; it does not reflect our caring and sharing Christian culture and that is the reason why most Members begin to giggle in this Legislative Assembly like a bunch of school boys and girls.

We cannot absorb the heat of the moment; it is just too much for us to contemplate the suggestions that have been made with this Motion. It is too much for the Opposition to contemplate the seriousness of the suggestions in this Motion. Again, using all of these inflammatory words like "treason", "Members with blood on their hands", as was said by the Minister for Education, and at the end of the day we still talk to each other.

This debate must take place between different persons and not something that is going up in the air and going here and there and nowhere. It has to be a conversation that Members of the Opposition are having with the Members of the Government. It is a serious conversation that the Opposition has chosen to have with the Government and the Opposition should treat it seriously when they listen to what the Government has to say.

When the Minister for Education talks about the lack of social conscience that is suggested by this Motion the Opposition needs to listen. I do not think that we can be "funny funny" about it because it is a serious accusation that the Government is now making against the Opposition, just like the Opposition made these accusations against the Government.

Madam Speaker, it is said that sometimes when you write things it helps you to get them off your chest. If we would sit down sometimes and write things down we would not go any further because writing seems to capture the absurdity of so many of our thoughts and how we formulate and present them. As I look at the script here I begin to realise that if the Opposition had kept this for one or two more days they would not have filed this as a Motion.

Madam Speaker, I am beginning to think, after hearing the Leader of Opposition speak, knowing a bit about his nature I cannot believe that this represents his humanity. I also listened to what he had to say about the granting of Caymanian status by the Cabinet to many deserving individuals. Then, I listened to what was said by the Second Elected Member for George Town. I watched his demeanour change from what I assume was temperamental and angry to one that resembled very much the demeanour and posture of his leader. It goes to show again that the words contained in this Motion do not truly represent that special humanity that is Caymanian. It does not reflect the true feelings of the Opposition. I believe that it is more as a result of a reaction to circumstances where persons might have had input to try to convince persons in the Opposition that this was the time to seize; rally the troops; recruit membership; start the campaign for 2004. Let us hear the rhetoric; let us rock and roll; let us develop fear and division rather than maintain a balance to stay sturdy and project that special Caymanian humanity of caring and sharing.

Madam Speaker, the course set by the PPM is not progressive, it is reactionary. The fact that I made a point of order that suggested to the Second Elected Member for George Town that the Cabinet was not in contravention of any law in the grants of status, he has tried to make the case that it is not the granting of status but it is the way in which it was done. He has done that partly because he does not want the people who have gotten status to think that he is against them getting it. So, he has, in his argumentation, tried as much as possible to always maintain the position that it is not the granting of status that he is against but it is the way in which it was done. At the same time they have to play to those persons in our society who, for one reason or the other, feel threatened. Rather than explaining to these people why they should not feel threatened they are telling them that they should feel threatened by these grants, and that they should see the action of the Government as betrayal. Yet they are saying to the people who have received status "We want you on our side." Obviously, if they cannot vote in 2004 they might be able to vote in 2008. The Second Elected Member for George Town knows, as much as the Leader of Opposition, that they have to be very careful. They are trying to play these two bases; they are trying to serve all of these purposes. So, he then tries to develop a legal perspective on it rather than going into a social, economic or moral argument as was done by the Minister for Education.

The Minister [Hon. Roy Bodden] delivered an incredible magnificent speech that will go down in the history of this country as one of the most persuasive speeches made on the point of the whole concept of that special Caymanian humanity of sharing and caring. The Second Elected Member for George Town comes with his legal jargon and tries to argue that the Directives which Government gives to the Immigration Board to carry out a mandate means that the Government, in making grants, is subjected to the same Directives.

In other words, an employer is subjected under the same conditions he has set for his employee in terms of making decisions.

The Speaker: Honourable Minister, we have reached the hour of 7 pm. Are you going on to a new point or would you wish to continue with that thought?

Dr. the Hon. Frank S. McField: Madam Speaker, I would like to finish that thought.

The Speaker: Please proceed.

Dr. the Hon. Frank S. McField: For instance, if as chairman of a corporation I employ sub-managers for the different departments to carry out the directives and to see how they perform those duties, it does not mean that I have to . . .

Mr. Alden M. McLaughlin, Jr.: Madam Speaker—

The Speaker: Second Elected Member for George Town.

Point of Order

Mr. Alden M. McLaughlin, Jr.: On a point of order.

The Speaker: Please state your point of order.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, I am sure the Minister is not deliberately doing it but he is misleading. What he is claiming is not what I said at all.

I am not trying to get into a fight with him, I just want him to understand that I have never suggested that Executive Council is subject to the Directives that they send. That was the point of my argument in that regard. What I said was because they were not required to take into account these implications and considerations that is why they do not have the authority to make huge numbers of grants, except in very circumscribe and special circumstances. What I understand from him is that he has understood what I said to mean that Executive Council is subject to the Directions 24. He is misleading but I am sure he is not doing it deliberately.

The Speaker: Second Elected Member for George Town, are you saying that it was not your position that Cabinet was not bound by the Directives 24?

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, my position is that they are not bound.

The Speaker: Honourable Minister.

Dr. the Hon. Frank S. McField: Madam Speaker, that is exactly what I was indicating and I am happy that the Member has assisted my argument or my clarification of his presentation. I will quote from the Directives which he read: "The grant of Caymanian status to any person shall not imply any obligation to permit the entry or temporary or permanent terms of servants, gardeners."

He read that in order to give us the feeling that the Cabinet acted in contradiction in all of these Directives. So, the point he would have mentioned would be to say that the Cabinet itself should have been observing these particular Directives. If he was not saying that then I am happy to know that.

Going back to my original point, all sorts of suggestions were being made and their Motion included words like, "the Government should be censured," "the Government acted in a way that was reckless'." But I am happy that I can rest the point and that the Member now accepts that when we say the Governor in Cabinet can, in his opinion, find special reason . . . section 20(e) of the Immigration Law 2003 Revision says, and I quote again: **"The Governor, in his opinion finding special reason . . ."** Now, I see people dealing with the "special reasons" but not dealing with the sentence as it is written; **". . . in his opinion finding special reason for so doing, grants such right to him"**. We are using singular because it is always singular rather than plural and it uses the male rather than the female gender. So it is "him" rather than "her." Further, it is "one" rather than "many."

There is nothing in the Law that would say that the Governor, in his opinion, finding special reason for so doing could not grant one, two, three, four, five or six in terms of the special reason. I just wanted to bring that back again because when we are convincing the population that their Government is subversive and has usurped the powers of the Immigration Board and disregarded the Immigration Law that is a very serious charge.

I still contend that the Member is familiar enough with the Law to know that there is nothing in it that prohibits grants to be extended to more individuals than he thinks. Furthermore, there is a new group of people who think differently about humanity and sharing and caring. He thinks it should be extended to six but the moratoriums that have been placed on it and the discussions that have taken place may be seen as special circumstances. This Government thinks differently about it and therefore we are trying to clear up the backlog and give people some security. That is a political decision and it does not mean that we have had disregard for the Law.

Madam Speaker, I am quite willing to stop at this point, but I just wanted to make this very important point that the Opposition formulated this Motion in haste. If they had waited to consult widely with some people who would obviously give them information they would not have come here to charge this Government with having usurped the powers of the Immigration Board or having disregard for the Immigration Law.

Madam Speaker, I am a little tired now so I will continue tomorrow.

The Speaker: Thank you.

I recognise the Leader of Government for the adjournment.

ADJOURNMENT

Hon. W. McKeeva Bush: Madam Speaker, we move the adjournment of this Honourable House until Friday

19 September 2003 at 10 am. We will complete business at 4.30 tomorrow afternoon.

The Speaker: The question is that this Honourable House do adjourn until Friday 19 September 2003 at 10 am.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: I believe the Ayes have it.

At 7.12 pm the House stood adjourned until Friday, 19 September 2003, at 10 am.

OFFICIAL HANSARD REPORT
FRIDAY
19 SEPTEMBER 2003
10.45 AM

Third Sitting

The Speaker: I invite the Third Elected Member for the district of Bodden Town to grace us with Prayers.

PRAYERS

Mr. Anthony S. Eden: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together:

Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.

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

Proceedings resumed at 10.48 am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies for the non-attendance of the Minister of Health Services, Agriculture, Aviation and District Administration; and the Honourable Third Official Member. I have also received apologies for the late arrival of the Honourable Second Official Member.

STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE GOVERNMENT

The Speaker: No notice of statements has been given for today's meeting.

OTHER BUSINESS

PRIVATE MEMBERS' MOTIONS

PRIVATE MEMBER'S MOTION NO. 4/03

Grants of Caymanian Status by the Governor in Cabinet

(Continuation of debate thereon)

The Speaker: I recognise the Honourable Minister responsible for Community Affairs.

Dr. the Hon. Frank S. McField: Madam Speaker, I was hoping that the Leader of the Opposition would be present this morning, since I was watching him on television last night on *Enterprise Forum*. He seemed to be suggesting that what should transpire at this particular time is that we need to go forward. In other words, we need to cool the tempers, heal the wounds, patch up the situation and move forward. As is typical of the Leader of the Opposition, it also means putting on the brakes. One of the interviewing hosts said that we need to put the brakes on the situation, and the Leader of the Opposition agreed that was what he meant. He means that moving forward is putting on the brakes, and putting on the brakes is moving forward. He is still acting like All-to-All in the Kingdom of Everything, where everything is nothing, nothing is everything, and the chicken moans.

Madam Speaker, the leader of the Opposition is having a very difficult time deciding exactly what his position is in regard to the Cabinet's granting Caymanian status to a large number of deserving immigrants in our community.

The reason for this, and it is my opinion, that the Leader of the Opposition is aware that once these persons become Caymanian, these community members will eventually have the right to vote like everyone else, if not in 2004, then most certainly in 2008. The Leader of the Opposition who is an Elected Member for the district of George Town, where 50 per cent of the population of the Cayman Islands resides know that he cannot afford to alienate himself from these potential voters. At the same time, he wants to benefit from inflaming the passions of Caymanians, in order to have them vote for him also, and to have a monopoly on their votes. He wants to pretend that he represents their rights, and that he is protecting their privilege.

While the Elected Member for North Side talks about birthrights, the Leader of the Opposition is able to talk to people in secret about what a bad job the Government is doing in dealing with the status issue. In secret, he speaks to the Caymanians in one tone, and to the foreigners in another. When he comes out in public, where he has to speak to both groups, he speaks from both sides of his mouth. He becomes the typical All-to-All in the Kingdom of Everything, where everything is nothing and nothing is everything, and where going forward is the same as putting on the brakes.

This Government has been criticised for the way in which it has handled immigration issues in this country. At least this Government can be criticised for handling the immigration issue; most Governments have not handled it. If we are getting a little more heat for handling the immigration issue, it is simply because we are doing something, and not sitting like Buddha, taking up most of the space on the seat, but not observing what is going on around him. That is very important to bear in mind.

We have attempted to deal with the issue. What can the Opposition do? The Opposition can go to Caymanians and say: *'This will represent the end of the rights and the safety that you have enjoyed in your country over the years'.* That is what they are doing. At the same time, they are going to foreigners who have been here for ten years or more and saying*, 'Look, they have included that name, and that name, but they have not included yours'.* They are agitating those persons who have not gotten status, but who are entitled somehow, if not by law, then by moral reasons, to apply. They are trying to agitate them as well, and to say, *'Look who got status, while you did not.'*

The Speaker: Honourable Minister I take it that that is your opinion?

Dr. the Hon. Frank McField: Madam Speaker, it is not my opinion; it is fact. I have seen it in the papers, and I heard it last night on television. I heard one lady call in, and I heard Mr. Kurt Tibbetts speak to her and she said that she has been here 20 years. I know who the woman is too; I recognised her accent and I know who she is. There are people out there who are complaining because they did not get status. These people are telling the Opposition that they are more deserving than the people to whom we have given it. That is fact, and not an opinion.

The Speaker: The Chair is grateful for your clarification.

Dr. the Hon. Frank McField: Thank you, Madam Speaker.

I want to say that this kind of politics by the Opposition, to divide even those persons of immigrant origins in this country who should be coming together now to say, *'Although you got status today, tomorrow will be my day'.*

What the Government has done has not closed the gates, or closed hope; it has opened the gates and the possibility of hope for all those persons who have come, and laboured, and produced for this country. However, All-to-All in the Kingdom of Everything must have a different approach to this.

The action of the Cabinet does not exclude the possibility of persons who have been here longer than 10 years applying for, and being considered for, Caymanian status. It seems that the Leader of the Opposition agrees, at least out of one side of his mouth, that the Parliament should make considerations for these people to apply and be considered for the grant of Caymanian status in the near future.

What the Leader of the Opposition and his future Cabinet Members seem to disagree with is the fact that the Cabinet made the decisions, rather than the Immigration Board. Is that it? Is it because they disagree that the Cabinet made the decision in granting the status rather than the Immigration Board, or do they disagree with the granting of status to these persons? Do they make their argument based upon the exception to the rules rather than the rules themselves? Do they look at cases where they think people might say that a person should not have gotten status, rather than looking at all the people who deserve and have gotten it? Is that the case?

What is the position of the Opposition as it goes forward and puts its brakes on at the same time?

Madam Speaker, the issue of immigration is a vexing issue in this country, charged with all kinds of racial and social implications. That has been so from the day the Caymanian Protection Law 1971 was brought into force by the merchant and elite classes in this country, who needed to bring poor black people from other parts of the Caribbean here to exploit, and exclude them from having a right to a family and a social life.

What is the Opposition saying that the Cabinet has done which is so secretive and so wrong? The fact is that the Immigration Board, as it has been designed, is one of the most secretive institutions in the

world—except that like the Government, it has many sieves.

Madam Speaker, people can put their pictures in the papers and apply for Caymanian status, but anybody can write a letter of objection to the Immigration Board. It will be taken in confidence, and the Immigration Board will make the decision to reject a permit or an application for status based upon some of that information. At least, we believe that is the case; otherwise, it would not suggest that people should be entitled to make their personal objections in secret.

Do the people who apply for grants of status and work permits have the opportunity to answer their accusers? Is this what you call transparency?

To say that the members of the Immigration Board do not use their business interests, their personal convictions or their feelings in making grants of Caymanian status is nonsense. To accuse the Cabinet of doing this because we are a Cabinet is even further from the truth. It is nonsense, Madam Speaker.

There are flaws in our Immigration Law. It is not even an Immigration Law. Although we are an immigrant society, and are dependent upon immigrants, it is really a social control law—a law designed to control the mobility of people once they come to the Cayman Islands. It is not a law about how to integrate immigrants, or how emigrants migrate. It is basically a law designed to control those persons socially, economically and politically, and the Immigration Board is only a reflection of that desire to control. It is not perfect, and the Opposition knows that, otherwise, they would not be calling for us to review the laws or debate changes in the laws.

Is the Government obligated to wait until the laws are changed, if it has special powers to act on its own under special circumstances? Is the Executive Branch of Government always subjected to the legislature's will, or are there certain circumstances in which the Executive Branch of Government is placed in a row to make executive decisions, independent of the legislature? The legislature can criticise and critique, but the Executive Branch of Government has the right to make decisions on its own, without using bodies to do it for them. This is what I am saying.

If we come up against a situation during the year of Jubilee, the Quincentennial year; 500 years since Columbus discovered these tiny Islands, when the population is still below 40,000; Why? It is because most Caribbean Islands have been settled by immigrants—forced immigrants from Africa; voluntary immigrants and some indentured servants from Europe; and by some forced immigrants from China and India. The populations of the Caribbean did not naturally grow to the levels they are at today. They were the result of immigration policies that were controlled by the rich, by the planters, and by those persons who had economic, social and political power over the small persons in the society.

The population of the entire Caribbean is the results of immigration. Many trickled from one island to the next. Barbados was one of the first sugar islands, and its population trickled to other islands. That was the way it was.

Jamaica was settled first, and the population trickled here from Jamaica. It is close, so when land was more or less used up there, people started to move over here. I am saying this to say that whether or not it may happen because of the interests of one particular class, which has need for labour, or because there are persons who believe that there can be a much better planned society if people are given the right to emigrate and move within the society to the jobs for which they feel they are suited, or for which their employers think they are qualified. It may be done through trying to control labour for a specific class of people. That seems to be the question. However, immigration is obviously something that has been with us a long time. It has always resulted in the cultural and social change of our societies.

If you go to Trinidad, Guyana, St. Lucia, or wherever you go, you see those islands being impacted and affected by the immigrants who have built those societies. The Cayman Islands are no different. Our immigration came much later, simply because there were not the "pull factors" here, as we call them. There were not the economic incentives, earlier on, to bring immigrants here in the numbers that might have gone to other places. We do not have the East Indians here to the extent that they have in other islands, because we did not have the sugar plantations functioning at that particular point in 1834 when slavery was abolished in the Caribbean territories. However, when we started to develop this place commercially, one of the first things the merchant people realised is that there was insufficient labour, as well as a lack of expert labour, so they began to encourage people to come here. Therefore, there are not only the push factors in the other countries, but also the pull factors that are pulling people here as well.

As a result of that, we have a predicament. I did not create it, because my parents were not those types of merchants. It was created first of all by those individuals who wanted to make a profit on somebody's labour, toil or expertise.

We have a situation where many people in the country are gardeners and domestics, and many of us could not live without those domestics. How would some women provide for their households, in these times when you need at least two salaries, if there was not a domestic to assist them with duties in the household and in rearing children? How would our society function without that immigration, and that inward movement of people to the Cayman Islands?

The question we have never asked ourselves is this: How do we balance those economic needs with social requirements—not only our own, but those of others, who are also human beings and have a right to family, community and security of tenure? We

have never asked those questions because the class of people that has written immigration laws and controlled immigration bodies has always been a class that was only interested in robbing people of their productive wealth. When their productive years are over, it disregards them. Those are the people represented by the People's Progressive Movement, in my opinion.

Madam Speaker, this is a moral dilemma, and it rests in the hearts of all Caymanian people. We will all have to answer our own conscience in terms of how we deal with this dilemma. It has faced each one of us at certain times. Each one of us has gone to the powerful Immigration Board to beg a favour for someone we love, like or need. Each one of us has had to bow to the hypocrisy of our own laws; each one of us has felt the blunt end of the hypocrisy of laws that were made by that class of people in society that had one economic interest, and no social interest.

In January 2000, I wrote in the *New Vision* an article called *Towards a New Jerusalem.* I am not going to apologise for the fact that I have participated in some of the most liberal movements in this society. We want to liberalise telecommunications and power, but we do not want to liberalise labour to the point where it can move freely from one job to the next, if it so desires.

Who says that labour will be cheaper? Labour will become more expensive. They do not know economics. They do not know that Caymanians have low wages today because the foreigners are kept on chains. When those chains are broken, it gives the Caymanian worker the opportunity to join in solidarity with his Jamaican working partner to ask for better working conditions.

Who are they fooling by talking from both sides of their mouths, saying that going forward is the same as putting on the brakes, and that all is the same as nothing?

Madam Speaker, this is no longer a debate about the actions of the Government. It is a debate about the actions of all of us in this country, and our actions over the years.

I am as selfish as anyone else, and I know that when someone does something wrong to me, I call them all kinds of names, and I dislike them—maybe not for long, perhaps, but I know that I have those human weaknesses too. We always have to balance our human weakness with our human potential.

Although I might see the Jamaicans or the English as threats, as a human being, I have to balance that with my reason. I have to balance it with the knowledge that to give people freedoms to produce will make this more of a community. To make people equal is not just an international human rights mandate. It was mandated by the Good Book long before the human rights people got to it.

Human rights! We are talking about universal rights. We are talking of the rights of Abraham, Isaac and Jacob and the oneness of our families. We are talking about the fact that we are of the same seed, and the same tree.

We have all suffered the dilemma of having to live under laws that require less of us than our churches and Christian communities do. We have been made worse people for having lived under laws which say that a 13-year-old girl should stay in Jamaica alone, that the boy who belongs to the Caymanian father should stay in the Cayman Islands, but the Jamaican woman should part with one child and support the other. Every one of us has suffered, and will suffer, from living under laws that have supported this inhuman type of behaviour.

I know of a case where a little girl was sent home in the hope that she could be brought back. Her mother is married to a Caymanian, and has a child by the Caymanian. That child is here, but the mother's child is in Jamaica.

We are not solving all of these problems by our actions—not now. However, our actions are an indication that we realise that there is a need for us to proceed with a process; regardless of whether we start at the beginning, the middle, or the end we have to start a process. We have to start at a point that suggests to everybody that individuals in this Government will no longer carry out the mandates of persons who designed a situation only to enrich and benefit the class that had the businesses to exploit these people.

Madam Speaker, we are not solving all of the problems by granting status to certain individuals by Cabinet decree. However, sometimes I feel a little confused about what I am doing. Sometimes tears come to my eyes when I see and feel the joy that certain people express in having that security of tenure, and when I see the tears that have come to certain persons' eyes. Although I might not have righted the world, I have done one, two, three, four, or perhaps five acts that make me a better human being than those of the People's Progressive Movement (PPM), who sit and try to devalue the integrity of those who seriously feel about other people.

I have spoken all of my life about justice and equality. I cannot be a hypocrite because I would not be well served to be one. At the end of the day, when my reign in this world is over, I want to say that I have a done at least one good thing in leading a charge in the right direction, rather than the leading it the wrong way, or thinking that going forward and putting your brakes on are the same.

Madam Speaker, if this is the end of my political career, then it was well served and it will be the end of other things, such as injustices perpetuated by laws conceived to keep people in servile positions, under the auspices that it was protecting Caymanian workers. How could it have been protecting Caymanian workers, when employers in this country have been able, over the years, to bring in every single person they wanted to bring into this country, to use them, to separate them from their children, families,

churches and communities, and to deny them a community here?

If this is the end of my political career, then I am happy that I always had a vision, and a dream. I am happy that I always knew God would give me the opportunity to act towards the building of a new Jerusalem. If this is the end, Madam Speaker, I would like to say to the PPM's Maoist movement that there need not be blood and threats. What we need to do is exactly what I thought their leader was doing last night on the *Enterprise Forum,* saying: 'we need to look at the future'.

I believe that this situation is one of divine intervention. I know that the Second Elected Member for George Town has made a case about the positions of the Minister of Health, the Minister of Education and Human Resources, and the Leader of Government Business. I do not think he called my name.

Madam Speaker, I see that you have the extract there. I have it also. That would have been from the fifth and final report from the Select Committee of the Legislative Assembly on Immigration Legislation. This was the session from 1989 through 1992. If the Minister of Education, with all his reading and all the things to which he has been exposed to, so far, if he could not have changed his position in a positive direction in eleven years, then I would not give him any credit at all. He has evolved his position, and I am happy about that. The Leader of Government Business seems to have evolved his position, and I am happy about that.

The Second Elected Member for George Town is trying to make a point of the positions people had on immigration ten years ago, when we have had at least two reviews by Select Committees on Immigration since then, one of which I participated in. Again, people do change.

When we are living in a world where we know, it is a most difficult thing for the dominant group to offer humanity to those we control. We had that question back in 1834 in this country, when we had slavery, and slavery was abolished. It was not easy for the people who had control to accept that it would be more positive. I hear the Opposition talking about how negative this will be; that is exactly what the pro-slavery people said.

The pro-slavery argument was that it would not only hurt the planters, it would hurt the poor Negroes as well. It would hurt the poor Negroes, who would not know how to deal with this new-found freedom. It would hurt the social and political stability of the Cayman Islands. We had those arguments here. Now we are being told that liberalising labour will hurt the country, though liberalising telecommunications will not—that will help everyone. Liberalising power will help everyone, but liberalising labour? We cannot have that!

The Opposition needs to know that this Government is composed of people who can think, and who bear great souls and hearts; who feel somehow destined and led to do what they do; and who have suffered to be able to do what they do—in spite of the fact that the Elected Member for North Side will try to remind me of a special parrot.

I know exactly how much I have suffered in this society. I do not need to be reminded of that by the Elected Members for East End, North Side or anyplace. I know exactly why I put myself to suffer.

Point of Order

Mr. V. Arden McLean: Madam Speaker, on a point of order.

The Speaker: Please state your point of order, Elected Member for East End.

Mr. V. Arden McLean: The Minister is misleading the House. I did not remind him of any such parrot. I do not know what he is taking about. He needs to withdraw it.

The Speaker: Order. I understood the Honourable Minister of Community Affairs saying that he did not need anyone (and he named Members, including you) to remind him. He did not say that you indicated, or intimated, that he had a parrot. He said he did not need anyone to do it. Until he reaches the point where he is directly alleging that you did, I am unable to say that he is misleading. Please continue.

Dr. the Hon. Frank McField: Madam Speaker, I would like to thank my good friend, the Elected Member for East End, for giving me a break to get some water and reflect a little more upon how deeply I do miss that parrot. If I were white, he probably would not complain about me having had a parrot, but since I am a little darker than he is, perhaps it looks odd for me to have a parrot.

These people try to bring this whole thing back on the PPM side. I am going to deal with some of their accusations about my incompetence and other things.

Madam Speaker, I came back to this country after having studied in the United States, Great Britain and Germany, at a fairly progressive university. Some people say that I was a communist, and a leftist. However, I did come back here and go to work. I did have things I believed in, but I did not try to stay in the civil service to protect myself. I fought for what I believed and I am willing to do that now. If I need my parrot to help me through, I will get another one.

I want to say to those persons that I am the man I am today—I am as big, as bold, as brave and as courageous as I am today, and feel for people as I do feel—because of my experiences. '*I ain't ashamed of a little parrot'.* As a matter of fact, if you look at the book '*Time Longer Dan Rope',* which was published by the Cultural Foundation, and at '*Down Side Up',*

you will see the little bird flying out of the cage. Take a look at it cous'.

Madam Speaker, I will get back to what I was saying. It was time something was done about this vexing immigration issue. Everybody has sat down and contemplated ways of dealing with it, yet nothing was ever done that significantly impacted the whole issue of how to integrate persons into our society.

The only acceptable way seems to have been to marry in. Some of us have married foreigners. I am one of those, but there are more than me, and if they have not done it themselves, their children have done it. That is acceptable, but we have not worked out other ways. We have not worked out how we can actually have someone come into our society, be equal to us, be represented, and do good things for the society. That is because the ideology and the thoughts have sprung from the class of people that believes that the only way to control people is to create servile relationships.

Gordon Barlow is correct, in my opinion, about many things he says. I may not say it the way he says it, and I think that he tries to throw it in our faces. None of us likes to see the truth, but sometimes one has to exaggerate the truth for some people to see it.

The labour that has come here is indentured in a way. It is tied to the employer. If the person feels offended by the employer, the person cannot go and get another employer. The person has to go away. The employer chastises the person, the person goes away, and they bring in a new labourer.

Some of those labourers have gotten status today. It does not necessarily mean that they must leave their employers. The argument of pro-slavery people was also that once we freed the slaves, they were all going to leave the plantation and set up businesses and farms for themselves. These arguments from reactionaries are the same through the ages.

If I have someone who works for me and I pay him well, then there is no one else out there to pay him more, because I am paying as much as he can get out of the market. Where is he going to go? He is in the job because he needs the job. If there is no way that he can get more money, then he will stay with me.

Madam Speaker, economics will determine those things. To say that because these people get status they will take jobs from Caymanians is to forget that they were allowed to come here in the first place to take jobs from Caymanians—if that is what they are doing. It was not us who brought them here; it was the merchants and the people who have employed these persons who brought them here.

It is the Government's job to look after the general good, and it is the Government's conviction, at this particular time, that looking after the general good means integrating the social fabric and the social structure. We have a very weak social fabric and social structure. Too many of the people who live here do not have a stake in the society. We wonder why people do not get involved in fighting crime. We expect the police to do that by themselves. We wonder why we cannot enlist the community more. Perhaps if a person had a stake in the society, that person would become a very useful social control agent, as well.

We believe that what we have to build is a total community; a holistic approach is necessary. It simply is not possible to bring people in here and work them, and not allow them to be a part of the community.

Madam Speaker, I have spoken to the point. The Opposition seems to want to say that we have dug our political graves; that we have committed political suicide by granting these grants of status to people who have been here, in the majority of cases, for a significant time, and have proven that they have made significant contributions to the Cayman Islands. This was not done by application, but by being in a situation where we knew something about them, or knew someone who knew something about them. They say that we have dug our political graves.

The Speaker: You have 56 minutes remaining.

Dr. the Hon. Frank McField: Thank you, Madam Speaker.

They intend to bury us in 2004, if not before. The point is: Are they going to bury us with the Caymanians they think they are fooling, or are they going to bury us with the foreigners who have now gotten the opportunity to be represented, because they are now Caymanians? How is it that they are going to bury us?

I do not believe that they can continue to convince Caymanians that this is the worst thing for young Caymanians, or that it will impede the upward mobility of Caymanians. The educational system is going to function for those Caymanians who are willing to take advantage of the opportunities. I believe that a Caymanian has as much right to compete as much as anyone else. This society will create more jobs, and more possibilities, rather than fewer possibilities. All of economics tells us that. Economics tells us that our population base has been very small, and that when people realise that their population base is too small, they go out and get new people. In older times, they would even enslave people, and put chains on them, to get them to come in and be part of their society involuntarily.

This is not a unique predicament, from the point of view—or the fact—that our society can deal with more people. There are people who want to continue to invest here. There is the diversification of the economy, which we have been thinking about for a very long time, but have never been able to achieve. We do not have enough people to farm; we do not have enough people to do this, and we do not have enough people to do the arts. We do not even have enough people to do the sports that we all want to do, and to win at.

We have a population crisis on our hands, and we do not even want to admit it. All of us want to be greater, and to be greater means to expand, as the good Minister of Education said. I hear them say, "I want my football team, my basketball team and my volleyball team to win; I am tired of Caymanians losing". Most countries bring people in to help them win.

America brought the Germans in to help them win the war. They had just been fighting them, but they brought them in to help them win the war against the Japanese by developing the atomic bomb. American science is as it is today because they are bringing people in. They are bringing in people from India to boost their technologies.

We call it brain drain when we are adversely affected by it in the Caribbean. Thank God the Cayman Islands do not have to talk about brain drain, because more people want to come here than want to leave. We have a good pull factor.

Madam Speaker, I could get into some serious economic debates with these people about whether immigration is good or bad. I believe that most people think Immigration is good, at least for the Cayman Islands. What they are disagreeing with is the fact that freedom is good for all of us. They are saying, "Freedom is good for the Caymanian, but not for the expatriate". That is all that I can hear people saying. What else are we saying? If the expatriates have been here for all of this time, then there must be some need for them. Our society has prospered economically. It has been built, and we are not making it less by giving those persons that have been here for long periods of time security of tenure.

Again, the argument seems to be that what went wrong is that the people who should have gotten it did not get it. That is a weak argument; it is the propaganda of the Opposition. The Opposition needs to come in here and say, "What we need to do is make sure that all deserving people get it". That is how the Motion should have read. The Motion should have read, "We are supporting the Government in opening up Caymanian status to deserving people, and we want to make sure that all the people who deserve status get it". That is what the Motion should have read, not, "We come here to censure Government, and Government did this badly".

Madam Speaker, when I started yesterday, I said that it was hot-headedness on the part of the Second Elected Member for George Town more than on the part of the Leader of the Opposition, who I believe is more tranquil. This is it: The Motion should say that this is a vexing problem that has been created by government after government, and that they applaud this Government for attempting to deal with it. The Opposition could still have said that they would not have done it this way. They would have had their own way to do it, but at least we have started it; let us finish the job. That is what the Opposition could have said—but no, they want to say we are building a political party; we are building the Progressive People's Movement and want to make sure that we spend our time recruiting people to our conviction.

They are not interested in the immigrants; they are not interested in solving the issues of the social and moral conflict that has been created in this country as a result of immigration. They have not been interested. As a matter of fact, they have behaved more like Maoists, in my opinion, by rattle-rousing.

Point of Order

The Speaker: The Third Elected Member for the district of Bodden Town.

Mr. Anthony S. Eden: Madam Speaker, I wanted to ask you if "Maoist" is something that is allowed in the Parliament.

The Speaker: Third Elected Member for Bodden Town, would you care to expand a bit for me please?

Mr. Anthony S. Eden: There is a list indicating certain words that are [not] allowed in Parliament. I remember seeing this on one of those lists.

The Speaker: Third Elected Member for the district of Bodden Town, I am not in possession of the list, and neither is my Clerk. Out of an abundance of caution, I am going to ask the Honourable Minister of Community Affairs to refrain from using that term until we get an opportunity to take a break, so I can look at it.

Dr. the Hon. Frank McField: That is not a problem, Mr. Speaker.

On page 7 of the *Caymanian Compass,* 19 September, it says: **"Mr. Alden McLaughlin continued, "The battle will continue on the Floor of the Legislative Assembly."**"

This was at his most recent public meeting, which was on 16 September. It says here that Ms. Edna Moyle, the Elected Member for North Side, opened the meeting by saying: **"We are talking about the birthright of our children."**

When people get so nationalistic about birthrights and all of that, they should not marry foreigners. It is a total contradiction to say that the birthright is so sacred. I studied in Germany, and I know that there are certain Germans who actually believe in the supremacy of the Arian people. They believe that, but they do not mix with people who believe that. They do not deviate; they believe that. When you start mixing with people, you should be a little bit more courteous to them.

I am going to the *Caymanian Compass* of Thursday 18 September. It gives two members of the Opposition a stand again. I am still trying to find out where the *Compass* stands on this issue, whether or not they are standing like everyone else, feeling that they are the only ones who should get status and that

if anybody else get status it means competition for them. It is this privileged system; it reminds me of an organisation that I am in, too.

Madam Speaker, it says here: **"Actions of the Cabinet in confirming Caymanian status are unlawful. While they were conferred on an as yet undetermined number, it was certainly thousands," Opposition MLA Arden McLean said in the House when it resumed yesterday."**

The *Compass* is saying that he said it was unlawful, and I took him to point on that. I thought I did so yesterday. I thought he said that it was not unlawful. I hope that the *Compass* will print the fact that he cannot say it was an unlawful act, and that it is misleading the country to say that it was unlawful. There are many Caymanians who have come to believe that it is unlawful because they said so.

It goes on to say: **"If the procedure was followed some aggrieved individuals would bring individuals would bring legal action, such as a disgruntled resident who had been in Cayman for many years and is yet to receive status."**

Individuals will bring legal actions based upon what?

"When that happens it would jeopardise all the status grants by Cabinet in the last two months," predicted Mr. McLaughlin in the House when it resumed yesterday" Mr. McLaughlin could not substantiate that yesterday; he could not get up and say to me that this was the case. Why is he getting this foul-mouthed propaganda going? Then there is something here saying, "The PPM Slams Government at Party Rally". This is also Thursday 18 September 2003, and it says: **"In what at times took on the tone of the launch of the PPM's 2004 election campaign, 12 of the party's top brass took turns at the podium outside the Court House to address a crowd that hovered."**

It goes from 500 to 800. I do not know where the *Compass* gets its evaluation of numbers, but that is not the point. The point is the particular way in which they have spread this propaganda about us and this Government, and the fact that most of the statements made by the PPM cannot and should not be believed.

Madam Speaker, I would like to take a little time to say that when I made a statement here, I was replying in regard to the juvenile statistics, which I notice that the paper has not found space or time to print. If some juveniles had done something wrong, the *Caymanian Compass* would have found many front pages to put that on.

Contrary to what has recently been reported by the Leader of the Opposition, the Ministry responsible for Youth has seen a 37 per cent reduction in the number of young offenders being incarcerated between 2002 and 2003. The highest number of incarcerated youth occurred in January 2001, during the leadership of the Elected Member for North Side.

Point of Order

Ms. Edna M. Moyle: Madam Speaker.

The Speaker: The Elected Member from North Side, do you have a point of order?

Ms. Edna M. Moyle: Yes, Madam Speaker.

The Speaker: Please proceed.

Ms. Edna M. Moyle: Madam Speaker, in my opinion, the Honourable Minister is misleading this House when he states that there were 32 juveniles incarcerated in January 2001. I only took over the Ministry in November 2000, so they must have been incarcerated before I reached there.

The Speaker: The Honourable Minister of Community Services, would you be so kind as to repeat what you said?

Dr. the Hon. Frank S. McField: Madam Speaker, the Member is only doing that to try to make a point she cannot make.

Madam Speaker, I am answering a point made by the Leader of the Opposition on 6 September 2003. The Leader of Opposition said: **"The current Minister responsible for Youth speaks in abstract terms about youth and youth-related issues. While his claim to fame so far is the incarceration of an unprecedented number of young men in particular, there is still no clearly defined or coherent policy on the incarceration of young people in the nation building."**

Madam Speaker, I would like to table statistics provided by the Director of Prisons. Here it says that at that particular time in 2001, they did not include youngsters who were in the West Bay lock-up. Northward Prison did not begin to hold these juveniles until April 2002. Therefore, there would have been even more juveniles incarcerated at the time when the Elected Member for North Side was in charge. If she wants to dispute this with the Director of Prisons, she can do so, but I think he has access to the statistics. Unless she can prove that he is a liar and misleading, I think that we should accept these statistics, more than her opinion.

The Speaker: Are you saying, Honourable Minister, that this number of persons incarcerated was incarcerated under the reign of her responsibility? Are you attributing her to blame for their incarceration, or are you stating the statistics during her tenure?

Dr. the Hon. Frank S. McField: Madam Speaker, I am aware that the Minister would not have been responsible for the incarceration of anyone, just as I am not responsible for the incarceration of anyone.

The Speaker: Thank you.

Elected Member for North Side, does that clarification deal with your point?

Please proceed.

Ms. Edna M. Moyle: Madam Speaker, my point of order is that the Honourable Minister says that 32 juveniles, or young offenders, were behind bars during the year that I held responsibility for the Ministry. This statement that he made says that in January 2001, 32 juveniles were incarcerated. Can he prove to this House that those 32 were incarcerated between November (when I took the Ministry) and January 2001? That is what I am saying he is misleading the House on.

Hon. W. McKeeva Bush: No, what he is saying is that you were there and you did not do anything.

Ms. Edna M. Moyle: McKeeva, please, for God's sake shut up.

The Speaker: Order, Members!

Hon. W. McKeeva Bush: Why don't you go home if you want to behave like that? You have been here too long.

The Speaker: Members!

Hon. W. McKeeva Bush: You have not done anything.

The Speaker: As the House is not quorate and Members seem to be having some difficulty containing themselves, I think it is an appropriate time for a morning break.

Proceedings suspended at 11.53 am

Proceedings resumed at 12.19 pm

The Speaker: Please be seated. Proceedings are resumed.

Before we took the break, there was a point that I requested some time to deal with, which was raised by the Third Elected Member for the district of Bodden Town. I have considered the matter very carefully. Although the Honourable Minister of Community Affairs skirted very close to using the direct terminology of "Communist", he stopped just short of that. Therefore, I do not find the word to be unparliamentarily. However, I would wish to make two additional short comments for the benefit of Members.

Firstly, in order to guard against all appearances of personality in debate, no Member should refer to another by name. Secondly, good temper and moderation are the characteristics of parliamentary language. References in debate, either now or in the future, must be courteous. Abusive language and imputations of falsehood uttered by Members will not be lightly tolerated.

In regard to the point of order from the Elected Member for North Side, I have asked the Clerk to request a copy from *Hansard* so that I can review it over the luncheon break and make a more informed decision, as I was not in a position to recall, verbatim, both sides of the allegation and the rebuttal.

Honourable Minister of Community Affairs, I am informed by the Clerk that you have 40 minutes remaining. Please continue with your debate. Thank you.

Dr. the Hon. Frank McField: Madam Speaker, I was making an attempt to show that Members of the PPM, and, in particular the Leader of the PPM, indulge in misleading the public. I tried to demonstrate that by showing that he had made a statement that my claim to fame was that I had incarcerated young men. Before I go, I would like to read that again, so that we have it clear.

He said: **"The current Minister responsible for Youth speaks in abstract terms about youth and youth-related issues. While his claim to fame so far is the incarceration of an unprecedented number of young men in particular . . ."**

What I have tried to do, Madam Speaker, is to show the statistics in order to defend myself, and to prove that, in fact, the Leader of the Opposition is either misleading or does not have the big picture, about which he talks, in view. I showed that the lowest number of young people incarcerated was 10, and that was on 10 June 2003.

I am aware that I am not the person who decides whether or not a young person is incarcerated. For the Leader of the Opposition to say that this is my claim to fame, he is actually trying to convince the public that I am directly responsible. Therefore, when I made mention of the Elected Member for North Side, I made it because she is one of his future Ministers. I wanted to make it clear that if he was to attribute this to me, then he can only say that for the time that I am responsible. I said what the statistics were during the time when she was responsible, and I showed what they were when I was responsible.

The Speaker: Honourable Minister, I am sorry for the interruption. Perhaps you could move on to another point. Since I have to make a ruling on that, we will leave that point of order as it is. Once I come back in, I will make a ruling. Obviously, if there are aspects of it that you need to use to develop your debate, you are free to do that within the rules of the Standing Orders.

Dr. the Hon. Frank McField: Thank you, Madam Speaker. I was actually going over it again to develop my debate.

The next point I would like to show is in regard to housing. In my opinion, the Leader of the Op-

position is misleading the public, unless he can prove otherwise within 24 hours. He says that the PPM is saying empathically and categorically that a bigger, better and more structurally sound house, with a brighter finish, can be built here in the Cayman Islands for half the money this Government is gouging from the pockets of the very people it says cannot afford the $60,000 it is asking.

Madam Speaker, the National Housing and Community Development Trust (NHCDT) is building two-bedroom, one-bath homes and selling them, at this particular point, for $49,999—below $50,000. For the three-bedroom, two-bath, it is $62,000. This includes land.

The CI Precast homes, with two bedrooms and one bath are, I understand, to be priced at $68,500. This does not include land. Their three-bedroom, two-bath homes are $73,900 or $84,900, which does not include land.

Madam Speaker, if we are to propose mortgages over a twenty year period, which we might do at 7 per cent, the monthly payment for a house costing $49,999 would be $388 per month. People are paying that amount of money for one room at the moment. The three-bedroom homes would be $482 per month. If we did it over a 30-year period the payments for the two-bedroom home would be $333 per month, and the larger, three-bedroom homes would be $414 per month. We are still working with our systems here.

The Speaker: Honourable Minister, I take it that very shortly, you are going make the arguments relating to housing relevant to the Motion before us, and show how labour relates to that.

Dr. the Hon. Frank McField: Madam Speaker, if you give me the opportunity I certainly will do that for you. I wanted to come to the point of how the Leader of the Opposition misleads, and how he has been misleading in regard to this particular issue of the Cabinet granting status to persons who are well-deserving.

The Speaker: Please proceed.

Dr. the Hon. Frank McField: According to Mr. Desmond Seales, in the editorial of his newspaper, the *Cayman Net News,* today, 19 September 2003: **"The Leader of the Opposition may not have been too far off the mark when he said recently that the only criterion seems to be that the person is alive."**

Madam Speaker, we have heard a quotation from a gentleman in line to get a police record, who said that he had heard that the Leader of the Opposition had said this particular thing. This was reported in the *Caymanian Compass,* and so many people went there believing that all they had to do was to get a police record, and at the end of the day they would be dealt with.

Many people have called from different parts of the world, believing that the Government did not use valid criteria to determine who should have been granted status by Cabinet. In his attempt to make trivia out of what we have done, and to mislead people, the Leader of the Opposition has left the country in a situation whereby people are still unsure whether one can qualify for status after having been here for two, three or four years.

That is how he dealt with the so-called "metal houses", as they refer to them in their PPM propaganda. I am talking about the credibility of the witness. He is presenting evidence to this Honourable House that suggests that the Government's action should be censured. He has brought evidence and I am saying that the very person who brings the evidence has given so-called evidence in regard to other things that the Government is doing, to show that he is not objective, but subjective, at the least. Although it might be his opinion, it is misleading because it is not based on fact. The fact that these are not metal houses is one example. He figured that the use of the word would imply something derogatory.

Why is it that he is trying to do the same thing to the poor working people of this country, who might now have a chance for better and improved working conditions? Now, their bothers and sisters who are working next to them are no longer tied as servile labour to their employers in the merchant classes—which, in my opinion, he represents.

Madam Speaker, when slavery was being abolished in America, the argument put to the poor whites was that they would be worse off, and that the free Negroes would be competing with them, taking their jobs and taking their homes. The arguments sound very familiar. The argument is the same: the Caymanians will be worse off now, because the free Jamaican labourers will compete with them. That is the fear with which they have been dealing. They have frightened people into believing that their Government is doing something terribly wrong, to the point where some of us are even fearful. Why? Is his intention any different from our intention? As I said, I heard him speak on television last night. I saw him sit between two persons, and I know he does not share their convictions in regard to these immigration issues.

Madam Speaker, the best thing that could happen is for us to recognise that having free labour does not necessarily mean that people who are willing to work and improve their skills and knowledge base will be automatically at a disadvantage.

The other point is that the labour we are freeing has been here, in most instances, for a very long time. The society has indicated a dependence on those numbers—on those labourers; on their qualifications; on their characters; and on their qualities. It is not as though the Government has granted status to persons from abroad. It is not as though the Government has made a policy that anyone who wants to

come here can come. The Government is not bringing people in; it is talking about regularising and making free the labour and skills of those persons to be employed here in the Cayman Islands.

However, we know that freedom only takes you so far. At the end of the day, the man is still going to own the capital. He is still going to employ you; if he does not employ you, you do not work. The mere fact that I am free to sell my labour does not necessarily mean that I am free. I still have to sell it to someone, and that will have its own restrictions.

I do not see how poor Jamaican workers are negatively impacting our Caymanians. I do not see it, regardless of what might come out of the mouth of the Leader of the Opposition. He has been successful in convincing many Caymanians that this is the most awful thing that has ever happened to this country. There are many members of his team who continue to speak in that particular tone, and with that particular rhetoric. In regard to the immigration issue, he is the most moderate of his people. He knows that. He has one Elected Member for East End and one Elected Member for North Side. These communities have not experienced the same degree of immigration and assimilation that George Town has experienced. The Leader's position must be different from the positions of those in communities that have not experienced the same amount.

I still say that he needs to seriously consider withdrawing this Motion. He and his colleague, the Second Elected Member for George Town, have failed to present to this Honourable House with any reasons why the actions of the Government in Cabinet could be considered unlawful, or subversive of the powers of the Immigration Board or the Immigration Law. Further, he has failed to present to this Honourable House and to society any coherent reasons why the country should be worse off for these grants. He and his team of people have failed, so far, to present to this Honourable House any evidence to prove that it will adversely affect the upward mobility of ambitious young Caymanians who are willing to take the opportunities being offered to them by their Government. He has failed to suggest how this could have been done, and he has failed to give sufficient credit to the Government for starting the process, which he can now become a part of, if he wants to champion the cause of these persons in our society.

Madam Speaker, he could have come to this Honourable House with a Motion calling for the laying upon the Table of the Report of the Select Committee on Immigration, or the Immigration Review Team. He could have come to ask that the Government move as speedily as possible to develop the Immigration Laws which are necessary in a modern and humane Caymanian society. He could have come to the Government and said that although it might have acted in granting status to more persons than were granted when Mr. Truman Bodden was in power, it did not subvert the laws of this country any more than Mr. Truman Bodden and his people did when they were granting status. The only difference is that we applied it to more people than he did. We can understand that, because his mentality is a little different from ours. We believe in the folks, and he believed in the few. Therefore, we understand why that was so.

The Leader of the Opposition was a very good opponent of that good gentleman. He knows that he has been successful in his political journey so far because he was assisted by many persons who do not call themselves Caymanians, and do not have the right of tenure, but nevertheless, have the right to vote.

We do not know exactly what the numbers are in George Town, but we know that significant numbers came here before the merchants decided to limit the ability of those persons to participate in the political process. They have continued to enjoy the right to vote in the Cayman Islands, and they have always asked that we have a much more liberal approach to immigration.

I am happy that from the time I started my political career in 1996, I said that I would be willing to do something about the immigration issue in this country. I am happy, therefore, to stand here at this particular point and say that under section 20(d) of the Immigration Law (2003 Revision), I, as a Member of the Cabinet, saw that in my opinion, there were special reasons for granting status to several individuals whom I suggested. One of those individuals happens to be a person who has a criminal conviction. I would like to take responsibility for this act, and absolve my other colleagues, if that is necessary. I shall own this act until the day I die, and I believe that it was a responsible act.

Madam Speaker, there was an individual who I felt should have some security of tenure in the Cayman Islands. That individual has been in the Cayman Islands for 38 years, and has been married to a Caymanian for 37 of those 38 years. That individual has produced daughters, who have produced sons and daughters for this country. That individual is the descendant of a Caymanian, and has helped to create the so-called indigenous Caymanian population that the Opposition is so anxious to protect. However, when the Immigration Board and its officers dealt with that individual, they found that he had no access back to his family, or his grandchildren.

Subsection 22(5) of the Immigration Law (2003 Revision) says:**" Any person who–**

(a) is a spouse of a person who possesses Caymanian status;

(b) is not living apart from their spouse under a decree of a competent court or under a deed of separation;

(c) has not lived apart from his spouse for an aggregate period of twelve months out of the five years immediately preceding the application;

(d) has been ordinary resident in the Islands for the period of three years immediately preceding his application;

(e) has not in any country been convicted of an offence for which a sentence of imprisonment of or exceeding twelve months has been passed other than for non-payment of a fine unless –

i. such conviction has been quashed on appeal or has been the subject of a free pardon".

Madam Speaker, forgetting the authority of the Cabinet, the Law itself does not say that a person cannot be given Caymanian status if he or she has a criminal conviction. It has to do with the period of sentence, which the law is always very specific, not the criminal conviction.

The individual with whom I am dealing has had one sentence of six months imprisonment, suspended for two years. The person was fined $600, or two months. I say this to bring it to the attention of the Members who have lambasted us in regard to the issue of criminal conviction that this is the only individual of whom I am aware who has one.

If that is what is getting them heated up about this whole thing, this individual has done his time in the Cayman Islands. If he is an undesirable person, then he is our undesirable person. He has a family. He has a right to his family, and I implore us to deal with this situation in a humane way. That is what I know about this thing.

In regard to people who have not been here for a 10-year period, but were granted status, I say again that the Cabinet does not grant status based upon residency. The Cabinet grants status based upon what the Cabinet believes to be special reasons. All the Opposition has been saying is that those particular persons who have not been here for the 10-year period, such as the brother-in-law of the Second Elected Member for George Town, should not have been granted status, and that they have taken positions from other persons. Had they applied to the Immigration Board, they might not have been granted status, because the Immigration Board would not have had that flexibility. The Law is given to them, so they must dispense with the Law as it is given to them. Since we are the givers of that Law, we are not always bound by the letter of the law. We can use our discretion. We can be a little like Solomon once in a while. We can use our humanity and our common sense to make decisions, as in the case of the brother-in-law of the Second Elected Member for George Town, and as in the case of the special person who I will not name. However, I am quite sure that the Opposition is aware of who he is.

Madam Speaker—

The Speaker: Honourable Minister, are you moving on to a new point? You have 12 minutes remaining. If you are going on to a new point, is this an opportune time for the lunch break, or would you wish to conclude?

Dr. the Hon. Frank McField: Madam Speaker, if the House will bear with me, I think I could sum up in the 12 minutes I have left.

The Speaker: Please continue.

Dr. the Hon. Frank McField: Madam Speaker, there is much that I could say; perhaps I will say it in a different forum. I would like to say that about the possible social and economic consequences of the Government's movement.

Obviously, the Government's movement cannot stop here. The Government must be encouraged to continue with this process—not as it is presently doing, but ensuring that within as short a period as possible, all persons who qualify according to the 10-year status residency requirement and other blood requirements and family connections are given the opportunity to settle in the Cayman Islands. I believe that our society can afford it, and will be better off for it. I believe that the economic potential of our society will be that of a Venice, that its social fabric will be more knitted together, and that the real possibility of the development of a Caymanian identity and nationalism will be possible because of it.

Other societies, including ours, have been able to take immigrants from very diverse backgrounds and make one thing. If they could take them from Africa and Europe, and make Caymanians out of them, then I am quite sure that at this particular point, if we mix some from England and a few from Jamaica and other places, we can make Caymanians out of them too.

I would like to ensure that our sons and daughters for the future have choices that are broad, and not narrow; that they live in a society that is expanding, and not decreasing; and that they live in a society where there are more opportunities—opportunities that are not the result of holding one person's leg and saying they are doing well in competing, but the result of free people interacting and productively producing economic, social and spiritual benefits.

I believe from the heart, and from the deepest depths of my soul, that this has been a very difficult road to walk in taking the first steps to create as much free labour and as many free people as possible in the Cayman Islands, and in moving from a population where we have 12,000 people who can vote, although we have 40,000. These are things that are being reported by Social Development Direct (SDD), which is an organisation that came here from the Foreign and Commonwealth Office (FCO) to look at the human rights issue. I believe that giving a person the opportunity to say who their representatives will be, and what policy the country will pursue, will not diminish the intent of what is Caymanian.

Madam Speaker, what is Caymanian has been changing through the years, and will continue to evolve. It is only that thing that changes that will live, because when it stagnates and stays put, it will die. That is why some people have made choices that have not necessarily been very "Caymanian" to some people. However, at the end of the day, we live in a more pluralistic society, where we can share our differences and see how those differences can increase our similarities.

I believe that if I had come here today and had any fear that what I had done was wrong, I would have spoken differently. However, Madam Speaker, I am convinced that the journey towards the freedom of labour in the Cayman Islands had to begin someplace. The journey towards equality between old and new Caymanians had to start somewhere. Madam Speaker, it has started as a result of the United Democratic Party Government's initiative. Our initiatives are not by themselves completely correct in all ways, but there was no correct way to approach this immigration mountain. No one had showed us the way; we had to work in the dark. The Opposition is in a very good position to criticise us, because no one had done anything before that was significant in terms of reducing the numbers.

The Government reacted, first of all, by setting a quota that was much larger than quotas that had been set before. However, even this was not decreasing the numbers in dealing with the issue at the pace at which the United Democratic Government felt it had to be dealt with. Therefore, the Government used another tool that it had at its disposal, which was its power in Cabinet to make as many grants of status as it could. At the same time, it contemplated, and awaiting the arrival of a new piece of legislation that will reflect the intentions of the Caymanian people to integrate those persons who have been living among us for so long, and who have been contributing their very sweat, their very blood and their very lives.

The Speaker: You have five minutes remaining, Honourable Minister.

Dr. the Hon. Frank McField: Madam Speaker, I am waiting for the Leader of the Opposition to get up and withdraw this Motion, simply because there are no grounds for this Legislative Assembly to censure the Executive for exercising the power it has. If they want to change the Constitution, and have a constitution where there is no division between the Executive and Legislative Branches of Government, then they should be doing and saying that. As long as we have a division between the functions of the Legislative and Executive Branches, and as long as we have an Executive with the power to appoint boards to carry out its directives the Executive Branch of Government retains the power to make decisions on its own behalf, in spite of the fact that it may empower a body to carry out those directives.

Therefore, to continue to call this act unlawful, as the Second Elected Member for George Town has done at certain times (though at other times he said "No") and to continue to enjoy the criticisms Caymanians have against the Government for doing it, while at the same time trying to placate the new Caymanian, is being All-to-All in the Kingdom of Everything, where everything is nothing and nothing is everything; where going forward is putting on your brakes, and putting on your brakes is going forward. It is talking from both sides of the mouth, and that is necessary when we have one private conversation with one person, and another private conversation with another person. When we get them all together, we can only have one conversation. Therefore, it is very good that we have two sides of the mouth and that nothing can be everything and everything can be nothing.

The Speaker: We will now take the luncheon break and reconvene at 2.30 pm.

Proceeding suspended at 12.58 pm

Proceedings resumed at 2.36 pm

The Speaker: Proceedings are resumed. I recognise the Honourable Minister responsible for Community Affairs.

ADJOURNMENT

Dr. the Hon. Frank McField: Madam Speaker, due to the sudden downpour of rain and other issues, I beg to move for the adjournment of this Honourable House until Monday at 10 am, using the relevant Standing Orders.

I would also like to say that it is the intention of the Government to encourage Members to work until the Motion is completed on Monday evening.

The Speaker: Thank you Honourable Minister.

The question is that this Honourable House do adjourn until Monday 22 September 2003 at 10 am. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 2.38 pm the House stood adjourned until Monday, 22 September 2003, at 10 am.

OFFICIAL HANSARD REPORT
MONDAY
22 SEPTEMBER 2003
11.20 AM

Fourth Sitting

[Deputy Speaker in the Chair]

The Speaker: I will ask the Honourable Temporary First Official Member to grace us with Prayers.

PRAYERS

Hon. Donovan W. F. Ebanks: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Executive Council and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 11.23 am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies for the absence of the Honourable Minister of Education and the Honourable Minister of Health, who are both off the Island on official Government Business. Also for the Honourable Speaker, who has notified us that she will be attending later on today; and for the Leader of the Opposition and the Second Elected Member for George Town, who expressed their intention of arriving a little later this morning.

STATEMENTS BY HONOURABLE MINISTERS AND MEMBERS OF THE GOVERNMENT

The Speaker: I have received no notice of statements.

Suspension of Standing Order 14(2)

Hon. W. McKeeva Bush: Mr. Speaker, I move the suspension of Standing Order 14(2) so that Private Members' Motions can take precedence over Government Business.

The Speaker: The question is that Standing Order 14(2) be waived. All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 14(2) suspended to allow Other Business to take precedence over Government Business.

OTHER BUSINESS

PRIVATE MEMBERS' MOTIONS

PRIVATE MEMBER'S MOTION NO. 4/03

Grants of Caymanian Status by the Governor in Cabinet

(Continuation of debate thereon)

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak?

The Third Elected Member for the district of Bodden Town.

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

First of all, I would like to say that I am saddened to hear about the accident in Cayman Brac over the weekend. I do trust that everything will go well for those who were involved in that accident.

Mr. Speaker, there is one observation I would like to make before we continue with the debate on the Motion, and that is the significant presence of police on the premises. Perhaps at some time, someone will make a statement. In my 11 years here I have seen them occasionally, but not for the duration that I have seen here. Yes, Mr. Speaker, they have been here before, but I wonder about the length of time and the reason and why they are here.

Point of Clarification

Hon. W. McKeeva Bush: On a point of order, Mr. Speaker.

Mr. Speaker, I have listened to what the Third Elected Member from Bodden Town had to say. When the debate started, Madam Speaker put police officers in here. There were many threats, not for the first time, and there were also unruly people. You saw that we had to eject one supporter of the People's Progressive Movement (PPM) who was misbehaving, as usual. Therefore, it should not seem strange to the Third Elected Member from Bodden Town. I think that they could sit there and hear for themselves some of the things that were being said.

That is the answer. The Speaker put them in here, as she has the authority to do, because of various threats and, of course, ensuing misbehavior.

The Speaker: Thank you for that clarification. The Third Elected Member for Bodden Town, please continue.

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

I, personally, was not aware of threats of that magnitude. As a representative, I have never yet seen that type of unusual behavior, but as some people would say, prevention is better than cure. So be it. The decision has been made. I simply brought the observation. The Honourable Leader of Government Business has pointed out that the Speaker requested it. So, that is what it is all about.

The Motion before the House is a very emotive subject. My concern, along with the Opposition, is the process by which this has been done. Personally speaking, I have no problems with those who are entitled and have served their time being granted Caymanian status. This has been done for a long period of time. Our concern is the process by which it was being done.

To my knowledge, never before in the legislative history of these Islands has this number of status grants been made in such a short period of time. I spent six years in Executive Council, along with the present Leader of Government Business, and there were not that many people to whom we granted Caymanian status for special reasons, using that section of the Law.

I remember a few short years ago, when I was in Cabinet, an attempt was made to give status to a handful of athletes. Much concern and objection was raised at that time. In our Motion, we suggested that Cabinet give status to six people a year under this section of the Law. This was questioned, Mr. Speaker, but we put that section in there because of a historical precedent over the many years that Cabinet has been there, including times when it was known as Executive Council.

Mr. Speaker, I know, and we on this side understand, that Cabinet is all-powerful. Under the Constitution, that is how it works. However, it is my feeling that when the Immigration Law was designed, it was never designed to give Cabinet the power to issue status in the numbers in which it has done. I would ask: What is the use of having the Immigration Board?

We talk of transparency, Mr. Speaker. Many of these concerns and problems could have been alleviated if Cabinet had decided on a certain number of people and gave that quota to Immigration. Let them do their due diligence and check on the backgrounds of these people. We have been made to understand, and it has been brought out in this Honourable House, that there were a handful of people about whom questions have been raised. This would have protected the Cabinet from these concerns.

Once again, I raise the point—and I will mention this throughout. My concern is the process by which Caymanian status has been issued. It is my feeling that if it had gone a different route, we would not be facing what we are facing today. I would urge the Government to listen to what the people are saying out there, in the letters that are being written in the paper. This is not the Opposition, Mr. Speaker. These are normal citizens. With your permission, I would like to read one short letter that was in the *Caymanian Compass* last Tuesday.

The Speaker: So ordered.

Mr. Anthony S. Eden: Mr. Speaker, this letter reflects the feelings of those of us on this side, and thousands of other residents on these Islands. It was captioned, “Status was a Privilege”.

It reads: **“I have some close ex-pat friends who obtained their well-deserved status some twenty years ago. They have lived amongst us for over a decade and kept their noses clean. At that time it was an honor and privilege to be amongst the chosen few to receive a Cayman passport and**

voted privileges in our country. That was also a time when blunders, mistakes and stupid decisions made by our politicians fell into the category of funny or charming. What's going on today in my country is downright scary."

Mr. Speaker, this is what I would urge the Government to listen to. Even if they ignore what we are saying on this side, they should listen to the other residents. Since this process has started, I do not recall one individual coming to me to say that he or she supported the process by which this is being done. They have concerns, and if we believe that this will not come back and give us problems down the line, then we are not facing reality.

Mr. Speaker, one problem that has been brought to my attention by young Caymanians is that of upward mobility. People have been in positions within the financial sector, working under people who have been here on work permits, with the knowledge and the hope that they could aspire to those positions one day. Yes, these people have contributed to the development of these Islands, but we pay them for that. Some of these young Caymanians are very concerned that that possibility will not materialise.

It has been suggested that we, on this side, are protectionists. No, Mr. Speaker; we are echoing what people have said. Those who attended the massive meeting on the steps of the courthouse the other evening will see. Not in a long time have I seen that kind of turnout by people from all walks of life—not only Caymanians and Caymanian residents, but also people who have Caymanian status.

Over the weekend, a young lady came to me. She had gone through the process in years gone by. She had been here for over seventeen years, and it was not easy for her to get status. It was two or three times before it went to the Board, even though she had Caymanian connections. She says that what is happening now hurts to the core, knowing what she had to go through.

Mr. Speaker, I know of no other territory in the world that utilises this process of granting status by Cabinet. Many of us are familiar with the United States. You have to be there for a period of time, and initially you are granted permanent residence. You have to sit exams, and know the history of the country. A comparison was drawn with the number of people that are incorporated into the United States, and then invited to be citizens. Those numbers occur in a population of approximately 300 million people. If we compare that with the percentage of status grants being issued at present in the Cayman Islands, it would not happen.

Mr. Speaker, as we know, the grant of Caymanian status is the closest thing we have to citizenship. It is a sacred step to take. It is something that should not be handled lightly.

Illustrations have been given of people who appeared to have been given Caymanian status recently. One of the persons mentioned here was here on a work permit, and I am made to understand that the complaints on his file at the Immigration Department are close to an inch thick. I am hoping that this will be looked into, because it is my understanding that he gave many Caymanians a hard time.

This is what I am saying. We need to look at the process. We need to be sure of the background of these people, and we need to know what else it entails. Over the weekend, someone told me that there was an individual living here who had received Caymanian status, and back home, wherever the country is, there are five or six children who will now be entitled to get status at some stage.

There is concern out there among our Caymanians, and we need to listen to it. There is no rush to put this through all at one time. It was suggested that the onslaught that was started a couple of weeks ago could be blamed on the People's Progressive Movement. I would liken this to someone out in the yard burning up some leaves, who goes inside for a drink of water, comes out to find that the place is on fire, and blames his neighbour for not doing something about it. I honestly believe that when this started originally, it was started with good intentions. It probably still is. However, it seems like it has gotten out of hand.

Mr. Speaker, I continue to raise my concerns and express the feelings of Caymanians. Down the road, we may reflect on this time; let us hope it is not too late. I feel very strongly about this, almost to the point of resigning my seat if it reflects the wishes of the Caymanian people and residents.

We have urged the Governor to look at this process of giving such a huge number of people Caymanian status in such a short period of time, to see what can be done. As I said, when I started to speak, I have no problem with those who qualify and have put in their time. My problem is with the process of Cabinet. We talk about transparency, and this is what transparency is all about.

In closing, Mr. Speaker, I would reflect on what the Honourable Leader of Government Business said back in 1988. He moved a motion in the House proposing security of tenure as an alternative for status. He noted that his views remained unchanged, and recommended the abolishment of status by grant. What has happened, Mr. Speaker? If we wanted to give security of tenure, why would we not have looked at permanent residence also?

Thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? This is the final call. Does any other Member wish to speak?

The Honourable Minister of Planning, Communications, Works and Information Technology.

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

I was hoping that someone else would have got up, as I have been having a problem with my throat this weekend; however, I believe it will hold out.

Mr. Speaker, I cannot truly say that I am pleased to debate the Motion now before this Honourable House, as I regard it as unnecessary and a colossal waste of time. In my opinion, it is frivolous, mischievous, and without merit. It is further my opinion that it reeks of political opportunism, and that it is designed to embarrass the Governor and all Honourable Members and Ministers of Cabinet, as well as members of the United Democratic Party.

The recent grant of Caymanian status by Cabinet was approved in accordance with section 20(d) of the Immigration Law (2003 Revision), to which I will later refer as the Law. It states:**" 20. A person shall, for purposes of this Law, possess Caymanian status if- . . . the Governor, in his opinion finding special reason for so doing, grants such status to him".**

In this respect, it is generic—him or her. Under the definitions and interpretation section of the Law, **"**"**Governor**" **means the Governor in Council",** now Governor in Cabinet. As I mentioned earlier, whenever I refer to the Law during the course of my debate, it shall be in reference to the Immigration Law (2003 Revision).

My first question to those individuals who brought this Motion, and to their supporters, is: Why was this Motion brought in the first place? It is my opinion that it was brought by the Opposition for the sole purpose of misleading the public into believing that the Members of Cabinet have committed a grave offence, and acted *ultra vires* their authority under the Law. Mr. Speaker, nothing could be further from the truth.

The legal and moral basis for the recent granting of status by Cabinet are in accordance with the Law and the good conscience of the right-thinking Caymanian people and other residents.

I can say, without fear of successful contradiction, that the Opposition has thus far not found a solid factual basis for their unjustified and vitriolic attack on the Government, nor will they find any basis for the reckless, irrational and misleading statements they have made against the Government. This is just another attempt to grab the limelight and public attention. In my opinion, we have wasted the precious time of this House debating a motion that should not have been brought in the first place. There are a number of important issues that need attention, yet we are spending days and days debating this one.

The next question I would put forward is: Were the recent grants by Cabinet, made under section 20(d) of the Immigration Law (2003 Revision), lawful. The simple answer is, "Yes, the grants were lawful". They were in accordance with the section 20(d) of the Law, which as I mentioned earlier, states: **"20. A person shall, for purposes of this Law, possess Caymanian status if- . . .(d) the Governor,** (meaning Governor in council) **in his opinion finding special reason for so doing, grants such status to him".**

Mr. Speaker, it does not take a rocket scientist to understand and interpret what this means. Neither does it take any particular legal talent, yet it seems that the Opposition's legal advisor was unable to understand what this section means.

In his debate, the Second Elected Member for George Town mentioned several times that the actions of the Governor in Cabinet were unlawful. Not only was this statement incorrect, but unfortunately, there are certain members of the public who are naïve enough to believe what he and his colleagues have said, not only in this Honourable House but also at their various public meetings, and in other forums—so much so that some are threatening to disrupt the stability of these Islands. I am not saying that to try to put fear in anybody's heart, but because I have actual proof of it. There have been calls for marches, and certain acts of civil disobedience, such as boycotting the workplace.

Last Friday, 19 September 2003, one of my secretaries received 31 calls, with messages to be delivered to me actually stating that certain individuals were going to call a national boycott at their workplaces, and that I should try to stop it. This is one of the results of this furore.

Mr. Speaker, rather than misinforming the public to the degree that some are threatening to take the law into their own hands, the Opposition would do well, even at this late stage, to tell the truth about the grants of status: that it was not, in fact, done unlawfully. If any Member can show me in the Law why it was done unlawfully, I will gladly give way. If they cannot do so, Mr. Speaker, I suggest that this is the right time for them to desist from inflaming the passions of our people, and polarising them through deliberate misinformation. In my opinion, the behaviour of the Opposition is irresponsible, to say the least.

The bottom line is that the actions of Cabinet and the recent grants of Caymanian status were done in accordance with the Law. I feel much more comfortable having our learned Attorney General advising Cabinet on legal matters, rather than the legal advisor for the Opposition.

I do not understand why such behaviour is occurring in this Honourable House. I can only put it down to the inexperience and youthful exuberance of some of our Members.

Mr. Speaker, pursuant to section 20(d) of the Immigration Law (2003 Revision), the Cabinet formed the opinion that there were special reasons to justify the granting of status to deserving and worthy individuals in commemoration of this, our Quincentennial year. Some Members have said that this was unprecedented, but I myself cannot recall many of us

ever celebrating 500 years of our existence before. Much that has occurred in this year has been unprecedented. It was unprecedented for us to give 500 Caymanians recognition on the wall of honour. Perhaps this is unprecedented, but as unprecedented as it may seem, it is not unlawful. I would like to underscore that. What we did in Cabinet was legal and in accordance with the Law. As unprecedented as they may say it was, they should not mix that up by following on to say that it was unlawful.

Mr. Speaker, certain Members will not understand, so I expect that they will be passing remarks as I speak.

I also wish to point out that under section 20(d) of the Immigration Law (2003 Revision), there are no minimum residency requirements as there are for the acquisition of Caymanian status by grant, which procedure is contained in section 22 of the Law. Under section 20(d) of the Law, the Governor, meaning the Governor in Cabinet, can grant status to any deserving or worthy individual if, in his opinion (and by extension, in the opinions of the Members of Cabinet), he finds special reason for so doing, and grants such status to him or her. It has nothing to do with whether one has spent ten or more years here, although I should quickly say that in 95 per cent of the cases, if not more, the people considered have spent upwards of ten years in the Islands. We have seen cases in which people had been here for 25, 30, and up to 40 years and more, and had not been considered. Hopefully those people have now been considered.

Rather than attempting to censure the actions of the Governor in Cabinet, the Opposition should have proposed a vote of confidence in the Government for the happiness and joy we have brought into the lives of so many deserving and worthy individuals.

I agree with the Leader of the Opposition when he says that some worthy individuals received status. I agree with that. However, neither he nor the Second Elected Member for George Town has been able successfully to substantiate the list of those individuals who, they claim, are unworthy of the grants. I have heard read out here the names of persons who were said to have received status, but when we checked them, we found that this was not the case.

I do not know why there is such a fuss about one or two individuals falling through the cracks. In the best regulated committees—the Immigration Board included—these things happen. What is important is that when and if they happen, they are corrected immediately. I say now, and I will say again, that if any member of the Opposition can prove that any criminals received Caymanian status through the recent grants by Cabinet, I would like them to table those names in this House. I can assure them that I will be the first to have those grants of status revoked.

Mr. Speaker, having listened to the debates of the Opposition thus far, it is quite clear to me that they are confused as to the proper interpretation of section 20(d) of the Law. For this reason, I will say again that unlike section 22 of the Law, which deals with the granting of Caymanian status based on a minimum residency period of 10 years, section 20(d) is left to the discretion of the Governor in Cabinet, on the basis of the recipient's contribution or potential contribution to these Islands. Such consideration should extend not only to former British Governors and British attorneys and others, but should also apply to anyone the Governor in Cabinet considers to be so deserving.

This territory should hang its head in shame to have had so many individuals residing in these Islands for upward of 25, 30, and 40 years or more without receiving status. Anyone who understands the proper interpretation of section 20(d) of the Law will also understand that the actions of Cabinet were lawful, morally based and long overdue.

Mr. Speaker, I and my colleagues on this side of the House have pointed out that the actions of Cabinet were lawful and morally based; what, then, is the real objective of the Opposition in bringing this Motion?

The Second Elected Member for George Town has already correctly stated that it could not be for votes in the 2004 General Elections, unless the recipients had already obtained naturalisation. Under the British Nationality Act 1981, an individual has to be free from immigration controls and restrictions for a minimum period of 12 months before he or she can apply for naturalisation. Under the current circumstances, this would mean that the majority of the individuals who have been granted Caymanian status would not be able to register to vote in the 2004 General Elections. Mr. Speaker, I will come to the point where it was eluded to that Honourable Members of Executive Council were considering amending the Law to make that possible.

I have clearly shown that there was no legal basis for the Second Elected Member for George Town, describing the grant of status as unlawful. I have also pointed out that the objective of the grants given, were not for Government to benefit politically from this exercise and I can speak very frankly for my motives and myself. Why then is the Opposition causing so much turmoil and unrest in these Islands, in my opinion, by deliberately attempting to mislead the public on this issue?

It is, in my opinion, the Opposition and their supporters, not the Government that should thoroughly be ashamed of their actions. They should, in my opinion, apologise to Cabinet for their dangerous and vindictive behaviour and indeed for the misinformation they have disseminated amongst our people. Such behaviour is inflammatory and leads to the polarisation of our people. The Opposition, in my opinion, should hold another public meeting for the sole purpose of apologising to the public for misleading them on this very important issue.

The Opposition have also stated that they are not anti-foreigners, but that statement, in my opinion, would have been more credible if they had qualified it by saying that they were not anti some foreigners. Having covered the lack of the legal and the moral aspects of their arguments it seems to me that their only objection must logically now point to the backgrounds and nationalities of these individuals, in my opinion. My question is: Would we be embroiled in these long and often heated exchanges on this matter in this House if the Jamaicans and certain other nationalities were not included in this exercise? Or could it be that in the thinking of some Opposition Members, and their supporters that it is all right for the Jamaicans and others to work in their homes, cook their food, look after their children, do the menial work that they do not want to do, but that it is not good enough for them to enjoy living in our midst as Caymanians?

The Opposition had the temerity to expect that these same individuals and their families will continue to give them the same political support they have received in the past. Even as I have said probably 90% of these recipients will not be able to vote in the next election, and this was not the reason that they got it. They got it because they should have gotten it long ago and because they are deserving and worthy of it. However, a lot of them have families here and those families will not forget what is now being said in this House and in public meetings. You cannot talk out of both sides of your mouth. You cannot say on one hand that they are my friends and on the other hand you say, '*no they should not get status because they should not live amongst us as equals.'* They are not our equals— is that what we are saying Mr. Speaker? I have a major problem with that kind of thinking—I do.

Having weighed the pros and the cons of the Opposition's arguments so far, it is my considered opinion, that the furore that has been caused, that has been created by the Opposition is racially motivated and I will say why I think so. That is one subject us Caymanians do not even want to talk about. It is amongst us. I am 62 years old (I know I do not look it but I am) and from the time I can remember it has been amongst us. From the time I was going to school I remember one of my teachers saying to me: *"oh you are not going to make anything, you are trying to grab too high".* Mr. Speaker, I remember in the 1984 General Elections when I won, it was told to me from a very reliable source how someone on the other side had made a remark by saying that if the George Towners wanted to elect me over a certain individual, then they could have the 'black so and so'.

Mr. Speaker, even in my professional life I came back to this country as the first qualified accountant for the Cayman Islands, the second being Mr. Naul Bodden. I know he often boasts to be the first accountant who got a US qualification, a CPA (certified public accountant), but I was the first. I expected that the public would have accepted me with open arms as has been done in other countries; how mistaken I was. I remember once saying to a businessman in town that I would like to do his books after hours because I was working somewhere else, and his remarks to me was that I should go and ask Patterson to do his books. I never forgot those remarks and they have been indelibly imprinted on my mind. Mr. Speaker, if it had not been for my partnership with a group out of Nassau and Canada I would have starved to death trying to practice my profession here; and yet I am being told that nothing like that happens in the country.

Even in my political life I have heard very nasty racial remarks made about me and that certain individual candidates should not run with me. However, I put all of that behind because when I go out of these doors; when I travel around, I do not see a man for the colour of his skin. If you are a white man and you are ignorant you go into that category; if you are a black man and you are ignorant you go into that category. A man should be accepted (and when I say a man I mean a woman also) for the content of his heart; for who he is; not the pigmentation of his skin.

Mr. Speaker, we have been accused of selling Caymanian status for votes. I hope that I have put that to bed. However, I have no doubt it will be brought up again, and I would comment on this by saying that not only is this an insult to the Members of Cabinet, but also it shows how little those individuals who said that, think of the people of these Islands; the people they so claim to love and respect. Such accusations and statements are disrespectful. My further view is that the Opposition should now stand up in this House and withdraw this Motion—not because it is a Censure Motion; I have had Censure Motions on me before. If you have worked in this House as long as I have you would have had them too, but it is because I have not seen one that has caused me as much concern as this special one.

Mr. Speaker, the Cabinet of the Cayman Islands is comprised of very knowledgeable individuals through academic and experience. We are very fortunate to have Backbench support that is very knowledgeable and professional. In this connection a number of our Ministers of Government have had the added and useful experience of having served in very senior positions in the civil service. From a personal perspective, not only have I served in Executive Council, as it was then called, on the official side of the House, as Acting Financial Secretary, but I have also had the honour to serve on the opposite side of the House, the political side of Executive Council or Cabinet, as a Minister. Mr. Speaker, I did not come to politics as a green horn. When I came into politics I knew the working and the intricacies of Government. I therefore have to ask, what then makes the Opposition feel that they are better able and qualified to run

the affairs of these Islands, or to make more sound judgements than the present Cabinet?

Let it not be misunderstood that when the Opposition gets up in this House or any other public forum and criticises the Members of the United Democratic Party and the Cabinet, that it is an attack personally on me because I am a founding Member of the UDP (United Democratic Party) and I am a Minister of our Cabinet. It is not good enough, Mr. Speaker, for anybody to say to me that they have not called my name because even though it may not be directly mentioned, indirectly I am included. If any Member of the Opposition feels that there is something worthwhile saying about me in this House, they should feel free to do so.

I believe that my record speaks for itself. I have had an impeccable record, not only in the civil service, but, from what I am told, also as a Minister of Government and I believe, as an Opposition in the House. That is why I have long not regarded myself as an ordinary, cut of the mill politician, and not that I think too highly of myself. I have long regarded myself as a statesman in this country and that is why I try to behave the way I do. However, respect begets respect. I respect everybody that I come in contact with, but I expect the same respect from them.

Mr. Speaker, there is no Member of this House who can embarrass me because I have always lived under the philosophy that somebody can only embarrass you if you allow them to do so. I have heard all kinds of rumours around the place, but as I said to somebody on the phone this morning, I have no time for that, I am too busy. Let the rumour mill continue; let the marl road gossip continue; I feel that I am above it and I will not get involved in it. If there is something substantive that can be brought in this House or otherwise, I say please feel free to do it. You have a duty to do it.

We in the Cayman Islands must start respecting each other for our abilities; each other for who we are and not where we came from or the pigmentation of our skins, but for who we are. I have had people look at me and say, "How can you afford the car you drive?" I can afford the car that I drive because I was the first qualified accountant in this country; I can afford the car I drive because my wife and I work together. Why should it seem so strange that because I might be a black person that I should not have the same privileges and material wealth as some of my other colleagues who are of a different pigmentation? Is this something that only a certain class of people has a right to receive? I have a problem with that. Before we start getting so pious with each other and calling ourselves Christians we should seriously look at this issue and see how much we love one another in this country. How many of us that tap our maid on the back would ever want to see her receive Caymanian status? It is all right to look at my family and me, but never aspire to get something that is beyond you. That is hypocrisy, Mr. Speaker.

I will not allow any frivolous and baseless attacks to embarrass me. I can assure you— especially those of my colleagues that call me after 9 o'clock in the night—that they know I have no problem sleeping because I am usually asleep after that. Even though I must add very quickly that I am also up early; there are very few mornings that I am not up by 5.30.

Mr. Speaker, had it not been for those individuals who might be tempted to believe the misleading statements that have been made outside and inside of this House by the Opposition, I would have treated this Motion before the House with the contempt that I think that it deserves by not speaking to it. However, I feel that it is my duty to clear up some of this misinformation. I said to my colleagues on Friday that I was not sure I was going to speak on this. Even this morning I am still having a problem with my throat and I was not going to speak on this, but I felt that it was a duty for me to get up and give my views on this Motion. This is not to say that I dislike one Member of this House because they all know and the public know that there is not one Member of this House that I do not have a good relationship with and that I can talk to. I heard my cousin say "except him", but I know he knows better than that.

The Leader of the Opposition and the Second Elected Member for George Town both admitted not to having any cold and hard facts for some of the accusations because I recall them saying "in my opinion". When one says "in his opinion" that is a qualification to what he is really saying; that it may or may not be exactly as he is saying it, but it is none the less his opinion.

Indeed, Mr. Speaker, as we saw in this Honourable House when the Second Elected Member for George Town was challenged to substantiate his wild and misleading accusations about unworthy individuals having recently received Caymanian status from the Cabinet, he was unable to do so. I do not believe that that Member is deliberately trying to mislead because I have known him from the time he was a child, but this was the information that he had. Nonetheless it was wrong.

Mr. Speaker, the Opposition goes on to say that there are many members of the public who are perturbed by the recent grants of status. Had I not known better, I would be perturbed and that is why it is incumbent upon us as representatives to tell our people the truth about these issues. Whether we like it or whether we do not, as a Government, just say the truth. I recall once a politician was accused of giving his Opposition hell. The politician got up and said: "I don't give them hell, I only tell the truth and it sounds like hell". That is all that we want. I know that some of us sometimes get carried away with the sound of our voice, but we have to know that there are people out

there that believe in us and we have a duty to give them the exact facts as we know them.

What was sad was when I saw a number of individuals, some of whom I have the highest respect for, sitting in the gallery under the impression that this Government had done a major injustice and all that the Opposition could say about it was that it is unprecedented - not that it is illegal; not that it is unlawful because I have covered that. There is nothing unlawful except it is in that Member's mind about what we did. However, I prefer to take the advice of the Attorney General who is the legal advisor to Council than the advice of the Second Elected Member for George Town.

I know when I saw some of the people who were attending in the gallery, that many of them did not have the facts on this matter, otherwise they would not have been sitting in the gallery when they could have been looking after their children and grandchildren. This is just a ploy to work the people up because it is drawing near to elections next year; *"let's work them up and we will get them to support us".* That is what it is about. I have been in this business a long time and I know the signs when I see them.

I have read the Report of the People's Progressive Movement's Inaugural Conference and I saw a few statements that caused me major concern. I did not hear a tape of the meeting of the 9th but I understand that similar expressions were made.

[Interjections]

Hon. Linford A. Pierson: Mr. Speaker, as far as I am concerned in November 2004 the people of this country will do what they have done in past elections. They will look around regardless of how many parties we have, and see who is best able to run the country. Let them make that decision. The time will come for that. I have served on the opposite side of the House and I have served as Minister. Let the people decide. I lost the election in 1992 and those individuals in the sound of my voice will be the first to tell you, had it not been for the principle on which I stand, I would no doubt have topped the polls in George Town. However, I would rather have gone down with the ship than walk out on my colleagues in Executive Council; that is the type of person I am. When I am with you, I am with you.

I have also brought Motions in this House that were really intended to move the people. I have not always been as low key as I am today. When I was younger in this House I had my share of speaking up and expressing my opinions, but what has recently happened with this Motion is wrong, wrong, wrong, and there is no way of making it right. It has given the wrong impression that what was done under section 20(d) of the Immigration Law (2003 Revision) was unlawful. I heard the Second Elected Member for George Town repeat that several times. I know that young man is very bright. I have got to say that because deep down in my heart I like him, but he knows better because he has been a lawyer for me; that is how highly I think of him, but his politics… There is nothing wrong with what was done. I agree that it was unprecedented, but being unprecedented does not make it legally wrong or unlawful.

In my opinion, the whole Motion is flawed through the inaccuracies and hype that it has caused. The Opposition has also made feeble and unsubstantiated attempts to show certain negative economics that will occur. It sounds to me more like voodoo economics because there are always two sides; a negative side and the positive side. However, when we go and give the public only the worst aspects—and I am not going to go into the pros and cons because time will not permit—but there are two sides to bringing people into your community. The only side the Opposition wants to tell us about is how it is going to be a major strain on the schools, not the fact that people who have been working on permits for forty years may now decide to build their homes in this country and they may decide that the funds they were sending home will now remain in this country. There are two sides.

I, too, look forward to a new Immigration Law and I must give credit where credit is due. It was during the leadership of the Leader of the Opposition, when he was Leader of Government Business that the Immigration Review Team was set up. That is why the Bible states that, "He that knows better shall be beaten with many stripes". Unlike the Opposition, I will not blame past administrations for not correcting this problem. Past administrations did what they could and we in the House today should build upon the foundation laid by all the past politicians: Mr. Jim Bodden, Mr. Haig Bodden, Mr. Truman Bodden (whether we like him or not), Mr. Benson Ebanks, Mr. Norman Bodden and others. It might not have always been perfect, but they did their best and I have the highest regard for them.

Mr. Speaker, I know that some of our Members hardly even talk to each other, but you know one of the things that I enjoyed most in this House? It was the relationship that I saw between Mr. Benson Ebanks and Mr. Haig Bodden—Mr. Haig Bodden now a blessed memory. I could see them in here fighting each other, but Mr. Benson Ebanks would never go to Rotary without taking Mr. Haig along, and Mr. Haig without taking Mr. Benson. They knew where to draw the line and we need to do the same thing in this Honourable House. There are times when we stopped not wanting to eat, have coffee or talk with each other. The Opposition has as much duty in maintaining good governance as the Government because without a good Opposition to keep the Government accountable, the Government would not function as well. Therefore, they have a duty.

The Speaker: Honourable Minister, if you are moving on to another point, would now be an opportune time for the lunch break? Honourable Members, we will now have the luncheon suspension and return at 2.30 pm.

Proceedings suspended at 11.45 am

Proceedings resumed at 2.50 pm

[Madam Speaker in the Chair]

The Speaker: Please be seated. Proceedings are resumed. I recognise the Honourable Deputy Leader with a continuation of his debate with a time remaining of 1 hour 1 minute.

Hon. Linford A. Pierson: Thank you, Madam Speaker. Unfortunately, I am not going to be able to take the full time as my voice is leaving me, so during the break I had to mark out about six pages of my notes that I had planned to speak on. Nonetheless, Madam Speaker, there are one or two other points that I wish to emphasise.

At the break I had been pointing out that Government is already looking at new legislation and considering the Report from the Immigration Review Team (IRT). However, what amazes me is the number of times the Opposition will state that they do not know the answers to certain problems or perceived problems, but yet in the next breath they proceed to eloquently expound upon the best way to deal with those perceived problems. Problems on which they initially said they had no knowledge.

Madam Speaker, what is also of major concern to me is the amount of emotive language that has been used by the Opposition during the debate of this Motion and indeed during their public meetings. The word fraud was one of the words they used to describe the action of the Cabinet. I do not want to misquote the Leader of the Opposition so I have taken the pain to write down precisely what he said about the grant of status. I quote: **"What is particularly sinister is that I understand that the Government also intends to amend the Elections Law to extend the time for registration of voters to enable all new status holders to be naturalised and added to the voters list in time for the next General Elections."**

He went on to say, **"This, if true, is nothing short of elections fraud."**

Madam Speaker, whilst he has qualified his statement, I think the effect that the statement might have had is that the Cabinet was contemplating or involved in elections fraud. Another very unfortunate term used by the PPM in describing the actions of the Governor in Cabinet in granting statuses (and I stress again, to deserving and worthy individuals) was the word "treason."

Madam Speaker, I took the time to look up the definition of treason in my dictionary and it is described as follows: "violation of allegiance toward ones country of sovereign especially the betrayal of ones country by waging war against it by purposely aiding its enemies et cetera". It is important to note that the one offence under our laws that still provides for the death penalty is treason. I can only hope that the PPM and the Opposition would not want to see any Member of the Cabinet put to death because of granting status to deserving and worthy residents in our country. I believe that the Leader of the Opposition would, on reflection, be the first to admit that his choice of words was somewhat unfortunate.

As I said earlier, listening to him and to a previous Member of Executive Council speak on this issue, it seems to them that it is alright for the British Governors and British Attorney Generals and others to be granted status under section 20(d) of the Immigration Law (2003 Revision). However, in their view, it is not all right for some other rank and file within our community to get this same privilege, especially those of colour.

Madam Speaker, many times I have heard the phrase made across the floor (and I think it is done in good gesture) referring to me as "Lennie this and Lennie the other". I like that because I like to be on good terms with the Opposition. Even though I might not agree with them politically, I think it is somewhat immature and childish for us not to want to speak to each other. That sort of language, whilst I like to hear it, does not change my position one bit. If there is something wrong, I am going to call a spade a spade. That has always been my position; that has always been my modus operandi and I am not going to change my position at this late stage in my life.

As mentioned earlier, it seems that I might have to start closing on my debate because my throat seems to be getting worse, but I will get another opportunity hopefully to speak more fully on this subject.

Before I take my seat today, I would like to admonish, especially my legislative colleagues on both sides of the House, to remember that words we throw at each other can come back to haunt us. I have been in politics long enough to know that there is absolutely nothing wrong in the Opposition engaging the Government of the day in good, firm and robust debate. This is the role of the Opposition: to hold the Government to accountability.

As I said earlier, I am a veteran in this House; I have served very ably on both sides of the House, but my concern is that we should not allow our political opposition to each other to turn into hatred and result in personal attacks on each other. That is wrong and there is no way that we can say that such actions are right whether done from this side of the House or from the Opposition. I repeat that regardless of what side of the House we find ourselves on, our objective should be to provide the very best we are able to pro-

vide in way of representation for our people. Our people should always be paramount in whatever we do. When I have taken my leave of this House, whenever that is, I would like to be remembered as a politician, as a statesman that did a lot of good for his country, not as one who constantly made personal attacks on his colleagues.

Madam Speaker, I feel that it is the duty of the Government to reply to any statements made that are incorrect or that would put the Government of the day unjustly in a bad light and thus the reason why I am speaking on this matter today. We are all here in this House to provide our country, our people with the best possible representation that we can provide, even if it means the Opposition assisting the Government of the day. This is why we have Opposition in the House otherwise why would we elect them and appoint them to some of the high and important committees in the House: the Public Accounts Committee, the Business Committee of the House? The Opposition plays a useful role in many important committees, as it should be.

I am known as an individual who has attempted to provide the very best representation possible, whether I was on the Opposition or in Government. I can recall in the 1996 to 2000 term, I was in the Opposition and I was requested by the then Government of the day to assist them in negotiations on international issues such as OECD, FATF and others. I gladly assisted them. I can say that one of the things that I respected with that group at the time was that they never questioned my politics and I made it quite clear from the time that I started that I did not want any discussion in that direction because I knew where I stood. However, my motives and actions were misunderstood and I was criticised for playing up to the Government at the time. Therefore, I know what it is to be on both sides of the House. However, regardless of the experience that I have just quoted, I feel that this country will be a stronger country if the Opposition and the Government can try to work a little closer together on issues that are paramount to the success of these Islands.

Madam Speaker, there is not one Member of the Opposition with whom I am unable to amicably communicate, but that does not mean that if I have to get up here and deal firmly and robustly with an issue that I will not do so. That is my role as a Minister, as it is the role of the Opposition, to debate the issues over which they have a concern.

In closing, Madam Speaker, I wish to briefly summarise my views on the Motion now under discussion. I stated in my opening remarks, that in my opinion, Private Member's Motion 04/03 is unnecessary and, in my opinion, designed to garner political support. Madam Speaker, it is not intended, in my opinion, to assist the majority of our people, but instead to satisfy the wishes of a small minority of selfish individuals, some of whom have never wanted some of the individuals in this country, such as the Jamaicans and others I mentioned earlier, to become citizens of these Islands. Madam Speaker, I qualify it again by saying that is in my opinion.

As one who is proud of his Jamaican roots - both of my grandfathers, my mother's father and my father's father were Jamaicans, and as such, I warmly welcome all the Jamaicans, English and Canadians. Regardless of where they are from, I welcome them into these Islands. When you look at the background of most Caymanians, most of our ancestors came from overseas. They were either British pirates or slaves or from other connections with the Islands, so none of us can really say that we are indigenous to these Islands. The indigenous people to these Islands died long ago. As such, Madam Speaker, I trust that we will treat this issue with the seriousness and with the sensitivity that it deserves. Let us not play politics with it. The lives of people are too serious and too precious for political manoeuvrings.

It is a sad indictment on this country when we would allow the old planter slave mentality to creep back in to our society. That is a sad, sad indictment on this country. We are said to be one of the most socially stable countries in the region, in the world. Let us retain that good record, even though in our hearts we know that we have a problem amongst us, as I spoke on this morning. That is not to say that it has not got much better. It was much worse, Madam Speaker. I believe that as our young people go abroad and are educated (we see around us today many young educated people) that we will also be able to destroy that cancer that is still lingering in our society.

We can do without a two-tier society—us and them, the have and the have-nots. There is too much of that occurring today. We call ourselves a very Christian country with Christian heritage, but yet when it comes to our brother whom the Bible has told us should be treated like ourselves we act in a much different manner. It is alright for them to work for us, but they must keep in their place. How dare they want to be on the same level as we are! That is the problem that I see.

One writer has said that to speak ill of others is a dishonest way of praising ourselves. Madam Speaker, I do not want to fall in that category. I want to call a spade a spade and tell the truth come what may. I have heard you before, Madam Speaker, make a remark that a house divided against itself cannot stand, so my admonition today to this Honourable House is to let us love one another. We do not have to go to the person's house every weekend or spend time. Love does not mean that you have to be going out partying with them. Love means that you treat people with the same respect that you would wish them to treat you with; you do unto others as you would have them do unto you. That is what it is all about.

We should be able to get up in this Honourable House and say as I am saying. I hate no man. I

might disagree with him, but then I disagree with the person I love most in this world (my wife). That does not mean I do not love her. It is a sad day when we find everything the other person does to be acceptable, but because of our disagreement, it does not mean that we cannot still get on, that we cannot still meet in the Common Room, and drink tea together and eat together. That is the kind of dichotomy we have created amongst ourselves: we cannot communicate, we cannot even eat together. Madam Speaker, there is no wonder that this is going beyond this House because, as I said earlier, "as a man thinketh in his heart so is he". If we are thinking of these things, we have to act them. Sooner or later we will have to act them.

Madam Speaker, finally may God continue to bless these beautiful Islands we call the Cayman Islands. May God continue to bless Caymanians and all the residents of these Islands. May all of us Elected and Official Members alike continue to do our very best in providing the best possible representation and service to our people. God bless the Cayman Islands and all of our residents. Thank you, Madam Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Final call, does any other Member wish to speak? The Second Elected Member for the district of Cayman Brac and Little Cayman.

Mr. Lyndon L. Martin: Thank you, Madam Speaker.

Before I get into my debate, I think I am in a position to speak on behalf of the people of Cayman Brac and Little Cayman and also the Members of this Parliament to wish you and your family all of our prayers as you go through the crisis with your nephew, our hearts are with you. The community of Cayman Brac demonstrated our support for you and your family as we turned out in large numbers at the Airport to see you and your nephew off to Miami and we continue to pray with you, Madam Speaker.

The Motion before the House is one that is quite troublesome to me also. The Members of the Opposition have called on the supporting Back Bench to, in the terms of the Second Elected Member for the district of George Town, "wash the blood from our hands of this Motion" by standing in this Parliament and voicing our concern over this Motion and, consequently, voting against this Motion.

In particular, I noted with interest they called upon two of my colleagues who serves upon the Immigration Law Review Team, namely the Second Elected Member for West Bay and the Second Elected Member for Bodden Town. However, I noted with interest that they did not call upon me with any expectation that I would stand and in his terms, "wash the blood from my hands". Madam Speaker, none of us has blood to wash from our hands. We have been part of the greatest opportunity that this country has had to move our economy, our community into the next plateau, and the next level of development.

We have heard great doom preached from the Opposition as we have heard so often, especially from the Second Elected Member for George Town. We will remember his predictions that the banks would all flee from our shores, that the budget would never balance, but we are here, the banks are still here, our economy is on recovery, so his prediction has no credibility when it comes to issues in this Parliament and the records will bear that out. When the Opposition speaks the doom, they must look at the one greatest threat that this country has. The single greatest threat, in my opinion, is that we do not have a viable alternative Government.

It is a great responsibility of a Government to always ensure that the Parliament has great balance on both sides. We would like to know that we have an Opposition who is coming forward with constructive ideas and alternatives, but I have not seen any alternative proposals. I have only seen opposition for the sake of opposing. I served one year in that position, as an Opposition Member, however, I felt that it was a responsibility that we come up with alternatives and from my time as an Opposition Member I looked at the liberalisation of what has historically been in this country, a very protective regime.

The liberalisation of Immigration policies; the records will show that I brought a Motion although it did not reach the floor, that sought to remedy some of the immigration problems of this country. Madam Speaker, I have listened with great concern as the Opposition stood and the only thing that they can say about the greatest opportunity this country has encountered to remedy the immigration problems, is that the process is wrong. I did not hear of any actions that they have in place. I just heard that how the Government is doing it is wrong.

Madam Speaker, I would like to remind this country that when we evaluate our standing as a nation we must always remember that we are a British Overseas Territory. We have evaluated over the years, and continue as both the United Kingdom and the Cayman Islands evolve and develop. We have evaluated the pros and cons of remaining a British Overseas Territory and maintaining our relationship with the mother country, and have concluded to this point, that there still remains greater advantage in maintaining the relationship with the mother country. However, there are certain downsides that we do not have complete autonomy.

We live within an international arena and we must understand that as a British Overseas Territory the Labour Government who has demonstrated a more liberal immigration policy and as they continue to tighten the relationship with the European Union there will be changes that are expected of its Dependent Territories. If we are going to maintain our relationship we must ensure that the various conven-

tions that they sign on our behalf when dealing with human rights and nationality, that we do not become an embarrassment to the Mother country on the international arena because of violation of various treaties; of various conventions that they have signed on our behalf.

This effort made by the Government is one small effort to mitigate, to ensure that a year from now, six, maybe three months from now, that the United Kingdom itself through its powers do not attempt to remedy this situation and a blanket format. The Government felt it was more prudent for us, for the country, for our own statesmen to make these decisions rather than to have it implemented by an outside body.

Madam Speaker, we must be conscious of the ever-changing environment that we live in. we do not live in isolation any more. We are part of an international body; we are part of a whole international regime on human rights and we cannot ignore our responsibility. My colleagues as well as I and the United Democratic Party are very cognisant of the need to ensure that Caymanians are able, equipped and allowed to succeed within our country. For those who preach the doom of this liberalisation of Immigration study, there is history of many countries that have remedied their economic problems through a more liberal Immigration Policy. What we will deliver is an economy that is stronger for our Caymanians; an economy that is more acceptable, accepting to outside cultures; an economy that can support upward mobility because an economy that is viable that is vibrant. A vibrant economy is what will be the result of this liberalisation of Immigration policy.

Madam Speaker, we must look back and study our history and understand that our economic model that we live on is one in which we never owned the capital, we never had the funds as an indigenous population to build our country up. We relied from early days on foreign investment. Our hope as a country, as an economy, that once this development occurred we would have a trickle down effect through wages paid to our people. However because our Immigration policies have not evolved along with the times we have a model that without immediate fixing is doomed to fail. A model that is reliant on transient workers coming, supplying the labour, earning the wages but without any security of tenure that the money they earn within our country; the Cayman Islands, a little dot on the map has become major players in the economy of many neighbouring countries.

It is imperative that we stabilise our labour force; that we create a labour market that is sustainable; that is stable; that has a security of tenure; that it is insured once they work here that they can live, invest and put their children in school here. Otherwise, for those migrant workers who have children living elsewhere they are supporting them in those foreign countries through money earned in our economy. Because of this a wider, greater, more diverse stable labour pool will allow our economic model to work since the only growing business on our district is money transfer. I am sure that is the same case in Grand Cayman. I cannot say the only growing business but it is a significant part of the growth of the private enterprise is money transfer agencies.

Madam Speaker, I see the queues on pay days lined up to send money out of the countries, to maintain these same children that the Opposition is saying is going to flood our school system but this money is leaving our little rock of Cayman Brac and Little Cayman, it is supporting families, schools and medical facilities overseas. What we are proposing to stabilise is to have a larger pool of workers because the facts are the facts. Indigenous population growth is not significant to sustain the level of economic activity that we have grown accustom to.

Within our case of Cayman Brac and Little Cayman, last year we had eight births and fifteen deaths. We are not growing indigenously so we need to go through the population that we have here. Those whom we have tested, proven, and have shown their worth to our economy, community and churches, we need to stabilize them by making them part of us.

Madam Speaker, it is not always tenure. Tenure is a great component because it allows us to examine them and normally those with great tenure has proven their worth and that is why they were kept on. However, we know the shortfalls in our labour force; we know the need of doctors; we know the need of specialists and mechanics; we know the need for greater engineers; we know what we need in the labour force. So, in building our labour force and our community we have a great opportunity. The United Democratic Party (UDP) leadership has provided this opportunity to build our population through people who we have proven are great assets to this community and possess great specialist skills necessary for us to move this economy forward, allowing our Caymanian children to prosper and the community to build itself. In an ideal world we hope that we could provide this through local birth rates but it is not happening, so we must look carefully—and I want to make this as a point of emphasis—all of us on this side are as nationalistic and proud of being Caymanians as anyone else. We are Caymanian to the bone. We have children who we are also concerned about and because of our concern we are not just sitting down and talking, we are delivering. We are going to deliver a new economy to our people, to our children.

I have great confidence in the Minister of Education and in our ability as Caymanian people to compete head to head with the world. We hear talk about young professionals; we hear great talk about how they are going to lack upward mobility but, Madam Speaker, not to *toot my horn* or the horn of anyone else on this side, but we have young professionals here interacting with other young professional

Caymanians on a daily basis. I am confident to say that my Caymanian people; my young Caymanian professionals can compete head to head with the world and because of our confidence in our people we want to show that we do not have to give a protective layer between them and the outside world, that we can compete head to head.

Madam Speaker, when it happens that one of our Caymanians get a promotion to a senior manager; to a managing partner, I do not want him to feel that he got that position because of some protection that was given to him to get there. He must feel proud of his achievements because he was able to compete head to head with anyone else. It is only on the basis of such confidence in our people that we are now at a level that we can say let us liberalise our market, let us open our labour market to ensure that we have a sufficient labour market to meet the demands of our economy.

The very same economic model that I spoke of relies heavily on foreign investment. It relies on individuals who are not our own, to come from outside and invest in our country for the betterment of our children. It is unfair to expect that these individuals are going to come and invest but not be around to see the benefits of their investment. It is imperative that those individuals who have proven their commitment to this country, through putting their money where others have just put their mouth, by investing and helping us to provide the infrastructure we need as a population, that they too must be provided some security of tenure. We must evaluate their contribution, not just financial, but to the churches, the community clubs; we must evaluate how they assist us in our growth—those two groups together; the foreign investors who make our economy happen as well as those who labour to make our economy work. Labour is not only directly into the economic instruments such as our banking and our tourism industry, but those who take care of our homes to allow us to go out and labour.

In building our economy and our community one must take concern and look cautiously at the mix of individuals that we put together to make this community work; to make this community one that is an idol to others.

Madam Speaker, the body of individuals that are appointed to the Immigration Board are individuals sought from your generous populous. Up until recently decisions made by that Board could be appealed to a higher body the Executive Council, now the Cabinet. Madam Speaker, Immigration will always be one that generates a lot of emotion; it does to me. Some of my colleagues and myself spoke over lunch and we talked about how we have evolved with time to see the need but to simply say that this mixing, this generation of a new population; of a new community; of a new labour force is one that is going to be evaluated strictly on tenure, is not fair and would not yield the best results for our people.

There are special circumstances that must be looked at for our sake. We look at Cayman Brac's community; at what we need. We look at the fact that we need doctors, preachers who are going to be around, teachers, domestic workers, labourers, and contractors who are going to bring down the cost of construction in the Brac for our people; for our very same people who we are seeking to help and that we have been duly elected to help; we need them. We need the investor to seek to put the money in the economy to make it work. It is true that the provisions in our Immigration Law that allows the highest decision making body, that same body that was allowed to appeal decisions of the Immigration Board before, to make objective decisions with no consideration of other affiliations. Simply look at what is needed to make this community work. Tenure is one but all of the other considerations that we look into such as the skills that we need, these special circumstances that we need.

I cannot understand the argument that the Cabinet should not be making this decision. Are we questioning the same body who make laws, pass regulations, listen to appeals, appoints the very Immigration Board and gives the directives to the Board, as not being equipped to make decisions on immigration matters and on status issues? Madam Speaker, the very law that we are talking about, the Immigration Law, is one that the Executive Council/Cabinet can make proposals for amendments if necessary, and we are telling them that they cannot make decisions? At this point, I want to make an emphasis that too much has been said that this initiative to liberalise immigration is one dreamed up by the Leader of Government Business. That is the furthest thing from the truth because one of my greatest characteristics of the Leader of Government Business is how he involves everyone. I can speak for myself and all of my colleagues to say that this is a decision and an initiative of the United Democratic Party and one that all of us have participated in, and we are proud of being a part of it!

The Cabinet of this country, the highest decision making body, the Elected and the Official Members are people who I put confidence in to make a decision of one that is going to impact the lives of every citizen of this country!

There are those in here who can accurately proclaim to be more closely affiliated with the Bible than I am but there is one basic principle that all of us can agree on and that is one of basic humanity. That is basic as the Deputy Leader of Government said, *'one in which we love our fellow brothers'.* Every single member of this community, irrespective of nationality or origin has come to this country on our invitation. They do not come and take out permits; we take out permits for them. We bring them here, we keep them here and we tacitly support them remaining here year after year and make this their home and then we say that it is not acceptable to allow them to be part of

us? I have to agree with the Deputy Leader that there must be other considerations that I cannot understand when people are coming to these opinions.

I would like to talk a little bit more about our particular situation in Cayman Brac and Little Cayman. The section of the Law that the Government is using is section 20(d) and we have heard a lot about this section. We have heard the Second Elected Member for George Town beat his chest and call it an unlawful act of Government but section 20(d) **"A person shall, for purposes of this Law, possess Caymanian status if- the Governor, in his opinion finding special reason for so doing, grants such status to him."** Special reason, Madam Speaker, we have looked at our economy over and over. We have had the cries of our people at our doorsteps for a stronger more stable community, a more stable economy that can sustain our people so that our Cayman Brackers do not have to leave. The Government appointed an ad hoc committee to review methods of sustainable economic development for Cayman Brac, and throughout that Report, which has been tabled in this House, you will see recommendations that talk of encouraging a larger population.

Every candidate in Cayman Brac that has ever ran since the 1980's have talked about bringing the economy around, of generating more people, of creating security of tenure but you and I have delivered. We have come and have formed part of a Government that is enlightened enough to see the need, to see the special reason as allowed in the law to assist us to build the population of Cayman Brac. If we believe that we are going to build an economy by having people come 6 months, 1 year or 2 years to earn their money, save it and wire transfer it out of Cayman Brac and Little Cayman, and expect that that itself will build the economy, *'no, that will not happen'.*

So, you and I have been part of a process, part of an initiative that has seen some relief to this problem. We have witnessed individuals who have been recipients of status, who have rented for up to 25 years go out and look for property to buy and to build a home. So, when we talk of the down side; when we talk of having our schools swamped, Madam Speaker, we could use children in Cayman Brac. We had to amalgamate two schools in September because of the low numbers. Do not try to convince me from that other side that I should be over concerned about having more people. We need more people! Our economy, our commerce cannot sustain itself on 1500 people of which 400 are transient workers.

We need a stable population base. Much of our initiatives, dreams and visions we have rely heavily on having a larger labour force; one we know that when they go to work and get paid Friday or month end, that they are not going directly to *Quick Cash* or *Money-gram.* We know that they are going to buy groceries, put gas in their car and pay their mortgage at Cayman National Bank in Cayman Brac so that the money which stays in the bank can be loaned out again. They are going to save their money because they know they are going to be there next year. It is not fair for us to expect someone who do not know their future; do not know if they are going to be there year after year to invest in our economy, but if we give and make them part of us then the chances are much greater that they will participate in our economy.

So, when we look at the section of the Law of special reasons, I can give you one very special reason and one that I am very grateful to the Government for. That special reason is that Cayman Brac economy needs people and the Government has delivered! Madam Speaker, another special reason is that our population here in Grand Cayman is not adequate to sustain the economy so we need a larger labour force; one we know will be here and able to serve our service industries. Let us not forget that our economy is centered around service. Let me give an example of what is a part of service. When I come to a hotel this year and I return next year I feel good if I see the same faces that I saw last year. When I call my bank this year I feel very good if next year when I call I am dealing with the same person who has learnt my peculiarities; that person who has learnt what I like and do not like.

When I go to my family practitioner and take my kids I want them to be able to remember his name. I want my kids to be able to call their doctor by his first name this year and next year, and the year after, but our economy to date has not allowed that! We have brought the people in and tell them to give us their service for one year, pack your money and your things up and go. Madam Speaker, we need to understand that these are special, special, special reasons allowed by Law for the Cabinet of the country to grant status to fulfil these special reasons, that ultimately result in a better quality of life for you and I, my kids and your kids.

Our little economy is very little but very special to us; our very special economy, the thing that drives it most is once we can get construction recovered, once we get people building we immediately feel the impact. We immediately feel it and in a time in which we are down and talking that our economy needs an extra push, is it not good reason to give our people security of tenure so that they can take out a mortgage, build a home and create construction activity so that our people can be put to work? Very special reasons!

Madam Speaker, the People's Progressive Movement slogan is '*For love of country'* and the United Democratic Party slogan is '*For all the people'*. I think the authors of these slogans have been very wise people because these were developed at very early stages in our political development as parties but have come so truly to represent what we all stand for. The United Democratic Party stands for all the people irrespective of colour of skin; irrespective of whether

you have nappy hair or not. Madam Speaker, 'for love of country', by its very slogan talks of being very nationalistic and about being very protective, but the United Democratic Party is for all of the people.

For those who see our composition, look at our general members. You will see that we represent all walks of life; those on the street who do not even work, that are not interested in working but more interested in sitting down and observing the social developments of the country to those who are in the business class and those who are the presidents of our banks. We have all stretched for all of the people.

Madam Speaker, we have agreed as a Party that we want to give this particular Motion a fair hearing. We have heard at least three Members of the Opposition—their Leader, their general secretary and the Third Elected Member for Bodden Town. However, I have to say that I have not heard any convincing argument, not even slightly convincing of why anyone should support this Motion! Of what is the merit of this Motion? I heard a lot of anger coming from the Second Elected Member for George Town. I hope that he is a lot more effective of convincing a jury than he is of convincing me.

I am sure that my good friend (I hesitated in saying that) the Elected Member for East End, once he rises will once more attempt to provide some justification for bringing a motion. I hope that when he presents his case that he does not do as the others have and try to twist it by saying, I really, really support all of you people getting what you deserve, however, I do not support this whole thing at all.

Throughout the debate I had to look to my colleague to my left, the Third Elected Member for George Town, The Minister of Community Development, and ask what the Leader of the Opposition was saying during his debate. Is he saying he supports this initiative or is he saying he does not? This is becoming a very typical strategy of the Opposition to say a lot without saying anything.

I would like an opportunity to reiterate my concern about the level of Opposition that we have in this country and the calibre of Opposition. I would like the Opposition to come forward with an economic development plan for this country; come forward with something to say about how they will take this country forward. How will they propose to bring the Cayman Islands back on solid foundation? Because they can see the evidence is there and the cards have been read that the United Democratic Party is well on its way of bringing this country back to stable footing. Yet they can just oppose us, they oppose and oppose. Come with an alternative; that is my challenge to the People's Progressive Movement, those in the House and those out of the House.

The Second Elected Member for George Town in his debate referred to this action, to this initiative as one that was trivialising, devaluing the grant of Caymanian status. I wonder if he ask those who have received if they value receiving it? I had the good fortune of witnessing someone at the gas station two days ago in Cayman Brac—one of the recipients—who came over with joy, with tears in her eyes because she had been granted Caymanian status. This individual is one who has been on our Island, contributed to our Island, but applied to the Immigration Board last year and did not receive. She would not be eligible to apply this year because of the provision in the Law of waiting two years and has now been granted Caymanian status as she deserves. Today she is teaching our children in our schools. I hope that she is able to her my words tonight because she will remember the conversation. She said to me, 'I just feel different now, I feel so different; I feel that I belong here; that I am a part of this community'.

So, when that person has received what the Second Elected Member for George Town called a trivialised, devalued status, no, Madam Speaker, she has received the ticket that has made her more committed to educating our children. It has put her in the classroom with greater zeal and vigour than she did the day before she had status because she now understands that she is here for the long-term. She is concerned that these children when they come out of her classroom leave with something that is going to build our community stronger, more vibrant because she is going to be a part of it.

If the Second Elected Member for George Town can refer to this initiative as devaluing, as trivialising status, I am very, very concerned about him and all who are affiliated with him. We have an obligation to all of our people that elected us. All of our people who are out there relying on us to lead, not to follow, because the crowd says no; not to follow because a few people may hold a placard, a few letters might go in the press. Madam Speaker, we got elected in Cayman Brac in November of 2000, we got elected by significant margins we have not seen resistance from our people on this initiative. Our people understand that what we are doing is making decisions on their behalf that will ultimately improve life for them.

When we talk of special reasons for granting of Caymanian status let us not trivialise that process. Our Cabinet including the Official Members and the Elected Members have given great, great thought to this process. A lot of work has gone into it. To talk of wholesale granting of status . . . nothing could be further from the truth. Not wholesale granting, but selective building of our population on those who have proven their worth to our country. It is not a situation that was quoted in the *Cayman Compass* where the criteria were stated as "being alive" and "having a police record." No Madam Speaker, great thought has gone in.

Our Government, the United Democratic Party, has also been accused of using this for political advantage. We have very experienced and wise politicians on our side of the bench. If we wanted to use

this for political advantage we would have done it in February where these people would have been able to vote in 2004 because their one-year for naturalisation would have been February of 2004. Let us be responsible when we get out there and talk, let us understand that when we get up as politicians, as representatives of the people, and say something it carries weight. So be cautious with what you say! We must understand the power of our words so when we get up there and accuse the Government of taking political advantage of the population by granting status with the intention of getting elected in 2004 through these votes, where is the validity in that statement? If we wanted to do that we would have done it in February, easy.

The Government should be commended for its resolve, should be commended that it took an initiative of this magnitude, which we understood from the start would generate great emotions in the Caymanian people. However, we took this initiative on at a time that we knew that these individuals would not be able to vote in the 2004 General Elections.

So, Madam Speaker, I am urging all Members to understand the importance of what we are doing to understand the role of a more liberal Immigration Policy into our whole economic model. Once you understand that, I am then pleading on all Members of this Honourable House and the general public to let us be responsible. Let us be responsible and do not go out just on a political platform and attempt to make the Government look bad by saying that this is all politics when we know that is not the case! We know it is not the case!

The *Caymanian Compass* was very accurate when they termed the public meeting held recently in George Town as something that appeared to be the "launch of the People's Progressive Movement 2004 campaign." That is very accurate.

Let us not use initiatives such as this that we all can understand because we are all reasonably intelligent people who understand the role of Immigration in this country. Rather than using the power of our voice to educate our people on the importance of this initiative the People's Progressive Movement launched a campaign for 2004 that was initiated on an anti-Immigration Policy.

As my voice will be indicating to all, I am suffering as a result of getting a bit wet on Friday and I have to say that I really thank the concern from my new re-found friend from the district of North Side for me catching a cold on Friday and I have to say that she was accurate. I am so happy that I have found one thing that they have been accurate on.

Madam Speaker, in closing I would like to go back to the district that we represent. The good people of Cayman Brac deserve every chance—and this is something that I know the Member from East End will agree with because we talk about it more than often. My people are proud people. We want an economy that can sustain itself. We do not want an economy that we can be accused of having to be subsidised by Grand Cayman. We do not want an economy where we cannot maintain our own children and we have to send our children overseas—not necessarily out of country, but Grand Cayman, Miami, or wherever else.

Madam Speaker, the only way that we will build proper domestic commerce within Cayman Brac, is with a larger population base. We cannot build our economy without more people to participate in that economy. I am proud that we have been a part of a process that has resulted in significant grants of Caymanian status to the people of Cayman Brac who are very deserving and do not in any way consider it as trivial or devalue.

I thank the Honourable Leader of Government Business, the Deputy Leader and all of the Ministers who have been so brave and bold to take on the issue that everyone has just ran from year, after year.

I can assure Members of the Opposition that when it comes to a vote on this Motion, I will be voting a strong no.

Thank you, Madam Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Final call, does any other Member wish to speak? In order to ensure that Members are taking—

The Leader of Government Business.

Hon. W. McKeeva Bush: Thank you very much, Madam Speaker.

I have listened with interest, sometimes in total amazement, to what has been said in regard to the Motion before the House. I have listened here, I have read in the newspapers, listened on the radio, television and listened to the public meeting the other night and I will deal with some of it. It is so much of it that I cannot deal with all of it but the Opposition has tabled their Motion and with their usual deceit, came into this House with a Motion which should not really be here in its form because it is not true. I thought about objecting when the Mover moved it, but I said let us keep the peace and I will deal with my objections in my contribution to the Motion.

It should not be here because it is a hypocritical Motion. It is a Motion that has lies and innuendo as its basis. It is a Motion, which some Opposition Members have used to divide the community and as they have said to try to take any means to stop. They claim we are looking votes; they accuse us of giving status to criminals in prison and they accuse me of wanting to give six thousand statuses. All a bunch of rot, total lies.

I think Members on this side have clearly put the Government's position forward in regard to the matter of votes. I do not know how many of these people can vote, I do believe that a vast majority of

them cannot simply because under the process they would have to apply for naturalisation first and that naturalisation cannot take place until after a year. The naturalisation cannot be granted by any law in this country because it is all predicated upon the British Nationality Act controlled by Foreign and Commonwealth Office.

Madam Speaker, I do not know where the Opposition Leader got his information from. He did not say in his Motion, I am still waiting for him to say where he got this information that I was going to grant six thousand statuses. Maybe he will say on that matter what he said in regard to his statements, that anyone can get it, all they needed was a police record. His excuse for that one was that it was inflamed journalism (or words to that effect) on the television morning show when he was interviewed and he was quizzed by Mr. Glidden. He said that what he said there was sensational journalism (I believe was the words he used) and maybe that is what he will say in regards to this matter of six thousand statuses, which he has put his name to and which he has tabled for debate here as truth! It is not true and the Member knows that. I have listened to them, and if all they said in this House is true (that is, how much they want to give status—that is, the three Opposition Members including the Leader who spoke thus far—how much they want to give status) what they are saying then in spite of all the dirt they threw at me in their public meeting and otherwise . . . is that the Opposition is doing all of this—these lies that we have told, these allegations we have made is all because we are not in your place to give these grants. That could be one scenario or answer to what they have said about how they want to give statuses.

The other one that could be made is that they are vindictive and against these deserving individuals obtaining status. However, I know that the Leader of the Opposition will never admit that. Since they were loosing the battle and could not stop us they had to *scare monger* and frighten Caymanians about what was happening, which gave them another dirty opportunity to make all kinds of allegations against myself and the United Democratic Party, and the Cabinet, as they did at their public meeting.

Madam Speaker, be not afraid. The predictions, the prognostications of the Opposition are not sometimes worthy of reply. When we had to charge more fees in this country and when listening to them, as far as they were concerned the whole world was going to collapse around the Islands, less we forget what they said. Remember that all five of them picked up their bags and (as one old man said) hauled it—[they] left the room.

Now as I said, that did not happen and on every occasion the People's Progressive Movement, the PPM geniuses have tried to put dirt on everything that we have done. I listened closely because I do believe that when someone is telling me something for good I should listen, and if it is something good that I can do then I try to do it. I have listened but you do not hear any solutions from them. I hear a lot about elections and about what they are going to do, but the people are not stupid. I have people against me today and I have always had them against me, but those who know McKeeva know that I try to do what is good. Those who are honest, those who say that they are Christians and real genuine Christians know that they cannot point any finger at me when it comes to representation of the people of this country. All you can hear from the Opposition is: *'wait until November next year'.* Well if you wait until November next year before doing anything you will starve to death, '*dog eat your supper*'.

Let me tell the Second Elected Member for George Town, and the rest of the geniuses on that side, that I am not scared of either of them. I have seen their kind come and go. I have seen their kind before. I have had to deal with them; the same dirt; the same put downs; the same story about McKeeva cannot read and write, McKeeva has no education. I have heard those people in West Bay say to them *'go home you have not done us any good'.* I have heard them make those nasty remarks about where people come from, but the people of West Bay I represent answered loud and clear to those would-be geniuses and so-called upper class in that district. Go home!

So, I am not concerned, Madam Speaker, about elections. I do my work; work hard and leave it to my people to make their choice. The people will do what they have always done; elect those that they feel that will work together in the future as they have done in the past and those that have accomplished something for the people of these Islands. That is what the people will do.

The Third Elected Member for Bodden Town, talked about the process in which he said it was being done, the grant of statuses. He said they gave a few, yes he gave a few now only suggesting six when the new law comes in or to change the Law. He made the point that when the Law was designed it was not to give Executive Council power to grant status. Well what did he do when he was there? He did not say how many. He did not say for what reasons. He said it can be done and that it is legal. He urged me to listen to people.

Madam Speaker, I listen to people and he knows that. I listen to people who can give me good advice, unbiased advice so that I can make reasoned decisions. I will tell him what I am not going to do, I am not going to listen to people who have been mislead about the truth or people who are telling outright lies about what has taken place. I am not going to listen to a person who is seeking a seat in this Honourable House only because he lost his job (for his dirt, that is) that does not qualify him to be elected. I am not going to listen to anyone who is prejudice and would give the Governor, would give the Attorney

General, would give some other favoured few, as they use to do in the 1970's and the 1980's in this country. I am not going to listen to people who would do that, refusing to give people who are here under ten years. That seems to be a big human cry *'oh they gave all of these people who are under ten years while they left off all these people who were here longer'.* How do they know that?

They refused to give people under ten years, but we gave them—pastors, teachers, policemen, prison officers, people who. . . (there goes the great communicator-lawyer). We can name several. People who are connected to Cayman through a family or a marriage or who have shown interest enough to build a house or those few who have invested in the Islands and are wealthy enough to be strictly independent of any need of Government but can help us build. That is the people under the ten; nothing to hide, nothing to hide.

So, I say to the Third Elected Member for Bodden Town, I have seen big crowds at meetings before. This is my fifth term, going on twenty years, and I have been around politics a long time and I have seen that kind over there come and go and the noise that they make; I have seen them and the big crowds at meetings.

I remember those against the Cadastral Survey—some of their protégés are still around. When all kinds of stories were being told about Caymanians loosing their houses, I remember what a bad system it was going to be, and all it did was to stop those people who use to go at night and move people's fence posts and take their land. That is what Cadastral did for us but they marched against the Government. They got out there from district to district. Even my poor mother left West Bay, and I said, '*Mom where are you going?' She said, 'I am going to sign that petition in town because I cannot have them take my house and little piece of land.'* They misled her! She was not the only one. They misled her and today some of the protégé are still misleading.

So, I have seen the crowds. That does not scare me when I know that I am doing good and it might take five or ten years to see it, but history will record that we have done the right thing.

The same sort of emotional behaviour was shown at other times in this country against the Dock, against the Hospital (the very first hospital we had). I remember the marches. I have seen the crowds, crowds bigger than that one. They did not see anything. They are talking about crowd out there? They did not see any crowd. I saw them back in the 1970's and the 1980's, I have seen them and I remember all of this was going to kill us and destroy us; we had come to the end of our rope; we were not going to go anywhere; people were going to starve to death; there was going to be no more education for the children; there was going to be nothing for us. Look how far we have come.

So, I will listen Mr. Third Elected Member for Bodden Town, I will listen to people who can see a bit further; I will listen to those that can show something to me in the future, but I am not going to listen to those managed letters that I know are being sent out there. I am not going to listen to letters by people who I know are misled, nor am I going to listen to that bunch that I saw lined up on the Court House step the other night—one who would not even register to vote but knows everything about everything. I will listen but I am going to be careful that I am listening to somebody who can tell me something.

Why, Madam Speaker, would we want to give people who do not deserve? For God's sake can anybody tell me that? Here we are, all of us in Cabinet who are Members of the Cabinet, Elected and Official, all of us are parents, some of us grandparents and have children. I want to ask either one of those over there, Madam Speaker, can anyone of them point a finger at me and say I have treated my children better than others, unlike some past Ministers? Can anyone of them point any finger at me and make any such charge? I have put my two children through school—university by the sweat of our brows and proud of it. That was not the case that I heard of some of them running around writing letters and pushing the PPM *'go get McKeeva; that is who you have to get. Get him then everything is going to be all right'.* I would not even make my children get in the public's eye because I know how evil some people are. I challenge any one of them on the other side, or those at that public meeting the other night, to put their accomplishments for the people of these Islands against mine and see what they have accomplished for our people.

How can any of them who have not done anything say that McKeeva did not do anything for the people? I am proud to say that the good deeds that I have done for my people throughout these Islands, not just West Bay, and the good that is being accomplished today in various sectors of my Ministry and other Ministers work will not be matched by that group.

Suspension of Standing Order 10(2)

The Speaker: Honourable Leader we have reached the hour of interruption, may I have a motion for the suspension of Standing Order 10(2).

Hon. W. McKeeva Bush: Madam Speaker, I so move the suspension and for us to be reminded that we will finish the work of this Motion tonight.

The Speaker: The question is that Standing Order 10(2) be hereby suspended to allow the completion of the Motion now on the floor of the House. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Standing Order 10(2) suspended to allow proceedings to continue until the conclusion of debate on the Motion.

The Speaker: Honourable Leader I acknowledge you for the continuation of your debate.

Hon. W. McKeeva Bush: Madam Speaker, they cannot match the good deeds that I have accomplished here. They will not match my perseverance, my ability, or my good common sense, which they cannot take away from me.

Now, I do not know what the Opposition is going to say after I sit down, but I know that there is not going to be any reluctance on their part to get up.

Madam Speaker, the territory of a country or a nation is its body. The people who inhabit its territory are its soul, its spirit and its life. The enhancement of the quality of life of a country's people is the first and legitimate object of good government. No person on that side can successfully challenge my love of country, my work to preserve heritage and to do good. It is the achievement of this objective that the United Democratic Party Government by its policies, the relentless work of its Ministers, Elected Members, supporters, together with the hard-working civil servants and people of this country have been toiling towards day and night.

Progress has been made regardless of what has been said. In difficult and economic times such as we have faced, our policies have been put in place the foundation to rebuild the devastating damage which was done to our country and our people by poor policy management.

A lively debate is the essence of a strong democracy. The United Democratic Party looks forward to and welcomes such debates. This provides an opportunity to elaborate on the accomplishments which the United Democratic Party Government, together with the support of the right-thinking people of these Islands has made. Continued plans will be placed before this Honourable House for the betterment of our people. Better still, it allows the Opposition today in the form of the People's Progressive Movement to place on record their thoughts, their criticisms and their ideas—although they have been bereft of them. This is democracy at work. As much as you hear them make false allegations about dictatorships, which dictatorships? If I was a dictator I could get a whole lot more done!

Poor policy management has demonstrated in many countries (some close to us and some afar) that poor policy management culminates in producing poorer masses. There are examples all around us. When the United Democratic Party came in power in November 2001 after the dominos had been slammed so hard on the people's table it was clear that Cayman was no longer in the game, the country faced an extremely serious crisis. All the essential economic arms of our country; our social arm and our international standing were in a disastrous condition. The evidence revealed the following.

1. There was no money in the Treasury, the Government before had borrowed $55 million (that was one in which the Leader of the Opposition was leading and I was Deputy).
2. The Government owed substantial sums of money.
3. There existed no plan at the time for tourism over a long-term basis. Air arrivals were statistically down and cruise ships were bypassing or threatening to bypass the Island. The marketing plans which take twelve to eighteen months to prepare and to be placed in the Market so that potential tourist may take advantage of them were nonexistent. There were none when we took over. Incorrect data of arrivals existed. I cannot believe that those two *hardback* men would put forward wrong statistics including everybody who worked here to say tourism is 500,000. Lies! Being dishonest! That is what it was all about.
4. The financial industry was in a state of confusion. That 'have pen will sign policy' had resulted in business dissipation. Companies had moved and others were planning to do so to other territories. Thousand of jobs were threatened. International pressure was being asserted on the Islands to accept policies, which were designed to impinge the growth of the financial industry on which policies were not being put in place by those seeking to impose the same upon the country.

Yet, you will hear them say: '*McKeeva, he don't know what he is doing—you don't see that he wants to fight the United Kingdom now?'* I will stand against their policy of intrusion on our financial industry until the people kick me out. Because they say one thing out of one corner of their mouth and do another thing! They forced us into what? This 'know your customer', where me, you and everybody had to go and do what? Carry every piece of documentation to the bank which we had been dealing with for years to say 'this is who I am'. Only to be told by the United Kingdom that they are not going to do the same thing because it is just too much trouble for them and it is going to cost them too much.

So, you want me to roll over for them? Well you can do that, but not me. If you want to say that I am dealing rough with them you have not seen anything yet, because there is more to come if they are going to continue down that road.

Poor policy management, you know what that stands for?—PPM. Poor policy management has caused investment in the construction industry to all but dry up. More jobs have been lost than ever before in the history of this country and thousands were

threatened. Small and large businesses who supplied various services to the construction industry and housing market were in a serious financial condition, so too were shopkeepers, small hotels, restaurants, merchants and importers. This is the mess we found.

Our education system was in disarray. Not only was it threatened by a lack of money; our children were not being prepared to compete adequately and to meet the challenges which faced them in the 21st century.

I heard the Leader of the Opposition berate the Minister of Education. They talk about temporary classrooms, school roofs were falling in! Teachers were not prepared for the computer although our children needed computers in all classes. You are going to get three new schools, and the Opposition knows that. However, Madam Speaker, communists have one thing—they keep saying something over and over and then people believe it and even when it happens differently they still believe what they were told. That is what the Opposition is hoping for.

I am good at telling the truth! (Madam Speaker, he would not know a list if he saw one) I am good at telling what is right and correct! The list will come in due course.

Imports into the Islands through air and sea, a simple measure of whether the economy is declining or remaining stable, had deteriorated to such a point that the intake, instead of assisting Government's revenues could barely pay those who work in the Port Department. Organised sporting activities for schools with young children were in existence but needed improvement. Our children are competing well now (still a lot of room for improvement).

Poor policy management (PPM) produced a disastrous confusing Immigration and Trade Business Licence regime which affected the ability of our people to earn a living and mete out justice to those who contribute to our society. The main moving company on the Island reported that there was a backlog of customers who wished their personal belongings to be picked up, packed up and shipped out of the Island, as they were leaving. That is the condition we were in.

Persons in charge of key elements of our economic engine were busy instituting policies designed to remove business from the Cayman Islands to other jurisdictions with better policy management and more friendly Immigration and regulatory regimes. The effect on the overall financial engines of our country and the hardships that this was likely to cause on our people, our children and future generations, is unimaginable. Jobs were being lost at an unprecedented rate. Future financial planning for products normally introduced in the Cayman Islands was being redirected to other jurisdictions. Cayman Airways was in disarray and in deeper financial trouble than it ever was before.

Let us not forget that there were some amongst us whose advice, guidance and intentions were not in our best interest. They had to be removed! Despite threats, predictions of gloom, doom, warships and other ridiculous policy proposals, your Secretary General's friend, the one he offered special advice to, the one he said we should have allowed . . . to do what? Allowed him to go off, retire with his reputation intact. That is what the Secretary General of the PPM had to say about that Attorney General who was wrecking and spying on us. Is that the kind of leadership you think I am going to agree with? Is that the advice you want me to listen to? Madam Speaker, they can listen to it because '*birds of a feather flock together';* they are all part of it. They were there when we were debating the Motion against the Attorney General at the time; they would not come to our public meeting (if you wanted to see people you should have come to that one).

The United Democratic Party Government, by standing up for what was right, by standing up for what was in the best interest of our people and our country despite the pressure, was able to solve these problems to the benefit of our people by instituting our good policies and carefully thought out plans.

Ridiculous allegations! Look at what was heaped on me by the Second Elected Member for George Town during the debate on the Motion to take out, or remove, the former Attorney General. Look at the things that were said and what has happened since moving him. We have gotten our own, a good man who is no problem. He is no problem and he cannot be any problem, Mr. Leader of the Opposition, because it was this Government that supported it. We did not put him there, that is the Governor's job. If we had not stood firm against what your Secretary General was trying to accomplish we would not be as far today as we are.

All of this comes at a time when the leading economies of the GM and those close to the GM were in a state of economic downturn and recession never seen before since the 1940s. The same persons who in this debate represent the PPM had poor policy management and were well on the way to more PPM (producing poorer masses). That leadership today, when you check the records of everything they have done since we have been elected, they have not done anything that is concrete good for the people of these Islands—not one of those five over there!

Madam Speaker, everything that we have done is for the good—trying to move the Attorney General. They criticized us. We could not borrow any more money because the United Kingdom said *'No'* at the time. We put up the fees and then we heard *'oh the country is going down'* The Leader of the Opposition said that he could guarantee us shiny and brighter houses for half of $30,000. You have yet, Mr. Leader of the Opposition, to put your plan on the table, and I dare say until you have a plan on the table, you have none! You never had any, and you do not have any now!

The policies of the PPM Leaders produced poor policy management and poor people masses, and, if continued, would have made the recent crisis in Argentina and Venezuela look like child's play.

Let us not forget, Madam Speaker, without foreign investment, the engines of our economy—the financial industry, the tourism industry, the construction industry and all the service industries which exist by reason of the activity generated through those industries—would be shut down. We should realise that without hard currency (that is, US dollars) the Government and our people could not purchase oil, gas, food or medicine.

We were heading back to the days when our men (young, middle aged and advanced) had to go abroad to find jobs and send money back home; back to the days of swatting mosquitoes with shamrock tree limbs; back to the days when we could not afford for our children an educational system which would prepare them for the future; back to the days in which we could not afford the latest in medicine and medical technology; back to the days when our shops and supermarkets did not have the items which you see on the shelves today and take for granted. Say what you will, I do not want to go back to those days, and I am not preparing this country for those days!

I am pro-investment, and as one of our Members already said, we cannot build this country on a small population. Yes we must take time and move those that are here long-term in amongst us and that is all that we are doing. Do not talk about six thousand in one fell swoop. That is a lie! That is a lie!

The United Democratic Party took up the mantle, bore the yolk and worked day and night to turn around the situation that we were in. Unemployment was up around close to 10 per cent It is down now, people are working and more opportunity exists. I hear they are even preparing acres and acres for development, yet they say that there is no opportunity; that Caymanians do not have opportunity.

The United Democratic Party had to turn around an economy at a time of global declining economic conditions knowing that the Cayman Islands depended on the economies of the countries in severe decline for its very existence. The threat of terrorism and the terrible and unfortunate events of September 11th added to the worldwide slowdown in tourism, now estimated to have caused decline in spending by tourists in the region of over US$9 Billion. Trillions (not Millions, Madam Speaker, but Trillions) of US dollars of wealth had been lost by the decline in the United States stock market alone, not to speak of the losses in other major markets on a wordwide basis.

Madam Speaker, the task the United Democratic Party faced was a task which no other Government in this country has faced before. The UDP was determined not allow our people, no matter of which political persuasion, which party or where they came from, to suffer much longer. We produced new policies and plans designed to put the country and our people, children and grandchildren, on a path which would lead to improving living standards; would lead to creating hope instead of despair, and to put money in their pockets, jobs in their path and food on their tables, and above all, to provide continuing opportunities for those that come after us.

If you, Mr. Leader of the Opposition, believe that we can just cut off the cruise industry and that is best for us then you have another guess coming!

I do not know who designed that speech for him at his inauguration but you can believe I am going to challenge it, hopefully tomorrow morning because the truth must be told. We cannot be giving $26 million and then the people of this country are running around in a circle by them not telling the truth. I cannot allow that to happen! We are not paying one red cent for the $26 million, but as I said I am going to deal with that hopefully Thursday morning, God willing.

We were determined to save jobs, create new jobs and the people on the Dock that you all complained about when I was opening it (breaking ground) wondered why I did not leave them alone to have their little party up at the Community College. Can you believe that those five *hardback* people over there believe that we have, on this side, to take a position where our every move is predicated upon what they do?

Are you mad?

They have gone crazy.

Madam Speaker, the country's business must move forward regardless of PPM or no PPM! It must move forward regardless of their inauguration! They have had about three of them now, why should I sit down and wait to break ground, to have another one? I was wondering when one of them was going to repeat that because I heard them mumbling over there, but they have traversed the world and some of the things they have been saying, I am setting the stage for what I believe is the grants that we have made.

The Speaker: Honourable Leader of Government Business until the Chair calls for relevancy, you can deem that what you are saying is relevant to the debate.

Hon. W. McKeeva Bush: Thank you very much, Madam Speaker.

We were determined to save jobs, create new jobs and restore the engines of our economy. At the Dock there were a few that could get and others could not get. Today when you look at it everybody wants to get a new bus or a bigger one (if they got a 14 seating capacity bus they want one with 29 seats). If that is not progress, then you tell me what it is. The only thing is that everybody cannot get on. I must chase the cruise ship people away? He can chase them away.

You can chase them away, but not me!

The financial industry, the tourist industry, the construction industry, other parts of the service business to encourage foreign investment to return to the Island to increase construction: to create affordable housing for our people; to resurrect Cayman Airways; to resurrect the Hospital so that it could provide first class medical care for our people; assist in the growth of our economy and fix Immigration policies, thereby having a more inclusive and productive society.

We have not done anything?

I heard them say that a few days ago. It is well known and documented that productivity is the key to the success to any society. If productivity is increased from 1-3 it is well known and documented that the standard of living of the people in that society will double every 10 years. That is what economists tell me.

Madam Speaker, we work hard as a Government, sometimes 18-20 hours a day. I am not just talking about the Elected, I am talking about our Official Members because I know when I leave the Glass House late at night the Attorney General, the Financial Secretary and other Official Members are there because you can see the light on in their offices where they are working. Although sometimes when we work and we say something, not too long afterwards the news carriers got it outside . . . did not even give time for the ink to dry on the paper.

We prayed hard for the will, courage and guidance to match our commitments to our people and that our policies would restore a spirit of community, a sense that we are all in this together. Madam Speaker, the sense of community is essential to the resurrection of economic wellbeing. It is well known that without it larger communities and countries have failed. We prayed hard that our policies would never let us be afraid of unpleasant facts; never let us be afraid of new ideas; never let us be afraid of competitive values of an open and free market. Madam Speaker, these are the only markets which have proven to sustain themselves and build great countries, successful businesses and prosperity for the people.

The truth is, the People's Progressive Movement is suffering from a loss of short-term memory.

Madam Speaker, if they think that we are not going to have a hard and difficult time they are making a big mistake. This is a good time—I wondered when I would produce this letter to let some of them out there who do not seem to understand that there is a time when they need to quiet the rhetoric. They need to look at what the country is facing and what a Government or those in charge at the top have to go through.

This is a Memorandum from the Governor to the Honourable Leader of Government Business, carbon copied to the Speaker, the Honourable Attorney General and the Deputy Head of Overseas Dependent Territories (ODT) and the Foreign and Commonwealth Office (FCO).

The Speaker: Honourable Leader of Government Business, sorry for the interruption, but before you commence reading can you confirm whether or not the document states without prejudice or confidential?

Hon. W. McKeeva Bush: No, it does not say that, Madam Speaker.

The Speaker: Please proceed.

Hon. W. McKeeva Bush: Thank you kindly.

It is dealing with the Terrorism Law 2003. I quote, **"The Honourable Attorney General has submitted to me with the Legal Report the Terrorism Law 2003, Law 14/03 as passed by the Legislative Assembly 24 July 2003. It should be no surprise to you after discussions earlier in July that after further consultation with the Foreign and Commonwealth Office I am returning this Law to the Legislative Assembly without my assent pursuant to section 40 of the Constitution and all other powers enabling. I recommend that section 55 of the Law be amended so as to provide for an interception of communication order to be made by the Governor in his discretion rather than by a judge of the court.**

"I should again emphasise that the Governor's responsibility for internal security matters under section 7 of the Constitution means that there are sound reasons why the power to authorise interception must remain with him.

"I hope that the Legislative Assembly will agree to return to the wording used in the version of the draft Bill submitted to it after approval by the Cabinet. In the event that the Legislative Assembly is unwilling to do this you will be aware that section 38 of the Constitution enables the Governor to exercise reserved legislative powers but the United Kingdom Government would of course hope that a way would be found to prevent such action becoming necessary. Bruce H. Dinwiddy CMG."

We are here, Madam Speaker, rowing, cursing, making accusations, saying all manner of evil about a few people who got status under 10 years, no matter whether they were connected or what.

We are here talking about the Cabinet giving people who have lived here and put their worth here in spirit and otherwise. We are here talking about this while I have to be faced with this and all of the Cabinet Members as well.

The Speaker: Honourable Leader of Government Business you have 1 hour remaining, perhaps this is a convenient time for the afternoon break?

Hon. W. McKeeva Bush: Thank you, Madam Speaker.

Proceedings suspended at 5.05 pm

Proceedings resumed at 5.46 pm

The Speaker: Please be seated, proceedings are resumed.

Continuation of debate by the Honourable Leader of Government Business with one hour remaining.

Hon. W. McKeeva Bush: Madam Speaker, I was reminded by my good friend, the Third Elected Member for Bodden Town, about a Motion I took to the Legislature in 1988. The Motion was dealt with on 9 September 1988, and it reads: **"I resolve that consideration should be given to revising the Caymanian Protection Law 1984 in order to-**

1. Limit the acquisition of Caymanian status while defining the word Caymanian."

I should say, Madam Speaker, that is what the new legislation today will be doing. And the next resolve section would be to provide another form of residential status to assure security of tenure for non-Caymanians. As I said, that is what this legislation will be doing.

Madam Speaker, this is some of what I said in that debate, and I want to quote it because it is relevant today.

I quote from the *Hansard* of Thursday, 8 September 1988. **"That brings me to the question that is now posed by our Opposition**. **These people are asking why the rush to limit Cayman status. They say let us have more time. Well, Mr. President, let me explain to this Honourable House and to the general public the reason for tabling this resolution today.**

"I believe those same candidates who are questioning this resolution today will change their course as they have changed their stand on so many issues since they began and have been elected as representatives.

"The reasons, Mr. President, for this resolution today is-

"1. I knew that I would get opposition. I am now getting no matter what time I brought it;

"2. I knew the type of people that would be offering themselves as candidates. [At least, I knew some. Boy, don't that hold true today?]

"3. This being an election year this is the last meeting of this Honourable House and the heat would be on.

"4. The people of these Islands would be in a better position to see who is for or against the Motion.

"As it were, Mr. President, to separate the wheat from the chaff. In other words between now and November 16 the spotlight would be on every candidate including all incumbents from this Honourable House. There would be no time for any person to walk around this country and say to the foreigner that the Government was against them and then go to the Caymanian and say the Government is not for Caymanians. This has been the tactic of the Opposition all along. Now is the time, Mr. President, in this there can be no sometimes yes, and sometimes no, there is only the middle ground."

Madam Speaker, I think I am talking to some of the same people today.

I further quote: **"There are foreigners who have lived here for eight to fifteen years and over who came here to work and make a home. I find it hard to say go when at least some of them have made a contribution. Today they are very unsure of their position in this country and I believe that the situation has to be dealt with in a fair and equitable manner bearing in mind that a particular situation, the wishes of the Caymanian people must be carried, which is to stop the granting of status with all of its privileges.**

"However, Mr. President, we are bound still by principle to organise another form of security for people in the category of eight, fifteen or eighteen years and that is what I seek to do. People who came here in 1970 and 1971 will have to be looked at more favourably. I know that there are many sound, honest law abiding people who have come to this country and set up their homes and raised a family and having a difficult time today simply because of this Cayman status thing."

What the Motion was seeking to do was to put some finality to the situation and up until today it still has not been done. That is what I was seeking to do.

I had a chance to go through to look at the record for the same date and lo and behold what should I find? There was a Motion there by Mr. Miller and me to review the profit margin guaranteed in the present franchise with a view to the reduction of Caribbean Utilities. That was in1988, and that is what the Government is more or less doing today.

Further to that, for them who had not said anything, I found another Motion which agreed that persons who were awarded the Queens Badge and Certificate of Honour, would properly indicate that honour in writing after their name, to commission and publish a full and proper documentation of the History of the Cayman Islands. This would provide a more comprehensive syllabus on the history of the Cayman Islands in all schools and create a special scholarship to be known as the Cayman Scholarship and for the recipients to be known as the Cayman Scholar.

These are some of the good things that I have done, although you have some of them who just came here on the PPM platform saying that I did not do anything. Where were they all of this time?

Anyway, Madam Speaker, in regard to this matter of Immigration and the grant of Caymanian status, as far back as I can remember, successive

Governments and administrations in this country have been promising to address the difficult issues of Immigration and, as I said, they never do it. As I said in 1988, in election time politicians will run to the foreigners and say: *'We are going to give you status; see what we are doing?'* Then they run to the Caymanians and say: *'I know one thing they are not going to get any status if I have to give it to them'.* Now, Madam Speaker, they cannot do that because we have taken the bull by the horn and granted quite a few. We have not done it all, but we are setting the mechanism in place where this sometimes 'yes' and sometimes 'no' cannot exist any longer and the hypocrisy must stop.

Madam Speaker, our country is one of the smallest in the world and it has a very small population. There are companies whose employees are 10 times the population of Cayman. Everyone in this country can trace their ancestry to some other country. I heard about the Deputy Leader of Government, which was something I did not know, although I knew both of his dear parents I did not know of that connection. The Member from North Side said she came from all over the place. That is why she is with the PPM, because they are all over the place!

If you trace us back everyone had a connection with some other place, and I like to tell them when they say anything to me, *'mine came across the Atlantic too, they made it across, thank God they made it across.'* Some of them were slaves others were in a different bracket but I am proud of it. I have nothing to hide when it comes to ancestry. Our ancestors came from many countries and through their hard work, dedication, help and assistance of others our country was able in a relatively short time to become one of the world's leading financial centres. They have produced for its people a higher standard of living than most countries in the Caribbean and in other parts of the world.

Our free market economy; the policies of many of our farsighted people have produced an economic marvel. There are many, many people in our society who have worked and have contributed in many different ways to achieve this remarkable result.

There are many of those who looked after our children, our most precious gift from Almighty God—the future of our country—those who work in our construction, medical, tourism and financial industries; those who worked in shops, restaurants, social service sectors, and, in particular, there we have a few, not a lot. However, I am proud to say that I have helped to assist them in this way because they are the only ones—you cannot get a Caymanain to go and take care of our elderly and lift them up, clean them and put on their pampers. Some of them were smart enough after being here for eighteen to twenty years to build a home, have two children, and now for Immigration to tell them that they have to take their children back home—home to where? How can we continue to do that? unless Almighty God visits something on us that we would regret.

I believe, Madam Speaker, whatever you do, you should treat people good. Vexation may come and go, but always treat people good! I find that is something which is far distancing in this country today. Everyone must beat up on someone; everyone must be cursing someone; and everyone must be talking about someone. Madam Speaker, I believe we need to look at our inner self a little bit more.

There are those who taught and gave advice and those who work for Government, never mind if one or two of them have been here for three years—so what? They perhaps saved the Government millions of dollars in those three years. Someone said that does not say that they must get Cayman status. Well some people thought that they should. Is that so wrong if they are not going to be a burden on the country, but will continue to help? I make no special case. Some people say, *'oh you do not understand McKeeva—they are going to compete with us in our business'.* Well, how did some of them get into business in the first instance? Some of them are descendants who are from overseas. How did they go in business? They went into competition with someone.

By the way, Madam Speaker, there are many, many real estate agents or people who have gained status in this issue. That is the only business that I am in and have been in for a long time. Am I going to cry about that? No, what I am going to do is sharpen my skills for my business, to prepare it for my children, just in case the PPM should kick me out. I will be as competitive as I can be.

Madam Speaker, they say it is going to ruin us. I heard what the Leader of the Opposition said. I do not believe that he meant that at all, not him that ran up and down in Jamaica hills. You said: *'what is going on is not good for us'.* You will come to regret words to that effect. I do not think that he meant it at all—listening to that General Secretary of his.

"Large rally hears warning with a principle position", he says.

The Speaker: Honourable Leader would you please state the date of that issue?

Hon. W. McKeeva Bush: Thursday, 18 September, *Caymanian Compass*. "He charged that the recent granting of status began as a sneaky move that backfired."

Backfired where?

It went on to say that "the fact is they did not think it through; they did not know what they were doing from the beginning; they did not know it was going to be like this when they did the few status grants they wanted at the beginning. People started hearing and long-term residents started to complain. They decided that they had to do something about them."

That is not true! It is a figment of your imagination, and whoever gave you that information you should go back and flog them.

"Everyone is going to suffer" . . . that is what he said but I do not believe that he meant it. Good political rhetoric that he is not used to.

I do not believe that it is going to have that kind of effect. I checked on some of these things myself and all this nonsense about people running to the Social Services. What I can say is that is no overburdening of the Social Services today. Wait to see what the Law says before making any sort of charges. He is not here, but I want to say this: If that young man does not change that old carnality in his heart, that hatred, he is going to kill himself; it is going to destroy him!

When you come to a Legislative Assembly and stand here as a legally trained person making an accusation, you should have the proof the same way you would go into a courthouse. If this was a courthouse, Madam Speaker, he would have been charged with perjury for telling lies. The only thing I did not want to happen was for him to stand there in defiance of the rules of this Honourable House when he made those lying charges and prove him wrong. I did not want him to get into a fight with the Speaker and then the Speaker would have to rule to throw him out, giving him cause to have a big cry again and run to the newspapers carrying on with '*ya ya this and ya ya that'*. I did not want that to happen, so I left it alone. However, Madam Speaker, before I sit down I must call to question his actions.

All of these persons that we have granted status to and all who have come to live here, it is time that it be said because for too long many of us perpetuated it because we wanted it to be kept small, and we were fearful for our own; fearful of things that might happen. All of these persons are part of the spirit and soul of the Cayman Islands, and for us to have a harmonious society we need to say that. They have dedicated themselves, as I said, from the washerwoman in the home to that one caretaker in the Social Services Department where we cannot get a Caymanian to take care of the elderly.

They are talking about the grand Island we have and how much we love our heritage, when we cannot get one so soul to go and take care of the people in the Golden Age Home. Jamaicans have to do it! Who else is going to do it? Go to the Pines—who else is going to do it?

You hear the remarks that some of them make when they come to see me and I say: *'We can get you a job— how about doing this?'*

'Me? You want me to go and do that?'

They are our people, we represent them, but I am telling the facts here today.

They are a part of the spirit and soul of the Cayman Islands. That is our heritage, our elderly people! Yet, you cannot get one of them to go and help clean them. They have dedicated themselves and their lives to the betterment of our country. Their children who are born here know of no other land; have no other friends except those that they have developed and lived with in and are married to in these Islands. A country that is without people has no hope of achieving any kind of success, particularly economic success.

Madam Speaker, a prime example of what can be achieved by having a diverse and unified population is the United States of America. In comparison to the world, it still occupies a small area of the globe, has a very small population compared to total world population (in excess of 6 billion people), and look how they have grown; what they have done for just being 200 and odd years old.

We can say: '*McKeeva, we are not America',* but in this instance I can say that there is no greater nation in the world than America. I also say that what we are trying to do here is create a just society; a society where we can live together and help one another. The Member for Cayman Brac (and other Ministers who spoke before him) put it very clear: you cannot build a country otherwise. When you consider the amount of Caymanians who want to start businesses (I am talking about our own children—they sit down and talk to us, and they have ambition) where are the people going to come from to service their businesses? Where?

You may take that as a joke but listen to me. It is a fact! You cannot build businesses unless you have people, and if everybody is going to start a clothing shop, everybody is going to start a bus service, who is going to purchase? Are you going to run to my store, and am I going to run to your store and buy, or do we need people to do that?

As a God-fearing country with Christian values, and as the Deputy Leader said earlier, we should strive to treat people as we would wish them to treat us. We should not forget that not too long ago many of our people were forced to leave the Cayman Islands to work. Yesterday was a wonderful day with the seamen. The Leader of the Opposition and I were there, and that is a good example. They competed against others from all around the world for jobs on vessels, and not only did they succeed in wining that competition, but they excelled from small cabin boys to controlling some of the biggest ships in the world, as long as two football fields together. Of this I am extremely proud because they are responsible for putting the Cayman Islands on the world map.

As their spokesman, Captain Owen Farrington, said: *"he does not know where we are going"* because when they went abroad they were treated with goodness. Yes, they had some rough times; it was not easy, but by and large they were treated good. Now we have people and you do not want to treat them good?

There is hardly a port existing today which has not seen a Caymanian seaman. No sea exists in

the world (that I know about) that has not been navigated on a vessel with one of our seamen aboard. Many of our people returned home and left, some to live in other countries. Many Caymanians who chose to live in the United States of America competed and became extremely successful businessmen.

Look at the opportunity that was given to the Third Elected Member for Bodden Town in the United States. I do not know what the system was then because he came from Savannah and that was not such a bad place. I can tell you that in West Bay it was not too easy when you had to deal with the bunch of pharaoh's who were giving the scholarships to their children and were looking at me saying, *'you come from that side of the road, stay over there'.*

Do you think that I can forget that? No! The United States offered him an opportunity and it probably made him a better man.

Madam Speaker, what would have happened to our people who stayed overseas, if no one gave them a job and a home? We have people in New York (some still there—I still have relatives there) who would not have made a good thing at home but who went over there and are still there, and have made it good. Some went and made it good and came back. What would have happened if they were afraid to compete?

Money earned in a country, when invested in that country by people who have a vested interest therein, assists in the growth of that country. Persons who have a sense of belonging will encourage business to come here; will participate to a greater extent in our community and development, and all of our people in the entire country will benefit.

The United Democratic Party has repeatedly said that parties with policies were intended to remedy the past injustices which were meted out to persons who had participated in our economy, and who chose to remain in Cayman to assist in our growth. Let us not forget that despite numerous promises since the 1980s, no government adequately addressed this problem. Between 1991 and the year 2001, when the United Democratic Government announced its new policies, no status quotas were set or given to the Immigration Board. That was the root cause that resulted in an accumulation of a huge problem.

The United Democratic Party believes that our diversity is part of our strength. As small as we are and in keeping with its policies protecting and promoting economic growth, addressing the injustices of the past and preventing future injustices, we addressed this problem.

You say that you do not like it. No, you do not like it because you want to create more strife about what we have done; not that it is wrong or illegal. Do not say that we are not giving long-term because you do not know what you are talking about.

The United Democratic Government, in addition to increasing quotas significantly to the Immigration Department, began addressing the problem by making grants of status through the Cabinet. Do not say that you did not know because I made a statement here in July that this was what we were doing. I alerted the Opposition, although he said it was thirty—I thought I had said three hundred, but let us say that it was thirty. I am not saying that Member was wrong but I know this. . .

The Speaker: Honourable Member you have thirty minutes remaining.

Hon. W. McKeeva Bush: Yes.

I know this, Madam Speaker, although the Secretary General is gone (because he is another great communicator) when I wrote to the Member on 21 July, I said this to him: **"Dear Mr. Tibbetts, please be advised that the Cayman Islands Cabinet has authorised a special dispensation of Caymanian status to persons who have made a contribution to the island.**

"Further to our conversation this morning I formally request that you and your colleagues make recommendation of persons you deem worthy of Caymanian status. Please forward your list to my office by latest 10 a.m. Tuesday, 22 July 2003.

"I look forward to your prompt response.

"Respectfully yours, [signed] **W. McKeeva Bush, OBE, JP. Leader of Government Business."**

I did not tell him in that letter that there were thirty. Further to that, when I called him the next morning he said, *'we do not have enough time, and horse fat, and cow dead'* and all of those stories they carried in the press. However, I wrote to him the next morning after having a telephone discussion with him, on July 22.

"Dear Mr. Tibbetts, you will recall that on Monday, 21 July, I wrote to you concerning a submission of names by you and your colleagues of deserving individuals for the grant of Caymanian status through a special dispensation order of the Cabinet.

"In the morning of 22 July we had a telephone conversation in which you said that you and your colleagues had not enough time to make any submission, I then said to you that you should try to submit names by 19 August 2003.

"This letter serves to confirm that conversation and request. Thanks.

"Respectfully, [signed] **W. McKeeva Bush, OBE, JP. Leader of Government Business."**

So, the Opposition cannot say that we were limiting them to any special number. They cannot say that because the correspondence does not bear that out! On that first day, even though it was something of the Cabinet, not of the Opposition, we felt that we should ask them, and I agreed.

They could not get names in that time, but I gave them from the 22 July until 19 August (a few days short of being a month) to submit names to all of the people that Mr. Kurt, the Leader of the Opposition knew in George Town. So, do not use that as an excuse. They have slipped from using that as an excuse to the whole gamut of what they have been doing today. It is a shame because I believe (and they have come here now and said it) they want to give statuses but the Cabinet giving it is not right. If that is wrong, then flog me as you will.

You cannot come here and say that you want to give statuses, and then on the other hand say that Caymanians are going to be overrun—no upward mobility, no training—because if you want to give statuses, as we are doing, your decision would have the same effect that ours would be having. Do not come with this thing about giving people who are in prison. I took the greatest objection to that because that was a bunch of lies about McKeeva Bush giving people status while in prison. We have proven that it is a bunch of lies!

As I said, if the Secretary General of the People's Progressive Movement was in a court of law he would have been tried for perjury because that is what it is when you tell a lie in court. If you make a charge and you do not have the evidence—and one as serious as saying that the Attorney General, the chief legal man in the country; the Financial Secretary; the person who was in charge of immigration (then); the person who is in charge of Prisons; the Governor and the rest of us responsible gave this man in prison . . . proving that the man is in prison, but has no Caymanian status and is not going to get any . . . . What a thing. [He] has none and is not going to get any!

Madam Speaker, I am going to lay these copies on the Table of the House if I did not do so before. I would ask the Serjeant to make copies, and make sure that the Press gets a copy of it.

The Speaker: So ordered.

Hon. W. McKeeva Bush: The other claim, Madam Speaker, is that they are playing politics. West Bay has the least of the immigrants in this country. George Town, on the other hand, is loaded with them. How else do you think you have a population of 20 thousand people? On what basis did you believe that the Commissioners gave you six seats in George Town? That is where the population is if anybody stands to gain anything out of it, if there is going to be any political gain out of it. There is a very small few who have naturalisation. . .

No, Kurt and Alden.

Sorry about that, Madam Speaker, I was just answering the Opposition.

The rest of districts, no, but the truth is we have them all over because they have been here for years. And, as I said, they are in every phase of life in the country, but there can be no politics in it.

I recall that I sent out a letter last year and the truth is that I did not remember it until the Lady Member from North Side showed it to me (I have more copies). I sent out a letter to some of those who were granted that we knew, and I believe we said that there is a political organisation that they could join if they so desired. However, they had already been granted status by the Immigration Board; this is not something done this year.

Madam Speaker, is that any worse than them sending their invitations out and telling people to join their party, some of the same people? The invitation did not say join the political party, the invitation said come to the inaugural conference, but the information said that you can join the PPM, and where to be picked up, and who was going to pick them up; they were not all Caymanians.

The worst thing of all is for the bunch of them to be complaining about status, politics, and who got it and who do not deserve it, when their party chairman just got it under the quota that we gave. The biggest troublemaker that ever hit this country is that man, but he got it. It was not through the Cabinet it was done through the Immigration Board. There is no political gain. In fact, that would be years down the road (if it ever happens) because they cannot get now.

Let us not forget that no quotas were set up to be given by the Immigration Board and that was the root cause of and resulted in the accumulation of a huge problem.

The United Democratic Party Government, in addition to increasing quotas significant to the Immigration Board, addressed the problem by making grants of status through the Cabinet. They have been given to people of all walks of life through our society and not just the Governor, Attorney General, Anton Duckworth, and those kinds of persons. Seems to me that they are satisfied with them getting it, but not to the poor old washer woman, or the one who teaches the children, or the one that cleans the old people, or cooks for us. No, no, they are going to cause a vast amount of damage. You think that they have any money like Anton Duckworth to start a business? They will be too glad to get a little home.

Do not come with that. They are not the kind we have to be concerned about. Busha is the one that we must be concerned about, and not McKeeva Bush—mark what I said. Look at your history. That is who you have to be concerned about. Where he is? He is cocked up on your platform, the chairman of your Party.

How many Caymanians, if they were living abroad, would invest in a home and invest in that country if they were subject to being sent home each year? The PPM says, *'but they can get a house'.* Sure they can get a house, but you want them to get a house and then at some point to tell them, *'you go*

home, we do not want you. Go back to where you came from'. You cannot do that to people! You make them invest and give them some security of tenure and that is the situation right now. They would have to leave even though they have been here over ten years and own their own home if we did not give them security of tenure. That is a possibility. They can get kicked out; lose their permit, and be told 'I do not need you, go home'—after twenty years. Some of the pharaohs in this country did it to our own people! Give them a little old wristwatch after forty years and say *'here—go'.* What do you think they are going to do, somebody on a work permit, after thirty-five years?

You cannot treat people that way. That is all that I am saying. How would the children of our people feel if, after years in a country, they were rooted up and taken away from their friends and the land which they knew and bought? How many people would a person lend money to for investing in a house, or otherwise, repayable over twenty or thirty years, if the lender knew that such a person was subject to leaving the country at any moment? How do we expect financial institutions to conduct their lending business on a long-term basis when the majority of borrowers may not be in that country tomorrow? How long before the global community sanctions Cayman for these types of policies?

One stammering person on the PPM platform the other night asked, *'How come McKeeva can tell the United Kingdom what to do, but he cannot tell them what to do in this instance?'* The fact is that there are only certain things that we can do. We fought hard and bitter to stop it and said, *'We do not want this and the homosexuals Law passed onto us here',* but the United Kingdom said, *'You do not want it? I am putting it through. Stop me if you can'.* There are only certain things that the Cabinet or I can complain about which we can be successful in. We cannot fight them, particularly when it comes to those human rights issues, and the right of abode is such that we are going to lose the battle and they have already told us that. The signs are there! Do not forget it and I will tell you why you must not forget it.

The Speaker: You have 15 minutes remaining Honourable Minister.

Hon. W. McKeeva Bush: Madam Speaker, I have to do some speed thinking and reading here.

Anyway, let us not forget that the previous Governor, in his own personal right, started giving whom he wanted to give naturalisation. Did we forget that? Peter Smith, the previous Governor—he started it—picking out who he wanted and gave them naturalisation. Yet you have the audacity and the forgetfulness to come here and tell me that we must not do what we are doing because the United Kingdom is not going to do us anything and they are not pushing us.

You think that they are not pushing us? I hope that you all listened to what I said just now in that letter I read from the Governor. Do not forget that he started giving the naturalisation out himself. He took it away from the Chief Secretary; came in the Cabinet and said: *'I am going to do this because the Foreign and Commonwealth Office allows me to do it.'*

Madam Speaker, we have a right to be doing what we are doing. The PPM has organised marches before and I hear that they are going to organise another one. I would ask them to rethink that because the country cannot take it at this time. I will ask them not to do it; they are not going to stop Government from what we have done and what we have to do.

I am asking you, if you are thinking about stirring up a march, to forget it. We have too many international problems to deal with that are going to take all of our time. The only persons who are going to suffer will be our people.

A good example of the PPM—poor people manipulation—program is the announcement that anyone with a police clearance certificate can obtain status. The Leader of the Opposition did this; he caused it. That line of people you saw out there said it, and now he said it was pure speculation (or whatever the word he used about the press), but he said it. It was in writing and this PPM—pure propaganda move—has caused numerous persons to be misled; to have false hope which resulted in our Police and other departments being overwhelmed by applications for Police clearance to people who cannot get it. They cannot because they would not qualify under some of the things that we were using for them.

A crueler act could not have been done. This propaganda is the kind that spreads false and malicious rumours generating panic among our population. Poor principle movement.

Madam Speaker, other wild and unfounded allegations have been made against the UDP Government. The granting of statuses by the Cabinet to persons of all walks of life, from religious backgrounds and from political persuasions, is the just, correct and proper thing to have been done.

The United Democratic Party and this Government intends to deliver on its previous commitment, to revise and improve the concept of immigration in the Cayman Islands. Our goal is to create a clear, fair and transparent immigration policy within internationally acceptable standards, having regard to the treatment of foreign nationals residing in our Islands. To this end, we have reviewed the deliberations of the Select Committee of the whole House on Immigration 1997-2000, the relevant sections of the Cayman Islands National Strategic Plan—Vision 2008, and the Reports of the Immigration Review Team appointed last year to make recommendations for the development of a new Immigration Law.

Without a doubt, the unprecedented increase in the [number] of residents who have settled here

over the past 30 years has contributed greatly to Cayman's economic success. In order to remain competitive internationally we must ensure that we continue to attract and retain the resources of persons within the Islands to service our industries and maintain our high standards of living.

Madam Speaker, we believe that it is fundamental to the future development of the Islands if we continue to attract individuals with specialised skills and expertise. Such persons are critical to Cayman's success as an offshore financial centre and tourist destination. Many become directly responsible for the training of Caymanians in areas where there is presently a severe shortage of such resources within our own Caymanian workforce.

At the same time, we must accept that non-Caymanians who remain here for significant periods of time will begin to develop and demand greater security of tenure than that presently offered through our work permit system. As a result, we must either accept that Caymanians will continue to be a declining percentage of the country's permanent population, or we must develop and implement a policy designed to identify the residents we need to integrate as long-term members of our community, and those who may not qualify for long-term residence or who do not wish to remain long-term for one reason or another.

One thing we are certain of, we cannot afford the present situation to continue for the future. Bearing this in mind, we propose to create a comprehensive and integrated system of time-frames within which all non-Caymanians will be eligible to apply for the grant of work permits, permanent residence, citizenship under the British Nationality Act, and Caymanian citizenship.

This new framework has been designed so as to ensure that persons seeking to reside and remain in the Cayman Islands will have to fulfill the following criteria:

(i) For new applicants coming to the Islands in the future, emphasis will be placed upon the availability of the applicant's skills within the current labour market of the Island, as well as the proposed employer's record of training and promoting Caymanians within their field of business. (So that takes care of the upward mobility and training of Caymanians.)

(ii) Companies will be closely scrutinized through the use of a revised and improved business plan system which will allow employers to produce staffing plans for their business. Such plans will cover three- to five-year periods and must contain full details of all training, scholarship and succession planning offered by the businesses to ensure that Caymanians are being given the first and best opportunities of career advancement.

(iii) For businesses with satisfactory business plans, all assistance will be given to ensure that the work permits needed by them to employ foreign workers with specialised expertise not available or in short supply within the Islands are processed within a fair, fast and efficient manner.

Secondly, for long-term work permit holders opportunity will be given to qualify as permanent residents of the Cayman Islands. Qualifying criteria will be based upon a point system, details of which will be made available to all members of the public. Points will be allocated based upon the applicants occupation, education, experience, special skills, ability to support themselves financially; connection with the Islands; integration in the Islands; knowledge of our history, traditions and customs and, if relevant, any close Caymanian connection.

As a result of this wide ranging and diverse criteria, we will be able to identify our future permanent residents, not only from among chief executive officers, or from the Governor or Attorney-General, or someone else who … a few out of the six, but professionals and managers from among our technical skilled tradesmen, administrative, domestics and clerical workers as well.

Madam Speaker, in creating such a clear and transparent path, every work permit holder will know, even before taking up residence in the Cayman Islands, the criteria by which he or she will be assessed should they chose to remain in the Islands on a longer term basis.

Madam Speaker, it will be open to permanent residents to apply for a grant of citizenship under the British National Act, under the criteria set by the United Kingdom to achieve such citizenship. So, remember it is for the United Kingdom to grant citizenship by virtue of the British National Act, but it is the right of the Cayman Islands Government to decide who should be permitted, although we are pressured by Britain's agreement within the European Union.

We propose to bring new legislation—which I will Table on Wednesday, but I will speak to it tomorrow at the Chamber of Commerce. We propose to bring new legislation, which is in the final stage of being drafted, before the Legislative Assembly. It will be laid on the Table on Wednesday for public consumption and then debated and passed in November with the hope that it will come into effect in January 2004, God willing.

This new Law will be fair, it will be clear, and it will be concise in its terms. It will set out in detail what is expected of the employers and employees as well as create a graduated system of rights for non-Caymanians.

Madam Speaker, it has already been recognised that we have many non-Caymanian residents in the Islands, a large majority of whom have been residing here for the long term. And before a new system can be adopted, we must ensure that we deal fairly with these people who are already here and are a part of our community. Not all such persons will be entitled to status.

In addition to a new framework for work permit holders and long term residents, provisions will also be made to encourage wealthy retirees and entrepreneurs to invest and reside in the Islands together with their important support staff and/or dependents. We have started that initiative already by granting status to a few.

Provisions will also be made for children who have been born in or resided in the Islands during their minority years, as well as the spouses of Caymanians whom it is proposed will be granted the right to reside and work in these Islands. However, it is also proposed that those persons granted status who have children—minor or not—who are not living here will not be granted status automatically, but will have to go through the Immigration Board via an application process.

In conclusion, Madam Speaker, for many years successive Governments have promised immigration reform and nothing has been accomplished. We cannot continue to ignore the problems that are being created by our previous lack of commitment to act. We are aware that no immigration policy can be all-encompassing or all inclusive. Immigration, by definition, is subjective. It will never suit or please everyone, but we need to be decisive and proactive in creating a new policy that will generate a gradual and selective increase in Cayman's permanent population base for the benefit of our social, economic and cultural growth for many generations to come.

All persons will know before they choose to come to these Islands what the system is, how it works, and will be aware that there are limits to the numbers of persons our geographic area can accommodate. The Law will strengthen provisions to ensure upward mobility for Caymanians and fairness in employment practices.

Caymanians who are able and willing must, and will, be given the first opportunity for all jobs, and will be protected from unfair practices. No more are we going to have people here 15, 35, 53 and 70 years without security of tenure. This is fair. It is equitable. It is just, it is transparent; and it is another example of good governance policies that have been carefully thought out by the UDP Government.

Madam Speaker, in closing, we—the UDP Government—have never shirked our responsibility to make difficult decisions, whether they be to include people, innumerate their rights or relate to hard and unpopular matters that are for the benefit of our country and our people. We will make mistakes. We are all human. We will correct those mistakes and move on. We are a Government that seeks to include everyone, irrespective of affiliations, movements, parties; those who support us, those who do not; those who are old, those who are young and those who are coming into the world. We will always strive to do our best for all.

The PPM has sought to censure the good government policies of the UDP which related to an effective, prudent Government and prudent results. This is a desperate move by the party.

Hon Speaker: Honourable Leader, your time is up. I will allow you to complete your last sentence.

Hon. W. McKeeva Bush: Thank you.

I was just saying, Madam Speaker, that they have sought to move a vote of censure against the Government. It will not succeed. The move is desperate and it is poor, policy management driven to producing a propaganda movement. Even today they have not learned that their policies as set forth would again produce poorer masses.

Madam Speaker, thank you very much for the time. I do not believe we have done the wrong thing. I believe we are on the right course. The Law will be tabled here on Wednesday. Tomorrow I will speak to it at the Chamber of Commerce and I will also make a statement on the Grant of Caymanian Status on Wednesday or Thursday morning, God willing.

Thank you. Thank you very much for your indulgence.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Final call.

The Member from the district of North Side.

Ms. Edna M. Moyle: Thank you, Madam Speaker.

The debate on this Motion to deal with the recent granting of Caymanian status has covered the People's Progressive Movement inaugural conference. It has covered racism, which, in my opinion, is a very serious point to be brought into any discussion in these Islands.

[Interjections]

Ms. Edna M. Moyle: Madam Speaker, I would appreciate if you would ask the Minister of Community Services to keep quiet until I am finished, unless he has a point of order.

The Speaker: Standing Order 39(c) says maintain silence while other Members are speaking, and not interrupt except in accordance with the Standing Orders. And that goes for both sides.

Ms. Edna M. Moyle: Thank you, Madam Speaker.

In my humble opinion the recent action taken by the Governor in Cabinet for the grant of 1400-plus Caymanian statuses is one of the most far-reaching actions that any Government has ever taken in these Islands.

I would like to make it extremely clear that there are many long-term residents in these Islands deserving of Caymanian status. I would like to make it clear these should have been dealt with many years

ago and we would not be in this position. However, it boggles the mind as to how the present Government chose the 1400-plus persons for the grant of Caymanian status.

Section 20(d) states that the Governor may grant status for special reason. Madam Speaker, in my opinion if the Government had granted these 1400-plus statuses (or maybe I should say 2000) based on special reason, the reply from the Government on this Private Member's Motion No.04 today should have been a list of the persons granted, the special reason why they were granted, and the length of stay in these Islands.

I would like someone to tell me how a young lawyer who arrived in these Islands to work with the Legal Department of the Government has been granted status after being here for merely fourteen months. I would like to know how this person has qualified for the grant of status under special reason.

Now my very good friend, the Honourable Minister for Works, Communications, and Information Technology, said that maybe this was based on judging what their potential contribution would be, if I understood him correctly. Now, certainly, the Government is not in a position to guess what a person's potential contribution is going to be to these Islands, to grant these people status.

I would like to know, particularity in the Legal Department of the Cayman Islands Government, where I think we have one or two young Caymanians still in that Department, what are the chances of those young Caymanians moving up the ladder? What is the special reason for persons who have been in these Islands for less than seven years, less than ten years being granted status? Tell me, what is the special reason for persons whose permits would not be renewed by the Immigration Board who then left this Island and were then granted status? Madam Speaker, it seems as though the Government's interpretation of the words 'special reason' is totally different from that of the people of these Islands.

I say that the process which has taken place with the granting of status to these large numbers of persons is wrong! It is wrong! Can the Government tell the country what criteria were used for granting these numbers of status? It could not have been as the Government claims—long-term residents and their contribution to these Islands.

The Opposition can base their reply to Government on no more than rumours, because the Government has not come forward to tell this country, who, what country, how long and the special reason.

We have been told there are persons that were here on visitor's visas that have been granted status. We have been told that people arrived here on 7 November 2000 spent ten days, went back home, came back in July 2003 and were landed as a Cayman status holder. Madam Speaker, that process has to be wrong! It cannot be right!

I have no gripe with those persons who have been granted status, my gripe is with the Government and the way the Government went about granting status. I want to make it clear, I do not think any were granted in my district, but I say the process was wrong, is wrong, and if it continues to be done by Cabinet, the process will continue to be wrong.

You know, Madam Speaker, we have covered juveniles in this debate, and I will deal with that a little later on because I am going to tell this country and this House the truth on the numbers. The country is asking because every Member inside this Chamber campaigned on open and transparent Government. Where is the openness in the granting of these statuses and the transparency? I see none. The process is wrong! There were no criteria.

I do not believe that the Government took the time to research this granting of status. The Opposition has grave concerns as to the far-reaching implications of the granting of status to some 2000 plus.

The questions I ask—what effect will this have on our already overcrowded schools? What effect will it have on the upward mobility of young Caymanians in the workplace who have been understudying people in the private sector who have now been granted status? What will happen to those young professional Caymanians? What effect will it have on our welfare system? What effect will it have on the Health Services? How will it affect our people in business? These are the questions that the Government needs to answer for the people of these Islands.

I do not believe that they went into this—

[Inaudible interjection]

Ms. Edna M. Moyle: Madam Speaker, the Cadastral Survey was before my time. I am not going there.

I am dealing with the issue that is before me now, as I see it, on how it will affect my people at this time.

[Inaudible interjection]

The Speaker: Order.

Ms. Edna M. Moyle: Madam Speaker, I am sure that we will be told that the children of these people who have been granted status will not be granted status, or they will not be allowed to come to the Island. I hope that is not so because once you give a mother status in your country you can no longer not allow her children to be with her.

We talk about human rights, and the European Convention, and the United Kingdom and the pressure—that they are saying that we must grant these statuses by Cabinet.

The Minister of Education, in particular, should have been in a position when he came to this House to debate this particular issue. He should have

said: *'as the Minister of Education I have researched these numbers of statuses that we are granting; I am assured that this is not going to further overcrowd the schools in these Islands and everything will be okay'.* I know for a fact that the number of children who are in our schools now do not have the proper resources, so can you imagine when more are added. These are the questions that the people want answered and are entitled to have answered.

The Minister of Education should have told this country that he ensured that the proper process was followed. Yet he stood up and talked about freeing the slaves. I have no time for racism in my country. I do not look at the man by the colour of his skin. I happen to be the great-granddaughter of a slave also. However, this country does not owe me a living because of the colour of my skin. I must ensure that I make that living and make life better for me.

We have heard mention of the Jamaicans and they are saying that the People's Progressive Movement is polarising the people of the Islands. Nothing will polarise us more than racism and naming particular nationalities.

I wonder if the five elected Ministers on Executive Council could stand up today and tell the people of these Islands that they know each and every one of those persons who they have granted status to; that they know them and can assure us that they are above the law; no police record and no health problems. I will say without fear of contradiction it is totally impossible for the five elected Ministers of Executive Council to say that they know those people. They know some, but they do not know all.

Madam Speaker, I believe that when this started in July it could have been a genuine exercise of the Quincentennial celebration—we are going to grant X-number of statuses, all well and good, no problem. I personally believe that if the Government had taken a policy decision at Cabinet level and said for the Quincentennial celebration we would like to grant 1000 Caymanian statuses, if they had taken their policy decision and sent it to the Immigration Board saying: *'here is the criteria for the granting of these statuses: Persons must be resident over ten years, with a clean police clearance certificate, clean medical certificates',* and the people of these Islands would not have said a word. It is the process that has been followed by the Cabinet in granting these statuses that the Caymanian people are concerned about.

Now, Madam Speaker, I would like to stop here and deal with the Minister of Community Services, who has a serious problem with me, not because I am Edna but because I am a woman.

The Speaker: Is that your opinion Honourable Member?

Ms. Edna M. Moyle: That is my opinion, Madam Speaker.

The Speaker: The Honourable Minister responsible for Community Affairs.

Point of Elucidation

Dr. the Hon. Frank S. McField: Madam Speaker, I object to the manner in which the Member for North Side continues to try to label me as having a problem with her as a woman. If that is her opinion, I would like her to substantiate that opinion by saying exactly why she thinks that I, as the Minister responsible for Gender Affairs, have a problem with her because she is a woman.

The Speaker: I take it Honourable Minister that is a point of elucidation?

Dr. the Hon. Frank S. McField: Yes, Madam Speaker.

The Speaker: The Member for the district of North Side.

Ms. Edna M. Moyle: Madam Speaker, I will deal with the situation of the juveniles. The Honourable Minister of Community Services got up in here and made a statement. I rasied a point of order on it, and I am still awaiting your ruling. However, he brings it back into the debate on a Motion to deal with Caymanian status. The Government has paid for an advertisement in the newspaper. If you will bear with me, Madam Speaker, until I can find his statement.

It reads, **"The highest number of incarcerated youth occurred during Mrs. Moyle's leadership in January of 2001.**

"At that time 32 young offenders and juveniles were behind bars. As of the 12 September 2003 that number was cut in half with only 16 young offenders and juveniles being held, a 50% reduction. The lowest number to be held during the time occurred in June of this year with only 10 in custody. This represents a 68% reduction between the highest, 32 in January 2001 and the lowest 10 in June 2003."

Madam Speaker, it is so conspicuous that the year 2002 appears nowhere in this statement that the Honourable Minister made—that was his year. Certainly if there were 32 juveniles being held in January of 2001 those juveniles had to have been incarcerated from 2000.

You know, Madam Speaker, I have people that like me too. The statistics from the Prison are: 2001—6 male juveniles; 2002—15 juveniles (13 male and 2 female); 2003 correctly, as he says, as of now—10 (7 males, 3 females).

All I am saying is, let us speak the truth. The Honourable Minister for Communication and Works stressed it today. We are all representatives and should speak the truth; speak it ever, cost it what it will. I have no time to tell lies.

We all know the situation with the Cayman Islands Marine Institute back in 2001. But, Madam Speaker, it is a Motion on Caymanian status. The Minister's statement says January 2001—I do not know who prepared it. In the advertisement in the paper we said 32 persons on 16th and 17th January. Somebody is being dishonest and all I am saying, Madam Speaker, let us be honest, be fair and speak the truth.

Madam Speaker, there are many persons who I know quite well that have been granted status in this 1400 plus. They, too, have told me that they disagree with the way in which it was handled because they have many friends who are long-term residents in this country.

When I have people meet me at the door in this building who have worked with me over the years (because I do not have a helper now) have just come back to bring their applications to get status. Is this fair? Is this process right? I say no, and the people of this country say no!

The truth is that the initiative by Cabinet to recognise the contribution for a few outstanding souls who have contributed to these Islands for the Quincentennial, as I have said before, I could have accepted it, no problem! However, when we see what has taken place it is no way that this country can accept a blanket grant of people who have been in this country on visitors permits, less than 5 years, 3 years, less than 7 or 14 months, it cannot be right!

I go back to the Minister of Education and the Minister of Community Services. When we talk about racism—do not tell me that they do not mean racism. I have a good education too, and my father paid plenty of money for me to go Jamaica. So, I have a good education too and there is nobody searching all over the world to make sure that I have a university degree; I do not have one, but I have common sense. To dig into racism in this country will destroy the future of our people; it will destroy this country quicker than anything else. If these statuses were granted not for political reason, do not polarise the people of this country to say that they are Jamaicans who we do not want because we want the white merchant class.

Madam Speaker, I am trying to find the letter from the United Democratic Party when the status was granted by the Immigration Board in 2002 to whoever (I do not know who sent it to me, they inked out their name): **"Dear Mr. . . . congratulations we are extremely pleased that you have received Caymanian status, you have proven beyond a shadow of doubt that you are an intricate part of our society and your contributions have certainly helped us to become one of the gems of the Caribbean.**

"Where we have been is legacy to your contribution and where we are going is certainly going to need your participation. May I give you an open invitation to join the United Democratic Party.

"Please come and learn more about the vision for our country and our children.

[Signed] "**Honourable McKeeva Bush, Leader of Government Business,** [and] **Billy Reid, Chairman of the United Democratic Party."**

I have seen these written on Government stationary.

So, Madam Speaker, if this is not a political issue let us hope that we do not see any more letters like this. I stand to wonder if the Chairman of the People's Progressive Movement, who was just lambasted by the Leader of Government Business, got one of these. But he decided to go with PPM.

Madam Speaker, this is to my new found friend, the Second Elected Member from the Cayman Brac and Little Cayman. As you recall in his debate he said that because he got wet yesterday he has a new-found friend in the Member for North Side. I pose a question to the Second Elected Member from Cayman Brac. In his debate he tells the country that [his] district needs people. I could not agree more, but I wonder, what guarantee the Second Elected Member for Cayman Brac has of those people who have been granted status in [his] district, which says that they are going to remain in [his] district. I would much prefer to have heard him stand on the floor of this House and say that the Government is seeking better ways and means to get the people who have left Cayman Brac and Little Cayman to return home. There is no guarantee that once these people receive status the population of those two Islands will be increased.

I would like to call on the Government to issue immediately to the people of these Islands a list of every single person who has received Caymanian status, nationality, length of stay in these Islands so that we can put this issue to rest. The reply from the Government on this Private Member's Motion should have been a list with the reasons for each person; length of stay and, Madam Speaker, I call on the Government to do this immediately.

The Leader of Government Business called on the People's Progressive Movement to rethink the march. Madam Speaker, I, as a Member of the Opposition, now call on the Government, and ask that no more status be granted by Cabinet, but through the right course, the Immigration Board.

We heard much about the PPM, the policy this and the policy that. UDP grant of status to UDP—United Democratic Party grant of status to undeserving people.

Thank you, Madam Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Final call— does any other Member wish to speak?

Second Elected Member for West Bay do you wish to speak?

Mr. Rolston M. Anglin: Madam Speaker, the elected Member for East End and I seemed to have been passing messages by pointing fingers at each other. I was heading to Business Committee, but if he is not going to speak I guess that I will speak at this point.

The Motion before us calls for a number of resolutions. But I must say that the Motion, in my humble opinion, obviously seeks to try to continue to inflame the passions of Caymanians over an issue that many Caymanians get excited about, and that is the grant of Caymanian status.

Madam Speaker, this Motion calls for the **". . . Legislative Assembly to condemn and censure the actions of the Governor in Cabinet in making the recent grants of Caymanian Status;**

"AND BE IT FURTHER RESOLVED THAT the Legislative Assembly acknowledges the far reaching implications of the unilateral and wholesale grant of Caymanian Status by the Governor in Cabinet to thousands of persons in one fell swoop;

"AND BE IT FURTHER RESOLVED THAT the Legislative Assembly calls upon the Governor in Cabinet to forthwith cease making grant of Caymanian status pending the holding of widespread consultation with and approval of the electorate of the course of action taken by the Governor in Cabinet in this matter;

"AND BE IT FURTHER RESOLVED THAT section 20 of the Immigration Law (2003 Revision) be amended to restrict the ability of the Governor in Cabinet to grant Caymanian Status so as to limit such grants by the Governor in Cabinet to six per annum."

Madam Speaker, in looking at what has transpired in regard to the Cabinet grant of status, one has to look at a number of things in conjunction with the grants.

As a younger Member of our community, I think it is fair to say that over the years we have all falsely believed somehow that all we have to do is continue the moratorium on the grant of status and that was going to solve all of our immigration problems; just sit back and do not worry about a thing, the moratorium is in place so that is going to protect our Caymanian society.

On the converse side of that, during the economic boom from the late 1980s to the mid 1990s this country saw an unprecedented number of immigrants who located to the Cayman Islands to take up residency to work. That went on and everyone continued to talk about the influx of people. But the truth is, Madam Speaker, there was too much at stake economically for any brave soul to raise his head up and say that should have stopped. There was no brave soul, as I recall.

During the early to mid 1990s I was away at university studying, but I did a fairly decent job at following what was going on at home by receiving the *Caymanian Compass* by mail through family members. I do not recall any brave soul getting up and saying, *'You know what? We need to stop this influx of immigrants'.* There was no brave soul who got up and said to businesses who were obviously building a business to accommodate the new levels of population *'You know what? Do not do it. Do not build your supermarkets so large; do not build your clothing stores for plenty inventory; do not build so many apartments.'*

Madam Speaker, the one thing that is human nature and Caymanians do not have any monopoly on this, is that the people of this world like to have their cake and eat it too. We believe that we can simply do as we please. But there is a real world that we live in and, as a small community, one that has been relatively unsophisticated at the local level. A lot of people have a tough time now grappling with the real world that the Cayman Islands finds itself having to operate in. A lot of people also have a tough time grappling with the fact that the United Kingdom Government makes it quite clear to us that when we create policies and pass legislation that we should have regard for her international treaties and obligations.

We believe that we are still in the shoot-'em-up days of cowboys and Indians where we can do as we please; we do not have to worry about anything and then when reality hits, everyone gets real excited. When having to deal with the realities of the day, crisis is created in the minds of so many people.

Madam Speaker, the immigration issue in Cayman is one that for the last few years has been the focal point of politicians and more and more people in the community; that was clearly borne out in the Vision 2008 Report. What is interesting, though, is the general feel that you get out there when you talk to Caymanians, and that is citizens and business owners, about this situation.

For the most part, it is my opinion that you find a lot of Caymanian employers who believe that they should have the privilege, irrespective of the impact on indigenous Caymanians' ability to find a job, that they should have the privilege to employ as many foreign nationals as they want; on the terms they want and keep them here forever and a day. It would seem as though once life is over for these people, the plan must have been that they would then pack up and leave once their usefulness would have been utilised.

It is us, the Caymanian people, who have sat around and allowed the immigration situation to become a national embarrassment. Here we are with over 6600 people in our community who have lived and worked among us for better than ten years. What

is even more amazing is when you talk to people about what happens when they run an advertisement—the number of applicants who are non-Caymanians and live in this country, especially people who have entry level jobs in the hospitality or construction business. When asked, *'why are you looking for a job from me, are you looking to change jobs?'* The answer *is 'no, I want you to share a permit for me'* and then a further probe would be *'why do I need to share a permit with another employer for you?'* The answer is *'well I do not have enough work with my current employer to be able to keep me busy for a full work week'.*

You see, Madam Speaker, we have a real neat little habit in Cayman—everything is the foreigner's fault. We are not responsible for anything in this country. I am convinced of that, at least not anything bad. The bad stuff is not our fault and I challenge any of us to go to the Trade and Business Licensing Board and see who the majority of companies are owned by, because there is a requirement under our Law that the companies have to be owned 60 per cent by Caymanians. So, when we hear of these situations and come to the realisation of what this situation has been allowed to become—it has been allowed to become this way because we have made it become this sort of situation.

I believe, and I think most reasonable members of our community believe, that persons who have made a significant contribution in our community do deserve the opportunity to reside and remain here and become permanent members of our community. That is a very subjective thing, though, because for some people what is significant often corresponds directly to the length of time someone has been within these shores. So, some people believe if a person has been here over twenty/twenty-five years that is a significant contribution. I would think that most people would agree that if someone has worked and lived in your community for a period of time it would be a significant contribution. However, there is so much more that can go into the analysis of what a significant contribution is.

What is that definition? If all of us were to apply our minds to that question we would come up with a myriad of possible answers, almost endless.

So, Madam Speaker, whilst I understand why you would have Caymanians get excited when status is granted to persons who have been in Cayman for less than ten years (which is the accepted period in law that you can apply for status on the grounds of residency) there is still so much more that goes into significant contributions. More importantly, what is the potential contribution going to be of that particular person once they are allowed to become a permanent Member of the community?

I think if you look at the Members of the Legislative Assembly, going back to the 2000 Election Campaign and the Chamber of Commerce meetings in the various districts whereby all of us participated—one of the questions asked was on this whole issue of immigration. If we look at what a lot of people's responses were we might find it very interesting at how people perceive a problem, especially people who have never been elected before and never got to understand and appreciate the magnitude of the immigration issue. I would be the first to admit that in my wildest dreams I did not imagine that we had the type of situation that we had.

What has made Caymanians and many countries great is the ability to deal with the situations that are at hand. There is not a whole lot of use for people to run around at this late stage in the game and complain about the number of people we have in Cayman, and the length of time that they have been here, because there is no wonderful time machine. I believe, that at this point in time we, as Caymanians, have to ensure that we utilise this situation with the people who has been amongst us for these significant periods of time and who have made and continue to make significant contributions in our community to build.

The Speaker: Second Elected Member for West Bay, I believe that I am getting a cue that the recorder needs a chance to change the tapes.

Mr. Rolston M. Anglin: Thank you, Madam Speaker.

[Pause]

The Speaker: Second Elected Member for West Bay you may now continue.

Order! Members.

Mr. Rolston M. Anglin: Madam Speaker, thank you.

As I was saying we have within our country an opportunity to build a more dynamic, deeply qualified type of society.

Now, Madam Speaker, there are people out there who will say *'yes, but we needed to wait'.* If we look at the birth rate of Caymanians and at how slow our (what we commonly refer to as indigenous) population is growing . . . I use my former profession alone; we have some 400 qualified accountants in this country of which some 60 are Caymanians. That sector is growing. When is it that we are going to catch up and be able to fill the types of jobs that we need to fill with Caymanians?

We need to understand that people are continuing to work and time does not stop so people are going to be retiring, getting out of the profession and going through life naturally. That is with accounting and all professions. I used that one as an example. So, I believe that we have the opportunity now to build the type of dynamic society that is going to bode well for the future in the Cayman Islands.

I heard Members of the Opposition ask, if we grant status to these long-term residents, what about

the upward mobility of Caymanians. I am asking those Members why are they making these stark realisations in 2003? I ask them why is it in 2003 that they now realise this? when, in fact, the partners and senior partners in many firms and other types of businesses who do not have Caymanian status have been in this country 15, 16, 20-plus years. What are we going to do now, Madam Speaker?

I use my old firm as an example—what are we going to do? There a few of the partners there who do not possess Caymanian status, but I believe almost all of them, if not all, have been in the Cayman Islands well over ten years. There are some young Caymanians who are now coming through, one is a senior manager, one is a manager and I think a couple of them are senior accountants. And there is one currently in New York.

Madam Speaker, these people are the people who toiled and made that business; those are the people who worked and put in the hours, who came to the Cayman Islands to build that practice. So what are we going to do now? The two current senior partners would have status but the person who has been named as the new senior partner to take over next year does not have status currently. What are we now going to say to him? *'Oh you have been here in this country for all of these years; you have built up this practice; you have given scholarships to the worthy Caymanians, but we believe that there is a younger Caymanian coming up behind you who is probably about 8-10 years less than you. So, you cannot get Caymanian status because we believe that the day he is ready to be senior partner you potentially could still be here and that is not right'.*

Madam Speaker, it is really funny. As a young professional and a person who has come through the firm system, it is so funny to hear people who have been around so long allow the situation to get where it is, yet at the eleventh hour we are going to start talking about upward mobility of Caymanians, and if you grant someone status what effect that is going to have. At the end of the day we have to deal with the reality of what is before us.

I, for example, always take keen interest when I hear Caymanians start off their conversation talking about how their foreign supervisor, boss, or whatever word you want to use, does not treat them fairly; does not give them any opportunity. I am not going to stand here and say that does not happen in the Cayman Islands, for it happens here and it certainly happens in many other countries in terms of the people that you work under, and whether or not they are fair to you. However, one of the things you do not hear a lot of people talking about is the opportunities that have been provided in this country.

I am not so shallow as to forget that I was given a scholarship by a 100 per cent foreign owned, in terms of people who were indigenous Caymanians. None of the partners at the firm at the time were indigenous Caymanians but they gave me a scholarship; paid for my university education; paid for me to sit the Certified Public Accountant (CPA) exam; paid for me to go to New York to get experience and nobody needs to say they did it because I am Rolston Anglin. Because who is Rolston Anglin? My mother worked in many well-to-do Caymanian's homes when she was a young girl and then she went on to clean condominiums. My father painted homes for a living.

So you see, Madam Speaker, one of the things that is very obvious about all of this is that I get back to that human nature. Caymanians want to have their cake and eat it too. They want to say: *'We have reached this level of development and the persons who were not born in the Cayman Islands and came here to work have worked hard and contributed to the society. Now we have a problem because there is too many and if you give too many status at any one time then that is going to cause a real problem for the rest of the Caymanians, as we are going to become overrun.'* However, they are already working in our country and taking up those jobs; those work permits are not going anywhere. Those work permits are as good as being granted for life. We have over 6600 residents who have been in this country for greater than ten years.

I believe that we have an opportunity to move the country forward and continue moving the country forward.

I am convinced that the average Caymanian, once all the persons who have been granted status by Cabinet becomes known, are going to look at the list, see ten people they like and they will say, *'yes, good people, glad that they got status'.* They will see ten that they do not like and they will say, *'bad people—why did they get status?'* and then they will think in their minds of ten other people that they believe deserved it more than anybody on the list. That is how ridiculous this whole situation has become and has been allowed to become over these years.

When I sat here and listened to the Honourable Leader of Government Business read what he said in 1988 upon moving the Motion that was brought up earlier on, and here we are 15 years later, same debate, same thing being said. The problem is that nothing substantial was done in those last 15 years.

We have amongst us in Cayman not only long-term residents who have been here on work permits, but we have a good number of them who already have been naturalised; have a Caymanian passport; they can vote but they do not have Caymanian status. We also have many people who all in this community looked at and thought were Caymanian. In our minds we know that they come from a Caymanian family and we just assumed that they are Caymanian. What else are they? We have always seen them; we know who their people are, so they are Caymanian, but due to some quirk in the Immigration Law they do not have Caymanian status and a lot have refused to

apply for Caymanian status out of a point of principle. They themselves have said to the world *'look I am Caymanian and I am not going to apply for Caymanian status because I do not need any paper to tell me who I am'.*

Madam Speaker, we also have many people who all of us know are not necessarily of Caymanian descent but have been in Cayman so long that we presume they must have Caymanian status. I think all of us would admit that every time, for the last three years of a quota being issued, we have seen those pictures in the *Compass.* We see people and say to ourselves: *'What are they doing applying for Caymanian status?'* Because they have been in Cayman forever. I just said that because I think it is important to look at the situation for what it is and for what the country currently has.

Madam Speaker, I believe that the Cabinet has taken on a task that nobody else dared touch; would not dare touch immigration because—*'Oh! If I touch immigration then I am going to lose my seat because Caymanians do not want us to grant statuses to anybody'* and we continued that practice year after year.

The Cabinet has utilised a section under the Law that allows them to grant Caymanian status. There are varying reasons why the Cabinet should have done this. In fact I refer to what my good friend (as he called me, so I will call him) the Second Elected Member for George Town had to say.

I quote: **"Section 20(d) of the Law (to which the Leader of the Opposition earlier referred) is there to deal with unusual circumstances, as he quite correctly said. The language is quite clear. It says that the Governor in Cabinet may grant status for special reasons—not any reason. There must a special reason. When Government seeks—and continues to seek (or so the Leader of Government Business says)—to confer grants of status indiscriminately on thousands of persons in this community, that is an unlawful act. Cabinet has exceeded its authority and its power under the Law. It has arrogated to itself the function of the Immigration Board, and that is unlawful."** [2003 *Official Hansard Report*, p. 617]

Madam Speaker, I do not agree with the assessment, but I beg to say that if all of us in the Chamber, all of us in the Gallery, and all of us as Caymanians, do not believe that having over 6600 people living in our country for over ten years creates a special type of situation then that means I am way off cue. Because how can we say that there is no special circumstance or situation here? We have a national embarrassment. And as far as I am concerned, that is more of a reason than any reason that we have to deal with in our immigration problems and situation. I believe that right-thinking people will look at this situation and say, *'yes, this is a situation that has to be dealt with'.* We must now deal with this situation.

The Opposition has now said the real problem is the way in which Cabinet has done it. Not a problem with giving persons for a special reason but the way in which it was done by Cabinet. They cannot agree with the way in which it was done by Cabinet. Whether or not Cabinet started the clean-up exercise, or whether or not it was the Immigration Board, other than God coming down and looking into the heart and soul of every long-term resident and other residents in this country and deciding that these were the people who have all the perfect legitimate motives and should be granted Caymanian status, Caymanians are still going to be upset.

Immigration is a loser when it comes to politics, not just in Cayman, but worldwide. Ask any politician. Immigration is a loser. It is one of those things that is just there and you do not want to deal with it; you do not want to touch it because once you touch immigration, whoever is a part of the indigenous population at that moment is going to be concerned and is going to feel threatened irrespective of how it is done.

Madam Speaker, I say that the Government has gone down the road of starting the process of cleaning up this national embarrassment that we Caymanians have allowed to be created. It is up to us to realise that in this whole situation we now have an opportunity to build a stronger Cayman Islands because a lot of people have this notion that if we do not have X-number of generations of Caymanians in our blood then we cannot really love Cayman.

I cannot say how many people in this country love it as much as me, but I can certainly say with confidence there is no man or woman on the face of this Island or anywhere in this world who loves the Cayman Islands more than me. I would die for my country! That is how strongly I feel about being a Caymanian. 'Anglin' is not an old Caymanian name. Anglin is a relatively new Caymanian name, because alive today are still two children of the original 'Anglin' who came here. So how can it be a real old Caymanian name if there are still two children alive of the original Anglin who came to these shores?

We have to recognise that out of pure human decency there are many people in this country who deserve and should be granted security of tenure. There is a whole range of difference in terms of people's opinion as to what criteria should be used to determine that, whether it is residency (should it be five years, ten years, fifteen years, twenty years, or one hundred years?), when there is more subjective criteria like one's profession. Should it be doctors, teachers, or preachers? Madam Speaker, we are not going to be able to create any form of consensus as to what those people are who should be granted security of tenure.

I believe that the Cabinet with all its Members, five elected Ministers and three Official Members of

Government (all of whom I know love this country as much as I love it) . . . I am convinced that in the great majority of cases, when revealed, the majority of the people will be people whom the majority of us, who are reasonable, are going to look at and say *'yes, this is a deserving person who has been granted Caymanian status.'* You cannot have 100 per cent agreement because there will be some people who do not like this one because of this reason and they do not like that one because of that reason. Again, like I said, when people see it they are going to see ten that they really like; they are going to see ten that they do not like; and they are going to have ten more in mind who should have gotten because they were better than all of them who had gotten, and that is irrespective of the time period here.

Madam Speaker, we have all (and I know that the Opposition is the same) been inundated with calls from Caymanians—not foreigners—who want this one and that one to get status. It has been across the board, not just people who are saying that they are professionals or people who want common labourers; it has been across the board and it has come across the board in terms of the Caymanian society. You find people who believe people deserve to have status, not just because they have been here ten years. The truth is there are some people who have been here for a lot less period of time than ten years who have contributed more than people who have been here for more than thirty years. That is how life is!

Madam Speaker, I think the majority of Caymanians do look at the situation and agree that there is one category which needs to be dealt with, and that is the long-term resident. That is, persons who have been here over X number of years. Again, in general terms I would have to say from what I have heard over the last few months on this issue, the majority of Caymanians who I have spoken to seem to revert back to the Law and look at ten years as what they consider long term. That is not surprising, because if we had a law that said ten years was the criteria to achieve before one could apply for residency, then that must have been somehow related and correlated to the general feel of people in the society in terms of what they consider long term.

The Speaker: Second Elected Member for West Bay it is now 8 o'clock is this an appropriate time for a night break?

Mr. Rolston M. Anglin: Madam Speaker, I am hearing everyone saying 'yes', so, yes.

Proceedings suspended at 8.00 pm

Proceedings resumed at 8.34 pm

The Speaker: Please be seated. Proceedings are resumed.

Continuing his debate, the Second Elected Member for West Bay with one hour and seventeen minutes remaining.

Mr. Rolston Anglin: Thank you very much, Madam Speaker.

I only have a few other quick points to make and I would not think of keeping the House nearly so long as another hour plus.

I see the issue before us as one that I believe, we, as Caymanians, are going to be able to utilise. Quite frankly with the number of people who have been in our country for so long we are going to have to utilise, because I believe that most fair-minded people in our community do agree that there are people who deserve the ability to be fully integrated into the social, political, and economic life of our country. As I said, that not only goes for those who have been here for a very long period of time, but I also believe that there are special types of people who we will want to purposely keep around in our community because of the special traits and skills, whatever it may be, that those people offer; for example, doctors.

A lot of people feel very strongly about their family doctor, and the doctor who they go to when they become ill. There are a lot of people who want that type of person to be permanent in the community. There are a lot of people who feel that way about teachers and pastors in their particular church.

I would like to offer Members and the listening public a quick perspective of the genesis of the new legislation which the Honourable Leader of Government Business spoke about, which is being readied for presentation to the Legislative Assembly in this sitting.

Madam Speaker, the Second Elected Member for George Town questioned why it has taken so long for Government to have a bill before the House. I have double-checked that. The first report of the Immigration Review Team was submitted on 18 December 2001; the second report was submitted on 11 September 2002; the third and final report is currently being finalised, but that report deals more with administration of entry and landing. So, the principle components of the new immigration regime are contained in those first two reports.

I cannot say why it has taken since last September to get to this position now where we actually have something drafted and before us. What I can say is that I asked the former Attorney General on more than one occasion what the status of that particular piece of legislation was. As a Member of that team, quite frankly I was very disappointed that it was taking (in my opinion) so long to have the legislation drafted and to be in a position to have the Chairman of the Immigration Review Team meet and go over the actual draft legislation. I cannot say that I was ever given a clear reason as to why that was the case.

The point was raised earlier in the debate by the Second Elected Member for George Town . . . and I just wanted to make it clear for the country to understand that nobody on the political end has been dragging their feet and keeping this away. I think it is fair to say that all of us—not only Government, but the Opposition as well—want to get this legislation here as quickly as possible. In speaking to the leader of the Immigration Review Team (it was not this past weekend but the weekend before) Friday (which I think would have been 12 September of this year) would have been the first time that she saw an actual draft of the proposed Bill. So, Madam Speaker, she did not see a first draft until twelve months later and they have worked diligently to get it in shape. My understanding is, as the Leader of Government Business has pointed out, it is going to be tabled in this sitting of the House.

That legislation is going to be as any piece of Immigration legislation is going to be. That Legislation is not going to be a piece of legislation, in my opinion, that is going to get this Government or the Opposition any great political mileage because it is immigration and, in my opinion, you do not win with immigration. It is all about doing what you believe is right and just, and the best thing that you can possibly do for the country.

So, there are going to be people who are going to be upset, I am convinced of that. And there are going to be those who will like what they see. That is the case with a lot of pieces of legislation but, Madam Speaker, I truly believe it is going to be more so with immigration just because of the nature of the beast.

I do believe, that in looking at this Motion before us and in looking at the history of the problem, my honest and true opinion is, it is a national embarrassment. Immigration has been allowed to become an absolute national embarrassment. We are going to have those who will say, *'well it should have been dealt with this way',* and you are going to have those who will say *'no it should have been dealt with that way'.* However, I do not care which way it is dealt with. I do not care who granted these statuses because at the end of the day you are going to have Caymanians who are upset.

A lot of people have been led to believe that we had immigration solved; we had a moratorium on the grant of status and that was it. That is all that we had to do and we were going to be able to keep the Caymanian population as an exclusive type population that was growing from within. There were some marriages into the community and some grants of statuses using that route, but for the most part no statuses were granted on the grounds of residency and naturalisation, and we were okay—just keep the moratorium in place.

Irrespective of how the clean-up exercise started it was going to be many people in the public who were going to be upset, and I will repeat it again: I am still convinced that when the average person sees it he is going to see ten people he agrees with, ten people he disagrees with, that should not have gotten it, and then he is going to think of ten others that he thinks should have gotten it above everybody else.

I would also like to reiterate some of the things that the Leader of Government Business said because I think some of those points may have potentially been missed.

When we speak to special circumstances he not only pointed out that people were granted status based on the category type of employment that the person had (that is, doctors, teachers and preachers), but also certain other categories were looked at. These categories were persons who have Caymanian connections; persons who were married to Caymanians and, yes, you have people who will say, *'wrong way, it should not have been done way, it should have been given to the Board, it should have been given to this one and that one to solve'.* At the end of the day we needed to start down this road of cleaning up this national embarrassment and getting the stage set for a new immigration regime in this country and to be able to incorporate some people into the community.

Madam Speaker, I believe that there is going to be a new wave of opportunity in this country. This is going to make the Cayman Islands stronger. It is easy to spread fear when it comes to the grant of status, but I know that there are a lot of people who have been here a very long time and were granted status. A lot of those people are either retired or very close to being retired.

So, again, people continually look at this and say that is a job that a Caymanian could have taken up, but it is now being given away to a foreigner. That is not entirely the case. Like I said, a lot of these people have been here a long period of time and by default that means that they are getting up in age and close to retirement and a lot of these people take up professions that Caymanians will not do. It is as the Leader of Government Business pointed out about the cleaners and the persons who take care of old people and that sort of thing. Look at preachers—I do not see a lot of Caymanians pushing their sons and daughters to become preachers. I know that there are quite a few preachers who got status. There are quite a few teachers who have gotten status also, so I really believe that this situation is being painted that this is doom and gloom; this is it for Caymanians; this is going to totally displace thousands and thousands of Caymanians and be so negative an impact on the community. At the end of the day we need to build a strong society and continue to build a strong society.

History finds us where we are with a lot of talented people within our midst, some of whom have been here for longer periods than others. They are here amongst us and I am convinced that in the great majority of instances they are good, hard working hon-

est people. As I said, it is going to surprise us how many of them we think are Caymanians anyway.

When it comes to this magical ten year cut-off, I am not going to get too excited about that because from the people who called me, for example two persons who called me—one was here for just under ten years and one was here for slightly over seven years—both of those people have connections from both sides of their parents; their grandparents were all full-blooded born Caymanians and they have now returned to the Cayman Islands.

So, it is my humble submission that as we go about trying to build up our community and build our society, when we can find people who have close Caymanian blood, those are the people we need to embrace because they are people that are very close to us. Yes, they moved away and their parents moved away, but whose parents did not move away? Some people just happen to come home a little earlier than others because I think 90 per cent of us had at least a father who went to sea and went somewhere else. Some just happened to settle somewhere for a little longer than others and now some of those children are coming home. I would say that all of us should do whatever we can to be able to get Caymanians who are living abroad to come back home because we need to build our society.

If we believe that this economic miracle we have in Cayman is something that can be sustained with such small numbers, we are going to find that is not the case. As life continues on and we are now off that high, that is probably one in every twenty years, we are going to find that we need a base population that supports good economic activity.

Madam Speaker, I believe, and I think most of us in this Chamber (in fact I would say all of us) believe that at the end of the day immigration has become a national embarrassment to this country but it is no sense dwelling on that. We now have to dwell on the way forward and correcting the problem. I think it is very important that we also have at this time, a piece of legislation that is going to be coming before us which is going to help address and try to ensure that this problem does not get to this type of situation again in the future.

I would like to say that whilst there is some excitement out there in the community, I knew that this would happen even if we had not granted status and just brought the new legislation. As the Second Elected Member for George Town knows, there are transitional provisions in that legislation, so any way you slice it or dice it there is going to be a furore because we were touching immigration. However, this problem has to be put to bed and put behind us.

Madam Speaker, I cannot support this censure Motion, but I am glad for the opportunity to speak a few brief words on the immigration issue, and I look forward to us moving forward as a country. We have to move forward as a country. All persons who are Caymanian as of this day and who hear our debate need to understand that we must continue to be competitive in this world; that we must continue to work hard and make wherever it is that we reach in life be as a result of the effort that we put in. We must build this country forward.

All of us either have children or grandchildren. There are quite a few of us on this side who are relatively young and have very young families and we are not here to support anything that we believe is going to cause them to look at us and say, *'you did us an injustice'.* I do not believe that is what has happened.

We must move on and build. We are a new generation in Cayman. As they said, there were iron men who sailed wooden ships. We must now be strong, determined people who are going to continue to build a strong community. A lot of us are going to be surprised how quickly people integrate in the community and become what all of us call "Caymanian." As I said earlier, I do not have to look too far back to be able to find the genesis of "Anglin" in the Cayman Islands, and I do not believe as you search my family that you are going to find anyone that is more nationalistic and cares, and loves this country more than us. I am but a fifth generation.

I thank you, Madam Speaker.

The Speaker: Thank you. Does any other Member wish to speak? Does any other Member wish to speak? Final call, does any other Member wish to speak?

The Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker.

I take note that the Second Elected Member for West Bay brought the podium over for me. Starting on what he finished with about building our country (so true). You have to build it. But, certainly, it has to be done in a manner that is in keeping with what we as Caymanians are use to.

Madam Speaker, obviously I rise to make my contributions to this Motion which I have seconded, therefore I rise in support of this Motion.

I, like many Caymanians, am concerned as to why the Government went about issuing status in the manner in which they did. Please allow me to explain what I mean.

Two years ago (in 2001) on the brink of a judicial review, this country was faced with one of two things—getting a judicial review against it on immigration or lifting the moratorium on Caymanian status. The Cabinet (or Executive Council at the time) made the decision to lift it quickly. I believe there were 200 to 300 persons who would receive status if it was applied retroactively or the quota was set at that to ensure that those who were entitled (the twelve per year) would have applied for the past eleven years or thereabouts and more were added on.

When that quota was set in late 2001, early 2002, many deserving people applied to become Caymanians. I would bet anyone that all of those applicants (those 200 to 300 grants) had tenure for over ten years because the Law requires it. They respected the Laws of this country so much so that those who were below ten years of tenure did not even bother to apply.

While I understand the Immigration Law and the provisions of 20(d) I see no reason why the Cabinet had any reason to go in and grant people statuses that were below ten years. I am going to show why. Madam Speaker, just so it is not misunderstood, I hear many of the Ministers (and at least one of the supporting Backbench) talk about not liking this one or that one. And I am going to return to that in a bit. However, there is no reason whatsoever to grant status to people who have been here less than ten years.

The Honourable Minister for Health in his debate outlined the amount of persons in this country over and above ten years. He said 11 to 15 years there were 4,802 people in this country; 16 to 20 years – 920; 21 to 25 years – 455; 26 to 30 years – 135; 31 to 40 years – 59; and 40 plus years – 3. That is over 6,000 people who have, according to the Law, qualified to apply for Caymanian status. It does not mean that they can get it, but they can apply.

The Government is yet to explain (other than special reasons or circumstances) why status in what they call "special dispensation" has been given to people who have been here under 10 years. Madam Speaker, in 6,000 there is much room. They gave 2,000 (or thereabouts) and over 6,300 are over 11 years in this country. I am not against granting Caymanian status to people who have spent their time in this country.

Let me look at my life first and foremost. I have travelled as much (and in most instances more) than many Members of this Honourable House. I have been to more countries than many of them will ever live to go to. It has always been as a visitor. I also spent almost ten years abroad as a seaman and I started from the bottom too as a galley man and rose to an engineer position. Madam Speaker, not once during my travels did I ever expect as a visitor to receive citizenship in any country.

When the Government talks about what the Opposition is purporting to be facts in here, let me just make it clear that it is what the people of this country have told us. I can make this promise to the Government—especially the Leader of Government Business and the Minister of Health—when they get up in here and talk about leaks in the civil service they had better be thankful for the civil service. If I had gotten the list the Minister of Government Business would not have the chance to publish it, I would have published it a long time ago! I would have put it in the media and paid full page! There is something sinister about not producing this list.

The Speaker: Is that your opinion, Member for East End?

Mr. V. Arden McLean: Yes, Madam Speaker.

Any time the Government is ready to ask me to call names they can get up on their feet. There are people in this country given status who only came here as visitors in this recent dispensation.

Madam Speaker, it is my understanding that a women went to the Immigration Department some time in August (I do not know the exact date) to apply for an extension on to a visitor's permit and the staff for whatever reason refused it. It is my understanding that the woman went on so ridiculous, so much so, that the Police were summoned to have her removed from the premises. Her parting blow was (I am giving it as I got it) that she was going to pray and fast on the Cayman Islands for forty days and forty nights. One week later she went back to the Immigration Department to have her passport stamped with Caymanian status. Madam Speaker, that is not good!

Point of Order

Hon. W. McKeeva Bush: Madam Speaker.

The Speaker: Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Madam Speaker, the Member is making some allegation that I believe he needs to put the proof to this House. He needs to tell us who this person is; he needs to substantiate what he is saying. There are too many of these things that are being done and they cannot substantiate it. If they can, then we need to know.

[Interjections]

The Speaker: Order!

Member for East End as you stated it as a matter of fact, I would ask if you are in possession of the supporting documentation of this circumstantial evidence you would so lay at the appropriate time. If not please qualify it as your opinion.

Mr. V. Arden McLean: Madam Speaker, with all due respect, I prefaced what I was saying about this particular case with what I have, which is not fact, it is hearing from people. If I had a fact, such as a list, I would have disclosed it. It is what I heard and it did not come out of the civil service either.

Point of Order

Hon. W. McKeeva Bush: Madam Speaker, on a point of order!

Mr. V. Arden McLean: Madam Speaker, maybe the Leader of Government Business needs to sit down until I am finished.

The Speaker: Members, Members, order!

Mr. V. Arden McLean: Well, I am not sitting until he sits down. He needs to sit down until I am finished.

Hon. W. McKeeva Bush: Madam Speaker, I am rising on a point of order.

The Speaker: If it is point of order then the Member has to sit. If it is elucidation the Member has a right to give way.

Mr. V. Arden McLean: Madam Speaker, I am trying to explain to you what you asked me to explain.

Hon. W. McKeeva Bush: Madam Speaker, can I address the Chair?

The Speaker: Both Members please sit for a minute.

The Member for East End is in the mode of explanation. In the process of that it is obvious that the Leader of Government Business has a point of order. If it is a point order I will hear the point of order and if it is elucidation then I will rule at that time. Leader of Government Business please proceed.

Hon. W. McKeeva Bush: If the Member is addressing your request then I will sit and wait until that is completed. If he is not going to answer then my point of order is he has misled this Honourable House and he needs to provide the information. He needs to substantiate his allegation.

The Speaker: Member for East End, what I was trying to convey to you earlier on is that if you were in a position to substantiate it then you need to lay those documents (if it is in an expressed form) on the Table for the record of the House. If your assertion is that you received, what I should term as hearsay evidence, the fact that you have come to a conclusion that it is relevant or significant enough to repeat in these hallowed chambers, then I think there is a rebuttal presumption that you too have concurred with what you have heard. If that is the case then you have to equate it to your opinion, otherwise you would have to back it up, as a request of other Members, with sufficient evidence. So, please proceed.

Mr. V. Arden McLean: Madam Speaker, I made the Leader of Government Business a promise that before this debate was over we would get some more names and he would have to do some more research. I am going to give him the name that I heard and he can go tonight and get another statement and bring that back too. The name that I got was Lovell Fay Reid, or Marriott (maiden name, Reid; or Marriott as the married name). Now I would like to know the special reason for giving this individual Caymanian status? Is the special reason because she lives in West Bay or something? I do not know.

Hon. W. McKeeva Bush: Madam Speaker.

The Speaker: Yes Honourable Leader.

Point of Order

Hon. W. McKeeva Bush: On a point of order. This Member is not going to stand up here and make these kinds of accusations about people living in West Bay. If they think that they are going to get away with this then they are making a big mistake. They have already told a number of lies that they cannot substantiate and his mentioning West Bay is imputing improper motives here.

[Inaudible interjections]

Hon. W. McKeeva Bush: How can he? If he says that this is such a dirty move, then what would that be?

The Speaker: Members please pass comments through the Chair.

Member for East End, I have been listening extremely carefully. It is obvious that you have received information from a number of sources; I have come to that conclusion. I would take it, being the Honourable Member you are, that one of the questions you would have been interested in, following the line of debate from yourself and your colleagues, would be from whence the person came. If you are in a position to say that then I would ask you to cease from passing innuendos but to be specific as to the district if you are in the possession of that information.

Mr. V. Arden McLean: Madam Speaker, I do not know where this person lives. I merely asked if it is West Bay, George Town, where is it?

Is that the special circumstance? I do not know.

The Speaker: Order!

Are you saying, Member for East End, that when you posed the question—is she or he from West Bay—that it was in the singular but it was intended to mean the plural encompassing any of the six districts?

Mr. V. Arden McLean: Yes, Madam Speaker, I do not know where the person lives, I just asked a question.

The Speaker: Please proceed then.

Mr. V. Arden McLean: Thank you, Madam Speaker.

I would like to clear up all of these one time and be done so that we can get the points of order.

We hear of the Government ensuring that my good friend the Second Elected Member for George Town is embarrassed because of what has transpired when he called some names (they know he cannot reply).

There is the situation where a gentleman by the name of Albert Chin was called in here as having received Cayman status. Now I did not solicit any information on this gentleman; I was called by one of the young professionals that this man had a negative impact on in the workplace, so much so, that this young Caymanian—up and coming brilliant young man—had to leave the workplace because of this individual. This young professional Caymanian in all rights wrote a letter to the Immigration Board complaining about the anti-Caymanian way this man conducted himself. (Oh, I was just waiting for the point of order).

Madam Speaker, it is probably other Caymanians who have written in against this man. What are we telling these Caymanians? That their opposition to someone in their country is not valid? Is that what we are telling them when we turn around and give these individuals Caymanian status? I heard that in here too. Let me make sure I attribute it to the right person so I beg your indulgence for one minute here. However, I do believe . . . and if I am wrong I will withdraw that, but I do believe it was the Minister of Community Affairs (he seems to have gone too, he needs to come back) who said that Caymanians like writing to the Board in secret and the person does not have the opportunity to reply, but this is how those persons are replying now, saying: *'the UDP Government is really fixing those young Caymanians who wrote'.* That is what is going on in our country.

I want to make it straight and if I did not do so before I will now. I am not against people coming to my country and living, behaving themselves and becoming one of us. That is fine by me, Madam Speaker. They must stop talking about Jamaicans because not too many of them in here can claim that they have a Jamaican girlfriend—I can! She is a good and pretty woman too, and she is not white either. This race card that they come up with, we are coming to that. (Yeah like you).

The Speaker: Order!

Mr. V. Arden McLean: They must stop this! The country cannot afford this. The same young professionals that the UDP claim they are attracting into their ranks, they are talking through both sides of their mouths. I am going to borrow one of the phrases from the Minister of Education when he told us that our 'hypocrisy reeks of cheap perfume'; that is what is happening with the UDP. They must stop talking out of both sides of their mouths—especially the Leader of Government Business.

The Minister for Communications spits the green on one side and the yellow the other side. Then they talk about how they are so patriotic to their country, like no one else is, and the Opposition must say nothing. What is wrong with me? Am I not patriotic too, Madam Speaker?

I am too!

It is my right to say what I want with respect, in my country. The Leader of Government Business (as big as he is) will never stop me! He has no right to stop me, and while he is up I respect him, while I am up I expect likewise. Simple.

He talks about telling the truth, if the truth was knocking him down he would not know it.

The Speaker: Order Members.

Hon. W. McKeeva Bush: Madam Speaker.

The Speaker: Yes, Honourable Leader.

Point of Order

Hon. W. McKeeva Bush: I rise to challenge that statement in this debate, and there is a standing order that deals with it. I want it dealt with because I am tired of them making wild allegations without anything to substantiate it. If he finds anything that I said in this debate is a lie, then prove it.

You have the standing order, Madam Speaker, there is one that deals with it—I challenge it.

The Speaker: Member for East End, Standing Order 35(3) says that it is out of order to use offensive or insulting language about other Members. Let us endeavour, as far as possible, to be as civil in these debates. I would ask you to withdraw the section which you referred to about the Leader seeing the truth and not knowing it, and continue with your debate thereafter.

Mr. V. Arden McLean: Madam Speaker, I will bow to your ruling and withdraw whatever offended the Minister. However, I trust that when I call and say that the UDP is full of lies like the Minister did on a number of occasions in his debate, that nothing will be brought up.

The Speaker: Thank you Member for East End. Please proceed.

Mr. V. Arden McLean: Madam Speaker, the Leader of Government Business went to this country and told the country that he was going to make a statement in this Honourable House when it opened on the 17th. Now, Madam Speaker—

Point of Order

Hon. W. McKeeva Bush: On a point of order, Madam Speaker.

The Speaker: Please state your order.

Hon. W. McKeeva Bush: Madam Speaker, the Member is misleading the House. I never said that I was going to make it on the 17th. I said that I would make a statement during the course of the coming meeting of the Honourable House, which began on the 17th. I never stated that, and I say today that it is either going to be Wednesday or Thursday.

Mr. V. Arden McLean: Thank you, Madam Speaker.

The Minister is jumping up and would not let me finish. I was going on to say that I did not know whether that meant the day of the 17th or it meant during this sitting. He jumped up and now you are faced with making a decision, Madam Speaker.

The Speaker: Honourable Member for East End the decision is quite easy to make. You qualified what you were about to say so I take it that you are not in fact saying that the Leader of Government specifically said that it would be on the 17th. That being the case I would ask you to continue and be very specific when you make these innuendoes or allegations, especially at this time of the night.

Mr. V. Arden McLean: Yes, Madam Speaker, I know we are all tired, but we are going to be here a little longer unless the Leader of Government Business decides that we adjourn.

Madam Speaker, I am saying that if the UDP Government really and honestly wanted to do something and give this country the true facts on who was given Caymanian status, the Minister would have come here on the 17th and would have told the people of this country. He would have given us the list—the un-doctored list—the initial list from Cabinet giving all the names of the people who were given Caymanian status.

The Speaker: Member for East End, one minute, please. Are you indicating that there are a doctored list and an un-doctored list?

Mr. V. Arden McLean: No, Madam Speaker.

The Speaker: I am just seeking clarification. Please continue.

Mr. V. Arden McLean: Madam Speaker, knowing the Minister, anytime there is anything that he believes he has done good for this country he comes out flying with it, and rightly so, that is up to him. But that is the way he operates. What is so wrong with this list?

I have nothing against the granting of Cayman status to people who have been here a long time—so much so that I would venture to say that in my short adult life (not as short as the Second Elected Member for West Bay, but, nevertheless) I would venture to say that I have written dozens of recommendations for people. In most instances the people did not even ask me to do it.

Most recently I saw an advertisement in the *Caymanian Compass* about a nice quiet gentleman who I know from Nicaragua—not any bosom friend of mine. I know this man came here many years ago and he was the one who was instrumental in getting softball and baseball started in this country. That man was Mr. Garson Henriquez. I took it upon myself to use the people's letterhead, which represents my office, and write a recommendation for this man and went and delivered it to him. He was not even on the Island when I went there—he did not ask me.

I have very good friends, people I know on the reverse side of that, Madam Speaker. There is a gentleman in East End, who we all know, Mr. Dick (Richard) Christiansen. I have known this gentleman 20 years. When this gentleman was applying for Caymanian status in early 2001 (I think it was in April), on looking through the paper that morning I saw his picture and I picked up the phone and called him and said, *'you would not even tell me you were applying for Caymanian status'*, and he said that he had intended telling me but he did not remember. I wrote a recommendation for that gentleman addressed to the Secretary of the Immigration Board.

Madam Speaker, I have no regrets for anything I do. If I do, then I will apologise, but in those circumstances I have none. So, when the Government, especially the Ministers, come into this Honourable House and start talking about how people do not like Jamaicans because of the colour of their skin . . . no Madam Speaker, we need to get away from that in this country. That has never been an issue in this country, or if it has been it has been kept in secret.

We remember in the 1950s and 1960s when the black power thing came about and we remember all too well who the proponents of that were. But they got shot down '*quick o'clock'*. Now it appears like this ugly thing is now raising its head again, unfortunately.

As leaders of this country I implore everyone to stop it. The Government is saying that we are polarising the community with getting out there and talking about how Caymanian status has been granted. I submit that worse than that has been done in this Honourable Chamber over the last week. We will polarise this society when we start talking about black and white and classes. That is what will polarise this community!

Madam Speaker, there are so many things that these people will talk about. You know who tried polarising this community? I am sure the country will remember when the Honourable Leader of Govern-

ment Business years ago talked about 'cluttering up the infrastructure with foreigners'. Are they not the same foreigners now that they were then? That is polarising the community, but, obviously, he has changed his mind so that is fine as long as he respects that other people will have a position at some stage in their life also.

Madam Speaker, it would have been easier for the Government to support their position to come to this Honourable House and ask us, the Opposition, to assist them with suspending the section of the Law which prevented those people from reapplying. It would have been much easier. Section 23(6) [is] where the Board ordered that those who had applied in 2001 could not reapply for two years. I would have supported that.

Cabinet has no business in this wholesale grant of status in our country. Give it to the Board and let it do its job. Give the Board the quota. If they had come with 1,000 for the quota I would not have had a problem, but it had to be ten years and above.

Madam Speaker, all of those people who applied in 2001 and 2002, only 200 or 300 were granted status. Many qualified, but the Immigration Board only had a certain amount. Why is it that Cabinet could not go to the Immigration Department and the Board, and look at those who were left and start at the top? We are going to give visitors and we are going to give people here less than two years, and I think that the Second Elected Member for West Bay said in some circumstances, people who have been here less than the ten years have contributed more. I totally agree with him, but that does not mean that they have to be given Caymanian status.

Many people come to our country. When I was a marine engineer, we were allowed to send home only 75 to 80 per cent of our basic salary. The rest we had to retain on the ship, including overtime as well; we could not send it home. If it was left to me I would have sent all of it home for my mother to save for me. I am sure there are people in this country who think the same way now. They are sending it back to their country, and there is nothing wrong with that but that is an indication, like it was an indication from me, that they do not want to stay. Nevertheless, the Government is going '*eenie meenie miney mo'* and giving somebody status. The whole process has been cheapened.

I really feel sorry for some people because there are some who have been here over ten years and got this status and some who did not get but have also been here for over ten years. Because those people have stayed, worked and tried to integrate with us and have done everything possible. In the service clubs they have done this and that, and in most instances they want to live here. Now all of a sudden we are giving people who come in here on a visitor's permit and people who have not assisted young professionals to train, the same people who demoralise our young professionals and do not even live on the Island now. No one can tell me that it is right!

The Government has come up with a feeble excuse for doing it. Who are they talking to? One of them said that this was done with consultation. I would like to know who they consulted with. I am sure that it was not the Executive body. The Minister for Education had wide consultation on it. I am sure that they did not get full approval from their full Executive body of the UDP.

Madam Speaker, I know that there are Members of the UDP who have never supported this type of wholesale granting of status. I do not know what made them change their minds to now give Cabinet approval to do it. I would have to hear from their mouths that they have changed their minds, because people like Mr. Ezzard Miller (from the time he was a Minister, before that, and since then) and I have argued on this left, right, centre, up and down. I have never won him over and he has never won me over. He has always believed that Caymanian status should be reserved for spouses of Caymanian and those who are descendents of Caymanians. He has always believed that we owe nothing to anyone. They get a work permit for one or two years and that is it. I have argued with him that we have allowed those people to stay here. We have a responsibility to them whether it is a one year permit or whatever, we could have said at any time you have to go. That is our responsibility.

So, I do not know who they consulted, but I know that it would have to change his mind big time to approve it. It would be interesting (when this vote is taken) if the Minister of Education and the Minister of Health were here to see where they go.

In 2001, the Minister of Education in his contribution on the Throne Speech and Budget Address (on 12 April 2001) said . . . and with your permission, Madam Speaker, I would read two sections of the [2001] *Official Hansard Report,* page 439

The Speaker: Please proceed.

Mr. V. Arden McLean: Thank you, Madam Speaker. He says: "**I noted yesterday that, conspicuous by its absence, was a corpus of people whom I read about so often in the papers who cry out for citizenship. They want to belong, yet their absence was noticeable. It speaks with a loud and obscene call.**

"I want to ask them if they think they can get Caymanian citizenship without earning it. However, it is not their problem—it is a native thing, or maybe even a "black" thing. That was in reference to the Thousand Man March that was held here in Cayman.

The Minister of Education went on to say, "**You cannot be a Caymanian unless you know what deprivation means; unless you know what destitution means; unless you can identify with these**

mothers who have five children sometimes and no source of steady male support. You cannot understand what it means for a young man 13 or 14 years old to never have seen his father, except when he comes to slap him up and tell him, *"Boy, you ain't no good ."*

"Yesterday I changed my mind. I will not be so liberal in granting them citizenship.

"No, Mr. Speaker! If you are just talking the talk and not walking the walk, we do not want you. If you are not part of the solution, then you must be part of the problem and we do not need anymore problems."

That was said by the Minister of Education on 12 April 2001.

He went on to say (and this one is classic): **"At the heart of our society is a crisis. I am not anti-anyone. I am just pro-Caymanian. We had a history of solving our problems before. If push comes to shove, we can solve them again. I still say that we can build an ideal society, but we do not want people who are only coming to milk the cow after she is tied up and who do not want to get all sweaty running her down."**

How quickly can we change?

I noted that in his debate he was not here with the resolve that he usually has in his debate. He was shooting some bullets across the bow. Madam Speaker, any right-thinking person, like the Minister of Education, would condemn the actions of Government.

Many people deserving were given status and there may be some of those under ten years who were given status that are as deserving. One position that I have always taken, is that no Governor, Attorney General, Judge or none of those. They get paid! I took that position a long time ago, Madam Speaker, and especially that former one that we had here. I hope the UDP administration and Government is not giving him anything other than persona non grata (talk about Alden representing anybody).

The Speaker: Members, Members order!

Mr. V. Arden McLean: Madam Speaker, when the moratorium was put on status was it not Cabinet? The Honourable McKeeva Bush, the current Leader of Government Business–

The Speaker: Member for East End, do try your best at this hour to refer to the Members properly.

Mr. V. Arden McLean: Thank you, Madam Speaker, I do apologise for that, I am not disrespectful, it is just that sometimes it slips out. I do apologise.

[Laughter]

Mr. V. Arden McLean: Madam Speaker, when you are enraged about these things it really gets to you. Because these five Honourable Ministers—Members of Cabinet—can come to this Honourable House and come up with some feeble reason why they are giving these people status who are undeserving.

It is not fair to the other Caymanians and the other long-term residents of this country. I hear that too, the same way the Second Elected Member for West Bay and the Second Elected Member for Cayman Brac and Little Cayman say that they have had calls from people who want status and those who have been given status.

Let us take a look at teachers. I have always believed and supported the position that teachers must have longevity in our society, so I do not have a problem with it. The same teachers who taught me should now be teaching my children. Hopefully that is the way it will work in our country because the teacher already knows me and she or he knows how to deal with my children. Unfortunately we roll them over like we roll turtles on the beach and they just go, and there is no continuity in our country. So, when the Second Elected Member for Cayman Brac speaks about teachers being granted status who have been here for long periods of time . . . Madam Speaker, I do not have a problem with it. It is the manner in which this has been done and if they wanted to give those long-term residents then do it in a different manner; get away from this under ten years. People who have been here under 14 months!

I would like to know what someone has contributed to this country in 14 months. You cannot even settle into your job in 14 months much less contribute.

The Speaker: Is that your opinion as well?

Mr. V. Arden McLean: Yes, Madam Speaker.

We know that when changing a job it takes a long time to really settle in on your job. I am not trying to pick on any one individual; it is a general statement. It is difficult.

I would like to know what these people have contributed. I understand that they are giving status for writing legislation and supporting liberalisation and begin there as a lawyer and all of that kind of stuff. That is the job; that is what you are being paid for. Is that some special reason?

I know of a lady (I guess we will see if this one is on the list too) whom I spoke to and who worked at the hospital. This is a lady who I respect professionally. I do not have any real friendship with this woman, but professionally I respect her. I had an appointment with this lady and when I called to confirm my appointment somebody else was in her position. Of course, when I went there I was told that the lady does not work there anymore. That is fine by me, maybe she is somewhere in the hospital. I went to my appointment and it was not mentioned because it was

not my business. A few weeks later I saw this lady at the hospital so naturally I thought she was somewhere else in the hospital. She and I got into a conversation and she told me that she had received her status on 24 July 2003 and got fired on 6 August 2003.

I do not know what we are doing; she has been here 18 months. Where is the country going to? What are we doing? I love my country too and I want to see it succeed. That is why I am here, not because I expect to get something out of it. I suspect that is why all of us are here—we want to make a contribution to our country.

Madam Speaker, the UDP Government is not doing this country any favours. The Leader of Government Business can get up here and spout off his mouth about how much he has done for this country, as much as he wants to. Then the Minister for Communications said that they should be applauded, commended. Commended for what? For giving people status who are here on a visitor's permit?

I may not have done much for my country but I have done it with the best information I have available to me and I did it without any reservation and thinking about getting anything back. I have never tried to hold anybody for ransom. I have never made people feel like they were obligated to me. I do not know what the Leader of Government Business was doing at the church hall last Sunday when he brought it up in church but that was not a good place to bring it up (about the deafening silence from the church).

The Speaker: Order!

Mr. V. Arden McLean: Madam Speaker, no one is supposed to say anything about the Government—well they have a surprise coming because I am going to say. They had their say and they said that the Government will have its way, so the Opposition must have its say. They are not going to have mine, and I have two hours.

I want to briefly touch on something that the Second Elected Member for West Bay briefly touched on. I really appreciated his debate. He briefly touched on Caymanians being accommodating. Now, Madam Speaker, anyone who says Caymanians are not accommodating is not telling the truth. What I would like is for everyone to compare us to any country in the western hemisphere, or anywhere else for that matter. We have been more accommodating to outsiders than most countries and we are not that selective either—94 nationalities in this country.

The Leader of Government Business talked about the great America. We are no different; we are much smaller than the great America and we cannot accommodate as much as the great America. We speak of 94 nationalities and then we have over 6000 above 11 years. Our voting list last election was approximately 11,500—it was not 12,000 so I can afford to say those people who are over and above 11 years and qualify to apply for Caymanian status are more than 50 per cent of the voting population in this country. Now, Madam Speaker, America has close to 300 million Americans. Why do we not take 150 million immigrants and drop them in America? Then we will see what happens. You talk about the Civil War in America? It will be plenty civil war; that one would last forever.

Madam Speaker, Caymanians do not get out there and create problems among the foreigners. You may hear a few people talking here and there. All of a sudden the UDP Government's actions have caused these animosities to rise to the surface. I know I do not expect the five Government Ministers to censure themselves (it looks like they are deserted now), but you have the Official Members who can abstain and the four Backbench supporters. I know at least two have decided they are not voting for it. There are two left and we will hear what they have to say.

The Speaker: You have 1 hour and 8 minutes remaining.

Mr. V. Arden McLean: As I was saying about Caymanians being accommodating—I hear people talk about Caymanians not wanting them to live amongst them. I think they need to really look at how accommodating we are and look at it in those terms. You do not see us sending people back at the airport unless they have some criminal record, or whatever the case may be. We do not get into situations like America where their Coast Guard and Air Force are sent out to stop Haitians from coming there, and this is America that can accommodate these people. These people have to understand that this country cannot accommodate everyone. Cayman is not for everyone and we have to be selective in whom we allow to stay here. While I do not have a problem with people staying here, we have to be selective.

We cannot just bring any and every body into our country and if I cannot decide who comes into my country then it is no use of me being here. We cannot just indiscriminately allow everybody to come in, even people on visitor's permits—I think the Government needs to check that one. Then we see people who have been here for short periods of time. We question how these people are given Caymanian status; we hear and we question, while we do not have the list which Government is yet to give to the people of this country.

Point of Order

Hon. W. McKeeva Bush: Madam Speaker, I think there is a standing order which deals with repetition. The Member has traversed this ground over and over and it is very tedious; it is repetitious.

The Speaker: Member for East End I am sure that you are well aware of standing order 36 and I think that it is clear to all and sundry that you are desperately requiring a list, so if you would refrain from repeating that I think you can continue on and help expedite the process because it is abundantly clear that you would like to see a list.

Mr. V. Arden McLean: So, Madam Speaker, am I to understand that I cannot mention the list if I am referring to another thing that will come as a result of the list being made available?

The Speaker: No, Member for East End. I am not saying that. I am referring to where you keep requesting a list and I think that all Members that are here– certainly a majority from the Government who would be responsible to supplying the list—it is certainly clear to the Chair that you are requesting a list and that is what I am specifically referring to. There is no need to continue requesting the same list unless there is more than one list. That is all I am saying.

Mr. V. Arden McLean: Madam Speaker, I did not think that it was repetitious because I was going on to deal with another thing, but nevertheless.

The main reason why I am seconding this Motion brought to this Honourable House is to stop a runaway train that the Government is on, and to stop them and other Governments forever from this abuse of the power afforded them under 20(d) of the Law.

Madam Speaker, no one, not even in the Government, can say that the granting of some 2000 Caymanian statuses under that particular section of the Law is right. I am sure the architects of this Law did not intend for EXCO or Cabinet to just arbitrarily give out Caymanian status. And, like I said before, I have always been against giving it to Governors who have been here for only two or three years. Certainly, I do not believe that it was intended to give 2000 status within 2 months.

We talk of how Government Cabinet will set the quota for the amount of status per year and it also gives the Immigration Board directives. The Cabinet can give these directives and tell the Immigration Board what the criteria is for granting of status and how many they can per year. However, Madam Speaker, they are not exercising any of those directives that they sent down to them. While they do not necessarily have to go by them, you would think that they would try to exercise their actions or their actions would be in line with some of the directives that they give.

The Government talks about how they ensured that an Appellant Board was set up so it does not have to come to EXCO. Are they jealous now that they gave those powers away? Madam Speaker, the Government must not come here and talk about how they are going to be the best thing this country has ever seen.

Another thing I want to turn to is what has been spoken by most of those who have spoken. I know the Leader of Government Business and the Minister for Health spoke of the gold rush of getting police records at the Police Station. The headlines of 12 September talked about that gold rush and how that came about—that the Leader of the Opposition said at the PPM's inaugural conference that all you needed was to be alive and get a police record. Madam Speaker, that is what it seemed like then and today even more so. It seems as though all you needed was a beating heart and you would get it. That is how far it has gone.

They talk about how this is the first Government that had the gumption to deal with it. At least two of the Members of the current Government were in previous Governments. The current Minister for Communications cannot run away from it. In 1988 he went into Executive Council until 1992. I suspect that he went in there to sleep because he could have done it then. All of a sudden they have done some big favour for this country in the year 2003 and must now blame previous administrations. He was one of those so we have to stop blaming the previous administration. Yes we have allowed this thing to just sit there and nothing has ever happened with it. Whoever is to blame we must stop blaming. The Minister for Community Services constantly talks about previous administrations. He is with Members of those previous administrations who did not do anything then. So, they must stop blaming previous administrations.

Madam Speaker, one last thing I want to discuss is the Leader of Government Business outlining what the Law will contain.

If we have a Bill coming to this Honourable House in this meeting with the intent to be debated in November, hopefully to be in place by January, as per the Leader of Government Business, I would like to know why the rush? I would really like to know why the rush now to give out so many status? January is four months away. Why are we rushing it now? Do we have to regularise some of these people now or is it that the Government really wanted to do it with the hope that these people would vote in the 2004 General Election and they really got derailed on it? They got derailed that is why they now have to come back with a different position. That is my position. That is the only reason that they could be doing it now.

These people could have been granted status, or residency, whatever the case may be, in January of next year. If the Government was not interested in them voting in 2004 why bring it now? There is no need. It got derailed—that is exactly what happened. And it is my position, my opinion, that is what happened now that the electors' list will be closed off sometime in June next year. It is impossible for people to get naturalised, unless of course they

amend the Election Law and put it to September, then go in Hero's Park and do one of those things that they do in America. That is what I expected the Government to do, but now they have been derailed so they have to come from a different direction.

All of those who got Caymanian status that have been here for long periods of time I welcome them into the Cayman Islands; they are deserving of it and I do not want to take it from them. All those who have not been here for ten years, I do not know what to say about that.

Madam Speaker, the Fourth Elected Member for West Bay said it does not matter what I say about it, it is done. The Leader of Government Business said no matter what the Opposition does they are going to continue. I am calling tonight on the Governor to give to this country a list certified by him stating the persons who received status. I am also calling on the Governor to stop Cabinet from issuing or granting status. He has a responsibility for the good governance of this country; that is why I am calling on the Governor to do it. The Governor is head of Cabinet. I trust that the Leader of Government Business does not have him intimidated now either, I hope not, but the Governor has a responsibility to the people of this country on behalf of Her Majesty's Government, and the people are upset.

People are not upset about giving long-term residents status. I have never heard that. They are upset about the process and the number of people who fell below the ten years. They are concerned about it. I think it was the Minister for Community Services who said, *'if one or two fell through the cracks'*—the Minister for Communication said that too. If it was one or two it would not be so bad. It is either that he has missed the zeros behind that one or two or he missed all the fives in front of it. It is more than one or two and they must stop trying to make the country believe that there were a few mistakes made. That amount cannot be mistakes. If it is a mistake then it is a deliberate mistake.

The Leader of Government Business spoke about how diverse America is. Of course America is diverse. I hope that he understands that by letting in people that they do not know is what brought America to its knees recently. I trust we have done due diligence on all of these people who have received status and not only those. I do not believe due diligence has been completed on these people. There is no way that you can approve 1,400 people in EXCO in one day and tell me that you know exactly the position of those people. It is not the Cabinet that has the information, it is the Immigration Department. It is impossible to do. Unless it went through the proper process it is impossible.

I notice that we are all getting tired. In the interest of time tonight I will give the remaining time to speak before the clock strikes midnight.

Thank you very much, Madam Speaker.

The Speaker: Thank you. Does any other Member wish to speak? The Fourth Elected Member for the district of West Bay

Mr. Cline A. Glidden, Jr.: Thank you, Madam Speaker.

As I rise to make my short contribution to this Motion, I want to say that I am cognisant of the late hour. I will try to be as brief as possible. For a while, I thought I would not find it necessary to make a contribution since this Motion has elicited such widespread debate. As I come to the tail end there is not much for me to say, and I noticed that even in the case of the speaker before me, there was a concern for tedious repetition. I will try not to go over the points already made.

Madam Speaker, having listened to the debate, I am concerned. As a young Member of this Honourable House, I find it disappointing to have been faced with a task such as this, something that has been ignored by previous administrations. For a long time everyone has been cognisant of the problems we were facing with immigration, but no one wanted to deal with the issue. When I heard the Leader of the Opposition, as he opened his debate, I thought he did a clear job of explaining that this is an acknowledged problem. There was even reference made to a statement on immigration issues that he himself made, when he was Leader of Government Business.

I will quote from the *Hansard* of 7 September 2001, with your permission.

The Speaker: Please proceed.

Mr. Cline A. Glidden, Jr.: The Honourable D. Kurt Tibbetts said**: "Mr. Speaker, I do not believe that a day passes any more without each Honourable Member of this House being reminded in some way, of at least one of the issues related to immigration that face these Islands.**

"The inaction of the past several years has resulted in these issues forming something of a cloud looming over us. I believe that each of us who sought office has no doubt given his or her constituents some commitment to try to move this cloud.

"Most certainly, the Government is fully aware of the need to develop and implement immigration policies that will address the many issues existing. More importantly, the Government fully appreciates that whatever policies it ultimately proposes will not meet with the approval of every Member of this House, and that whatever this House gives its approval to will not necessarily satisfy every member of the community. However, Mr. Speaker, the Government cannot and will not be deterred by these inescapable facts." [2001 *Official Hansard Report*, page 1035]

Now, Madam Speaker, with all the important issues that we have going on, in opening this Motion he went through a short bit of history so everyone could gain some perspective on the situation which obtains. He acknowledged that this situation was one that could not continue. He said, and I quote from the *Hansard*, Wednesday, 17 September 2003: **"Having laid down that platform, I think that all of us in the country fully recognise and accept (or shall I say the vast majority of us fully recognise and accept) that this was not a situation that could simply continue without being addressed."** [2003 *Official Hansard Report*, page 608]

Madam Speaker, hearing that these were the feelings of the Leader of the Opposition, I would have assumed that instead of this censure Motion we would have a Motion offering some solution. If he and the Opposition recognise that this situation is one that could not have continued along the same path, then I have to question the motives for this Motion. What the Opposition is asking for does nothing to solve the problem they acknowledged.

Throughout the debate given by the Members on that side of the House, I heard them all acknowledge that this is a problem. They all said that it had to be dealt with and their issue was not with the granting of status, or with the fact that we have some 6000 people who are long-term residents of the country and need some security of tenure, but it was with the method used to do it.

Madam Speaker, whether this is a deliberate attempt to mislead or just a bit of confusion, I am not really sure. If we acknowledge that these long-term residents must be accepted and integrated . . .reference was made that it should have been done by the Immigration Board. If the Opposition's only problem was with the way in which this was done, then any process used would have resulted in a large number of people being integrated, whether the Immigration Board or the Cabinet had been the one to act. All the concerns—the scare tactics and the gloom and doom I have heard preached—about the strains on the infrastructure, the education system and the upward mobility for young Caymanians are baffling. I cannot understand how the methodology used would have changed those concerns. I do not understand how the Opposition Members could recognise that this had to be done and we would end up with large numbers of long-term residents given security of tenure, but think that whether it was done by Cabinet or by the Immigration Board would make a difference in how it affected the lives of indigenous Caymanians.

That is why I asked whether it is genuinely a matter of confusion on their part, or an attempt to mislead the House. I cannot see why, if they are genuine in their concerns, they question the way it was done. We arrived at the same result.

Their Motion said more than 1,400 grants of status were made. If we had over 1,400 persons and whether that number received status from Cabinet or the Immigration Board, if their concern is the number of people being integrated, then those concerns should be genuine either way.

I noticed that one of the words used was "hypocrisy." I am cautious to use that word because, again, it may simply be a matter of confusion or something I am not sure about. However, if that is what they are saying, then I would have to agree that if it is truly because they are only having a problem with the method used then they cannot, on one hand, say that there is a concern about the long-term effects and then say that they are supportive.

Going back in history, if we look at the *Hansards*, everyone has acknowledged that this is a problem. Everyone has said, "Yes, immigration is an issue; we have to do something about it."

I want to pick up on the point made by the Honourable Member for East End when he spoke about side-lined or derailed, and that this was genuinely an attempt to gain political mileage. I think the Government deserves credit as far as the timing is concerned. I think the timing can be very easily justified. As the Second Elected Member for Cayman Brac said earlier, if the Government wanted to do this, and there was an attempt to get votes from the political aspect, they could have done it in February. That would have given individuals enough time to get Caymanian status, be without Immigration control for the required time, and then become naturalised so they could vote in 2004.

If the Government had waited until January or February 2004 to do this, then all of us on this side who made campaign promises would have been seen as "just doing it in an election year." I think it is a credit to the Government that they did not wait until an election year to get up and say that they have decided to do something about immigration. It shows that the Government of the day is not only concerned about getting votes, but they are worried about doing what they feel is best for the country—at whatever time it becomes suitable. Whenever there is something right to be done, the Government is able to go and do it.

Madam Speaker, we talk about polarising the community. As representatives, obviously we have had plenty of representation concerning the grants of Caymanian status by Cabinet. I am able to say very clearly that the majority of this representation has been from people who see it as a blessing from God. They are saying, *'After so many years of being here, and not having had an opportunity, how can I go about getting included to be considered for the grant?'* That has been the majority of my representation.

However, I have also heard from some people who have been misled and the reason for that, it appears (again, giving everyone the benefit of the doubt) that the Opposition has been misled as well, either intentionally or otherwise.

Many of the concerns that people have expressed to me are similar to the concerns and allegations made by responsible Honourable Members of this House. People were saying, *'I heard that someone in prison was given status and someone who was persona non grata was given status'.* Those are the same arguments I heard here on the floor of the House. They said they were informed of this at meetings and from people who told them these things. If an elected Member of Parliament makes a statement about what he knows, and there is no one to challenge that then if I had heard those same remarks from someone I elected as my representative, I would find it hard to believe that person was intentionally misleading me.

Besides hearing it out on the streets, we came into this Honourable House on the first day of debate and a Member of the Opposition, the Second Elected Member for George Town, got up on the floor of this House and said that he knew as "a matter of fact," not "*as I heard*..."

[Inaudible interjections]

Mr. Cline A. Glidden, Jr.: Madam Speaker, there seems to be some questioning.

In case there is a recollection, I have the *Hansard* if I need to quote. Since I am not actually getting a challenge I will not. I have the unedited *Hansard* of Wednesday 17 September 2003. With your permission, Madam Speaker, I will quote from it.

The Speaker: Please proceed.

Mr. Cline A. Glidden, Jr.: It reads: **"I can tell you as a matter of fact that not only are there persons who have been granted Caymanian status in this most recent dispensation who no longer live here, there are persons who have never visited these Islands who have been given Caymanian status in this last lot!**

"There are persons—and if anyone challenges me I will publish the names because I have them right here—who have been granted Caymanian status, and one, at least, was in jail at the time in our prison here. There is at least one individual, whose name I have, who has been declared *persona non grata*."

Madam Speaker, knowing that this was such a serious statement, in your good and honourable fashion, you gave him the option of at least bringing it into question. You said: **"Honourable Second Elected Member for George Town, are you in a position to substantiate your allegations made thus far? Or would you wish for the luncheon break to be able to so do?"**

That was very kind of you, Madam Speaker, in your usual way. He was so confident that he said, "**No, Madam Speaker. When I stand up here and say something, I know what I am saying."**

Madam Speaker, I can understand the concerns people have had. If we have an elected Member who the people of George Town placed such confidence in that they elected him to represent them, one who stands in this Honourable House and states, **"as a matter of fact,"** something that later on, when challenged, he is unable to prove, then I understand why we have such concern in the general public. With that kind of misinformation—for the man on the street I can understand the concerns.

I think it is a real travesty that we have come to this stage in time, and we have made people so upset by intentionally or unintentionally misleading them. I think that as responsible representatives—not as he was proving, but as he said—when we stand here and make allegations we should be able to back those allegations up. If that was the case, and if the Member was speaking from a matter of fact and all those allegations he made were true, then I understand why [members] of the general public are as upset as they are. However, we were able to find out that not only was it not a matter of fact, but there was no indication of that. According to the Cabinet and a statement given, there was no such list.

Point of Order

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, on a point of order.

The Speaker: Please state your point of order, Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, the Fourth Elected Member for West Bay is misleading. I am sure he does not mean to, but he is. Because the Government says it is so, does not make it so anymore than me saying it is so. For him to purport that what the Government said is a matter of fact, is simply not so and is misleading.

[Inaudible interjections]

The Speaker: Order!

Second Elected Member for George Town, I have listened. . .

[Inaudible interjections]

The Speaker: Order!

I listened to your point of order. The Chair takes a distinct diversion in the assessment, in that it was not the Government per se, but a constitutional office—that of the Cabinet Secretary. We will move on.

The Fourth Elected Member for West Bay.

Mr. Cline A. Glidden, Jr.: Madam Speaker—

[The Second Elected Member for George Town rose]

The Speaker: Second Elected Member for George Town, do you have another point of order, sir?
Mr. Alden M. McLaughlin, Jr.: No, Madam Speaker, it is not a point of order. I just want to make the point that, insofar as there was a letter or a statement from the Cabinet Secretary, that statement only related to one individual. The Honourable Member for West Bay is speaking to three names. And the other assertions were made purely . . .

[Inaudible interjections]

The Speaker: Order!

Mr. Alden M. McLaughlin, Jr.: . . . were made purely by the Leader of Government Business on the basis of nothing but the Cabinet's own submission, and that, in my respectful view, has no more weight than what I said.

Hon. W. McKeeva Bush: Sure it has more weight.

Mr. Alden M. McLaughlin, Jr.: Until they publish a certified list, it has absolutely no more weight.

The Speaker: Thank you.

As far as it relates to—I believe his name was Jonathan Karl Campbell—I think that the Chair will have no difficulty in ruling that that, in fact, did come from a properly constituted officer in the person of the Cabinet Secretary. I take your point as it relates to other persons.

The Fourth Elected Member for the district of West Bay.

Mr. Cline A. Glidden, Jr.: Thank you, Madam Speaker. I appreciate your ruling.

I do not know if we need to go through all of them, but, obviously, what he purported to be a statement of fact cannot be proven. If he is making those allegations then it is his responsibility to prove them. Having said that, if he did make statements which cannot be proven about one individual, then in the best of cases I can only assume that his credibility in the other cases would be questionable.

Madam Speaker, it is very sad for our constituents when we have intentional or unintentional misleading statements and allegations being made, especially on such a serious issue as the granting of Caymanian status. I can say that if those allegations were true, even as a Member I would have been disappointed, but I think the Government recognised and expressed to the Opposition the fact that there were possibilities that mistakes could have been made. If it were true that they had been able to find someone who had slipped through the process, then it was their responsibility, not to criticise but to bring it to the attention of the Government so that remedial action could have been taken. However, I am very happy to see that our process was stringent enough that none of that did occur.

Madam Speaker, I heard someone on the radio saying that they agreed we should give Caymanian status to people, but it should be based on the period of time they have been here, and more importantly, on whether they have bought a house, land, or if they have enough money in the bank to support themselves and not be a burden on the Government. I want to say that this goes a long way towards showing the misunderstandings that are there.

Those kinds of provisions are given. We have people who are permanent residents with independent means who do not need to be working here and so on. The grant of status was not supposed to be discriminatory in any way; it was not supposed to be made because the person was rich or poor. We were not supposed to discriminate for racial reasons, and we were not supposed to discriminate for religious reasons. If the Cabinet was satisfied, by means of the criteria that a person was deserving of it and is making a valuable contribution to the country, then Cabinet had the power to grant status.

Madam Speaker, this is why I say with the utmost respect that I am not sure whether there has been some confusion. In all fairness, when the Leader of the Opposition does his winding up I will not be surprised if he decides to withdraw this Motion. It seems to have gone around in such circles—I will use a quick example. The Second Elected Member for George Town referred to the fact that the Leader of Government Business gave them the opportunity to pick 30 people. They represent 20,000 people and he asked the question of how they were supposed to be God and choose which 30 should get status with all of those people. He said that for that reason, and for that reason alone, they decided that they did not want to be part of this process.

Madam Speaker, the Member spent close to two hours saying that this process was illegal. On one hand, they are saying the reason they did not want to be a part of it was because they could not choose which 30 they would play God and give. On the other hand, he is saying that the whole process was illegal. If it was illegal then his reason should clearly have been that it was an illegal process, not that it was only 30 people. If they were so confused they could simply have come across and asked for some clarification and we could have saved all of this time. We did not have to go through all of this debate just to enlighten the elected Members of Parliament on a situation about which they seem to have been confused. We have gone back and forth over the issue of whether these people were deserving people. They keep saying that they do not have a problem with those deserv-

ing persons having received status; it is with the persons who are not deserving of it.

They keep referring to a list. Obviously, they have been searching for that list and have only been able to come up with three or four names. When I say three names, one of those names is the brother-in-law of the Second Elected Member for George Town.

Point of Order

Mr. Alden M. McLaughlin, Jr.: Madam Speaker.

The Speaker: Yes, Member for George Town. Do you have a point of order?

Mr. Alden M. McLaughlin, Jr.: Yes, Madam Speaker.

The Speaker: Please proceed.

Mr. Alden M. McLaughlin, Jr.: The hour is late, I know, and the Honourable Member is obviously tired, but he is misleading this Honourable House again by saying that we have a list for which we are searching. We have made it quite clear that everything we have said is based on information that has been given to us. It is misleading of him to suggest that we have a list that we are scrutinising and we can only find three names. I would respectfully submit that he should withdraw that remark.

The Speaker: Fourth Elected Member for West Bay, the Second Elected Member for George Town is stating categorically that they do not have in their possession a list, and that the contribution thus far has been based on indirect evidence. So, if you would be so kind as to withdraw that specific statement that they do have a list . . .

Mr. Cline A. Glidden, Jr.: Madam Speaker, I would be happy to withdraw, but I would like to have clarification from the Member. Is the Member now saying that the statement of fact he earlier referred to is no longer a statement of fact? Is he retracting that? Also, when I referred to the list, he had four names. That can be considered a list and that is the list to which I was referring. He used four names, which compiled a list. I did not say it was a conclusive list, but it was a list. However, if you want me to withdraw…

The Speaker: Second Elected Member for George Town, two points have arisen. By implication, the Fourth Elected Member for West Bay has sat down and I read that to mean he is giving way for you to elucidate your position. He has clarified that he is not referring to an all-encompassing list, but the list which you referred to. Do you care to take him up on his offer of elucidation?

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, as I said, the hour is late, and I really do not want to get into crosstalk. However, the Honourable Member is not being quite as forthright as he would seem to be, because he talks about scrutinising a list. How could I scrutinise a list of four people? I did not even refer to four people—I referred to three people. I really do not want this to degenerate into a battle between him and me. You have asked him to withdraw and I am quite happy for him to withdraw the remark. Let him get on with his debate and let us all go home.

The Speaker: Fourth Elected Member for West Bay, the position, I believe, would be much clearer if you withdraw the specific remark to an all-encompassing list. I am satisfied with your explanation but to make it abundantly clear I think we can proceed on that for now.

Mr. Cline A. Glidden, Jr.: Yes, Madam Speaker. I will simply make it clear that the list to which I am referring to is the list that was provided and referred to by the Second Elected Member for George Town and the names that he compiled as a list, however he received them, but that was the list to which I referred to.

Madam Speaker, in fairness to those Members who have been asking for a list, it is amazing for me to believe those three names that have been questioned popped out of the sky somewhere. They were not a part of any list that was available for scrutiny, but the first three names that came to them were names about which they had questions. Perhaps as the luck of the draw would have it they just happened to come upon those three names in some roundabout way, with which they did have a problem. That just begs and allows the point to be more readily made.

If those three names were the only names that came out of whatever method was used to come up with such names, then instead of a censure Motion, we should be having a Motion of confidence in the Government for doing such a fine job. If those three names came forward and the Government was able to account for those three names very clearly, then, once again, I am proud to be part of a government that is so diligent in their work. Although I give credence to the potential that the Opposition Members were themselves misled, one of the points I saw was that hatred or vexation, because all along in the debate there was an attempt made to lay all the blame—

Mr. Alden M. McLaughlin, Jr.: Madam Speaker.

The Speaker: Yes, Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, I am not sure whether to say that the Member is misleading the House.

Hon. W. McKeeva Bush: Is it a point of order?

Mr. Alden M. McLaughlin, Jr.: It is a point of order . . . or whether . . .

Point of Order

Hon. W. McKeeva Bush: Where is the point of order?

The Speaker: Order, Members.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, if the Leader of Government Business would go back to sleep the House would be more peaceful.

The Speaker: Member for George Town, please refrain from being insulting and continue with your point of order.

[Inaudible interjections]

The Speaker: Members, it is late enough already. The more we have crosstalk, the longer we are going to be here.

Order!

Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, the Honourable Member is suggesting hatred on the part of the Members of the Opposition. I am not sure whether to say he is misleading the House or whether he is implying some improper motive on our part. I simply wish he would get on with the debate and stop causing me to stand up on points of order over nonsense like this.

There is no hatred on the part of Members of the Opposition and the Honourable Fourth Elected Member for West Bay should not suggest that there is.

The Speaker: Second Elected Member for George Town, I think that I can accept you having the capacity to speak on your own behalf, but I think you are stretching it a bit to speak on behalf of the others. I would ask the Member to continue without directing it towards oneself.

Hon. D. Kurt Tibbetts: Madam Speaker.

The Speaker: Honourable Leader of Opposition.

Hon. D. Kurt Tibbetts: If I heard what you just said correctly, then I have to raise a point of order, because if the Member for West Bay . . .

Point of Order

The Speaker: You heard correctly, Member.

Hon. D. Kurt Tibbetts: If the Member for West Bay, by any remote possibility, is referring to me, then he is not only misleading this House but he is imputing improper motives. However, I do not live like that; I do not speak like that. The Member and the rest of them all know that even to infer it is misleading and untrue.

The Speaker: Fourth Elected Member for West Bay, please continue with your debate without making any imputations whatsoever. If we continue in this way we will be almost to the point to which we were being directed by the Deputy Leader, and that is one of love.

Mr. Cline A. Glidden, Jr.: Thank you, Madam Speaker.

I want to say that as for the Leader of the Opposition in his debate, I will not be surprised if after the justifications have been given by this side and the process has been laid, he decides to withdraw the whole Motion. I can honestly say that as far as the debate was going when he was leading off there were no ill feelings or any malice at all. I can categorically say that I was not making reference to his contribution. When I used that terminology, I was searching for an expression to mean "a very strong feeling of difference," not necessarily as strong as the words that may have been used.

The point I was making was that during the debate it appeared that the plan by some Members of the Opposition was to pin the blame for the granting of status on the Leader of Government Business, wholly and solely. It was so evident that when the Minister of Health Services, Agriculture, Aviation and District Administration challenged the statement of fact that the Second Elected Member for George Town could not substantiate, the Member said that he could not believe that the Minister of Health would have had the audacity to challenge him on the point of order, but seeing that he had, he would have to bring up a point with which the Minister for Health was personally familiar. What that indicates to me is that if the Minister of Health had sat quietly and allowed the Second Elected Member to mislead, and not challenge him, he would not have had any need to bring up the issue he thought was personal to the Minister of Health. If it was such a bad thing that the Minister of Health had done, why would he have to wait until he felt challenged in some way by that Minister to bring it forward?

That is why, when I used the word "hateful," it might have been meant as "spiteful." It was spiteful to say, *'Now you have caught me; you have shown me up and shown the public that my statement of fact is not really a statement of fact, since I cannot substantiate that statement. I would have preferred to stand here and lead the public and this Honourable House to believe that it was a statement of fact, but since you had the audacity to embarrass me and show that my*

statement of fact really was not, now I am going to have to tell on you'.

Madam Speaker, those little games go back to childhood days—'*You caught me so now I am going to tell on you'*. We are here at this time of the night debating this type of Motion after the Opposition has stood up and said, *'We support the grant of status to long-term residents; we have gone through and so far it appears that there are very few people who have been granted status that we do not agree with.'* Was it necessary to go through these last days and days with this Motion?

I am glad to hear that the Members on that side have acknowledged the people who have been here for a long time. I thought I would have to remind the Members that only a few short months ago there was an argument for all those people to be recognised, and to have a say in the direction of the country when we were getting the petition on the Constitution. Madam Speaker, we went around and basically they are residents here, so they should have a say in the direction in which the country should go. However, now that we are talking about granting them Caymanian status, this is a bad thing; we are giving away the country and are going to have all these negative effects, these far-reaching implications.

Even more recently, at the inauguration ceremony of the People's Progressive Movement, I was surprised to hear that references were made to the effect that, "The United Democratic Party requires you to have status to be a member, but all we require is for you to be resident here for five years." Now, the party structure is a new concept to Cayman, but we all recognise in this Honourable House that we are expecting to have parties and members of the party will steer the direction of the country. The policies and the direction should come from the members of the party. So, we are saying to those members: *'Listen, once you have been a resident here for five years, you should be able to have a say in the direction in which our country is going. After seven, ten years, we want you to have a say in where the country is going, but we do not want you to be equal to us; we do not want you to have status.'* Madam Speaker . . .

Point of Order

Hon. D. Kurt Tibbetts: Madam Speaker, on a point of order.

The Speaker: The Honourable Leader of the Opposition, please state your point of order.

Hon. D. Kurt Tibbetts: Madam Speaker, in public forum or in this forum not one Member of the Opposition has made any such statement—that we do not want anyone to have status. The Member just said that. I heard him with my own ears saying that on the one hand we say that residents need only have been here permanently for five years to be members of the People's Progressive Movement, but on the other they are not good enough to have status, or to be equal to us. That is what he just said, Madam Speaker.

The Speaker: The Fourth Elected Member for West Bay, could you repeat what you just said, please.

Mr. Cline A. Glidden, Jr.: Madam Speaker, I was saying . . .

[Inaudible interjections]

The Speaker: Order!

Mr. Cline A. Glidden, Jr.: . . . I was saying that I was glad to hear from that side of the House that they appreciated and acknowledged those people as being long-term residents. I thought I was going to have to question how they could say that on one hand and say this on the other hand. I said that after hearing that contribution, I am happy that those Members are recognising and supporting those people who have been long-term residents.

The Speaker: I have not heard. . .

Hon. D. Kurt Tibbetts: Madam Speaker, if I may.

The Speaker: Honourable Members, I can only assimilate the information from one Member rising to speak at a time.

The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you, Madam Speaker. I rose on a point of order due to what I heard the Member say. He has just explained what he intended to say and that is fine.

The Speaker: From my recollection, the Fourth Elected Member for West Bay put his contribution in supposition. If Members wish to have a complete verbatim review, there is a method to do that, but from what I can recall he did not put it as a statement of fact. He commenced in a speculative mode; hence, I did not receive it as a statement of fact.

So, Fourth Elected Member for West Bay, if you would please continue; unless the Honourable Leader would wish to refresh his memory in verbatim position.

Mr. Cline A. Glidden, Jr.: Madam Speaker, I think everyone is satisfied. I do not think we need to do that. We can simply say that we have reached what I feel is a compromise position. I feel that the Opposition and previous administrations have acknowledged the need to deal with the immigration problem. The only difference is that the Government of the day has

not only acknowledged the problem but decided to act and to start fixing the problem.

In my opinion, the only real concern that the Opposition would have is that, once again, in the past number of elections, immigration has been a major issue. There has always been the ability to promise people saying: *'Elect me and I will do something about this immigration issue.'* Now, however, something has been done, so in next year's election we will not have that as a promise. It will not be any more elect me because you need me to take care of this problem.

We have to be careful in criticising, because we are going to expect—not necessarily in the 2004 election, but later on—the support of these people. Therefore, we do not want to say*, 'No, you should not have received Caymanian status.'* We are going to say, '*Yes, we are glad you got it but we did not like the way that you got it.'*

We started talking about status being trivialised, and that people are unappreciative. What amazes me is that all of those people who do not appreciate how they got status still have to go to Immigration to pay the $500 fee if they want it. If they do not appreciate it and really did not want it, then they should not take it. If we have that many people who feel that the way this was done was wrong, and who do not appreciate getting status in this way, then they can go on living life as it was. That, to me, would be the most significant statement of how unappreciative they are of the way it was done—if we saw masses of them not exercising their right to go and get it. All I have heard is, *'Thanks so much; I am so happy that a government has finally done something.'* Perhaps a large part of this problem will go away. If what the Opposition is saying is true, many people do not appreciate the Government giving status in this way; therefore, what we can expect is that many will not exercise the right to go down and pay for it.

The Second Elected Member for West Bay said what an embarrassment it was, as far as the country was concerned, that we have 6,600 people qualified for Caymanian status who, through a lack of action, have never been given the opportunity. Today I heard the Minister for Planning, Communications, Works and Information Technology make reference to 95 or 98 per cent. If we use the 5 per cent figure, we are talking about 100 people, including people who are married to Caymanians, who are preachers, doctors and teachers, who have been here, possibly, less than 10 years. Overall, we have moved in the right direction.

I know some of the difficulties with which the Opposition is dealing. It is hard for them to accept that this was done because the Government felt it was the right thing to do. I heard the Elected Member for East End asking that if it was not done for political reasons, and if it was not done for votes, then why was it done? Madam Speaker, the motivation is that we have a good, sensitive, caring Government that acknowledged the problem and decided to act. It scares me to believe that an elected Member of the Legislative Assembly of the Cayman Islands would have to question that motivation. It is as though he is not familiar with anything done simply for the right reasons; there always has to be an ulterior, sinister motive. It cannot be simply that we acknowledged that something was wrong, and have now done something about it. We hear: *'They did it expecting to get the votes and if it was not for that, what was the motivation?'*

Madam Speaker, in this day and age when we have had so many years of inaction, as far as immigration is concerned, what the Member should be doing is standing up and applauding the Government, saying, *'Good job. You have tackled a difficult decision; you have moved forward and we want to give the Government credit.'* Instead, we get a Motion for a censure of the Government. Is it so hard to acknowledge when people are doing good? Why is it that we did not have this Motion for the year that some of those Members were in the Government? We acknowledged that there was a problem; we set up a review team and now we have action going forward. We have the grant by Cabinet and we have a new Law coming that should clear up this long-standing problem.

I would have been much happier to be here accepting a Motion that said, '*Listen, Government, we acknowledge that you are doing something about the grant of status. We are not happy with the way you are doing it so our Motion is now coming forward with a recommendation as to how we feel you should deal with it.'* If that were the case, then it could be a bit more appreciated when Members say, *'We acknowledge there is a problem; we acknowledge that long-term residents should get some recognition and should be granted security of tenure, but we do not agree with the way you are doing it, so let us do it a different way.'*

This Motion contains no options that appear to be better for the Caymanian people or the long-term residents here; all this Motion is asking is that we stop granting status the way it is being done now.

Madam Speaker, if the Opposition had all the information and recommendations and they were genuine about this, then why, for the last eighteen months—even before Cabinet started making these grants—has there not been a private member's motion proposing a way to deal with grants of status?

It is late, but one of the issues that I want to clarify—one of the scare tactics used—is the talk about an influx of dependants. Madam Speaker, the accountant on the team is the Second Elected Member for West Bay, but it is very simple addition. If we stick with a 10-year period during which people had to be here in Cayman to be considered for status, and we say that dependants are children under the age of 18, then a child accompanying a person leaving home

to come and work in the Cayman Islands would have to have been less than eight years old when the family left their country of residence. Now, if a child were less than eight, there is also a requirement stating that the child must be a resident for three years, prior to the 18th birthday in order to apply for Caymanian status. Therefore, the child would have to have been less than five when the individual left home.

I am not saying that we will not have cases where children under the age of eighteen have been left overseas and would now become eligible to come to be with their family. However, this will not occur in any 'wholesale' way with masses of people coming. We have to acknowledge that in many of those cases, when people have been working here for 20 and 25 years, some of those children were born while their parents were working here in Cayman. Some of them were born here in Cayman and we are going to have to acknowledge and integrate them into our society.

Madam Speaker, the good thing about the timing of this grant is that we are still at a point where we can integrate the 2000 people who have been here for more than 10 years. The country can still use those people; they are not going to displace Caymanians. The point that seems to have been missed in all of this is that all of these people about whom we are talking were living and working in the Cayman Islands. These persons are not new people being imported now.

The Member for East End questioned the method and the criteria used, and whether all immigration controls were used and police records, et cetera, were done. The truth of the matter is that all of these people have satisfied the criteria of the Immigration Department to remain in the Cayman Islands under their control. They all have clean police and medical records; they have all proven that there is not a Caymanian who can replace them and have justified the need for their work permits. If all criteria have been met, then why are we concerned that they are displacing Caymanians? If they are here on work permits and we place our confidence in the Immigration Board—

Point of Order

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, on a point of order.

The Speaker: Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, the Honourable Member is again misleading this House. He is stating as a fact that all persons who have been granted status were on work permits and were residents here. By Government's own admission, that is simply not the case. I would therefore ask that the Honourable Member qualify what he says; otherwise, he is misleading this Honourable House.

The Speaker: The Fourth Elected Member for West Bay.

Mr. Cline A. Glidden, Jr.: Madam Speaker, perhaps I am wrong, but I do not remember any of the Members saying that these are new people we are importing. My understanding is that these are all residents. Even when the challenge was made by this individual, we showed that those people had been resident here or were issued valid work permits here. So, they will need to show that someone on this side, or the Government, has said that these people are new.

All I can say is that, once again, this Member is saying that that is not the case; but on the other hand he is saying he does not have a list from which he can prove those facts. If he cannot prove that they were not here on work permits, then I do not see how he can raise a point of order or challenge my statement. Madam Speaker, I am saying that the information I have received will show that all the people who are here have been working in the Islands with valid work permits. To have valid work permits requires them to have satisfied the criteria of having clean police and medical records, and to have satisfied Immigration that it was necessary for them to be on the Islands performing work that could not be performed by Caymanians. If the Members want to challenge—

The Speaker: Fourth Elected Member for West Bay, I do not find that you are misleading the House. Please continue.

Mr. Cline A. Glidden, Jr.: Thank you so much, Madam Speaker. Those rulings are so sober at this late hour.

I want to wind up by saying that I am happy to be a part of a proactive Government, which, even in light of a controversial issue such as immigration, has decided not to shy away from their responsibility as a Government and as elected Members. As the Second Elected Member for West Bay said, this is not necessarily popular, but I have confidence in the Caymanian people. The representation that I have had is that now that it has been made clear that they were misled into believing that this was done in the absence of any criteria—being given to anybody or, as it is called in the Motion "wholesale grant"—and now that they understand that the Government never said they were planning to give 6,000 people status by the end of the year, and that it is not possible to get Caymanian status just by being alive—

The Speaker: Member, you have spoken now for 53 minutes.

Mr. Cline A. Glidden, Jr.: Thank you, Madam Speaker.

Now that it has been made clear to them that the grant by Cabinet was lawfully executed, those who were concerned seem to be satisfied now.

Whether it was intended or not—and if it was intended, it was in a very indirect way—the Opposition, by bringing this Motion prior to the statement promised by the Leader of Government Business, has forced the Government of the day to justify its actions in the responsible way it has done by giving the grant of status to deserving individuals. I think it would be a good sign to show solidarity when we talk about not wanting to polarise the different sectors of the community.

The Opposition has said they knew from the beginning that this Motion was being moved, and that they did not expect that the Motion would pass, but it was brought anyway. Now we have spent a great deal of time on it. In the interest of the country, instead of carrying on with all of the negative aspects of the Motion, for which there is really no basis, we could just get away by saying we have had a good debate, and that we have enjoyed spending time with each other until late in the night. Now let us withdraw this Motion and move on.

Madam Speaker, the truth of the matter is that the Motion really has no chance of passing. We have heard from many Members on this side, and in case the Member for East End needs to know, I definitely cannot support the Motion. Even though the Opposition Member tried to play on the supposed goodness of the two Members on this side who seem to have had equal intelligence to him, hoping that they would go along with supporting the Motion, we now know that that is not the case. We now know that the Members on this side are fully in support of the decision that was made.

Madam Speaker, I was happy to make my contribution and I look forward to not having to vote 'No' to this Motion, and to moving forward with the other important business of this Honourable House. Thank you.

The Speaker: Thank you.

Does any other Member wish to Speak?

The Third Elected Member for West Bay.

Capt. A. Euguene Ebanks: Thank you, Madam Speaker.

Madam Speaker, I, too, being mindful of the late hour would like to make a short contribution to the Motion brought by the Opposition against the United Democratic Government.

If I recall correctly, a previous speaker read from the *Hansard* where the Leader of the Opposition said that he supported the granting of status by Cabinet for special reasons. I submit that doing something about the backlog of residents living here for long periods of time, which avoided the United Kingdom from stepping in and making an order in council that would force us to give status to the 6,600 plus residents all at once, is a very special reason.

The granting of status by Cabinet was brought about because the United Democratic Party refused to sit back, like previous administrations for the past 11 or 12 years. After being told by the United Kingdom—in no uncertain terms—that if we did not do something about the backlog of residents who were living here for more than 10 years, then they would do something about it for us. In my opinion, the United Kingdom would have done what they did when we objected to the high heavens against the gay rights legislation, which was being forced on us. The United Kingdom simply made an order in council and now we, like other European countries, have to live with the gay rights legislation.

Now is it not better to integrate into our community the 6,600-plus deserving residents over a period of years rather than have the United Kingdom grant them all at once? I am sure the society and the community can more readily accept a few thousand over a period of years. I maintain, Madam Speaker, that it is a lot more acceptable to integrate those persons into our community in a gradual process rather than one fell swoop.

It is my opinion that the Opposition is not upset that the statuses were granted, but I believe they are upset because the United Democratic Party was proactive and did what was needed to be done, rather than sit by like past administrations and complain and not do something. Now the Opposition, in my opinion, is trying to make the public believe that the Government has done something illegal by granting these statuses to the deserving persons. We cannot expect to let persons live and work in this country for most of their adult lives, make their contributions in building our society and then kick them out without giving them anything. This is totally inhumane; it is unjust and it is wrong!

Madam Speaker, in return for their contributions persons who have lived here for 10, 15, 20, up to 30 or 40 years deserve some security of tenure. These persons consider this their home. They have raised their families here; they have schooled their children and grandchildren as well. This is their home and these persons, in my opinion, are deserving of status. I support the granting of status by the Cabinet of the United Democratic Party, to those deserving persons.

I thank you, Madam Speaker.

The Speaker: Is this the appropriate time to take the 10 minute break?

Proceedings suspended at 11.35 pm

Proceedings resumed at 11.49 pm

The Speaker: Please be seated. Proceedings are resumed.

I recognise the Honourable Leader of Opposition, if he wishes to exercise his right of reply.

Hon. D. Kurt Tibbetts: Thank you, Madam Speaker. It is late in the day. Someone just mentioned it will soon be early in the morning.

I have listened carefully to the debate on the Private Members' Motion regarding grants of Caymanian status by the Government in Cabinet. I listened as carefully as I could, making some notes, and there are certainly some issues which need to be cleared up. I am going to reiterate the Opposition's position on the matter. I will not quote the Motion or any of its sections at this point, but perhaps it is suitable to lay the platform for that position by referring to a statement which I made on 7 September 2001, in this Honourable House, when I was still Leader of Government Business.

Madam Speaker, on more than one occasion, quotes have been taken from this statement in debate on the Motion. The statement is not a long one, but it is important. And I crave your indulgence, Madam Speaker, to read it into the *Hansard,* for this debate gives a clear picture, as obviously the reference to that statement by Members was to allude to the position I had at that time. I can assure you that it will bear relevance to the position that I have today.

The Speaker: Please proceed.

Hon. D. Kurt Tibbetts: Thank you, Madam Speaker.

As I said, this statement was made on 7 September 2001, and it was a statement on immigration issues. I quote from the *Hansard*: **"Mr. Speaker, I do not believe that a day passes any more when each Honourable Member of this House is not reminded in some way of at least one of the issues related to immigration that face these Islands.**

"The inaction of the past several years has resulted in these issues forming something of a cloud looming over us. I believe that each of us who sought office has no doubt given our constituents some commitment to try to move this cloud.

"Most certainly, the Government is fully aware of the need to develop and implement immigration policies that will address the many issues that exist. More importantly, the Government fully appreciates that whatever policies it ultimately proposes will not meet with the approval of every Member of this House, and that whatever this House gives its approval to will not necessarily satisfy every member of the community. But, Mr. Speaker, the Government cannot and will not be deterred by these inescapable facts.

"I am happy to inform this Honourable House and the listening public this morning of the current state-of-play and the game plan to reach our goal.

"Late last year, and obviously very soon after taking up office, the Government took the decision that it wished for Executive Council to be relieved of the role of serving as the appellate body in respect of decisions of the Immigration Board and the Trade & Business Licensing Board. The Government considered serving in this capacity to be fundamentally inconsistent with good judicial practice and good governance.

"I am pleased to advise that the necessary legislative amendments are now being finalised and a Bill to give effect to them will be brought to the next meeting of this House. Subject to legislative support for this change, it is intended that Executive Council will hand over its appellate role to a statutory appellate body very early in 2002. This action will not only address the fundamental inconsistencies mentioned earlier, Mr. Speaker, it will also allow Executive Council to utilise the time spent on such matters on the many other issues that fall to it for consideration and decision.

"More recently, as Honourable Members and the public will know, the Government took the decision to issue a quota for 2001 for the grant of Caymanian status under various sections of the Immigration Law that are subject to such a quota. This is not an annual quota, Mr. Speaker; it is intended to merely address the result of the inaction in this area over the past 10 or 11 years."

So, Madam Speaker, from then there was the beginning of a sense of direction.

I went on to say, and I continue to quote: **"Let me turn now to the Government's game plan to achieve the development and implementation of appropriate policies to address the broad range of immigration issues that these Islands face.**

"Firstly, the Government is cognisant of the substantial public input that went into the development of the Vision 2008 National Strategic Plan, and the strategies and actions proposed in that document in respect of immigration. We are also naturally aware of the even more substantial public input taken by the Select Committee of this Honourable House on immigration during its tenure from 1997 to 2000.

"That Committee not only received written submissions, but also afforded audiences to individuals and representatives of interested bodies who presented themselves. Mr. Speaker, the Government firmly believes that the public has said all that it needs to say for policy considerations to be made. The Government also appreciates that to give effect to any changes in current policies will require the support of this Honourable House in agreeing to corresponding legislative changes.

"While such legislative changes are clearly and unequivocally the ambit of this Honourable House, the Government is of the view that it can most expeditiously arrive at a position where it is able to propose new policies and legislative changes to this House if it utilises a small group of carefully selected individuals to provide advice on appropriate policy.

"I am pleased to announce that the Government has decided to appoint an Immigration Review Team that will be charged with making recommendations to the Government as to appropriate immigration policies to address the current issues.

"That Team will be comprised of: Mrs. Sherrie Bodden-Cowan, Mr. Patrick Schmid, Mr. Rolston Anglin, MLA Member, Mr. Orrett Connor, Chief Immigration Officer; Mrs. Sheena Frederick-Westerborg, Crown Counsel, Legal Dept.; Mr. Alden McLaughlin, MLA; and Mr. Gilbert McLean, MLA.

"The Government is extremely grateful to each of these individuals for having agreed to be a member of this team and to give the time that this initiative calls for.

"The Terms of Reference of this Team will be to review the public input of the two major initiatives that I referred to earlier—The Cayman Islands National Strategic Plan 1999-2008 (Vision 2008), and the records of the Select Committee of this House, and produce recommendations as to appropriate immigration policies by early in November (2001).

"In working towards this, the Team will be required to provide two interim reports to the Government and these will be shared in confidence with all Honourable Members of this House who, in turn, will be afforded the opportunity to give their feedback to the Team.

"I wish to acknowledge that obviously the availability of the records of the Select Committee will be dependent on the approval of this Honourable House. To this end, the Government will be bringing a motion today to seek the approval of the House to lay those records on the Table.

"Without wishing in any way appear to be pre-empting the decision of any Honourable Member, I would simply wish to take the opportunity to express my appreciation for the support that I believe the motion will receive.

"The Team will also be required to produce a document for public distribution explaining in clear terms its policy recommendations. This document is to be distributed to the public before the end of November. This will enable the public to have a full and clear understanding of the direction that the Government will consider taking on immigration.

"By mid-December, the Government will take the decision as to the recommendations that it wishes to accept, and will initiate the process of developing the necessary legislative changes to give effect to its desired policies. The Government will present these proposed policies to this Honourable House during the first meeting of 2002, and seek the approval of the House of any legislative amendments necessary to give effect to these new policies.

"The Government is committed to clearing this cloud I mentioned at the beginning. It must be done, and, God willing, it will be done.

"In closing, Mr. Speaker, I wish to first express the Government's appreciation to the public for the patience that has been shown so far in understanding that everything cannot happen at the same time. And to all my colleagues in this House, I would merely urge each one to avail themselves of the opportunities for input that will be afforded, keeping in mind at all times the paramount importance of bringing this matter of immigration to a timely conclusion. I thank you Mr. Speaker." [2001 *Official Hansard Report*, page 1035]

Now, Madam Speaker, clearly this statement set out a timeline. The process included the technocrats with the technical knowledge; it included those who were directly involved with the process at the time (namely, the chairman and deputy chairman of the Immigration Board); and it included three Members of the Legislative Assembly, including one at the time who was a Member of the opposing team. It called for a process that would include input from everyone in the Legislative Assembly before the policies were articulated by proposed amending legislation. Fortunately for me, that was September and within two months I was no longer Leader of Government Business. However, there was a clear plan of action and it was publicly articulated and had the support of the Government.

So, Madam Speaker, when anyone gets up in this Legislative Assembly to speak to *'if you cannot talk the talk* (I cannot do it like the Member from East End) *you have to walk the walk.'* Because of what I just read I can say that, had I still been the Leader of Government Business by early in 2002, we would have had amending legislation. At that time there was no reference by anyone to me to suggest that we should do any wholesale grants via Council. In fact, as a matter of policy Executive Council had decided at that time that they were not going to participate in any status grants and that the first set of amending legislation that came about would address that issue. That was not by me forcing my thoughts on anyone and telling them they had to agree with me. Obviously, from what happened after that I did not wield any such power or influence for that matter.

That platform has not changed. It involved a specific process. It recognised the difficulties that we

faced. I spoke to the inactivity over several years, and I mentioned in it that we had set quotas in certain sections allowed by the Law to start the process going, but every movement forward was allowing for the process to take place with due diligence. However it was done, what it also allowed was that all of those who were eligible had the same opportunity in applying for a grant, whichever section had a quota. That is where the fundamental difference lies and I want to talk about that for just a minute.

We have heard several Members from the Government side, in their natural response to motions, speak to the fact that Government had taken the initiative to do these status grants. In fact, one Member went so far as to say that we should be congratulating them for so doing. Madam Speaker, it is convenient here to bring in what the Leader of Government Business said in the last part of this contribution to this debate when he spoke.

I want to refer to an unedited *Hansard* of his earlier contribution. He said: **"Of one thing we are certain, we cannot afford the present situation to continue for the future. Bearing this in mind we propose to create a comprehensive and integrated system of timeframes within which all non-Caymanians will be eligible to apply for the grant of work permits, permanent residence, citizenship under the British Nationality Act and the Caymanian citizenship."**

I trust when he refers to 'Caymanian citizenship' he means Caymanian status.

He also said: **". . . for long-term work permit holders opportunity will be given to qualify as permanent residents of the Cayman Islands."**

"This new Law will be fair, it will be clear and it will be concise in its terms. It will set out in detail what is expected of the employers and employees, as well as create a graduated system of rights for non-Caymanians."

"All persons will know before they choose to come to these Islands what the system is, how it works, and will be aware that there are limits to the numbers of persons our geographic area can accommodate."

I repeat, Madam Speaker, **". . . will be aware that there are limits to the numbers of persons our geographic area can accommodate."**

"The Law will strengthen provisions to ensure upward mobility for Caymanians and fairness in employment practices".

Madam Speaker, having read what I said on 7 September 2001, having listened to all of the debate and having heard what the Leader of Government Business spoke to this evening, albeit not with as much clarity as I would have liked, at least there seems to be some sense of direction. That was September 2001 with proposed action by first quarter 2002.

I do not have any *Hansard* to quote from, but I know I can safely say that on at least two subsequent occasions the Leader of Government Business promised this proposed legislation to the House in short order—long before now. I honesty believe that his very first statement about it also spoke to it coming in March 2002, but I could not state that to be a fact because I did not have time to search the *Hansard* or anything like that. However, I believe that is what was said. Suffice it to say that on at least two occasions he spoke to this legislation.

There is a Member across the floor who asked in his debate why bring a Motion of this nature, why did we not bring a private member's motion about the legislation. The Leader of Government Business, on at least two occasions, spoke to this Honourable Legislative Assembly and to the country saying that the legislation was coming forward. Now, they have said to us that we keep saying we do not have any problems with the grant of Caymanian status; we are questioning the process. They have also said why do we not wait for legislation to be brought, debated, and agreed upon, and utilise that process, and they counter that by saying whether it was by legislation or not there would have to be fairly large amounts dealt with.

Madam Speaker, I am prepared to stand here in this early morning to say that I am not naïve or daft to even attempt to say that if we are going to make any meaningful stride in that direction that that same fact would have to be a consideration, whether it is legislation or not. So, he is not telling me any new stories, I knew that from 2001.

In fact, I fully realised and accepted it from 2000 (during 1997 to 2000) when the Select Committee was reviewing Immigration. It was during those deliberations that I really got to know some of the horror stories of people who have been living here for extended periods. It was also during those deliberations that the glaring numbers stared me in the face.

The Second Elected Member for West Bay spoke earlier of how shocked he was at the numbers. Madam Speaker, it has been known for quite some time that the numbers were huge and the longer any delay, the larger those numbers were going to be. So, it was not anything new. It was nothing new to me, hence the reason I made the statement and was able to put forward a way to deal with it within a given timeframe.

That process was anticipated to have been completed in March 2002, and here we are in September 2003. However, the process of choice has been for Cabinet to do the grants and then bring the law and that is where the Government and their Backbench supporters part ways with the Opposition. So, when they put forward the argument that we knew all of these numbers existed, the fact that they are prepared to do it in the manner that they have and then deal with it via legislation afterwards, is not justification for it—not for a minute.

Let me explain something, because I know that we are on opposite sides of the fence with that part of the process. It does not matter if we are speaking of the grant of two persons, two hundred or two thousand persons, or whatever number, but there are two situations that must exist for the process to seem to be fair. They have chosen to do it under section 20 (d) of the Immigration Law which speaks to the Governor in Cabinet for special reasons doing such grants. Those special reasons can be all encompassing as one may wish. Madam Speaker, when we speak to fairness we hold the view that while that section in its speaking to special reason does not clearly define any parameters, the mere fact that such large numbers were granted under that section was unfair to many people because not every person who was eligible under the Law (not that section but any other section under the Law) was able to be considered.

Madam Speaker, a government must be seen to be fair in its deliberations. Our point is not the only point, but this point is that the mere fact that this process did not allow all of those people who, under the other sections of the Law, were eligible to be considered, therefore, it could not have been fair. They can say what they wish about it, but there is absolutely no denying that fact because that is a fact, not an opinion!

How can we, in our first bite at saying that we are solving the problem, decide to use this section to make grants in large numbers? As to the length of stay of an individual, while certainly not the only criteria (but in fairness should have had a large part to play in the consideration), was basically not only cast aside but not thought of at all. The process that was begun, as has been spoken by more than one Government Member, was one whereby they actually supposedly sent out to individuals and institutions.

The Leader of Government Business mentioned the churches and other places and they asked them to send names as to whom they though were deserving persons. So, whereas they may have thought, as the process went on, that they were giving every one a fair shake, they could not have. So, that is the argument now on this side, Madam Speaker, because it has been said by them that there are some 6,600 individuals residing in the Cayman Islands over ten years. The Honourable Minister for Health quoted some figures during his debate, so did the Second Elected Member for West Bay.

The Leader of Government Business, when he was speaking, readily laid the platform to make it clear when he said: **"all persons will know before they choose to come to these Islands what the system is and how it works and will be aware that there are limits to the numbers of persons our geographical area can accommodate."**

For those people who have been here for over ten years I am going to state the Opposition's position crystal clear right now! None of us (because that has happened) can do anything but respect that tenure in this country and find a way for an orderly integration of those individuals for those who wish to remain in the Cayman Islands. I am hearing the '*ohs'* and the '*yous'* and whatever over there, Madam Speaker. We have never said any different! That has been our position, but we have never not accepted that the process has to be one which is orderly and is able to be accommodated by the society and one in which every single soul—those who are Caymanians, those who are status holders, and those residents, all of them—understand very clearly what the process is going to be, how it will unfold and how that integration will take place in an orderly fashion. That is all we have been saying, and there is no quote that they can come with to say different.

Madam Speaker, here is as good a time, because I notice more than one of the speakers on the opposite side of the House tried to go to great lengths to make people believe that what we proposed was that the total number of grants on an annual basis would be six. At no time did we ever say such a thing, not even when the newspapers had their headline, which would have given that impression. The content of the article said different. Our position on that is very simple. Some of us individuals had strong views that Cabinet should not have the ability to grant status at all. Some of us took the view that it is not impossible that you might find some special circumstance that you may need to grant status to someone.

For the love of me, Madam Speaker, I have to tell you my personal truth, I could not find one that I could think of that was a potential situation. However, when we talked about it among ourselves we said rather than close that window totally then perhaps do it in that manner, but if we set a fixed figure then there would be no risk of that said section ever being used in this fashion again. Simple! So, that is the reason why that resolve section is in the Motion.

Madam Speaker, those who spoke went to great lengths to try to make it sound as though our considered position was that the total number should be six on an annual basis. They all speak to lies and untruths. They know better. Of course they know better. So, perhaps when they speak to these lies and untruths they should best examine themselves and make sure that they are not accusing themselves of something.

In the Motion it is crystal clear regarding this six. When we speak about numbers there is also something that I have to reply to.

The Leader of Government Business, when he spoke to me about this special dispensation and I publicly stated that he had spoken to me and the Second Elected Member for George Town, giving thirty names for the district of George Town . . . Madam Speaker, I know what thirty is and I know what three hundred is, any way you put it, whether you write it down or whether you tell me and it does not sound

nowhere near alike to make that kind of mistake. The Leader of Government Business when he was making his contribution said he did not know what he had said.

Hon. W. McKeeva Bush: Madam Speaker . . .

The Speaker: Honourable Leader of Government.

Hon. W. McKeeva Bush: The Member knows that he is not telling the truth this time of the morning. He is misleading the House. He knows that I did not say that. What I said was . . . perhaps I said thirty but I thought I had said three hundred. Maybe he said thirty . . . maybe that is what he heard, but I said I thought three hundred. Nevertheless, went I wrote to him I did not give any figure whatsoever and I read the letters to prove that.

The Speaker: Honourable Leader of Opposition.

Hon. D. Kurt Tibbetts: Madam Speaker, I have the letters and I am going to read the letters. I also know a young man by the name of 'He-heard' and you know him too.

Madam Speaker, the Minister has just challenged what I said, and he has just said what he said. Regardless of his challenge, what he just said that he said is not what he said. We are going to have to get the *Hansard*.

The Speaker: Honourable Leader.

Hon. W. McKeeva Bush: Madam Speaker, the Opposition has been playing for a long time. I am not giving them any more time. They have to continue to debate. I will withdraw what I said because I know what I wrote in the letter to him.

The Speaker: Honourable Leader of Opposition.

Hon. D. Kurt Tibbetts: Madam Speaker, I raised that issue because the Leader of Government Business, when he was debating, gave the impression that there was no clarity in his mind as to whether he had said thirty individuals or three hundred. Then he chose to go on to read two letters he wrote. We have referred, on more than one occasion, to those letters, but also we have referred to our letters. When he laid the two letters that he wrote to me on the Table, he made no reference to the replies, and it is absolutely necessary that the replies be read into the record so that everyone can understand what was happening during the process and the sequence of events.

The way he put it forth, it was as if when he wrote the two letters to me I simply disregarded it and did not want anything to do with that process without explaining the reasons why. When he wrote the first letter on the 21 July I replied to him on the very same day and I said to him: **"Dear Sir, Re Grants of Caymanian Status.**

"I refer to your letter of 21 July 2003, received by me at 3.40 pm this afternoon.

"Your letter advised that the Cayman Islands Cabinet has authorized special dispensation of Caymanian status to persons who have made a contribution to the Cayman Islands.

"You formally requested that my colleagues and I make recommendations of persons we deem worthy of Caymanian status and that we forward our list to your office, by latest 10.00 am Tuesday, 22 July 2003.

"I must tell you that the timeframe you have permitted for consideration of a matter of this importance is wholly unrealistic. The provision of less than 24 hours notice on a matter of such gravity is entirely unacceptable and appears to be little more than an afterthought.

"In the circumstances I must advise you that the Parliamentary Opposition cannot provide you with a list as requested."

Now the reason why no specific numbers were put into that first letter was because of what the Leader of Government Business said to me. He said that George Town, being the biggest district and having two representatives from the Opposition, we should provide him a list of three hundred and for the other thirty, Members of the Opposition. . . Thirty—sorry, my apologies—a list of 30. Let me repeat that again. The Leader of Government Business is playing mind games, Madam Speaker. He always tells people to stop crosstalk and so do you. I would appreciate it if he would.

This list of 30, he said along with that included the other three Members, each one being a representative of a separate constituency. He did not give me any specific numbers with that, he said they could provide a proportionate number, which was obviously less than 30, because each of those three districts which they represent is smaller than George Town and each of them has only one representative.

So, I do not know how we would put the calculations into that because if George Town has close to 4,400 on the voters' list (and we are not talking about voters now, we are talking about residents) it is used and thrown about wildly in here that we have 20,000 residents in George Town and he is asking us to provide a list of 30. With districts like East End and North Side, I do not know what portion they would be able to provide.

Anyway, I went on to say in my letter that aside from the unreasonable timeframe permitted for consideration of this matter, other concerns arise. We have grave reservations regarding the Cabinet's circumvention of the Immigration Board in the wholesale grant of Caymanian status to hundreds of persons. That is not to say that we object in principle to worthy persons being granted status. Indeed, we acknowl-

edge that there are a great many persons in this society who are deserving of status.

It is our position, however, that the proper course is for the Cabinet to fix suitable quotas and to permit the Immigration Board to perform its statutory function of scrutinizing applications and making grants where appropriate. The usurpation by Cabinet of this critical role of the Immigration Board is not transparent, and [is] open to flagrant abuse.

The first letter that we wrote to him stated that position (and that was on the 21 July). He wrote me back on the 22nd.

The Speaker: Order!

Hon. D. Kurt Tibbetts: . . . where he says: **"you will recall that on Monday 21 July 2003** [and this is his letter to me, Madam Speaker] **I wrote to you concerning a submission of names by you and your colleagues of deserving individuals for the grant of Caymanian status through a special dispensation Order of the Cabinet. On the morning of 22 July, we had a telephone conversation in which you said that you and your colleagues had not enough time to make any submission. I then said to you that you should try to submit names by 19 August. This letter serves to confirm that conversation and request."**

The reply to him, Madam Speaker on the 22 July again: **"Dear Sir, Re. Grants of Caymanian Status.**

"I refer to your letter of 21 July 2003 to my response of the same date and to your letter of 22 July 2003. By your letters, you have advised the Parliamentary Opposition that your Cabinet has authorized special dispensation of Caymanian status to persons who have made a contribution to the Cayman Islands and invited us to submit a list of names to be considered by 10 am on July 22, 2003. For reasons explained in my earlier letter, we are unable to submit such a list.

"While you have made no public statement to this effect, your letters appear to confirm widespread rumors that your Cabinet has directly granted Caymanian status to a significant number of persons over the course of the past few weeks and that this process is continuing.

"My earlier letter to you registers the concern of the Opposition to what appears to be the circumvention of the Immigration Board and the grant of Caymanian status by Ministers of Government. This we regard with alarm and view as a corruption of the statutory process and the usurpation of the function of the Immigration Board.

"The Immigration Law (2003 Revision), the Law, that is, sets out the process and the authority for the grant of Caymanian status. It is clear that the Immigration Board is the entity under the Law that is charged with the serious duty and responsibility to scrutinise applications for Caymanian status and to decide subject to quotas to whom it should be granted.

"Although the Law does confer on Cabinet the authority to grant Caymanian status if it finds special reason for doing, it does not authorize Cabinet to usurp the function of the Immigration Board in the manner that your Government appears to be doing.

"Special reason for so doing does not include the secret and wholesale grant of status to hundreds of persons without the benefit of scrutiny by either the Caymanian public or the Immigration Board."

The position is crystal clear, Madam Speaker. No deviation. It has been consistent from day one until now. No changes, with all that they have said from the other side. Caymanian status is the nearest thing to citizenship that the people of this country enjoy and its grant ought to be considered as sacred.

"Regrettably, the course being followed by your Cabinet has reduced the conferral of this single honour to little more than the dispensation of political favour.

"As I said in my earlier letter, we recognise and acknowledge that there are a significant number of persons in this country who are worthy of being granted status. However, the process by which status is granted ought to be open, transparent and available to all these persons. [Madam Speaker, I just spoke about that a few minutes ago, and that has been our position from then.] **Under the ad hoc system that your Cabinet appears to be following, a great many deserving persons may never be considered and even if considered, may not be granted status for reasons which have nothing to do with their suitability other than their perceived or anticipated political affiliation.**

"**There are approximately, 5,000 persons resident in this country who have lived here for more than 10 years.** [That was our best guess at that time, Madam Speaker, because we did not have any statistics available to us as to who do not possess Caymanian status.] **Is your Cabinet proposing to grant status to all of these individuals? If not, how is your Cabinet determining which of these should be granted Caymanian status? In the absence of published criteria, on what basis is status being granted?"**

Now Madam Speaker, say what they like, but if that is not consistent then they best invent another word.

"In the past, status has been granted by the Immigration Board on a competitive basis pursuant to a quota determined and published by Cabinet. This, we submit, is the only fair way to deal with this important matter. To do otherwise, perpetrates a grave injustice against the many deserving persons in this community who are ex-

cluded from the process of the course being followed by your cabinet."

Consistency again!

"The position of the entire Parliamentary Opposition has always been that significant Immigration reform is necessary. Indeed, in September of 2001, when I was Leader of Government Business and you were Deputy Leader, Executive Council appointed an Immigration Review Team [the same Immigration Review Team I referred to and who I spoke about in the statement which I made on September 7, 2001 in the Legislative Assembly].

"The IRT was chaired by Mrs. Sherry Cowan who was then Chairman of the Immigration Board; Mr. Orrett Connor, then Chief Immigration Officer; Mrs. Sheena Frederick-Westerburg, then Crown Counsel; Honourable Gilbert McLean, Minister of Health, Agriculture, Aviation and District Administration who was then the Second Elected Member for Bodden Town; Rolston Anglin, MLA and Alden McLaughlin, MLA.

"The IRT has produced two reports which were submitted to your Cabinet more than a year ago, and which recommended comprehensive changes to the Law. However, despite numerous pronouncements by you in the Legislative Assembly and elsewhere regarding proposed new Immigration Legislation, to date, nothing has been forthcoming. The state of the Immigration Legislation in this country has been cause for major concern for many years. Unless it is addressed in a comprehensive manner it will continue to be a source of great dissatisfaction for Caymanians and long-term residents alike.

"The ill considered and shortsighted approach of your Cabinet now only fails to address this issue at its heart, but is bound to generate even more grievances among the thousands of persons who will not benefit from the largess of your Cabinet this time around.

"The grant of status has widespread ramifications and invests significant rights in those of whom it is conferred including, ultimately, the right to vote. For this reason alone, its dispensation must be fair and transparent. It will be a travesty if some deserving persons are denied this important right while others who are less so, are permitted to enjoy its benefits as a result of a process that is fundamentally flawed and inherently unjust.

"In closing, I would request that you forthwith advise the Parliamentary Opposition and the public of the following matters:

"1. What is the criteria being employed by your Cabinet in considering the grant of Caymanian status to persons who have "made a contribution to the Cayman Islands".

"2. Is the process competitive?

"3. How many applications for grant of status have been received by your Cabinet?

"4. How many grants of status will be made by your Cabinet during this exercise

"5. Has Government accepted the recommendations of the IRT and, if so, does Government intend to bring an Immigration Bill to the Legislative Assembly to amend the Law in accordance with these recommendations.

"I look forward to your urgent response."

That was the 23rd day of July.

The Speaker: You have 1 hour and 4 minutes remaining.

Hon. D. Kurt Tibbetts: Madam Speaker, thank you.

The second letter, especially, clearly outlined the concerns we had and it explained the position taken from them.

Now, when we hear all of the various arguments that have come forth from the Government itself and its Backbench, Madam Speaker, most of the arguments, spurious as they may be, try to paint a picture that we do not know whether we are coming or going. However, the words that have been said, the letters that have been written and the press releases that we have done, all state the very same position. One of the fundamental positions that we have stated from day one has not changed, and this letter from 23 July . . . not only has it not been replied to, but it clearly stated that concern. We respect the fact that there is this growing number of individuals who have been long term residents in this country and deserve security of tenure.

Whatever the Leader or any one of his Ministers or otherwise wants to say about trying, Madam Speaker, let me say this: There is a position that rang throughout several of the Members' contributions to this debate, and you know I had to keep thinking to myself that I really would have loved at some point in time to have had an opportunity to hear them altogether discussing that strategy. I really would have liked to hear, just to know whether they really believe that it is true or whether it is the best strategy to use. It's a winner because you cannot go with anything else.

I want to say something quite clear. I speak on behalf of the Opposition—inclusive—but particularly to myself with what I am going to say. I resent any attempt by any of them trying to paint a picture that I, or any one of my colleagues, for whatever reason they may think, do not like (that is the kindest way I can say it) people who are foreign nationals, because they have tried to paint that picture.

I am telling you, them, and this country that I really do not have a problem with the back and forth, because I have been around long enough in the political arena to understand that everybody is going to grab for their ground. However, when you go to that

level, especially when you know it is not true, then I really have to question all the good things that come out of some of their mouths, such as how we should love one another and all those kinds of things.

Listen. Hear me now, Madam Speaker. There are times when I will react to things because I consider it really below the belt. It might happen again. Especially the Leader of Government Business knows full well when something like that happens, no matter what he says otherwise; he knows why that happens. He knows why, because he knows me and he knows me well, so I say that in this Legislative Assembly because we speak to polarize and divide this country . . . that is part of a tactic that is being used and then they say that we are the ones creating the excitement.

They speak about speaking from both sides of your mouth? Well, what is that? Our position, as I have articulated clearly in my wind up, is clear—crystal clear—and it has nothing to do with any personal thoughts.

Let me just tell everybody something. Every year there is a lady who comes to visit me and my family. When I was 10 years old, going to school in Jamaica, she used to work with us. She came to Cayman and she worked with us, but her children were in New York. She is now 66 years old and spends her time taking care of her grandchildren in New York. We speak to each other quite regularly, and she comes as often as she can, depending on whether some other member of her family can come, because she is a part of my family and has been a part of my family for nearly 40 years.

Now the Leader of Government Business just hollered when he was walking outside, about give her status. It seems to me that is how lightly he takes it.

The point I make with that is to show that this issue we are debating now has no bearing on the likes and dislikes of other people.

Let me tell the Minister for Community Affairs something. I would never say or do the things that he says and does, and he knows that. I would not do that even when he purports of the things that I say and do, which I know I do not. I still am not going to do that and even when he finishes with his vexation I know they will call me a fool. But me? I am still going to be the same way, because I do not want to feel no old bad something up inside of me. I am not accustomed to that, therefore I do not want that. I do not want to feel any anger with him or anyone else. I do not want it. I mean that! So, he does not have to continue to find ways.

I know that we represent the same district and that it is only natural we will compete, but whether he believes me or not (because history proves that he probably will not), I have every respect for his existence. I mean that! However, we will see as time goes on. I draw reference to that point because we have had several members in here speaking about polarizing and how we should be towards one another, especially in this issue we should be united in the country to build the nation together and so on.

As a matter of principle, when we speak about all of those things . . . let me tell you something: We are not divided in those areas, and whether they are willing to admit it one-on-one or altogether, some of the biggest parts of the problem that this same issue will bring about is when each one of us sits down alone or talks to others, and tries to figure where any advantage is.

I have heard more than one of them over there speak to “let it not be that thought”. The Opposition has a role in this Legislative Assembly (whoever that is, and it so happens now that we are the Opposition and they will never admit it). I can guarantee you and this entire country that even when they find their other ways to come back and do what they wish or say what they want to say, the arguments that we have put forward on this same issue have assisted with wherever we go from here and that is how it is supposed to be.

If the roles were reversed, that would be the case also. The only thing that I can disagree with categorically is when any of them says, either on the floor of the House or under his breath, words to the effect that I am, or any one of us is, jealous because it is not us granting status. We clearly have articulated the process that we believe should be the case.

I want to speak a little bit now regarding the Motion itself. Can you tell me how much time I have left, please? Not counting the question I just asked.

The Speaker: I am reliably informed that you have 49 minutes remaining.

Hon. D. Kurt Tibbetts: Thank you, Madam Speaker.

I am just going back to the Motion for a minute to the ‘Whereas and Resolve’ sections. I will speak for a minute to the third ‘Whereas’ section which speaks to: ‘Whereas the Parliamentary Opposition has been inundated by a groundswell of apprehension and opposition to the recent actions and declared intentions of government in relation to the process of granting of Caymanian status.’ It relates directly to what I said earlier on about our responsibility in the democratic process in this Parliament. Some of the speakers on the Motion have mentioned the fact that regardless of what is done you are going to get certain types of negative responses. That statement in itself is not an unfair statement, and arguments are put forth to show why you almost have to accept that that is what is going to happen.

However, you have to have the fortitude and knowledge to know what people are thinking because their apprehension and fear is literally unfounded and it will not be like how those fears are. I do not want to even go into whether that is a fact or not, but I want to look at governance for a minute, a term that is used quite often . . . and we speak to good governance. If

there are so many people (as I know there are) who have these fears and apprehension . . . and these are not people who are just looking to complain; looking for strife; looking to blackguard people and looking to talk about people; these are not the kind of people that I am talking about. I am talking about people who have come here as young children and are now Caymanians and have two or three children of their own, and some of them are what are loosely called 'indigenous Caymanians.' They have these fears that they are expressing, and the unfortunate programme we are living with is that when anyone gets a sudden shock and you know nothing about it before, even if your fears end up unfounded, once it happens in that manner, it is almost no convincing you otherwise, until enough time has passed for one to be able to use that time span as the benchmark to say 'yea' or 'nay'.

The Government can choose to find all kinds of little ways to speak to what I just spoke about because that is not a fancy scientific way of explaining things. In instances like this perception is reality to those people, and it has its way of taking on its own life, because they talk to one another.

I just heard the Leader of Government Business making reference to what he has put forward on more than one occasion, 'that it makes matters worse when we stir them up'. Let me tell you something, and I am referring to you personally, Madam Speaker. However, let me say this: the Government must realise that if the Opposition gets representation we have a duty to express and articulate any concerns we receive via that representation to the Government.

If the Government is a sensitive Government, the Government would then respect the fears and apprehension of those people and respond to it in such a way that at least they are not left wondering two thousand thoughts without having any clear sense of direction. So, when we hear stories about all they have heard . . . are people calling to tell them that this is the best thing they ever did in their lives? Then I wonder. I wonder!

Now, this brings me to a point whereby we could challenge each other as to who has the most logical and best thought out viewpoint to a clear sense of direction. Let me say this: a Government even if it is in its considered opinion and supposedly well thought out in their minds, this is the course of action they should take, has a sworn duty to advise its constituents, not only of that intended course of action but as to all of the reasons why that is the intended course of action. And in this instance that was not forthcoming. The first we heard of any possible sense of direction was what the Leader of Government Business said in his delivery just before he finished speaking. As I said earlier, even that was not very clear, we understand that draft legislation is coming in a day or two to the Legislative Assembly and we also understand that he intends to make a statement.

Now, tell me please, that draft legislation would not have popped up in a second. Obviously, I could not expect that the Leader of Government Business would have said two weeks or three weeks ago a specific date because it was in the process. However, if you want to quell the fears of your own public and you have a course of action, and the Opposition writes to you asking you to advise us of this . . . because Opposition or no Opposition, if you advise us of what your intended course of action is then even if we are mischievous we certainly would have to tell people who ask us the question that this is what the Government has said they are doing.

There was no information forthcoming; there was no position being taken—except that this is the Government's prerogative and we are going ahead and doing these status grants.

The Speaker: Order!

Mr, D. Kurt Tibbetts: The Leader of Government Business has just said on the quiet that I wanted to stir up the people to get back in the limelight. Now, if that Minister were to really say it like it is, he would know that that is not something I crave. That is exactly what I am doing. I am coming on now. The flimsy excuses that are put forward publicly, privately and where very few can hear regarding why we take the position we take to sidetrack the public from the issue at hand, if a usual tactic, it is not a today tactic. That is nothing new at all.

A prime and perfect example is when he says to me immediately, "Yeah, but you do not have to do the same thing." That, in itself, is an admission that it is what he does. So, point proven! I will move on.

The Motion, as I mentioned earlier, brings to light some sections in the Law which give rise to concern and those sections were pointed out. I heard the Leader of Government Business . . . and the truth is that he said so much today that was not on the floor of the House, as much as he said on the floor of the House, that I was not so sure what I was going to say he said while on the floor of the House or while he was sitting down. However, he made mention of one of those sections in the Law specifically.

I am pretty sure now it was on the floor of the House when he spoke about a certain section which would allow the children of those being granted status, to have certain conditions which would allow them to apply and that it would not be a situation that had to be. I think that is what he said.

When we speak to this issue at hand, and the Government rebuts the Opposition's position on certain things, our whole line of thought and our job that we consider almost sacred (even when we have the in between's among us of the one-upmanship) . . . the fact of the matter is that when the Government is considering a course of action (and in this case, the way forward with these status grants and whatever else

there is to do with the legislation) we must articulate these things so that they can be considered. Sometimes that is used in a debate and one might think that it appears like you are attempting to show up an individual or the Government or whatever. Never mind how it is done, everybody has their own style. The fact is that it is our job.

With regard to the whereas clauses in the Motion, the resolve section, and the Government's desire for us to withdraw, with some of them even going as far as to say we should congratulate them for what they do—no chance! Absolutely no chance!'

The Speaker: You have thirty minutes remaining.

Hon. D. Kurt Tibbetts: As frivolous as the Motion is (as said by the Government Bench), the fact of the matter is, as I outlined earlier on, that deep down we really did not expect passage. However, I can promise everyone that the course of this debate, while giving individuals their opportunities to vent their frustrations and all that kind of stuff, whether it is personal or otherwise, the fact is that the *Hansard* transcripts from this debate will assist tremendously in the way forward. Of that I am absolutely sure.

So, that being the fact, how can they expect us to withdraw the Motion? Absolutely no way!

Now, when it comes to one of them expecting us to congratulate the Government, the real truth of the matter is, the Government should congratulate us for being so conscientious. Yes! I can promise you this much: if any one of them expects us to congratulate the Government for their actions, then I have every right to expect them to congratulate us for being so conscientious.

I was getting to one of the points in the existing Law where we thought there might have very likely been a problem with regard to the offspring. I think it is section 22 subsection (7) where it says that **"any person under the age of 18 who is an illegitimate child of a person who possesses Caymanian status and has been ordinarily resident in the Islands for a period of three years immediately preceding the application, may apply to the Board for the grant of Caymanian status."** I am pretty sure that was the section that the Leader was referring to. The truth of the matter is that we have to be extremely careful. That is the way it is in our best interest, to take all of these factors into consideration before we speak to a defined course of action.

I do not want to go into that for an extremely long period of time, but I just wish to make a point Madam Speaker. It is perhaps true to say also, that with the best of intentions and perhaps even with the legal minds who have drafted the legislation, one thing I can say is good, which the Government is doing, is that they have brought the draft so that it can be perused properly. If there are any points or issues which come to hand, well that is their intention so that people will have an opportunity to make representation with regard to their views.

Now, the other point that I think has to seriously be considered in any amending legislation is in section 25 and section 26 of the Immigration Law, which speaks to revocation. This really needs to be looked at very seriously. Both of those sections speak to any reason that a person's grant of Caymanian status can be revoked, but none of the subsections within sections 25 and 26 make any reference whatsoever to section 20 (d).

It means that under section 20 subsection (d) that says: **"Where a person shall for purposes of this Law possess Caymanian status if the Governor in his opinion finding special reasons for so doing, grants such status to him."** As we understand it (and no one has been able to show us different to this point) the Law that obtains now literally says that when someone is granted status under section 20 subsection (d) it is irrevocable.

Now I heard earlier on this morning when names were being thrown out, one Minister said: "let us know, and if it is true, we are going to revoke it". I claim no great expertise, but I will gladly give way right now if somebody could explain that I am wrong. That is troublesome!

It is troublesome, so that is something that definitely has to be considered very carefully. Regardless of the numbers we speak to that would be granted in the future under that section, certainly you do not want that to be granted under section 20 subsection (d) because whoever that individual is, the grant is irrevocable, regardless of what. If that is the position, then throw away 25 and 26 and any grant is irrevocable in my view.

Section 20—subsection (d) . . . let me make it absolutely clear why we take the position we have taken. After it reads where the Governor, in his opinion, finding special reasons for so doing, grants such status to them, it says right after, that **"he shall continue to possess and enjoy Caymanian status unless and until he looses it under section 25."**

When we go to section 25, section 25 says **"at no time during its entirety any reference to section 20 (d)**", so there is nothing under the revocation section of the Law which allows for status to be revoked if it is granted under section 20 (d). That is brought out and spoken to again to ensure that there is consideration in any new proposed legislation for that matter to be cleared up.

It is late, I know, and the Opposition is with clear conviction that the Motion was necessary because we had, and still have, much concern with regard to the direction in which we go from here. Having argued the point and not agreeing with the Government in their position to grant such large numbers of status under that section, there is still much to be done. What we do and how we do it from here on in, is of absolute and critical importance also, and we

would sincerely hope that when the Leader of Government Business speaks to this issue that there will be clarity in the direction. Once what he says manifests itself, we know that we will see the legislation soon and will have time to peruse it.

We made a press statement this afternoon because our people had great concerns. They still have great concerns, and they, too, are seeking the position of the Government to understand clearly the direction that we go to from here. The people of this country are not by any means with a mind to simply create disturbance. But this issue has been one that is highly emotive; it is the nature of the topic and it is understandable how people react when they do not know what is going to happen next. That has been the problem, when they do not know what is going to happen next.

So, let us get it clear as to exactly what the direction is and how things will be handled. I want to say before I close that it is a great pity these individuals who are directly involved in the status grants, have to find themselves embroiled in the middle of this debate, because I can speak for the other Members of the Opposition, I certainly cannot speak for the Government. However, I say this very clearly: many of them have rubbed shoulders with us; many of their children are growing up with our own children; many of us trade places with visitations of the children and the families, and we will get a way forward with this and we will get back to normal. I have confidence in that. The Government keeps saying, sure the Government is going to do it. Therefore, the Government needs to come forward with a clear way forward so that one and all can understand.

They have to give assurances to the public that the way forward is not going to be what has obtained in recent times because the public has, in my view, sent clear messages to the Government that they are not satisfied with the handling of this situation in that manner.

So, the Leader of Government Business has just said that I cannot go and tell the people now that I gave them the status. I would never attempt to do such a thing. It may seem that I am wasting time to answer him, but I just want him to know that he is not going to rattle me (although I do admit that I am wasting time to answer him).

I therefore ask you to tell him to stop, Madam Speaker.

The Speaker: Is that your point of Order, Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Yes, Madam Speaker.

The Speaker: I should ask all Members to cease and desist from crosstalk.

You have order. Honourable Member of the Opposition you have approximately 10 minutes remaining.

Hon. D. Kurt Tibbetts: Thank you, Madam Speaker. I see the sighs of relief on the Government side of the House, but little do they know how much they punished us, if that is what they consider this to be. I certainly have never aspired . . . and I will never remember it the right way, but it is something about "all to all in the kingdom of everything," where everything is nothing and nothing is everything. What a void!

I would like to read this press statement that was issued this evening and I will close with that.

The press statement reads: **"The PPM Parliamentary Opposition has today forewarned His Excellency the Governor that any further grants of status by the UDP Cabinet will be met with the campaign of sustained protest and a mass demonstration. In a release today Leader of the Opposition and Political Leader of the PPM, Honourable Kurt Tibbetts, JP, stated that following an emergency meeting of the PPM Executive held earlier today, he had been authorized to publicly issue an ultimatum to the UDP Cabinet that if the Governor in Cabinet proceeds to issue further grants of Caymanian status, the PPM will embark on a campaign of sustained protests commencing with a public demonstration and a march on the Government Administration Building.**

"The release noted that, as a courtesy, His Excellency the Governor had been given prior notice of this intent. It is clear that neither public sanction nor common sense is going to dissuade the UDP Cabinet from this ill advised and potentially disastrous course. 'The Cabinet has been contemptuous of all previous efforts of the PPM and others to stop this madness and it is now apparent that further action is called for,' said Mr. Tibbetts."

"The Leader of the Opposition said that this course of action has been decided upon because despite the huge public outcry and condemnation of the UDP Cabinet in the unilateral wholesale and indiscriminate grants of status to thousands of persons, the UDP Cabinet appears bound and determined to continue with the process which is both morally wrong and unlawful.

"The release also noted that the PPM recognizes that a significant number of worthy individuals have been granted status in this exercise by Cabinet and also acknowledges that Immigration reform is necessary but it states that the PPM cannot endorse the UDP Cabinets usurpation of the function of the Immigration Board and the grant of status to thousands of persons, many of whom do not qualify in one fell swoop.

"'Such a process' said the PPM Leader 'is bound to have grave social implications for this

country including the adverse impact on the education, health and social services systems as well as the prospects of advancement and upward mobility of many young Caymanians.'"

The reason I read that press release is simply to say that we have put forward our case as to where we thought, or think, the process went wrong and how we see the process going forward.

The Government knows full well that if they are mindful of the thoughts expressed that there will be no movement on our part to prevent the process from moving forward. I have clearly stated what the Opposition's position is. I have clearly stated what my personal position has been for a long time, and while the Government expects us to respect their position, certainly there is logic to the position that we have taken, and it does not impede the orderly process to allow for this vexing issue to be dealt with.

We would urge the Government to move forward with the process, allow the public of this country to have clear understanding as to what that way forward is, and certainly (whether they wish to even believe the statement that I am going to make), if it is done in an orderly fashion, then not only will we play our role to help to educate the people of this country regarding that process, but we will assist.

The Minister for Tourism has on occasion in the past had to deal with life like this. The difference in the whole affair is that after all is said and done, the Government still has the opportunity to make this right. We will now wait and see. We will hear what the statement is coming from the Government; we will on Wednesday see what the proposed legislation calls for, the draft legislation that we will have to peruse, and we will take it one step at a time.

I want to thank you very much, even though it is late in the night—or, rather, early in the morning—and perhaps we will see our goodly selves here again on Wednesday morning continuing the business of the Legislature.

Thank you.

The Speaker: Thank you. The question is that the "Legislative Assembly does hereby condemn and censure the actions of the Governor in Cabinet in making the recent grants of Caymanian status;

"And that the Legislative Assembly acknowledge the far reaching implications of the unilateral and wholesale grant of Caymanian status by the Governor in Cabinet to thousands of persons in one fell swoop;

"And that the Legislative Assembly calls upon the Governor in Cabinet to forthwith cease making grants of Caymanian status pending the holding of widespread consultation with and approval by the electorate of the course of action taken by the Governor in Cabinet in this matter;

"And that section 20 of the Immigration Law (2003 Revision) be amended to restrict the ability of the Governor in Cabinet to grant Caymanian status so as to limit such grants by the Governor in Cabinet to six per annum."

All those in favour, please say Aye. Those against, No.

Ayes and Noes.

The Speaker: I believe the Noes have it.

Hon. W. McKeeva Bush: Division, Madam Speaker.

The Speaker: The Leader of the Government has called for a Division, Madam Clerk.

Division No. 5/03

Ayes: 5	**Noes: 9**
Hon. D. Kurt Tibbetts	Hon. Linford A. Pierson
Mr. A. M. McLaughlin, Jr.	Hon. W. McKeeva Bush
Mr. Anthony S. Eden	Dr. the Hon. Frank McField
Ms. Edna M. Moyle	Hon. Donovan W.F. Ebanks
Mr. V. Arden McLean	Hon. Samuel W. Bulgin
	Mr. Rolston M. Anglin
	Capt. A. Eugene Ebanks
	Mr. Cline A. Glidden, Jr.
	Mr. Lyndon L. Martin

Absent: 3
Hon. Roy Bodden
Hon. Gilbert A. McLean
Hon. George A. McCarthy

The Speaker: Five Ayes, nine Noes, three absent, with apologies. Accordingly, Private Member's Motion No. 4/03 has not passed.

Private Member's Motion No. 4/03 Negatived by Majority.

The Speaker: May I have a Motion for the adjournment?

ADJOURNMENT

Hon. W. McKeeva Bush: Madam Speaker, it is late and we move the adjournment of this Honourable House until Wednesday at 10 am.

The Speaker: The Question is that the Honourable House do adjourn until Wednesday at 10 am. All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The House now stands adjourned until Wednesday 10 am.

At 1.46 am (23 September 2003) the House stood adjourned until Wednesday, 24 September 2003, at 10 am.

have been responsible for the incarceration of anyone just like I am not responsible for the incarceration of anyone."

[The Speaker:] **"Thank you.**

"Lady Member from North Side does that clarification deal with your point or was . . . Please proceed. Go ahead."

[Ms. Edna M. Moyle:] **"Madam Speaker, my point of order is that the Honourable Minister says that the 32 juveniles, young offenders were behind bars during the year that I held responsibility for the Ministry. I am saying that this statement that he made says that in January 2001, 32 juveniles were incarcerated. Can he prove to this House that those 32 were incarcerated between November when I took the Ministry in January 2001. That is what I am saying he is misleading the House on."**

I have read this, Honourable Members, firstly to refresh my own memory and secondly for it to be re-entered into the record to put into perspective what I am now about to rule.

The Chair is convinced that there was a technicality: I am unable to say whether it was direct or indirect as far as it relates to 'misleading'. The Honourable Minister responsible for Community Affairs, although it was clarified, is not in a position technically to say that in January there were 32 juveniles because it gives rise to the irrebuttable presumption that those juveniles were only incarcerated at that time.

The Chair is also satisfied that when the Honourable Minister responded he made a valid attempt to clarify by saying that he was aware of the fact that the present lady [Member for North Side who was Minister at that time] would not have been responsible for the incarceration, or anyone else—just like how he (Minister for Community Affairs) would not be responsible for the statistics quoted by the People's Progressive Movement (PPM) relating to the incarceration: hence my ruling.

I acknowledge the Honourable Minister for Community Affairs.

Point of Elucidation

Dr. the Hon. Frank McField: Madam Speaker, just to offer a point: I would ask if we could hear the definition of "incarceration" if you have a dictionary available at this time. I think it would lend some clarity to the situation.

The Speaker: I have already ruled on the point of order and I will not entertain debate on the point of order per se if the Honourable Minister is asking for elucidation I shall be happy to ask the Clerk to provide a dictionary to him and I will pause for a moment for an opportunity to so look.

Dr. the Hon. Frank McField: Thank you, Madam Speaker.

[Pause]

The Speaker: Honourable Minister responsible for Community Affairs.

Dr. the Hon. Frank McField: Madam Speaker, the problem that we have with the word 'incarceration' is that it refers both to the situation of being imprisoned, and perhaps it could be an active verb as well as in the sense that it is suggesting that the process of incarceration is . . . I am only saying this to say that to use the word "incarceration", which is the noun, means that it refers to the state of being imprisoned. The fact of being in a prison, does not refer to the fact of the active verb of imprisoning someone.

So, incarceration in this particular sense refers to the state of being incarcerated. It does not mean that it is an active thing happening at the particular time; it refers mainly to the noun "incarcerate." *That young man is incarcerated,* that means that he is in prison. If we use the word imprisoned it makes it a little clearer. I just wanted, on a point of elucidation, to make that clear to Members here that the play on the words and the technicality from the point of view here needs to be borne in mind. I understand, Madam Speaker, that you have already made your ruling and it seems to me like "six of one and half of a dozen of the other one" in terms of the ruling, but, as I said, I just wanted to make that clear.

Point of Clarification

Ms. Edna M. Moyle: Madam Speaker, if I may.

The Speaker: Member for North Side.

Ms. Edna M. Moyle: Thank you, and I will not prolong this. I bow to your ruling, but I want to make it very clear that I know the definition of the word incarcerated. That is not what I am dealing with. I am dealing with the numbers because my sources at the Prison have told me that 30 of those were from the year 2000.

Thank you, Madam Speaker.

The Speaker: The Minister of Community Affairs and then we will move on.

Dr. the Hon. Frank McField: Madam Speaker, I am happy that she is dealing with the numbers and not with the terminology. If she is dealing with the numbers, then I challenge her to bring the official statistics on the numbers at that particular time and table them here in this House. Until she has done that, I still insist that I have done exactly that by offering the statistics which the Director of Prison provided to us.

The Speaker: Madam Clerk.

PRESENTATION OF PAPERS AND OF REPORTS

Public Service Pensions Board Annual Report 1999

The Speaker: I recognise the Honourable Third Official Member responsible for the Portfolio of Finance and Economics.

Hon. George A. McCarthy: Thank you, Madam Speaker.

I beg to lay on the Table of this Honourable House the Public Service Pensions Board Annual Report 1999.

The Speaker: So ordered. Does the Honourable Member wish to speak thereto?

Hon. George A. McCarthy: Just to offer a few brief comments, Madam Speaker. Honourable Members of the Legislative Assembly should note that the Auditor General's Report in summary is incorporated in the certificate immediately preceding the financial statements on page 18 of the Report that has just been tabled. The Report as such is being tabled this morning in accordance with section 12(6) of the Public Service Pensions Law 1999.

The Public Service Pensions Board agreed with the Auditor General that the Special Report referred to in his certificate not be included, as that Report has been submitted to this Honourable House by the Auditor General under separate cover.

Section 12(6) of the Public Service Pensions Law requires that the annual report to the Board be laid by the Financial Secretary on the Table of the Legislative Assembly for 21 days as soon as practicable after he has received it and such report of the Board shall be gazetted.

A few highlights in regards to the figures: The Public Service Pensions Fund as at 31 December 1999 stood at $56,032,007 including accrued interest. In 1999 a total of $13,774,302 in employer/employee contributions were paid over to the Fund while the investment income amounted to $7,593,396. Administrative expenses over the course of the year were borne by the Central Government. There were no calls on the Fund for refunds but with effect from April 1999 payment of benefits from the fund in 1999 totalled $5,500,059 representing Public Service Pensions only.

Parliamentary and ex gratia pensions were prepaid into the Fund and disbursements administered by the Board separately.

Contributions and interest thereon received from judges of the Grand Court were segregated under this statement of net assets available for benefits and were not included in the contributions received by the Fund. The contingent liability for the public service pensions of $115,365,551 as established by the actuarial valuation as at 1 January 1999 is reflected in the 1999 accounts of the Central Government.

This liability has since been updated as at 1 January 2002 and the first update as at 1 July 2003, is expected later this year.

Madam Speaker, you and Honourable Members may be wondering why we are just tabling the accounts for 1999. The Pensions Board had to deal with quite a number of issues in terms of getting the accounting system set up. However, taking into account the gap between that time and now, I had a discussion yesterday with the Director of the Pensions Board and the Financial Controller and we have set down certain markers by way of dates for which the accounts are to be brought up to date.

The accounts for the year 2000 are currently being audited by the Auditor General. The accounts for the period ending 31 December 2001 are to be completed and available for audit by the latest March 2004.

For the period 1 January 2002, to June 2003, which is an 18 month stretch, the accounts are to be finalised by July 2004 (next year). As at June, the accounts ending for the period 1 July 2003, to 30 June 2004, are to be completed by September/October 2004. We have set down these dates as markers by which the accounts are to be finalised, available for audit and for the audit exercise to be completed and for the accounts to be available to you and Honourable Members of this House.

Thank you, Madam Speaker.

The Speaker: Thank you, Honourable Member.

I have received notice for two statements. Firstly, I will recognise the Leader of Government Business, and following him the Deputy Leader of Government Business.

STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE GOVERNMENT

Recent Grants of Caymanian Status

Hon. W. McKeeva Bush: Thank you, Madam Speaker. The recent grants of Caymanian status by Governor in Cabinet were approved in accordance with section 20(d) of the Immigration Law (2003 Revision).

Section 20 of the Law states: **"(20) A person shall, for purposes of this Law, possess Caymanian status if – (d) the Governor, in his opinion finding special reason for so doing, grants such status to him."**

Under the "Definitions and Interpretation" clause of this Law, "Governor" means Governor in Council (now Cabinet) which means all of Cabinet.

It was pursuant to the provision in the Law, that Cabinet, having formed the opinion that there were special reasons, agreed for the grant of status to deserving individuals in commemoration of this our Quincentennial year.

1. Of the 1895 persons granted status, the vast majority of persons were residents of these Islands for periods in excess of ten years; in some instances between twenty and twenty-five years, and in at least one instance in excess of seventy years.

2. Further, in some cases where persons may not have been here for in excess of ten years, there are other considerations which justify the granting of status to them. Cabinet took the view that because of their profession, their particular expertise et cetera they should be encouraged to remain in these Islands and thereby make their skills/services available to the people of these Islands.

3. In this category you will find persons such as doctors, attorneys, persons in the financial industry, teachers, persons in the Health Services and law enforcement.

4. Similarly, there are persons who may not have been here for ten years but who have very strong family connections to these Islands such as one parent, grandparent, indeed persons who themselves were born here, grew up here but had no security of tenure because of conflicting provisions in the British Nationality Act and the Immigration Law or its predecessor the Caymanian Protection Law. Indeed, these were persons who were able to possess Caymanian passports but were otherwise stateless. These were also persons who had been given permanent residence and went on to be naturalised.

5. Additionally, Cabinet is minded that the Grand Court ruled recently, in the Ana-Louisa Warren case that the moratorium imposed in 1992 was illegal. Because of this illegality, over the years a large amount of persons who would have been granted status were denied the opportunity of even applying. Cabinet took the view that this was a major injustice and therefore there was a moral obligation on the part of Cabinet to address such injustice.

6. As regard the cases of the three individuals whose names were mentioned in the debate in the Legislative Assembly by the Second Elected Member for George Town, Cabinet reconfirmed that Jonathan Carl Campbell has not been granted Caymanian status. Additionally, Albert Chin has resided in the Cayman Islands for over 12 years, Alfred P

7. ink, the third person mentioned, had resided in the Cayman Islands for 12 years before departing in 2000 and was given a work permit in May 2001. He was also married to a Caymanian. I understand that that marriage was dissolved.

8. Cabinet reaffirms its position and what has been done is not only appropriate for the special circumstances of the Quincentennial year but was also within the ambit of the Immigration Law.

Madam Speaker, I should say for the benefit of Members and the public at large that the list that is so much talked about will be gazetted and made public when all of the recipients have received the certificates. The certificates are being distributed in alphabetical order by surname.

Thank you, Madam Speaker.

Cayman Islands Government Office Accommodation Project

The Speaker: The Honourable Deputy Leader of Government Business.

Hon. Linford A. Pierson: Thank you, Madam Speaker.

I wish to take this opportunity to provide an update on the status of Government's Office Accommodation Project. Specifically I would like to address the following points-

- The need for improved Government office accommodations;
- Background and information that has prompted Government to pursue this project;
- The various options considered to address Government's office accommodation needs;
- The reasons for choosing a Private Financing Initiative/Public Private Partnership (PFI/PPP) form of procurement; and
- The project timetable to date and an overview of the next steps in the process.

Madam Speaker, we have known for some time that office accommodation and facilities for Government employees and/or customers to the general public have been inadequate.

Government services continue to expand, resulting in an ongoing need to properly accommodate our civil service and customers.

The challenge has been to find a solution, which provides suitable office accommodation to meet the present and future needs of Government in a cost effective manner.

Background

Madam Speaker, by way of background, Members will be aware that Government's finance and administrative functions are currently spread throughout George Town in various locations, including the Tower Building, the Government Administration Building (Glass House as it is commonly called) and several private sector rented properties. Both the Tower Building and Glass House fall well below the acceptable standard for overcrowding levels and pro-

vide inadequate supply facility for storage, reception and security.

In addition these buildings were not constructed to resist hurricanes leaving the Government in an extremely vulnerable position if a major storm were ever to strike these Islands. Just to illustrate this point, I can confirm that an engineer survey verified that there are fundamental problems with the Tower Building's cladding.

Furthermore a private quantity surveyor provided estimates confirming that it would be as costly to renovate the Tower Building as to rebuild such a facility. In response to these very alarming reports, Cabinet has directed that the Tower Building be slated for demolition in July 2006.

Regarding our other major building the Glass House, the prognosis is not good. The Building is nearly thirty years old and in need of major refurbishment. The Glass House does not comply with the current building code, does not meet hurricane resistance standards and does not have adequate mechanical and electrical services. Energy bills are excessive and the interior requires total refurbishment and upgrading.

Madam Speaker, I hasten to add that this unacceptable and substandard situation is complicated by the obvious need to relocate employees during any period of refurbishment and/or new construction.

Having been fully briefed on the condition of Crown-owned office buildings and the extent of private lease accommodations, Government considered three different options to solve its office accommodation problem as follows:

Option 1: Do minimum. Continue to rent space from the private sector.
Option 2: Traditional construction and delivery.
Option 3:Private financing initiative/public private partnership (PFI/PPP).

Option 1 – Do Minimum – Continue to Rent Space from the Private Sector

The first option considered by the Government was to refurbish the Glass House through traditional procurement and financing means and continue to lease a considerable amount of privately owned rental accommodations as and when necessary. This essentially represented a "do minimum" option. Supplementing the Crown estate with private sector accommodation with the associated fit-out costs is an expensive and inefficient short-term solution to the space shortage. Furthermore, it is often difficult to secure suitable rented space in convenient locations, of appropriate size, with adequate parking facilities and security arrangements.

We currently spend over $2 million per year on private sector rents. With the demolition of the Tower Building and the commencement of the refurbishment of the Glass House, private sector rents are projected to peak at almost $15 million in 2006 and 2007 (including approximately $9 million in fit-out costs).

Taking into consideration rental cost increases of almost 3% per annum and the assumed growth in civil service numbers, Government's financial advisors estimate that the Cayman Islands Government would be paying almost $10 million per year for private sector rented office accommodation. Clearly, Madam Speaker, this "do minimum" option is not cost effective or efficient in terms of service delivery.

Option 2 – Traditional Construction and Delivery

The second option, Madam Speaker, considered was construction of new office accommodation facilities under traditional construction and procurement methods. The new buildings would be hurricane resistance and house more then 1000 civil servants. In addition, the Government Administration Building (Glass House) would be refurbished and a new multi-storey car park for approximately 800 cars would be built. An area of the car park would also function as a hurricane shelter. As part of this development the Government would also undertake a number of road improvement and widening works in the surrounding area.

A detailed study was carried out to estimate the cost of delivering this project under traditional construction and delivery methods. The Public Works Department prepared plans for costing by a private quantity surveying company. Under this option the Government would have financed the development through loans from local banking institutions. However, given the 10% debt service ceiling on borrowing imposed on the Government as contained in the Public Management and Finance Law, in addition to the borrowing guidelines imposed by the United Kingdom through the Foreign and Commonwealth Office, this would have limited Government's future ability to execute other important capital projects in the Public Sector Investment Programme.

Option 3 – Private Financing Initiative/Public Private Partnership (PFI/PPP).

The third option that Government explored was to enter into a partnership with a private sector partner for the provision of the new office accommodation facilities, plus refurbishment of the Glass House (if considered value for money), comprehensive car parking facilities, and associated site improvements. Under such public/private partnerships, private sector companies compete to design, build, finance and operate the new facilities for a period of 25 or 30 years. Public/private partnerships are attractive since Government is able to transfer many of the risks to the private sector through all phases of the

project including design, development, construction, completion, finance and technology risks.

The private sector partner assumes such risks as design risk, completion risk, finance risk, technology and construction risk. Given the propensity for publicly procured projects through traditional procurement methods to encounter construction cost and time overruns, this transfer risk makes this PFI/PPP projects particularly attractive.

The private sector partner is compensated by way of monthly payments which may be adjusted for poor service and/or inadequate facilities.

Madam Speaker, under a PFI/PPP project, Government would agree to an annual service payment or "unitary charge" payable on a monthly basis to the private sector partner. These payments would cover the total estimated construction cost of the new building and an 800-place car park as well as the refurbishment cost of the Glass House, again I will stress if this is deemed value for money. Also built into the unitary charge would be cost for ongoing maintenance and upkeep of the facilities to a high standard. I would add, Madam Speaker, that proactive and scheduled maintenance would represent a significant improvement in Government's approach to maintenance which is presently limited to reactive emergency repairs.

The unitary charge would also cover comprehensive facilities, management, services for the new enhanced facilities including janitorial, landscaping and pest control services as well as the provision of totally new services to be provided under the arrangement, such as a young children's day care nursery, gymnasium and restaurant facilities.

Deciding on the Best Options Available to Government

Government examined all three available options and came to the following conclusions:

Option 1 was the "do minimum" alternative. It would be an expensive short-term solution to the office accommodation dilemma faced by the Government;

Option 2 is the traditional construction and delivery method; and

Option 3 is the private financing initiative/public private partnership.

Under Options 2 and 3, Government would realise annual savings of $1.3 million compared with the current cost of private sector rented office accommodation.

Madam Speaker, I will read that last sentence over. Under both of these options (2 and 3) Government would realise annual savings of $1.3 million per annum compared with the current cost of private sector rented office accommodation. Both Options 2 and 3 would see the consolidation of the major Government financial and administrative facilities in a secure and central location on Elgin Avenue ending the unsatisfactory disjointed nature of the provision of this first office space throughout George Town. Both Options 2 and 3 would also improve the efficiency of public service delivery.

The final point of comparison regarding Options 2 and 3 was project costs. Considering the risks that would be mitigated under a partnership with the private sector it was established that Option 3 PFI/PPP represented better value for Option 2. In addition the PFI/PPP can be structured in such a way that it would not affect Government borrowing ratios; therefore, Government would be in a better position to proceed with other much needed capital investment projects such as schools which could be funded under traditional methods without exceeding borrowing ratios.

In addition, Madam Speaker, at the end of the concession period the PFI/PPP option offers Government the flexibility to-

(a) enter into another partnership for the private sector for the future provision for the same office accommodation or;
(b) assume ownership of these office accommodation facilities.

The cost of Option 3 the private financing initiative/public private partnership (PFI/PPP)

Madam Speaker, the estimated annual unitary charge in the first year of the concession would be between CI$8 million and $8.5 million. The unitary charge would then increase by Consumer Price Index (CPI) each year of the 25 or 30 year concession period.

Our financial consultants Ernst and Young out of the United Kingdom and locally, undertook a comparison which is called a public sector comparator of the "do minimum" option and the PFI option over the concession period and found that the PFI/PPP option would cost the Government a total of CI$4 million to CI$6 million less in today's terms than continuing to rely on the private sector rental market to satisfy Government's office accommodation requirements.

Benefits of Private Financing Initiative/Public Private Partnership (PFI/PPP).

Madam Speaker, I would now like to speak on the benefits of Private Financing Initiative/Public Private Partnership (PFI/PPP).

One of the key features of PFI/PPP is that the private sector would use its skills and resources to deliver to Government, not just a one time construction project, but serviced office accommodation including facilities, buildings, maintenance services and furnishings over a 25 – 30 year period.

This would enable Government to concentrate its human and financial resources on the efficient pro-

vision of first class public services. In addition PFI/PPP is the most appropriate method of delivering the new office accommodation facilities because it offers value for money to Government. Furthermore Government employees would enjoy an improved working environment with the opportunity to make use of a day care nursery for their young children, gymnasium and restaurant facilities.

Time Table

Madam Speaker, Government is pleased with the progress to date on the project and it is hoped that following a robust competition and selection of the best private sector partner, construction of the new office accommodation would commence in June 2004 and be completed by June 2006.

The refurbishment of the Glass House would commence in July 2006 and be completed 13 months later. The majority of civil servants would be housed in new or refurbished accommodation by 2007 with just a few departments continuing to occupy suitable private sector rental accommodations.

Next Steps

In the next step, invitations to tender documents were distributed on the 5 September 2003 to the four short listed proponents. Government is expecting completed tenders to be submitted for evaluation, no later than 28 November 2003.

At this time, Madam Speaker, we are hopeful that potential private sector partners will present innovative and value for money solution to address Government's future accommodation requirements as well as providing a safe and attractive working environment for Government employees. Such a solution will result in greater effectiveness and efficiency of Government operations, thereby realising savings in Government expenditures.

Closing Remarks

Madam Speaker, in closing I would note that for too long Government employees have had to tolerate cramped and substandard office accommodations and conditions. The Civil Service and indeed the public will benefit from a greatly enhanced working environment for the Service, incorporating innovative design, high performance and low maintenance and low facilities. A new multi-storey car park would provide convenient access for employees travelling to work and also importantly for members of the public who visit the offices.

New facilities would provide Government with hurricane resistant buildings that would be designed to ensure continuity of Government services during and after severe storms. An area of the car park will also function as a hurricane shelter and of course the project will provide a much needed boost to the country's economy.

Madam Speaker, in considering the available options to provide improved office accommodations I am satisfied that a private financing imitative/public private partnership (PFI/PPP) is the most cost effective method of procurement.

I look forward to receiving proposals from our potential private sector partners and in due course I will be happy to report back to this Honourable House on the progress of the new Government's Office Accommodation Project.

Thank you, Madam Speaker.

The Speaker: Thank you. The Chair proposes to take a short five-minute break at this time.

Proceedings suspended at 11.50 am

Proceedings resumed at 12.09 pm

The Speaker: Please be seated. Proceedings are resumed.

GOVERNMENT BUSINESS

BILLS

FIRST READINGS

The Complaints Commissioner Bill, 2003

The Speaker: The Bill is deemed to have been read a first time and set down for Second Reading.

The Proceeds of Criminal Conduct (Amendment) Bill, 2003

The Speaker: The Bill is deemed to have been read a first time and set down for Second Reading.

Suspension of Standing Orders 45 and 46(1)

The Speaker: I recognise the Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Thank you, Madam Speaker. I move the suspension of Standing Orders 45 and 46(1) in order to take First Readings of Bills 3 and 4.

The Speaker: Thank you. The question is that Standing Orders 45 and 46(1) be suspended. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Orders 45 and 46(1) suspended to allow items (3) and (4) to be read a first time.

The Information and Communications Technology Authority (Amendment) Bill, 2003

[**The Clerk**: The Information and Communications Technology (Amendment) Bill, 2003.]

The Speaker: The Bill is deemed to have been read a first time and set down for Second Reading.

The Dangerous Substance Handling and Storage Bill, 2003

[**The Clerk:** The Dangerous Substance Handling and Storage Bill, 2003.]

The Speaker: The Bill is deemed to have been read a first time and set down for Second Reading.

SECOND READING

The Complaints Commissioner Bill, 2003

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Thank you, Madam Speaker. I am privileged and pleased to present to this Honourable House, The Complaints Commissioner Bill, 2003 on behalf of the Government.

I would like to move the Second Reading for a Bill for a Law to Provide for the Appointment and Functions of a Complaints Commissioner for the investigation of administrative action taken by the Government entities and for incidental and connected purposes.

The Speaker: Thank you, Honourable Leader. The Bill has been duly moved. Does the Honourable Leader wish to speak thereto?

Hon. W. McKeeva Bush: Thank you very much, Madam Speaker. I am very pleased to present this Bill on behalf of Government. For many, many years we have talked about having such an ombudsman in this country and I am pleased that the United Democratic Party has seen fit to bring such legislation for the appointment of such a person.

Madam Speaker and fellow Members of this Honourable House, as you may be aware, **"Section 49N of the Cayman Islands (Constitution) Order 1972 provides for the enactment of a law relating to the office, functions, jurisdiction and powers of a Complaints Commissioner. The section enables the Governor, after consultation with the Cabinet, to appoint a Complaints Commissioner".**

In light of Government's continued commitment to open government, and to give people more opportunity to air their grievances, accusations and fault-finding, it is felt that this is an appropriate time for the appointment of such an independent officer whose function would be to ascertain whether injustice has been caused by the improper, unreasonable or inadequate administrative conduct of a Government entity.

The Bill defines a **"government entity" as including "a government Ministry, government company, government department, government portfolio, statutory board or authority".**

The Complaints Commissioner is authorised under the Bill to receive complaints from aggrieved persons. In accordance with clause 2 of the Bill **"a "person aggrieved" means a person who claims or is alleged to have sustained an injustice in consequence of maladministration in connection with any action taken by any Government entity".**

Madam Speaker, please note that it is my intention to present a Committee Stage amendment which has already been circulated which will define **"maladministration"** as being **"inefficient, bad or improper administration . . .** which includes -

(a) unreasonable conduct including delay;
(b) abuse of any power (including any discretionary power) or authority including any action which -
(i) is unreasonable, unjust, oppressive or improperly discriminatory or which is in accordance with a practice which is or may be unreasonable, unjust, oppressive or improperly discriminatory; or
(ii) was based wholly or partly on a mistake of law or fact; and
(c) unreasonable, unjust, oppressive or improperly discriminatory procedures;"

Madam Speaker, "**In the exercise of his functions, the Commissioner would not be subject to the direction or control of any other person."** In order to ensure this, the Bill provides that **"the salary and emoluments of the Commissioner shall not be altered to his disadvantage during the period of his appointment."** So there could be no pressure laid there, Madam Speaker.

It is proposed that "**the matters specified in Schedule 2 to the Bill would not be subject to investigation, however, nor would the Commissioner have authority to investigate a case where the complainant has a right of appeal in a court of law or other tribunal."**

Examples of matters which the Commissioner will have no power to investigate are as follows:

"1. "Action taken in matters certified by the Governor to affect relations or dealings between the Government of the Islands and any other Govern-

ment or any international organisation of States or Governments.

"2. Action taken in matters certified by the Governor to affect defence, external affairs or internal security.

"3. Action taken by or with the authority of the Attorney General, the Commissioner of Police, the Chief Immigration Officer or the Collector of Customs for the purposes of investigating crime or of protecting the security of the Islands, including action so taken with respect to passports.

"4. Action taken by the Attorney General in connection with the exercise or possible exercise of his power under the Constitution to institute, undertake, take over, continue or discontinue criminal proceedings before any court of law in the Islands; and

"5. The commencement or conduct of civil or criminal proceedings before any court of law in the Islands or indeed any judicial function."

Madam Speaker, I am of the opinion that the Bill does not make it clear that the Commissioner will have no power to investigate policy matters and I will therefore bring a Committee Stage Amendment to this effect which I believe has already been circulated.

"The person making the complaint would have to be resident in the Islands, or the complaint would have to relate to an action taken in relation to the complainant while present in the Islands. Moreover, the complaint would not be entertained if made more than twelve months after the day on which the person aggrieved first had notice of the matters alleged in the complaint.

"In determining whether to initiate, continue or discontinue the investigation of a complaint, the Commissioner would act in accordance with his own discretion (that is to say, under the proposed Law, the Commissioner would be required to consider each complaint and to decide whether an investigation should be initiated - he would not be compelled to investigate). The investigation itself would be conducted in private."

Madam Speaker, after the Bill was submitted, the provisions of the 2003 Complaints Commissioner Act of the British Virgin Islands was brought to the attention of the Attorney General and his staff. That act provides among other things for mediation where the Commissioner is of the opinion that a complaint relates only to minor maladministration. I will bring further amendments relating to mediation at Committee Stage. Such amendments will provide that the Commissioner shall not participate in any mediation and that participation in the mediation by the complainant and the relevant Government entity is voluntary and any party may withdraw at any time.

Where an attempt to deal with a complaint by mediation under this section is unsuccessful the complainant is to be treated as if the mediation had not taken place and the mediator will be excluded from participating as an investigating officer in any subsequent investigation of the complaint.

"In respect of the attendance and examination of witnesses the Commissioner would have the same powers as those exercisable by a Judge of the Grand Court including the administration of oaths and the production of documents. It would also be able to pay witnesses' expenses and compensate them for loss of their time. The proposal is for the Commissioner to be authorised to obtain information from whomever he wants and in whatever manner he wants, and for him to be empowered to make such inquiries as he thinks fit. The Commissioner would not, however, be empowered to summon the Governor to appear before him nor would he be empowered to summon a witness to produce any Cabinet papers."

Madam Speaker, in our Colonial make-up we have to do this, but it is kind of bad that we could not bring the Governor before the Commissioner. I am in agreement that the power to summon a witness to produce any Cabinet papers is not there because it is the Cabinet and it deals with all sorts of issues. However, I let it go in the spirit of corporation and in the spirit of getting this kind of Ombudsman.

After an investigation has been conducted, the Commissioner **". . . would be required to forward, to the complainant, a report of the investigation. He would also have to forward, to the principal officer of the relevant** Government entity **and to the person complained against, the results of the investigation. The conduct of the investigation would not however, affect the power of the relevant government entity to take further action with respect to the matters investigated.**

"It is intended that, in cases where injustice has been caused in consequence of maladministration and the injustice has not been remedied, the Complaints Commissioner would be empowered to lay a special report before the Legislative Assembly and the Governor - it is not proposed that the Commissioner should have the power to make a legally binding award such as an order for compensation.

"For the purpose of preserving confidentiality, information obtained by the Complaints Commissioner would only be disclosed in specific circumstances (for example, for the purposes of the relevant report). Further the Commissioner would not be called upon to give evidence of matters coming to his knowledge in the course of an investigation; however, in order that the Commissioner's functions may be subject to regular scru-

tiny, he would be required under the proposed legislation to annually lay before the Legislative Assembly a general report on the performance of his functions."

Madam Speaker, I intend to bring a Committee Stage amendment which will provide that no proceedings of the Commissioner may be held back for want of form. Except on the ground of lack of jurisdiction, no proceedings or decision of the Commissioner conducted or taken in good faith is liable to be challenged, reviewed, quashed or called in question in any court.

As Leader of Government Business and Leader of the United Democratic Party I am indeed proud to pilot this legislation today. It has been long in coming promised by many governments and talked about for probably ever since I have been in this Legislative Assembly and I am the longest serving Member.

This is a milestone in the platform of our administration. Over my near 20 years in Government and even before that, I have known about complaints that never get looked at, heard or addressed. This fundamental piece of legislation, Madam Speaker, will give the public and everybody an avenue to have their complaints investigated and the facts laid before the world.

I am glad that this is here today. When a person is making a complaint it cannot be frivolous but should be of a serious nature. Be assured, Madam Speaker, that while this Bill will give the public much scope to have their grievances checked and aired about Government, it will also give a needed avenue for Elected Members and Cabinet persons and other civil servants (this is the side that I like about it) that when allegations are made they can be aired by an independent source.

When a Minister is accused of making somebody lose his job from any public platform, this Ombudsman will check it, air it and say to the world what has happened. When lies are told it will also bring out the truth. This is a good piece of legislation. It is not perfect because I believe that the Colonial administration is somehow protected. However, as I said, to keep peace, to get this milestone and fundamental piece of legislation before this Legislature, I certainly am glad that it is here; I am glad to be piloting it and glad that my government saw fit to bring it.

I want to thank the Attorney General, his office, the Chief Secretary's office, the Deputy who is standing in here today, and the Draftsmen, for getting it here. We will probably find areas where we would prefer to see something else, but I say to all 'Let us get someone in place' because as far as I am concerned there are far too many people willing to accuse, to make allegations and to destroy public servants' names and destroy elected officials' names by merely getting up and making accusations that the whole world in their own heart of hearts know could not be so. I am really proud after being elected here from 1984 to know that finally we are going to have somebody in place to do that.

Personally, in my time I have borne the brunt of many accusations and allegations that are not true. There are people and even Members within these hallowed Chambers far too willing to perpetuate those kinds of allegations. The Ombudsman will take care of that. I am indeed proud that in spite of all the chat and the clack made by Opposition at times about there being no openness, transparency, and fairness, if they make those kinds of allegations when this man is in place . . . and I am going to urge the Governor to have him in place before the end of this year.

(An Hon. Member's inaudible comment)

Hon. W. McKeeva Bush: Well, when I say 'man', it means man or woman . . . gender. The kind of allegations just being made by the Second Elected Member for George Town "that it is already decided" will be checked on too so that again he can be proved, or perhaps be taken up for perjury and making unsubstantiated allegations and carrying on like bad boys.

Madam Speaker, I know that the other side is going to agree because they know what I am saying is true. If they were the Government, they would want this kind of avenue. I know that they would want this kind of avenue to be available in this country.

So, as the Leader of Government Business, I am indeed proud that today we are here and we can pass this legislation. Hopefully, as I said, I am going to urge the Governor to appoint someone before the end of the year is out.

Madam Speaker, I have tabled some amendments and probably there are some consequential amendments that need to be had and will be dealt with at Committee Stage.

Thank you very much, Madam Speaker.

The Speaker: Thank you. I recognise the Leader of the Opposition.

Is it the wish of Members to take the luncheon break – or is it their wish to hear from the delegated Member of the Opposition?

I recognise the Member for the district of East End.

Mr. V. Arden McLean: Thank you, Madam Speaker.

A generous gesture from the Leader of Government Business!

I rise in support of this Bill for the establishment of a Complaints Commissioner office. This has been around for a very long time as I recall. A long time before I came to the forefront of politics the Minister of Education advocated having a Complaints Commissioner, Ombudsman or whatever we want to call it.

Madam Speaker, I support the office of a Complaints Commissioner and endorse some of the things that the Leader of Government Business has said in presenting this Bill. He said that the time has come for all of these accusations being made and for all of these actions in secret to be aired in our country—particularly when it comes to this Honourable House and its Members, be it now or in the future.

In the past we have heard so many rumours about politicians doing this and that and the time has come for this country to do something about it. I agree with the Leader of Government Business and the Minister of Education that all and sundry needs to be investigated if there is an aggrieved person who complains. It needs to be done.

Madam Speaker, while I support the Bill, there are a few things that I would like to draw to the attention of the Government and maybe the Draftsman; perhaps provisions have already been made for these but I did not see them. The first one is in section 11(4) where it says, **"A complainant shall not be entertained under this Law unless the person aggrieved is ordinarily resident in the Islands".** Somehow in the interpretation I believe under section 2 'ordinarily resident' in the Islands should be defined because when we look at section 2 I do not see 'ordinarily resident' defined. I say that because when we then look at section 12(5) where it says, **"The conduct of an investigation under this Law shall not effect any action taken by the government entity concerned, or any power or duty of that government entity, to take further action with respect to any matters subject to the investigation; but where the person aggrieved has been removed from the Islands under the Immigration Law (2003 Revision) or other enabling legislation he shall, if the Commissioner so directs, be permitted to re-enter and remain in the Islands, subject to such conditions as the Governor may direct, for the purposes of that investigation."**

Now, Madam Speaker, when I read those two and compared them, there is a classic example that occurred many years ago. It was when the band leader of Third World was "refused entry into the Islands" and his only recourse was– I think, he made a complaint to the United Nations, or one of those international bodies, and that was a big thing in the Islands. I wonder if provisions should not be defined so that it all of these situations are covered. Certainly our Immigration legislation on entry into this country is not like CARICOM states where they were trying to do the free movement, so to speak, where Immigration Officers are required to give each person 6 months. It is up to their discretion and certain other things laid out for them like the amount of money the persons entering have.

I am wondering if 'ordinary resident' should not be defined to encompass these people. For too long we have heard complaints of the inhumane manner in which people– and it is complaints I am saying. I am not saying that they have been visited upon the people but we have heard rumours of people complaining of how they were treated inhumanely when they arrived at our ports of entry. I wonder if the Draftsmen, or if the Leader of Government Business, in his response could touch on that.

The other section that I would like to speak about,, Madam Speaker, is section 16(3) and it reads, **"(3) Where the Commissioner has made a recommendation under subsection (l) and within the time specified or a reasonable time thereafter, he is of the opinion that no adequate action has been taken to remedy the injustice, he shall lay before the Legislative Assembly a special report on the case."**

Madam Speaker, I am wondering if there should not be something stating the purpose of laying it (the report) before the Legislative Assembly. When the report is laid will it be debated or will there be some resolve to it? I trust that whatever the case may be, it will be defined in the Law.

Madam Speaker, I know the Minister spoke briefly on Schedule 2, paragraph 3, **"Action taken by or with the authority of the Attorney-General, the Commissioner of Police, the Chief Immigration Officer or the Collector of Customs for the purposes of investigating crime or of protecting the security of the Islands, including action so taken with respect to passports."** These are not subject to investigation by the Complaints Commissioner. I understand that this is an extremely ticklish area and that it could swing one way or the other. I wonder if it is not a little too broad, God forbid.

Madam Speaker, let us look at the scenario: Maybe someone needs to complain about a Police/Customs officer who in the execution of his duties, deals with a person who complains of having been abused. I respect that there is a process currently in place through the Police complaints process. I am not questioning the integrity of that process. However, I am wondering if this, encompassing so broad a matter, should not be pulled in a little tighter to allow an independent body such as the Complaints Commissioner to be able to investigate .

I am asking the Government to address that area. Sometimes 'Caesar unto Caesar' is kind of difficult to justify even though we have evidence of the conduct of those complaints that are conducted properly. Here is a perfect opportunity for us to spread that out there and ensure that there is an independent body available, if needs be, to look at these complaints from the people as ordinary citizens.

Madam Speaker, I noted that the Minister spoke on another section – the amendments to come – which he went through in detail. I realise that we should not be discussing this until Committee Stage, but, if I may, with your permission. I noted in part of those amendments on page 2 that in investigating any

matter leading to, or resulting from, or connected to a decision of a Minister, the Commissioner shall not enquire into or question the policy of the Minister in accordance with which the decision was made. I am wondering if it should not be the policy of Cabinet, under which the Minister is making those decisions. However, we will have to discuss that in Committee Stage.

Madam Speaker, as I said when I stood up to speak, I know that the Opposition supports this Bill; the Leader of the Opposition will come later with his presentation. I am glad to be able to support a Bill for the establishment of a Complaints Commissioner. However, like the Leader of Government Business says, "nothing is perfect." I am sure in the not too distant future we will have to make some amendments, or whatever, but the fact that we have it, it is here, I have to support it. I have to agree that we urgently and desperately and for many years needed something. Once we get something in place we can always adjust it to fit the situation.

I want to see it all encompassing because in other jurisdictions and in my research, I learnt that for instance in Jamaica you have two different ombudsmen — one for the public service and one who deals with political complaints.

Madam Speaker, I understand now that the Attorney General is three, one for the utilities too. Never-the-less some may say that is a good way of getting one of your friends into a job – but I would like to see this one covering the whole ambit of Government – politics straight down to the bottom. I trust that is what will happen here. I trust that we will have someone that the pubic can complain to whatever the reason, and then that person acting with total independence can review that complaint and decide whether it is frivolous or if there is reason to investigate it and make it be known.

We need to have some kind of redress for the public. People become disillusioned when the Government leaves something on the road and they run into it and something happens or whatever the case may be.

Madam Speaker, I support the Bill and I would like if the Government in its response could address those issues that I brought forward. I will be satisfied once they are addressed and at committee stage we can discuss them.

Thank you, Madam Speaker.

The Speaker: Thank you, Elected Member for East End. I wonder whether I could seek an element of clarification as far as the Chair is concerned before we take the luncheon break. At the conclusion of the Government presentation I did call on the Leader of the Opposition to be given an opportunity to respond. Did I hear you correctly in your presentation as saying that the Leader of the Opposition will follow? If so, could I get some direction from the Opposition as to the way that they wish to proceed now that there is an official Leader of the Opposition.

Hon. D. Kurt Tibbetts: Madam Speaker, I would just like to clarify what you are asking. Normally I would have spoken, but the Member had done some research on the matter and he had some situations that he wanted clarified himself. Since it is not within the ambit of the debate that I am going to present, I told him to go ahead and make his question. It was not very long so it is not that the format will change from what you are expecting. It is just that in this specific instance that is how it was done and I was not aware that I needed to refer it to you but if it happens in the future I certainly will.

The Speaker: Thank you for the clarification, the Chair is grateful. We will now take our luncheon break and we will reconvene at 2.30 pm.

Proceedings suspended at 12.52 pm

Proceedings resumed at 2.55 pm

The Speaker: Proceedings are resumed. Does any other Member wish to speak? I recognise the Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you, Madam Speaker.

As has been said before by my colleague, the Elected Member for East End, the Opposition is certainly in support of this Bill. However, I think perhaps in support of the Bill there may be some other areas which are directly affected that we might need to draw some attention to. I will be quoting from a few different documents so I am just letting you know in advance and asking your indulgence to ensure that I am able to do so. It is only a matter of information that ties in with my debate.

This "Bill for a Law to Provide for the Appointment and Functions of a Complaints Commissioner for the Investigation of Administrative Action Taken by Government Entities; and for Incidental and Connected Purposes" is a Bill that, looking at the Memorandum of Objects and Reasons, it was felt that this is an appropriate time for the appointment of an independent officer. His function would be to ascertain whether injustice has been caused by the improper, unreasonable or inadequate administrative conduct of a government entity which is defined as: including a government ministry, government company, government department, government portfolio, statutory board or authority. Madam Speaker, when we look at the wide ambit under which this Complaints Commissioner or Ombudsman would operate, we see as I just said that this includes government companies, government departments, government portfolios, statutory boards or statutory authorities.

So, Madam Speaker, that as I understand it, would include entities such as Cayman Airways, perhaps the Port Authority, the Water Authority, the Cayman Turtle Farm and such other agencies. When we speak to someone functioning in that manner, and we look to the wide purview, it gives some cause to wonder about the variations of rules and regulations under which the staff of these various entities operate. You simply have to think, "How do you maintain consistency when it comes to the rationale that an Ombudsman would use in making assessments of any complaints from the various entities?"

The point that I am making, Madam Speaker, is not to try to say that there is something wrong but only to raise the issue to find out whether we need to determine some basic ground rules that would encompass all of these entities. That is a question, Madam Speaker, because certainly it is obvious that some of those entities would operate with different personnel rules and regulations than others. This leads me into furthering the point we speak to—the Civil Service itself, at present being ruled by General Orders and Public Service Commission Regulations. However, those General Orders and the Public Service Commission Regulations certainly do not apply to all of the entities that I referred to and I think drawing the parallel makes the point that I wish to make.

There is absolutely no question in my mind that, first of all, the Complaints Commissioner (as is said in the very first paragraph of the Memorandum of Objects and Reasons) in the exercise of his functions he would not be subject to the direction or control of any other person. That is exactly how I think it should be; there is no question in my mind about that. However, if that individual is to retain the autonomy that is absolutely necessary for him to be able to perform his functions effectively, then, Madam Speaker, there are certain required basic rules and guidelines that have to be the platform of his operation.

In saying all of this, Madam Speaker, one might say that the simple answer is that whatever rules and regulations are attached to each of these entities, an Ombudsman would use the requisite ones for any complaints regarding which ever entity that is. If we look in practice, I believe, that there may well be questions that might rise in its actual workings, where one set of rules says it is right for a certain entity, and a certain action by a member of staff of that entity, you might compare it to what is said of another entity and the actions of staff and it is wrong for them. It is very possible, because certainly the General Orders and the Public Service Commission Regulations are (without me wishing to give them the description that I really believe they deserve), first of all, they are archaic to say the least, if nothing more than that, although there is a lot more that can be said. There must be some inhibitions with what obtains at present.

The point I am making in my contribution is that while we support and believe that there should be the office of a Complaints Commissioner and that it should be put into effect as soon as possible, we are also saying that there are other aspects of his operations down line which need to be looked at.

It brings me, as I mentioned to the General Orders and the Public Service Commission Regulations, to speak to them generally for a minute because we know that Government has been implementing a programme of public management reform for some time now; I think, perhaps as far back as 1999. The move began for the first major component of that reform which was the financial management initiative which culminated in legislation being passed, namely the Public Management and Finance Law in 2001. While that Law in its operation calls for certain timelines of certain sections coming into effect, at least there is a road map through the Law itself, with regards to the Financial Management Initiative.

We also know that there is a second major component which is coming online and that is personnel reform in the shape of a draft Public Service Bill which is being examined now relating to the overview of the new personnel management system.

As I understand it, Madam Speaker, the new Public Service Law, whenever that is brought to the Legislative Assembly and approved, will provide the legislative basis for the new arrangements and they will replace existing General Orders and Public Service Commission Law and Regulations.

So, Madam Speaker, there is light at the end of the tunnel in that regard, in that when this Public Service Law is put into effect, it will give clearer definition for the workings of the Civil Service and the various Government departments, which will give clarity that does not exist now to what civil servants can, and cannot do, and how they perform their daily functions in providing service to the public of this country.

As it stands now, both the General Orders and the Public Service Commissions Law and Regulations are, in my view, overly protective of the Crown, if I may say it like that—

[Inaudible interruption]

Hon. D. Kurt Tibbetts: Madam Speaker, I said "the Crown" and it is very simple what "the Crown" means. I would like to continue my debate please.

The reason I say that, and I will make it clear, is that stemming from colonial regulations where the order of the day was to protect the Crown, that is still the basis of these General Orders. What that really does is to limit the ability of the Civil Service to function in a more up-to-date fashion that is acceptable to all and sundry at this point in time. Daily, I am certain both civil servants and the public have difficulty in their interactions because of these General Orders and the regulations.

The point that I raised about that, is that even though it appears like the Public Service Bill, which is

in discussion right now, might be a year or two away, at least there is some light at the end of the tunnel. However, I dare say that if we do get the office being created, and the appointment of an Ombudsman, before much of this is done that individual is going to have a difficult time in performing his functions. One might say that it is easy once you go by the rules and regulations, but the fact of the matter is that people are not going to be satisfied with many of the decisions because it is for those same reasons that they will be aggrieved from the beginning.

The point that I make with that, is that we need to work with purpose on insuring that these other pieces of legislation and also the other areas which I will refer to in a very short time, are also being dealt with.

Madam Speaker, the Complaints Commissioner will be authorised under this Bill to receive from any individual or body of persons complaints which allege improper, unreasonable, or inadequate administrative conduct, by a government entity. So you see, immediately the job description highlights the difficulty that the individual will have at present because as it says in the Memorandum of Objects and Reasons, the definition of improper unreasonable, or inadequate administrative conduct of a government entity is not something that this Law will outline and set the parameters for. Therefore, the Complaints Commissioner would have to refer to whatever existing rules and regulations there are. However, if it is considered by most from within and without that those existing rules and regulations are already in some instances unreasonable, improper, and inadequate in their own right, and civil servants have to follow that, then in many instances it would be viewed by an aggrieved party that their actions which they are following certain rules and regulations by, would end up being improper, unreasonable, or inadequate.

Madam Speaker, the point that I wish to make, is that it is fine when we speak to creating this post, but we have to look clearly at how it would actually function and what tentacles will spread to, which will decide on how it functions.

There is another aspect which we have to consider and that is freedom of information legislation. In the past there have been several attempts made and I am certain that it is in the forefront of the minds of many: perhaps I go as far even as to say, the Government. Here we go again, Madam Speaker! In the absence of freedom of information legislation which would clearly outline the parameters of what information can be made available to the public; in what shape or form it should be made available to the public; within what timelines are acceptable for such information to be made to the public; and also legislation which protects the rights of individuals when it comes to disseminating information which might be of a personal nature and such the like.

Those are very real areas that have to be examined because there are certain aspects of information gathering, and information dissemination, which when it affects individuals you cannot simply make judgment calls to decide how far you can go; what information you can give; or what right do you have to give out that information; or where do you decide that you are not going to do it.

Let us look at how an Ombudsman's office would function (I use the word Ombudsman because it is one and the same as Complaints Commissioner): For example, you have an aggrieved party who complains of having a need for a certain bit of information and the relevant government agency not being willing to pass on that information. The person might not want it for a personal reason but the information might contain bits and pieces that are personal to somebody or bodies. That in itself would create a difficulty in anyone who occupies that post being able to make a judgment call as to what is right and what is wrong and how much of the information should be given and how much of it should not.

Now the reason for the office is to be able to sit in the middle, comparable to a court where a judge will make a ruling when he hears the arguments of both sides. The Complaints Commissioner will perform generally that same type of function. However, if we make the parallel and their functions and we look to see how they both would function, while a judge will rule he has specific laws from which he rules. He rules based on that law and he himself is not authorised to go outside of those laws making rulings unless those laws do not cover certain areas; at that point in time he has to use his own discretion. Certainly it makes no sense for such an office to be able to function without having a certain degree of defined parameters under which it operates, and under which guidance the decisions are made.

So, I think that point is made. It is simply to say that while an ombudsman can function, certainly the move and the effort must be made as quickly as is physically possible to deal with such legislation as freedom of information; this must be done in order for that office to be truly effective.

The person who occupies the post should be able to operate in a manner that would be seen as satisfactory not only by a supposed aggrieved party and whoever is being complained of, but by the public in general understanding and accepting the validity of the office and its functions.

Madam Speaker, I believe that perhaps one of the best functions of the office of the Complaints Commissioner is its very existence. The fact that it does not exist now, causes, for instance, government agencies, the civil servants, and those employed in the other agencies, not to pay close attention to the fact that there may be individuals from time to time who are aggrieved and dissatisfied with whatever interaction they may have had because there is no real

recourse at this point in time besides general complaints.

While there are always two, three or four sides to every story, there needs to be redress and the ability to have that redress in a defined position. Therefore the existence of the post of Ombudsman will clearly send the message to those people who are operating within not just the Civil Service, but the other Government agencies, that they need to pay very close attention to the way they deal with the public. To put it in layman's terms, customer satisfaction is of utmost importance.

At the same time, while the office will create this atmosphere by its existence, it will also clearly define the fact that someone cannot just simply up and make judgments of his own as to what is wrong with the way the Civil Service, for instance, is operating. The Civil Service can clearly say, well these are the rules under which we operate and hence this is why I can or cannot do that. So it will clearly define itself.

That can be done right now when we speak about General Orders and the Public Service Commission Law and Regulations. However, as I said, it is generally accepted from within and without that such pieces of legislation and rules and regulations are archaic and certainly leaning in one direction more than it should when it comes to protection.

So, Madam Speaker, the Government has brought the Bill and I am simply saying that it is not just its functions (that is the functions of the Complaints Commissioner) which will actually cause good, but its very existence will change the atmosphere and I believe for the better all round.

Madam Speaker, I am not quite clear about a couple of things I read in the Memorandum of Objects and Reasons. In the fourth paragraph it says, **". . . however, nor would the Commissioner have authority to investigate a case where the complainant has a remedy or right of appeal in a court of law or other tribunal."** If we look at the Queen's English that statement is supposed to be self explanatory. However, if you take what one might understand on the surface, that this is saying, and you apply it to real life, I am not so sure how it works because where it says, **". . . nor would the Commissioner have authority to investigate a case where the complainant has a remedy or right of appeal in a court of law".**

Madam Speaker, certainly (and I am no lawyer) there are a myriad of situations that one could imagine where one could go to a lawyer and dig up within the statutes almost anyone, or more than one set of statutes that one could use to bring some type of action in court.

The point that I make with this is, How far is that statement meant to go? Even if the legislation has within the body of it defined parameters, the Memorandum of Objects and Reasons clearly state the intent and I am not quite sure what that intent is. Perhaps we need to get that cleared up. There may well be situations at hand where a person feels genuinely dissatisfied and aggrieved, but a court of law, while that might be an option, it might not really be an option for that individual for more reasons than one. It might just be a matter of cost, or there may be other reasons.

So the way I understand this wording is, if there is redress in a court of law the person need not even think of complaining to the Commissioner or his/her goodly office. I do not believe that the legislation would have been intended in that matter so I ask that question and perhaps we will get a reply to that when the Leader of Government Business is doing his winding up.

There is another question which might well be reasonable in the sight of many but again seeking some clarity. It also says in the fifth paragraph of the Memorandum of Objects and Reasons, **"Moreover, the complaint would not be entertained if made more than twelve months after the day on which the person aggrieved first had notice of the matters alleged in the complaint."** I would want to believe that perhaps one of the reasons those words are in there is to ensure that if a person is aggrieved, that the person acts within a reasonable time frame. However, Madam Speaker, speaking hypothetically there may well be specific circumstances which might not allow an individual to be able to proceed with such complaint within that time frame.

One might have been gathering some information to ensure that his complaint in his mind is a valid one and one might take sick perhaps not very likely in many instances but certainly possible in some instances. The question is: If there is a genuine situation that can be proven to be a genuine situation, is there any ability for the Complaints Commissioner to make exceptions? I do not know that and I think we need to look at that.

In the next paragraph it speaks to the fact that the investigation itself would be conducted in private. That is any investigation which a complaints commissioner decides to act on. He would conduct the investigation in private, but it also speaks to the fact that it is intended that in cases where injustice has been caused in consequence of maladministration and the injustice has not been remedied, the Complaints Commissioner would be empowered to lay a special report before the Legislative Assembly and the Governor. It is not proposed that the Commissioner should have the power to make a legally binding award such as an order for compensation.

That is understandable, but the question of privacy and who should know how much of what, within the investigation, and how much is the Commissioner able to make public information-wise, is one which I think perhaps we might bring a little more clarity to.

In the last paragraph relating to that it says, **"For the purpose of preserving confidentially, information obtained by the Complaints Commissioner would only be disclosed in specific circumstances** [for example, for the purposes of the relevant report]**."**

Again, while this may define certain parameters I think we might just want to speak to it in a little more robust fashion so that it is clear as to exactly how the Complaints Commissioner would function within the area of secrecy or disclosure.

Madam Speaker, I would like to go back for a short time because as I was speaking, the question marks kept coming into my mind. I think about the Government agencies which the Complaints Commissioner would be able to accept complaints about, and how they all function in such a different fashion. Not having had the benefit of vast experience in how that office actually functions, I think it would really behove us if we could have some clarity on that because I can see potentially much difficulty in some of those areas for a Complaints Commissioner being able to perform his duties.

I certainly do not have the answers to that question at this point in time; perhaps the answers are fairly simple. However, I think there is some potential difficulty in that and maybe we could get some thoughts of the Government in this matter whenever the wind up is being done.

On a whole we certainly believe that it will be good to have this office created but we want to impress the other aspects that need to be looked at in tandem, the other pieces of legislation that are going to be necessary to fill out the puzzle.

It is important that we either begin, or continue, depending at what stage we are at in those various processes, to look closely at these other pieces of legislation as to trying to bring them forward as quickly as possible so that the functions of this Ombudsman can be dealt with as effectively as possible.

Madam Speaker, a Complaints Commissioner is truly vital in the democratic process. There is a situation that has been forever. Forever, we have had people complaining about inadequacies and malfunctions of certain Government agencies and it is very difficult on occasion to make judgments as to whether those people are correct, or whether they misconstrue the functions, they misunderstand what those functions should be. Certainly this post and its existence will bring a lot of clarity to that. We see the good in it happening, but freedom of information, the Public Service Bill, the good riddance to General Orders, are things that we hope will happen not just in due course but as quickly as possible.

As we work towards that, Madam Speaker, I think we will see much better results when it comes to the manner in which the Civil Service and other Government agencies function and interact with the public while providing the many vital services that they do.

Madam Speaker, on balance I think this piece of legislation should not be looked at as anything that would make the life of a civil servant more difficult. It should be looked at both in the eyes of the public and in the eyes of Government employees that it will bring clarity to a lot of muddy water that exists where I believe very few are comfortable having to swim in. So I think it should be looked at in that light. Certainly, the Members of the Opposition welcome this legislation and with all of the other bits and pieces that need to happen, we certainly look forward to playing our role in contributing to the forward movement of the process.

Thank you.

The Speaker: Thank you. Does any other Member wish to speak? I recognise the Honourable Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Madam Speaker.

I rise to give my support to the Bill for a Law to Provide for the Appointment and Functions of a Complaints Commissioner for the Investigation of Administrative Action Taken by Government Entities; and for Incidental and Connected Purposes. I will try to be brief as what I will attempt to do is to address some of the concerns and queries raised by Honourable Members in their very helpful contribution to this important piece of legislation.

Madam Speaker, the Honourable Member for East End, this morning, queried whether it would be desirable to have the expression 'ordinarily resident' defined in the legislation. Quite a valid observation I may add. However, Madam Speaker, my research has shown that although the expression has been used quite widely in the Immigration Law, it has not been defined. I think the reason for that is that the common law definition has always been used and the definition at any given time depends on the factual circumstances of a particular case. For example, it is defined in some courts as to be ordinarily resident a person has to be habitually or normally resident within the jurisdiction apart from temporary or occasional absence of long or short duration. In addition the residence may be voluntarily adopted and there must be a degree of settled purpose be it specific or general.

Our Grand Court in the Cayman Islands has made the observation that the expression 'ordinarily resident' was to be given its ordinary meaning unless the legislative context requires otherwise. As I mentioned before, it all depends on the factual situation at any case at any given time. I think it would be more appropriate to leave it as a common law expression rather than try to define it in the law and run the risk of being 'boxed in' for want of a better word.

Madam Speaker, the Honourable Member gave as an example of his concerns – the case of a gentleman who was attempting to enter the Cayman Islands and was prevented. That case can be distinguished on the basis that (if I understand him correctly) the person was neither present nor resident in the Islands. He was not allowed to land and in those circumstances if he is alleging that it was some transgression then he would have been entitled to seek his common law redress in the Courts; he would not be prevented from doing so. He does not have to be present in the jurisdiction to file an action.

The other point raised by the Honourable Member was that the Law should stipulate why the Report is being laid before the Legislative Assembly. My understanding of the thinking is that the Report is being laid for public information and to point out that there was some investigation carried out and that there was a failure to act. Of course once it is disseminated publicly, then clearly it may well be that the department or the officer is embarrassed.

In the usual tradition of things, Madam Speaker, I can tell you where an Ombudsman makes a recommendation Government always acts on the recommendation. It is similar to a declaration made by the Grand Court, where in itself it is made against Government it does not carry much force. However, Government in the true spirit of things always acts on the declaration – especially if it is the right of some other person that is involved.

The Honourable Member also questioned whether the section dealing with the inability to investigate certain actions by the Commissioner of Police, the Attorney General, the Collector of Customs and the Chief Immigration Officer are not too broad. Again, Madam Speaker, nothing in this Law is intended to prevent a person who is aggrieved by an action/some excesses on the part of these Government agencies from pursuing the ordinary common law remedy. I give an example: If there is an allegation of false imprisonment, malicious prosecution, an assault or invasion of privacy on behalf of some agent of the state, Collector of Customs, the Commissioner of Police, or someone, the aggrieved person is entitled to bring an action in the Civil Court to seek redress.

So what is intended by this piece of legislation is that where persons are vested with certain constitutional and/or other statutory remit to do certain things, not every shift in impulse can be investigated by another agency and which would have the effect of fettering the discretion and/or the actions of those individuals. However, as I said before, the legislation was crafted in such a way to ensure that a person's civil liberty and civil remedies are always protected and can be enforced if it becomes necessary.

Madam Speaker, he also wondered whether in the proposed committee stage amendment the word "Cabinet" should not be substituted for "Minister" and the policies of the Minister. My simple response to that is invariably what a Minister does is he takes a particular policy to Cabinet to ensure that there is collective responsibility in the event it is called into question. The policy invariably emanates from a particular Minister or Ministry. It is really taken to Cabinet for endorsement, support where necessary, and approval; however, it remains the policy of a particular Minister or Ministry.

Madam Speaker, the Honourable Leader of the Opposition also has some queries about the legislation itself. He says that the Public Service Commission Regulation and General Orders do not really apply to all Government agents and/or bodies. I understand that there are some inconsistencies in terms of the rules that govern each of these agencies. He suggests that it would be best if there is some sort of uniformity so that whatever investigation is undertaken by the Complaints Commissioner, he would be able to sort of deal with issues in a common way, rather than having to look at what obtains elsewhere and extrapolate from that and investigate based on the restrictions and/or whatever it is that governs each: clearly, that would be desirable, Madam Speaker.

I am confident that in the fullness of time when the other pieces of legislations are in place, pursuant to the new Constitution, whenever that is, that there will be some sort of uniformity and consistency in terms of how most of these agencies are governed, with sort of a regulatory framework in place for public officers and for the conduct of business in these departments.

Suffice it to say, that the absence of some of these uniform courts will not in any way seriously detract from the workings of the proposed Complaints Commissioner's office. It will clearly take some getting used to, but I am confident, Madam Speaker, that it will be addressed not too long from now.

Madam Speaker, I must also point out that notwithstanding the difference in terms of how these agencies are governed, there are some clear protocols in each of them. For example, if you look at Civil Aviation, or Cayman Airways, and compare what happens in the Government department you will see that there are clear protocols governing each of these agencies. Therefore, it will be possible for the Complaints Commissioner to work with the existing protocols in place to determine whether there was in fact maladministration as alleged by a complainant.

One of the concerns that the Honourable Leader of the Opposition has, is whether (because of these inadequacies and/or inconsistencies in the way business is conducted or the guidelines governing these agencies), it would not be unfair to a particular public officer to be investigated and for it to be eventually found out that the public officer was incapacitated or impotent because of not being able to access certain information.

I think clause 16(5) of the Bill states, **"The Commissioner shall not, in any report under sub-**

section (3), comment adversely on any person unless he has given that person an opportunity to be heard." Madam Speaker, that is very important because if it turns out after a complaint has been lodged and investigated that the particular public officer was not able to act because of some sort of inability to access information, or he was not capable because of his particular rank in the public service to access certain things then that public servant will have an opportunity to state his side of the story to the Commissioner and which clearly has to be factored into any report that is going to be laid in the Legislative Assembly.

So, it has to be made quite clear that the public servant was called upon to explain why he did not act in a particular way and that explanation will find itself in the report that is going to be laid in the Legislative Assembly, if it gets to that stage.

Madam Speaker, the Honourable Leader (of the Opposition) also observed that it would have been appropriate to be able to juxtapose and present simultaneously the Complaints Commissioner Bill with the Freedom of Information Law. Madam Speaker, it would be desirable, but again that is something that will be addressed eventually.

What I can say is that where a complainant complains of maladministration and is denied the ability to access that information to substantiate that complaint; clause 13 of that Bill gives the Commissioner wide powers to access such information. He has wide remit not only to require or request records, but to also request the attendance of persons to be examined and so the issue can be ventilated, notwithstanding.

I must also add that there is a reinforcement provision in Clause 15 where the Commissioner attempts to get information and is obstructed by anyone. That in itself is contempt so there is enforcement mechanism within the Bill itself to deal with any obstruction to access information.

Madam Speaker, the Honourable Leader of the Opposition also queried the thinking in the language used in paragraph 4 of the Memorandum of Objects and Reasons in particular he says**, ". . . nor would the Commissioner have authority to investigate a case where the complainant has a remedy or right of appeal in a court of Law or other tribunal."**

Madam Speaker, there is good reason for that because you really do not want to have duplicitous proceedings taking place at the same time and it is analogous to a person who claims that their constitutional right has been infringed. The Law always requires that before you can bring an action for breach of a constitutional right, you have to demonstrate that you either have no alternative remedy or you have exhausted all other remedies and this is not dissimilar to that thinking.

However, Madam Speaker, it does not end there. The Law in itself thus provides some sort of a caveat and remedy. Clause 10(3) says, **"(3) Notwithstanding subsection (2), the Commissioner may conduct an investigation notwithstanding that the person aggrieved has or had such a right or remedy if satisfied that in the particular circumstances it is not reasonable to expect him to resort or have resorted to it."** So there are some safeguards to deal with that there.

Madam Speaker, he also made some observations about the 12-month limitation period. I would also make the same observation, but I would add as a precursor that it is not appropriate or desirable that a person who is aggrieved and who is alleging that he has a remedy or a right, sits on it. My learned friend sitting across the table would appreciate the expression "laches" and Madam Speaker, of course you. If you sit on your right for an undue period then you would lose it. If you have a right then you must pursue it expeditiously.

The limitation period is really put in there, firstly, because it is standard in quite a few legislation around the place and I also make the point that in the normal course of things, for example, where a person has committed or alleged to have committed a summary offence, the prosecution has to be brought within 6 months, otherwise it is statute barred. It is to ensure that matters are dealt with alacrity and expeditiously. However, again I must point out that the Bill in its wisdom has ensured that the person is not entirely shut out. So, the limitation period is not absolute.

If you look at clause 11(3) **"A complaint shall not be entertained under this Law unless it is properly made not later than 12 months from the day on which the person aggrieved first had notice of the matters alleged in the complaint; but the Commissioner may conduct an investigation pursuant to a complaint not made within that period if he considers that there are special circumstances which make it proper to do so."** So, the person is not entirely shut out. He can demonstrate that there are special circumstances why he never acted within the 12 month period. The Commissioner in his discretion may still entertain the complaint.

I think, Madam Speaker, the other section that he had some observation on was clause 14 which says that**, "14. (1) Information obtained by the Commissioner or his officers in the course of or for the purposes of an investigation under this Law shall not be disclosed except"** the purposes are numerated in the relevant subsections.

I think he said that required some clarity. My understanding of the particular provision, Madam Speaker, was that persons who are making complaints are to be afforded the assurance that whatever is being done is being done with a degree of confidentiality. There should not be any unauthorised or un-

necessary disclosure which clearly might result in some sort of recrimination against such a person.

The Complaints Commissioner is therefore not authorised to make any disclosure about what has been alleged unless it is with a view to having the issue ventilated and obviously resolving favour of the person making the complaint. I do not think that there is any particular other mischief that provision is aimed at. I think it is really just to ensure that the person can be encouraged in knowing that whatever complaint is made that it will be dealt with appropriately and in the spirit of confidentiality, unless of course disclosures are necessary with a view to determine the complaints made.

Madam Speaker, I hope I have not missed out anything; I think it is a very useful piece of legislation as the Honourable Leader of Government Business pointed out. It is very timely and like previous speakers I too commend it to this Honourable House.

Thank you.

The Speaker: Does any other Member wish to speak? The Second Elected Member for the district of West Bay.

Mr. Rolston M. Anglin: Thank you, Madam Speaker.

I rise to offer my support to the Complaints Commissioner Bill 2003. A lot of the good things, the positive outcomes, have been raised by the Leader of Government Business in moving this Bill and other speakers that have followed him and so my task is rather easy. I will not ask the House to indulge in my tedious repetition on a lot of those points. I want to offer a few comments on the reason for our support and why this Bill is indeed one that is important to the people of the Cayman Islands.

I think it is fair to say that all of us who are representatives of the people have had instances of constituents coming to us and basically putting us in the position of having to almost behave like a Complaint's Commissioner. At the end of the day when the public has a negative experience with the public service and with any Government-owned company or statutory authority they usually seek redress by coming to one of us. In some instances I have seen people write letters to the Governor, copy them to Cabinet, copy them to us as Elected Members.

I am not saying that this will necessarily go away. However, now with the creation of the post, via this enabling legislation, it certainly provides the public with a much more formidable office to act on its behalf when it feels as though it has been aggrieved or not been treated fairly and there just seems to be no other practical or reasonable manner in which they would be able to have any sort of resolution to the particular matter.

Madam Speaker, certainly the entire public service and the way in which Government and Government entities operate in the Cayman Islands is in a state of change. The Financial side, the Financial Management Initiative has taken root with the new Public Management and Finance Law and we know that the new personnel legislation is currently being created for us.

Madam Speaker, even with all of that, at the end of the day what is going to make this legislation and this position most useful is the fact that the public now has an official office to go to – a powerful office to go to. This will work if whoever is appointed as Complaints Commissioner deals seriously with the matters that are brought before him and the Governor, and indeed the Government, where applicable, acting upon the recommendations of the Complaints Commissioner.

Since I have been elected, these short almost three years, I have had instances where sometimes one sort of scratches his head and asks himself: Why is this sort of behaviour allowed at this point in time? Madam Speaker, just having this post, I see it as a very useful supplement to the Auditor General's office because the office of the Auditor General deals more with the financial side, the value for money side from within the service, and it goes about its duties in a very predictable manner.

I think all of us here would agree that if officers did not believe or know that the Audit Office could come by and look into matters and investigate matters and produce reports that come here to the Legislative Assembly that have to go before the Public Accounts Committee, that behaviour would be very different.

Madam Speaker, I am convinced that this legislation will cause people to think twice. This legislation will cause people to behave in a more appropriate fashion because there is that feeling amongst people in the service that politicians come and go. They are there for four years, and could be gone in four years, while the officers are there for life.

In my opinion, they behave in ways which show clearly that people are very comfortable and entrenched with where they are and do not necessarily feel as though they need to look at the situation, as to say to themselves, "I am a public servant; I have taken up and I am appointed to a very important position of trust in the community. I am a public servant; I am here to serve the public; I am here to carry out functions that are useful to serving the public, not useful to oneself."

Madam Speaker, all of the questions that I had were covered by the Honourable Second Official Member, but it is very important to note once again that in section 13 the strong powers conferred upon the office of Complaints Commissioner in regards to gathering evidence; in being able to get information that allows the office to carry out its investigation. It is also very useful that section 15 creates a mechanism in which the information will be forthcoming.

On the flipside it is also very useful that in section 12(1) under the procedure and respect of investigations the Commissioner where he proposes to conduct an investigation that he shall afford the principal officer, or the Government entity concerned, the opportunity to comment on the allegations contained in the complaint. Madam Speaker, it is very important that the process is fair on both sides.

It is also very useful that in 16(5) getting out of the procedure of the investigation, we are talking about more dealing with the end result that the Commissioner shall not issue a report or comment adversely on persons before they have had the opportunity to be heard.

Madam Speaker, that principle is so important that it is contained, in slightly different ways twice in the legislation. I believe that the public of this country will be served well by this legislation, but at the end of the day the good results of this legislation will come with the recommendations being followed through. Madam Speaker, as is currently the case, at least, with the administration of public service structured the way it is, it is going to be extremely important that the information that is passed on especially to the Governor, is acted upon, because it makes no sense and it serves no real useful purpose, or certainly not the purpose that is intended.

If you have the Complaints Commissioner, you have the office with wide powers. It has to have investigations that could, and will, uncover actions that should not be perpetrated by entities and officers within the public service, but not to have that follow-through mechanism making sure that people are therefore going to be accountable because they see that there is going to be a real consequence because of their action or, in some instances, inaction.

Madam Speaker, I am also pleased to see the way in which the legislation calls for reports having to come to the Legislative Assembly. Again, Madam Speaker, this legislation continues to move us toward the operative phrase that so many of us used when we were seeking election and that is, 'open, accountable, transparent' government.

Certainly it was brought to my attention (and I think most of us know) that there is ongoing work in regards to freedom of information legislation. Other Members have spoken quite correctly pointing out that it will be an integral part of ensuring the process we all seek to have available to the public: The ability to have an office that can act independently and on the public's behalf. That piece of legislation is going to be crucial also to ensuring this process works as effectively and efficiently as possible.

So, Madam Speaker, with those brief comments I would just like to say that I am very happy to see that the day has come when we have this piece of legislation. It was not too long ago that we saw Justice Carr come and speak to us about the importance of this office. I too offer my support and commend it to all other Honourable Members.

Thank you, Madam Speaker.

The Speaker: Thank you. Does any other Member wish to speak? Does any other Member wish to speak? Last call, does any other Member wish to speak? If not I will call on the mover, the Leader of Government Business to exercise his right of reply.

Hon. W. McKeeva Bush: Madam Speaker, I do not have much time left for the day. I am going to try to be brief as the points that were made by the Opposition which needed answering were mostly answered by the Legal person in the Cabinet, who is responsible for Legal administration and I do want to thank him for the part he has played here.

I listened to the Opposition, Madam Speaker, and I had to say that the day the Opposition have nothing to say– "on the one hand this, and the next hand that," will be the day when they do it all themselves and that is a long time in coming. I listened as closely as I could to the Leader of the Opposition who strained all afternoon to find a case, but all that he could bring was mere supposition, "suppose this or suppose that." If Moses had done that when he came to the Red Sea, he would never have gotten over it. If we have to wait so that everything is as clear as the Opposition want it in this Legislation, I do not believe that we would get an Ombudsman.

The complaint he made about the 12-month time frame given for a person to make a complaint the Attorney General addressed it. However, I would just like to say that the person making a complaint must be sure what he is complaining about. I believe that anyone who has a genuine complaint should be able to demonstrate to the Ombudsman in 12 months, one whole year, what he is after, what his grievance is.

However, if the Opposition Member had really read the Bill, rather than being so willing to nit pick and being so tedious with each step, he would have found out that his concern was addressed. Madam Speaker, the Second Elected Member over there is crying about charitable they do not know anything about charity and the truth is they cannot come up here and claim something is not in the Bill or Government's work, when in fact what he is complaining about is addressed in what is before the House.

I would have preferred if the Opposition Member had not referred to "the Crown"; I refer to Colonial Administration but sometimes in the parlance used in this country, Crown is taken to mean those in Executive Council and that is not so. Especially when people want to wrap everybody together they would say "the Crown" but in the real sense of course, "the Crown" is Her Majesty's representative, the Governor.

Mention was made of the Freedom of Information and the new Public Service Law. These two pieces of legislation are long overdue and have been

talked about for years. This administration, I am proud to say, is doing something about it. I would like for the Leader of the Opposition to be here, but they know when to duck. Those pieces of legislation will come in our time just as the Complaints Commissioner Bill is before us today, not too long from now, I hope.

Freedom of information is needed in the country and I look forward to the day when certain important boards' deliberations for instance, can be made public. I really believe that is necessary if we are going to be open and transparent and held accountable for our actions. It should extend to boards for those people that are appointed by Cabinet that has always been my opinion. Important boards like the Planning Board should be open for public hearing and there could be others, but I would go on to say that not every board could be open for the public to listen to.

The Second Elected Member for George Town is clacking over there as usual, but I thought that he had gotten enough beating on the Status issue and that he would not want to draw that into this debate; however, I will speak to that in a few minutes.

Madam Speaker, public service management reform is certainly necessary and the program has begun. In 2002 a group of senior civil servants and other stakeholders began the design work for the Personnel Management System. In June this year, the Strategic Coordination Group and the Cabinet, approved for consultation a draft Public Service Bill and once that is enacted, the Public Service Law will provide the legislative mandate for the personnel reform.

So, Madam Speaker, they really have no gripe we are well on the way in doing those things and I believe that once we get where we feel that everyone concerned is satisfied (all civil servants are in agreement) we can bring the legislation.

Hour of Interruption—4.30 pm

Suspension of Standing Order 10(2)

The Speaker: Honourable Leader we have reached the hour of interruption would you have a short remark to conclude, or do we need to suspend Standing Order 10(2) to go on beyond 4.30 pm?

Hon. W. McKeeva Bush: Out of the abundance of caution let me move that Standing Order. I will be very brief thereafter, but I would like to take the vote on this Bill so that we can get to the other one tomorrow morning early.

I have moved the Standing Order, Madam Speaker.

The Speaker: The question is that Standing Order 10(2) be hereby suspended to allow the House to complete the business before the House as it relates to the Complaints Commissioner Bill, 2003, Second Reading.

All those in favour please say Aye, those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 10(2) suspended to allow the conclusion of the Second Reading of the Bill.

The Speaker: Please continue Honourable Leader.

Hon. W. McKeeva Bush: Thank you, Madam Speaker. I thank the House for their indulgence.

A booklet has been prepared which is an overview of the new Personnel Management System and the Draft Public Service Bill. So, the Opposition cannot go out now and spread that we are passing one piece of legislation without giving thought to the other one. I know that he (Opposition Leader) has complained that the two should come together, but why should we wait on these pieces of legislation to give people a chance to air their grievances? I do not understand that. In a time when so many accusations are being made I believe that people should be given that opportunity as quickly as possible, rather than for them to be blabbering accusations at public meetings or on radio as the Opposition has recently done.

Madam Speaker, seeing that the Opposition are in good form this afternoon, let me ask them if they feel that the presence of this Ombudsman would make their case for scaremongering and rabblerousing less effective? Is that the problem that they have? And are they feeling that with the presence of the Ombudsman the outlandish allegations made recently to throw doubt on the newly appointed Cabinet Secretary could not be effective? What do they want? Do they really know? I do not think so, Madam Speaker. You can hear by the clack over there that they do not.

Madam Speaker, the United Democratic Party is endeavouring to have a more open, transparent, accountable government. Madam Speaker, this is taking some time to do because we live in a territory that has always been real confidential, independent individually and one that believes that they can make allegations against anybody and that is the end of it; all they have to do is say it and that is it.

In the times ahead we are trying to build a new society – an all inclusive community. To do so, I think this kind of legislation is absolutely necessary. We believe that this Complaints Commissioner will work towards that end – to a more democratic country and better governance. I am happy that the Bill has been brought. Again I thank the Deputy Chief Secretary and the Attorney General and their staff.

Madam Speaker, the Leader of the Opposition only mouthed what the Second Member for George

Town had written for him and therefore I pay no attention to what was said other than what was cleared up. I thank the House very much for their indulgence.

The Speaker: The question is that a Bill shortly entitled The Complaints Commissioner Bill, 2003, be given a Second Reading. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Complaints Commissioner Bill, 2003, given a second reading.

ADJOURNMENT

The Speaker: I recognise the Leader of Government Business for the motion for adjournment.

Hon. W. McKeeva Bush: Madam Speaker, the Opposition sounds in a better mood; just now they were clacking and now they are crowing.

I move the adjournment of this Honourable House until tomorrow, Thursday, at 10 am.

The Speaker: I see Members are quite anxious to leave. The question is that the Honourable House be adjourned until 10 am tomorrow. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 4.37 pm the House stood adjourned until Thursday, 25 September 2003, at 10 am.

OFFICIAL HANSARD REPORT
THURSDAY
25 SEPTEMBER 2003
10.40 AM

Sixth Sitting

[Deputy Speaker in the Chair]

The Speaker: I will invite the Honourable Leader of Opposition to grace us with prayers.

PRAYERS

Mr. D. Kurt Tibbetts: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together:

Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.

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

Proceedings resumed at 10.43 am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies from the Honourable Minister of Health, the Honourable Minister of Education and the Second Elected Member for Cayman Brac and Little Cayman, who are off Island on official business. I have also received notice from the Speaker, who will be attending later today.

STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE CABINET

Proposed Immigration Bill (white)

The Speaker: I acknowledge the Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, I promised the country that I would lay upon the Table of this Honourable House a new draft Immigration Law for public information and input. Mr. Speaker, I will lay upon the Table of this House the draft of a Bill for a Law to Repeal the Immigration Law (2003 Revision); The Immigration (Amendment) Law No. 11 of 2003, the Immigration Regulations (2003 Revision); the Immigration Directions (2001 Revision); to Make Alternative Provision for Matters Pertaining to Immigration; and for Incidental and Connected Purposes.

Since November 2001, the Government has made certain amendments to the Law, including the regulation of the Immigration Appeals Tribunal, as recommended in Vision 2008.

We have also received, and carefully considered, over 100 pages of detailed reports from the Immigration Review Team since December 2001. This Review Team consists of the former chairman of the Immigration Board, Mrs. Sherri Bodden-Cowan; the Chairman of the Immigration Committee for Vision 2008, Mr. Patrick Schmid; the Chief Immigration Officer, Mr. Orrett Connor (who is now the Cabinet Secretary); and the Crown Council for the Government's Legal Department, Mrs. Sheena Frederick Westerborgh. It also included three Back Bench MLAs: Mr. Rolston Mr. Anglin, Mr. Gilbert McLean (who was replaced by Mr. Lyndon Martin), and Mr. Alden McLaughlin of the People's Progress Movement (PPM).

Mr. Speaker, the First Interim Report, dealing with an overall structure for immigration and work permits, was received in mid-December 2001. The Second Interim Report, dealing with Caymanian status and permanent residency, was received by Cabinet in September 2002.

This year, the Cabinet has instructed the Attorney General to refer both the First and Second Interim Reports to the legal draftsman, for drafting the final Third Report on Administration, Entry and Landing, which is currently being worked on. We have been criticised for dragging our feet in bringing new legislation to the House. This accusation is totally without merit. In less than two years, we have done more to ensure that the present situation is resolved, and a new Law brought into force, than any other Government.

Generally, Mr. Speaker, the new Law would cover and circumscribe the methods by which a person may become Caymanian.

Clause 21 defines “Caymanian as of right”.

Clause 22 identifies the categories of persons who may apply to the Board for the grant of the right to be Caymanian, and the conditions that must exist as a prerequisite for eligibility to apply. It goes on to address the status of the illegitimate children of Caymanian fathers.

Clause 23 prescribes the considerations that the Board is required to take into account in processing an application for the right to be Caymanian.

Clause 24 identifies the procedure to be observed by the Board in processing applications for the grant of the right to be Caymanian.

Clause 25 requires a record of every application for, and every grant of, the right to be Caymanian to be recorded by the Secretary, and authorises the issue of a prescribed certificate to every successful applicant, by the Chairman or the Governor.

Clause 26 details the circumstances under which the grant of the right to be Caymanian may be lost.

Clause 27 provides for the revocation of the grant upon the holder being convicted of an offence of a certain gravity.

Clause 28 identifies the categories of persons who may apply to the Board for the grant of permanent residence.

Clause 29 deals with the conditions under which long-term residents—that is, persons residing in the Islands for at least eight years—may apply for the grant of permanent residence, and the matters that the Board must take into consideration in deciding the outcome of the application.

Clause 30 enables the spouse of a Caymanian to apply to the Board for a seven-year Residency and Employment Rights Certificate, and goes on to set out the rights and obligations attaching to the certificate.

Clause 31 makes provision for the dependants of the holder of a Residency and Employment Rights Certificate, who were declared on the original application for the certificate.

Clause 32 outlines the conditions under which a Residency and Employment Rights Certificate shall be lost.

Clause 33 makes provision for the grant by the Board of a Residential Certificate for Retirees to persons of mature age and independent means.

Clause 34 speaks to the circumstances under which a Residential Certificate for Retirees may be forfeited.

Clause 35 makes provision for the grant by the Board of a Residential Certificate for Entrepreneurs and Investors to persons of good character and business reputation who have invested a substantial sum of money in an employment-generating business in the Islands. It goes on to make provision for his spouse to be granted a Residential Holder's (Dependant's) Certificate, and for his child to be given the right to reside in the Islands during that child's minority, or beyond, when the child is enrolled in a tertiary education programme.

Clause 36 outlines the circumstances that would lead to the revocation of the Residential Certificate for Entrepreneurs and Investors.

Clause 37 sets out general provisions relating to the loss of permanent residency, including-

(a) engagement in subversive political or racist activity;
(b) fraudulent concealment of material facts in the original application;
(c) conviction for an offence under the Immigration Law or other laws;
(d) destitution;
(e) serious mental or other medical unfitness;
(f) involvement in prostitution or other undesirable pre-occupation.

Clause 38 lists the categories of persons entitled, under the Law, to exemption from the general rule that every expatriate employee must possess a work permit.

Clause 39 identifies the categories of persons who may be gainfully employed in the Islands.

Clause 40 sets out the procedure for applying for a work permit.

Clause 41 provides that sections 43, 46, 51, 53 and 54, which contain provisions mainly of an administrative nature, shall, subject to the necessary modifications, be construed as applying also to the Cayman Brac and Little Cayman Immigration Board.

Clause 42 enumerates the matters that the Board shall take into account in its consideration of an application for a work permit, both in relation to an employer and an employee.

Clause 43 provides for the submission to the Board of a Business Staffing Plan by certain employers of work permit holders.

Clause 44 stipulates that in considering an application for a professional employee, the Board shall consult with the body or other entity charged with the responsibility for regulating the particular profession.

Clause 45 provides for special consideration to be given to certain employers.

Clause 46, among other things, empowers the Board-

(a) to grant or refuse an application for a work permit;
(b) to issue a work permit for up to five years to certain categories of employees; and
(c) to modify the terms of a work permit or to revoke it altogether.

Clause 47 prohibits the promotion of a work permit holder to the position of partner of a firm without the prior approval of the Board.

Clause 48 prohibits the change of employer or occupation without the prior approval of the Board.

Clause 49 restricts the promotion or re-designation of a work permit holder by requiring the Board to ensure the existence of certain prerequisites.

Clause 50 introduces the concept of term limits into the Law, whereby a person's tenure as a work permit holder will generally be limited to seven years, but in exceptional circumstances, may be extended to nine years. Current work permit holders will fall into four categories, namely those who, at the commencement of this Law, would have held work permits for an aggregate period, inclusive of the term of the current work permit, of –

(a) between five and six years;
(b) between six and seven years;
(c) more than seven but less than eight years;
(d) between eight and 15 years; and
(e) in excess of 15 years.

Different rules will apply to each category, and special consideration will be given to those persons whom the Board acknowledges to be "key" personnel.

Clause 51 authorises the Chief Immigration Officer, or the Chairman of the Immigration Board, to approve applications for the issue of temporary work permits to visitors for a period of up to 90 days.

Clause 52 allows certain business enterprises that employ expatriates on a temporary basis to make a single application in each calendar year for the issue of one or more business visitors' permits, each of which is for 14 days duration.

Clause 53 deals with work permit fees.

Clause 54 creates the offence of engaging in gainful occupation in contravention of Part V.

Mr. Speaker, I wish to thank all members of the Immigration Review Team for their hard work, especially Mrs. Sherri Bodden-Cowan, who is the Chairman. If it were not for the contributions and commitment of Mrs. Bodden-Cowan, we would not have the legislation before us today. She has a thorough understanding of the issues the country faces in regard to the matters covered by the Law, and it is due to her ability that a Law is finally being presented to tackle this issue.

I also wish to thank the legal draftsman for his perseverance on this matter, in getting it to the point where it is today and working with Mrs. Bodden-Cowan, as he has done over the last several weeks. I would also like to thank all of his staff in that Department.

I also wish to thank the new Cabinet Secretary and former Chief Immigration Officer, Mr. Connor, for his professionalism in tackling contentious issues, and for his extensive expertise of immigration matters.

Of course, we thank all Members who gave their time to this review process.

I also wish to thank members of the public for demonstrating a keen interest in this vital subject. The Government is presenting these documents now for public information and feedback. In November, the Government intends to debate and pass a new Immigration Bill. I encourage all members of the public to read the contents of this Bill themselves before forming any opinions. I encourage constructive input on its provisions, because as a country, we owe it to ourselves and to our children to ensure that we put forward the best possible Immigration Law—a Law that addresses long outstanding matters, that is based upon clear and fair policies, and that serves the people of these Islands well, both now and in the future.

As I said, Mr. Speaker, the Government intends to bring the Bill before the legislature in November 2003.

[Pause]

Hon. W. McKeeva Bush: Thank you, Mr. Speaker. I was consulting with other Members of Cabinet.

There is some tidying up to do on the Bill as yet, but we thought it necessary to bring it forward so that we could start getting input, in order to have the final Bill before the legislature in November, God willing.

Mr. Speaker, I do thank you for the time. I thank Members for their kind indulgence.

The Speaker: Thank you. The Elected Member for the district of North Side.

Short Questions—Standing Order 30(2)

Ms. Edna M. Moyle: Mr. Speaker, would you allow me to ask the Honourable Leader of Government Business a question?

The Speaker: Yes, you may.

Ms. Edna M. Moyle: Would the Honourable Leader of Government Business say whether it is the intention of the Government to lay the Report of the Immigration Review Team (IRT) upon the Table?

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, when I took those few seconds to talk to Cabinet, we were consid-

ering that. When we bring the final Bill in November, we will lay the Reports upon the Table for public consumption.

The Speaker: Honourable Member, is it your intention to lay the Bill upon the Table?

Hon. W. McKeeva Bush: Yes, Mr. Speaker, the Bill is now before the House.

The Speaker: So ordered.

Change in Orders of the Day Standing Order 14(4)

The Speaker: I have been given notice that the Government, in accordance with Standing Order 14(4), would like to change the order of business.

Hon. W. McKeeva Bush: Thank you, Mr. Speaker.

As you and Members would note, the Complaints Commissioner Bill, 2003 is down for Committee Stage and all its reporting stages, along with the Cayman Islands Development Bank (Amendment) Bill, 2003. However, we wish to move forward immediately with item 5, which is the Proceeds of Criminal Conduct (Amendment) Bill 2003, and I therefore ask the House to agree in accordance with the relevant Standing Order.

The Speaker: Honourable Leader, since it is in accordance with Standing Order 14(4), I would direct the Clerk to move on to item 5. Honourable Members, it is not a suspension. Standing Order 14(4) says: **"Subject to paragraphs (1) and (2), Members of the Government may place notices of motions and orders of the day on the Order Paper in any order they please."**

Therefore, since the Government has requested a change, we are going in accordance with that.

GOVERNMENT BUSINESS

BILLS

SECOND READINGS

The Proceeds of Criminal Conduct (Amendment) Bill 2003

The Speaker: The Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker. I beg to move the Second Reading of a Bill for a Law to Amend the Proceeds of Criminal Conduct Law (2001 Revision) to Replace the Reporting Authority With a Financial Intelligence Unit to be Called the Financial Reporting Authority; and for Incidental and Connected Purposes.

The Speaker: The Bill has been duly moved. Does the Mover wish to speak thereto?

Hon. Samuel W. Bulgin: Yes, Mr. Speaker. Thank you.

[Pause]

Hon. Samuel W. Bulgin: It is a matter of public knowledge that last year, and indeed, early this year, the Financial Reporting Unit (FRU) came under intense scrutiny as the result of the recently concluded Euro Bank trial. With your permission, Mr. Speaker, I would like to quote from a recent editorial in the *Caymanian Compass*, 22 September 2003.

The Speaker: You may.

Hon. Samuel W. Bulgin: It says: **"Since the FRU was discredited last year owing to revelations stemming from the Euro Bank trial these isles have been awaiting its replacement with a trustworthy statutory organisation to investigate allegations of financial misdeeds".**

Mr. Speaker, in the wake of the fallout from the Euro Bank case, there was a groundswell of requests that the FRU be restructured, to make it more transparent and accountable, among other things. The Proceeds of Criminal Conduct (Amendment) Bill, 2003 seeks to create a successor to the Financial Reporting Unit and to put it on a broader statutory footing, as opposed to the previous, largely administrative, footing. The successor is to be known as the Financial Reporting Authority (FRA).

Mr. Speaker, the reshaping of the FRA has benefited from extensive consultations internally and with the private sector, both at the conceptual stage and on the details of the Bill itself. I should pause here to observe that following these consultations, we were not able to agree on everything. By and large, however, there was a consensus that it needed to be restructured. Issues were raised by the private sector, many of which were taken on board in fashioning this Bill. Some other matters simply could not be reflected in the Bill.

The consultation to which I referred earlier took into account domestic requirements as well as relevant international standards and obligations. The Government considers it of vital importance to promote clarity, confidence and credibility in the new Financial Reporting Authority, both domestically and internationally. The legislation seeks to reflect this. Among other things, the Bill is aimed at making the Financial Reporting Authority more transparent and accountable. Indeed, we recognise that there have been some difficulties with the Unit that were, perhaps, worthy of highlighting. Accordingly, Mr.

Speaker, confronting these issues openly and frankly provides a clarity that facilitates solutions.

Mr. Speaker, the informing conceptual basis for the new FRA is that it is to be a Financial Intelligence Unit, as already defined in the Proceeds of Criminal Conduct Law (2001 Revision). It will be responsible for receiving, analysing and disseminating disclosures of financial information concerning proceeds of criminal conduct, money laundering and, now, terrorist financing also.

Mr. Speaker, unlike the old FRU, it will therefore have no police officers and very limited investigative powers. The wide investigative powers previously exercisable by the FRU are to be transferred back to the Royal Cayman Islands Police, who will have dedicated officers for financial investigations within the RCIP Financial Crimes Unit. I am sure that the Commissioner of Police would not mind my saying that this police unit is, in essence, the commercial crime branch and the investigative role of the former FRU combined. It will be under the command and superintendency of a Commissioner of Police, as is contemplated by the Police Law.

Mr. Speaker, you will recall that in previous years, there have always been questions as to lines of reporting and accountability. The FRU was staffed primarily by police officers, and there was an issue as to who they should report to and whether reporting to the Attorney General would be *ultra vires* the Police Law and all the constitutional implications. The purpose of this bit of legislation is to address all those issues.

Mr. Speaker, clause 4 of the Bill establishes the Financial Reporting Authority as a Financial Intelligence Unit, and delineates its staffing structure. Staff members are appointed by the Governor in consultation with the Steering Group, about which I shall speak in more detail shortly. I pause here, Sir, to point out that an amendment to clause 4 has been proposed. It was circulated on 24 September. The purpose of that is to include in clause 4(b) the words "the Governor acting in his discretion".

Mr. Speaker, clause 5 of the Bill is perhaps the key clause. It defines the powers, functions, and duties of the FRA, and establishes in the Steering Group a high-level oversight body for this Authority. As previously noted, the core functions of the FRA are those of a Financial Intelligence Unit, and therefore, 21(A)(1) of clause 5 repeats the existing definition for such a unit, in specifying the functions of the FRA. Section 21(A)(2) of clause 5, (b) through to (g), goes on to specify the ancillary powers and duties of the FRA.

With your leave, Mr. Speaker, I would also mention that there is a proposed amendment to clause 5 of the Bill, which is also being circulated. This is on page 12, so that Members can bear it in mind when the debate is taking place. This amendment to clause 5 is a tidying-up exercise, if I might put it that way. As it currently stands, the Bill says: **"21A (5) An aggrieved person may, upon notice to the Attorney-General, reply to a judge in chambers to discharge an order made by the Grand Court under subsection (3), but such order shall remain in full force and effect until the judge in chambers determines otherwise."**

As presently worded, it is not quite clear what will happen if a judge in chambers does not order that the freezing order stay in place. The proposed amendment is to make it clear that if there is no judge's order to the contrary, then the freezing order will fall away after 21 days. That is the purpose of that amendment.

Mr. Speaker, I should like specifically to note two of the matters in clause 5. Firstly, the power in item (21)(2)(b) enables the FRA to freeze a person's bank account for not more than 21 days if there is reasonable cause to believe that the account relates to proceeds of criminal conduct, money laundering or the financing of terrorism. It is important to note that this power is exercisable only when permitted by order of the Grand Court under 21A(3). It is our view that this provides sufficient safeguards for all parties concerned to prevent against any possible abuse, by any one individual or entity, in immobilising a person's account. The power is intended to enable the FRA to respond to real-world situations in which there is a danger that suspect funds, as reported in a domestic Suspicious Activity Report or by an overseas Financial Intelligence Unit, may be dissipated before the relevant authorities have the chance to institute formal proceedings. It is, therefore, different from the restrained powers in section 10 of the Proceeds of Criminal Conduct Law (2001 Revision), which are exercisable only in the context of formal criminal proceedings.

Secondly, Mr. Speaker, the power in item 21A(2)(c) enables the FRA to seek amplification or clarification of information disclosed to it in a Suspicious Activity Report, so that it can properly analyse such information to determine if it should be further disseminated in accordance with the Proceeds of Criminal Conduct Law (2001 Revision), and be otherwise investigated. Mr. Speaker, this is of some importance. Quite understandably, one of private sector's concerns was that this particular provision was aimed at vesting in the FRA wide investigative powers, which properly belong to the police. They were quite uncomfortable with any such proposal.

In the legislation, we made it quite clear that the investigative powers are very restricted; they are only exercisable in instances in which the FRA requires additional information to clarify an existing Suspicious Activity Report. That makes good sense, because if they were only empowered to receive a Report, file it, or disclose it, we would not need an elaborate unit. We would only need a fax machine and a clerical officer, because it would simply be a post box. This particular provision is to safeguard against instances in which a Suspicious Activity Report is

made to the Authority, and it turns out that there is nothing criminal about what has been disclosed.

In such cases, it will be filed away, or, if there are intelligence reasons why it should be disclosed further, it will be disclosed. However, it will not be automatically sent to the police, so that the names and information of persons who are innocent will not end up in police data. That is the purpose of that provision.

Mr. Speaker, following from that, the FRA will be able to exercise a necessary screening role in respect of Suspicious Activity Reports, ensuring that only those that reveal *prima facie* criminal conduct are disseminated.

Mr. Speaker, as I mentioned earlier, one of the main concerns that this amendment and consequential restructuring seeks to address is the need for accountability in the realm of disclosure of financial information. Accordingly, in view of the powers to be conferred on the Reporting Authority, it is imperative that the work of the Authority be subject to scrutiny by an objective body.

Clause 5 at 21B provides for the Governor in Cabinet to formally appoint the Anti Money-laundering Steering Group. This group would provide, among other things, a high-level accountability structure for the operations of the FRA. Given the administrative role of the Portfolio of Legal Affairs, which includes the Attorney General and the Chief Officer (who will be the Solicitor General), the Steering Group will have responsibility for the general oversight of the anti money-laundering policy of the Government, among other things. It will be responsible for determining the policy and the general administration of the business of the FRA. It will also oversee and inspect the work of the FRA, and monitor interaction and cooperation with overseas Financial Intelligence Units.

For completeness, I should point out that the Steering Group is comprised of His Excellency the Governor, the Attorney General, the Financial Secretary, the Commissioner of Police, the Collector of Customs, the Managing Director of the Monetary Authority and the Chief Officer in the Portfolio of Legal Affairs, who will be the Solicitor General.

Mr. Speaker, under 21C of clause 5, policy directions and matters of public interest may be given to the Authority by the Governor after consultation with the Steering Group. Indeed, 21D of clause 5 stipulates that information in the position of the FRA cannot be disseminated except in accordance with the Proceeds of Criminal Conduct Law (2001 Revision) or an order of the Grand Court. Further, 21G of clause 5 makes it an offence for an employee or agent of the FRA to disclose FRA information otherwise than permitted by law or an order of the Grand Court.

Mr. Speaker, this is important, and I will repeat it for emphasis. Section 21G of clause 5 makes it an offence for any employee or agent of FRA to be disclose information otherwise than permitted by law or by an order of the Grand Court.

Mr. Speaker, I need not remind Honourable Members that there are certain things we cannot legislate. We cannot legislate for conduct; we can punish conduct. If the Law stipulates how the information ought to be disseminated, and it is done in contravention of the Law, the only recourse is to punish. In some instances in the past, there were problems with individuals, rather than problems in the system. What we need to do is to set the necessary underpinning in the legislation, and ensure that we have the right person in the right place. By doing so we can mitigate problems, if not necessarily prevent them.

Mr. Speaker, 21F of clause 5 protects a person who discloses information to the FRA concerning the proceeds of criminal conduct, money laundering or the financing of terrorism from being treated as having breached any restriction in law. It also protects such persons from civil liability.

Similarly, 21E of clause 5 provides that the FRA will not be liable in damages for anything done in the discharge of its function under the Law, unless it can be shown that the act was done in bad faith or it constituted wilful misconduct or negligence.

Mr. Speaker, clauses 6 and 7 of the Bill take the opportunity to clarify the onward disclosure regime in sections 22 and 23 of the new Proceeds of Criminal Conduct Law. There is also a proposed Committee Stage amendment to deal with this issue. Neither the Law nor the Bill itself, as currently drafted, makes it quite clear—at least to some people—under what circumstances the consent of the Attorney General is required for onward disclosure. The private sector had some concerns about the wording of this. I think they describe it as internally inconsistent and confusing. Therefore, it was considered necessary to tidy up the wording to make it clear that whenever a Suspicious Activity Report discloses criminal conduct locally, the FRA has a duty, and the authority, to disclose that information to the police. In instances when a disclosure is going to be made to an agency abroad, the Reporting Authority requires the consent of the Attorney General before it can disclose that information onward. The practice now is that consent has to be obtained in writing before it can be done. That is the purpose of the proposed amendment to sections 22 and 23.

As I said, the clarification in clauses 6 and 7, as it relates to sections 22 and 23 of the Proceeds of Criminal Conduct Law (2001 Revision), provides that in the case of *prima facie* evidence of criminal conduct or suspected criminal conduct, the FRA is required to disclose such conduct directly to the Cayman Islands law enforcement authorities. In the case of information relating to criminal conduct received by the FRA, the FRA has the discretion as to whether to disclose it to the Monetary Authority or to such other Cayman entities as may be designated by the Steering Group. This is a new provision intended to facilitate the effective regulation of the financial services industry, which is reflected by the addition of that purpose in part 4. I

repeat: In the case of information relating to criminal conduct received by the FRA, the FRA has the discretion as to whether or not to disclose it to an overseas financial intelligence unit, which is the current position. However, it is important to remind Honourable Members that if we look at (6) of section 22, this means that the FRA can only do so after written consent from the Attorney General.

Mr. Speaker, I have attempted to provide a summary of the main purposes and provisions of the amendment Bill. I am of the opinion that it puts the new FRA on a strong, clear and principled statutory footing, as is necessary for this critical component of Cayman's anti money-laundering system. I think that we have managed to put together a sensible piece of legislation. The restructuring of the Unit will be achieved in a manner that reflects the Cayman Islands continued commitment in the fight against money laundering in all forms. The restructuring will enable the Islands to maintain that delicate but important balance between honouring our international obligations as they relate to combating money laundering and terrorism (including the financing of terrorists) and allowing our financial industry to be regulated along recognised international standards, while remaining competitive. Indeed, the restructured FRA will allow for the smooth exchange of financial intelligence information, and will foster better communications within the Egmont Group of Financial Intelligence Units.

Before I take my seat, Sir, I would like to make one observation: the *Caymanian Compass* editorial dated 22 September, to which I referred earlier, inadvertently pointed out that there was no functioning FRU. It spoke about the proposal to restructure the FRA, and mentioned the recent case that was concluded in the court. It went on to say this happened in the absence of a functioning FRU. This was sheer inadvertence. The fact is that the FRU has been functioning. We have had a number of directors since February. In the first instance, Mr. Chris Rowland was an acting director, who was subsequently replaced by Detective Chief Inspector Raymond Christian. More recently, there was a press release from His Excellency the Governor stating that Mr. David Thursfield has been appointed Director of the FRA. In fact, there has always been a Financial Reporting Authority.

Mr. Speaker, I would commend the Bill to this Honourable House for support during its passage. Thank you.

The Speaker: Thank you. Does any other Member wish to speak? The Second Elected Member from the district of George Town.

[Pause]

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. I rise to offer my contribution to the debate on this very important Bill entitled, A Bill for a Law to Amend the Proceeds of Criminal Conduct Law (2001 Revision), to Replace the Reporting Authority with a Financial Intelligence Unit to be Called the Financial Reporting Authority; and for Incidental and Connected Purposes. I think there is probably an error in that title, because as far as I am aware, we do not have a Financial Reporting Authority as yet. I believe it is called the Financial Reporting Unit in the current legislation.

The Honourable Second Official Member asked whether I had said that supported this Bill. I did not say that. I said that I rose to offer my contribution. I wish to make that very clear from the outset.

Mr. Speaker, this Bill comes before this Honourable House in the wake of the revelations that resulted in the collapse of the Eurobank trial, and the tremendous controversy and acrimony that resulted from that. I think it is important that we all understand what the objective of this legislation should be, because the Eurobank trial, and its aftermath, has done real damage to this country's reputation, particularly the reputation of the financial industry and the integrity of the prosecution system. In my view, any proposed legislation that falls short of addressing the concerns of both the local industry and the international players simply will not do.

In my respectful submission, the objective of this legislation should be, firstly, to seek to restore public confidence in the institution and the operations of a reporting authority established by law. Mr. Speaker, the requirement of an effective, fair and robust anti money-laundering regime is of critical importance to a jurisdiction such as the Cayman Islands, which relies heavily on its financial industry as a principal generator of revenue, not only for Government, but also for the economy as a whole. Therefore, I acknowledge up front the necessity of a properly functioning reporting authority. However, it must be one in which the entire world can have confidence. What transpired with the Eurobank matter destroyed public confidence in the Reporting Authority that existed up until that point. Until now, I do not believe that much has been done by the Government to seek to restore confidence in the Reporting Authority.

Secondly, Mr. Speaker, it is necessary to create a statutory foundation for the operations of an efficient Financial Reporting Authority, as opposed to the investigative arm. The function of investigation should be properly and solely vested in the Royal Cayman Islands Police. The lack of that separation of functions played an important part in the disaster known as the Eurobank trial.

Thirdly, the legislation should provide for the accountability of the Reporting Authority and transparency both in its methods and its control structure. I submit that the amendments being proposed today fall significantly short of the mark in all three of those instances.

In the wake of the Eurobank fiasco, the Government was extremely heavy on rhetoric, but distressingly light on action to prevent a recurrence of those events. I am distressed that eight months after

those events, the Government would be prepared to come to this Legislative Assembly and promote a Bill that not only fails to address the fundamental concerns about the structure, organisation and accountability of the Financial Reporting Authority, but does more. It invests this Authority with increased powers, and further, it gives even more control over the functions of that Authority to His Excellency the Governor, who is a representative of Her Majesty's Government—almost to the complete exclusion of the elected arm of Government. I will go into the specifics in due course, but that is the fundamental concern that underpins the submissions I am going to make on behalf of the parliamentary Opposition.

Mr. Speaker, that concern screams at all of us, but in particular, it screams at the Government. For over a year, the parliamentary Opposition asked question upon question to the then Honourable Second Official Member, Mr. David Ballantyne, about what appeared to us to be major organisational problems with the Financial Reporting Unit—what appeared to us to be turf wars between himself and the then Commissioner of Police, Mr. David Thursfield, over who was in charge of this unit, and to whom they reported. We asked so many questions, and created so much pressure, that eventually the Governor caused a certain protocol to be drawn up, which would set out with some clarity what the lines of reporting were. We actually understood what the lines of authority were, but our concerns were heightened by the fact that the Director of the FRU—as it was known then and is still known at this particular moment—reported to the Attorney General, who then ultimately reported to the Governor.

The concerns of the parliamentary Opposition about the structure of this have been known for a long time. As events transpired, those concerns were well placed.

We get to late December of last year, and early January this year, when the bombshell was dropped, and it was revealed that Mr. Brian Gibbs, the then Director of the FRU, had in fact been working as an agent of MI6 in these Islands since 1991. There were findings of fact that critical evidence had been redacted, to use a fancy word. I will not say "tampered with". Information had been obtained by way of telephone tapping and by the use of wonderful agents, such as "Warlock". It read like some sort of John Grisham novel.

To add insult to injury, in fact, most if not all of this was known to the Attorney General, who is appointed under the Constitution by the Governor—another point of major aggravation to the parliamentary Opposition.

When these revelations are made, when the Government, and the whole country, is calling for the resignation of the then Attorney General, and calling for the head of Bryan Gibbs, Mr. Gibbs gets on a plane and flies away—with the approval of the Governor, it must be presumed. Then, to really make it clear how much regard Her Majesty's Government has for the Cayman Islands and its institutions, the Governor issues a statement. With your permission, Mr. Speaker, I would like to read the statement, dated 29 January 2003. I quote: **"The functions of the Financial Reporting Unit (FRU), in monitoring compliance with Cayman's financial legislation and in investigating suspicions of money-laundering and other financial crime, are important for the proper regulation of the Cayman Islands' financial sector."**

I could not agree with him more.

"There are, however, implications arising out of the ending of the Euro Bank trial that need to be addressed. There is already a commitment to bring legislation to establish the position of the FRU as a statutory body. I believe nevertheless that it is now right to look again at Cayman's governmental machinery in this area, including the FRU, and I shall discuss this with interested parties in the near future."

So far, he has done all right.

"The Director of the FRU, Mr. Brian Gibbs, is no longer in the Cayman Islands because of a potential risk to his personal safety. This has caused considerable distress to him and his family. He knows that it is impossible for him to return in the circumstances and continue in his job. He is conscious that the effective functioning of the FRU is a vital underpinning to the Cayman Islands' reputation for financial probity."

He is conscious of that?

"Mr. Gibbs has therefore tendered his resignation with effect from 27 January 2003 and I have accepted it. I have appointed Mr. Chris Rowland to serve as acting head of the reporting authority, the composition of which now needs to be redefined to ensure clear lines of responsibility, pending the outcome of my discussions about the future exercise of the FRU's functions."

Then, of course, we move to the paragraph that seeks to sanctify Mr. Gibbs.

"I appreciate the spirit of public service that has prompted Mr. Gibbs' resignation. I make no comment about the circumstances that led to the ending of the trial or Mr. Gibbs' involvement in this. He has had a long and honourable career in public service in the UK and in the Cayman Islands."

This is the same man who has been operating in my country as an agent of MI6.

"He has had a long and honourable career in the public service . . ."

Perhaps he has, in the UK, but in the Cayman Islands? In other places, Mr. Speaker, that would be treason.

"The FRU has done much to enhance the reputation of the Cayman Islands' regulatory mechanisms by making clear through his work the commitment of these islands to the fight against

serious international crime, financial fraud and the illegal trade in narcotics. Money laundering and other serious financial crime could threaten the livelihood of people in these Islands."

I could not agree more.

"Mr. Gibbs and his colleagues in the FRU have worked tirelessly against this threat. For this, they deserve the Cayman Islands' appreciation."

Concocting evidence and presenting it to the Grand Court of the Cayman Islands as though it were real—for this **"they deserve the Cayman Islands' appreciation"**.

"British Government Ministers have lent their support to the decisions of the Cayman Islands' authorities to bring the Euro Bank case to trial [Now we are getting to the real crux of the matter] **and have determined that the UK government authorities concerned acted properly. Notwithstanding the outcome, the trial has showed a determination on the part of the Cayman authorities with support from the UK to pursue charges of money-laundering and other financial crime robustly. We should continue to be seen to do so".**

Mr. Speaker, I did not read that simply for drama. I read it so that we will understand what it is we are doing when we agree to continue to vest all decision-making, policy-making and reporting in the hands of His Excellency the Governor, as Her Majesty's Government representative in these Islands. When Her Majesty's Government representative, armed with the judgment of the Chief Justice and knowledge of the conduct of Mr. Bryan Gibbs and the former Honourable Attorney General, Mr. David Ballantyne, can issue a statement to the people of this country, which is carried in the national press, lauding the achievements and long service of Mr. Gibbs and confirming that Her Majesty's Government is satisfied that its authorities, here and in the UK, acted properly in connection with the Eurobank case, then we should come to understand what it is we are really doing.

The Trojan horse that we have called the FRU is now being improved and enhanced with new bells and whistles and with more authority and power to do the dirty on the financial industry of these Islands. Mr. Speaker, we cannot view this other than in the context of the way the United Kingdom Government has treated, and continues to treat, this jurisdiction in relation to matters that affect our financial industry. Most of what the United Kingdom Government has done, and continues to do, under the guise of ensuring that the industry is reputable and in compliance with generally accepted international standards, is an effort aimed at undermining our competitiveness in the international world of finance, in which they are a major player.

Mr. Speaker, I am fully cognisant that if the United Kingdom Government decides to ride roughshod over us, then, we mere mortals here, who operate under the delegated legislation as local representatives, can do nothing but what I am doing now: scream and shout about. However, I will not be party to the wrong that is being perpetrated on these Islands and its people, and neither will any member of the parliamentary Opposition. If they want to impose their imperial will on us, let them do so.

The Leader of Government Business indicated just two days ago that His Excellency has said that he is not going to assent to the Terrorism Bill, 2003, which was before this Honourable House some months ago, and which would again give to Her Majesty's Government representative the ability to tap the phones of the unsuspecting people of this country. We all stood up the last time and said, "No, if you want to do it, do it. However, you will not do it with our agreement and compliance".

Mr. Speaker, this is even more far-reaching, and the fact that that announcement comes just prior to this I regard it as both ominous and sinister. It is all part and package of the United Kingdom's intention to ensure that they exercise as much control over what happens in the financial industry of these Islands as they possibly can.

I must say this: I have a lot of regard for those two individuals. Our concern is only barely mitigated by the fact that we have two individuals for whom the parliamentary Opposition has tremendous respect in those two critical roles: as Attorney General and as Director of the Financial Reporting Authority. I say "barely mitigated" because one cannot fashion legislation based on the individuals who are currently in those positions. None of us has any control over how long we live, let alone anything else.

Therefore, I want everyone to understand that what I am saying has nothing to do with my trust or confidence in the abilities of the current holders of the posts of Attorney General and Director of the Financial Reporting Authority. However, they are appointed by His Excellency the Governor, and they hold office at his pleasure. They have their jobs to do, even if they are unhappy with what is being proposed. I recognise that as well.

Mr. Speaker, with that brief opening, I am now going to turn to the legislation itself, to examine the provisions which give rise to those concerns.

How much time do I have left, Sir?

[Pause]

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, Members are indicating that they might want a break.

The Speaker: I am at the will of the House. If that is all right, we will take a 15-minute break at this time.

Proceedings suspended at 12.02 pm

Proceedings resumed at 12.40 pm

The Speaker: I recognise the Second Elected Member for the district of George Town, continuing his debate.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. When we took the short suspension, I had just concluded what I termed my opening. I think that is something of a carryover from a former life.

I was about to go into the individual sections of the Law to point out what I term the defects or omissions that give rise to the Opposition's concern about the fundamental premise on which the draft legislation proceeds. It gives almost complete authority for the ultimate decision-making of the authority to the Governor.

At the outset, Mr. Speaker, I referred to the objectives that this amending legislation should seek to achieve in the aftermath of Eurobank. Principal among these is the necessity to restore public confidence in the institution and operations of the Authority, to provide for the accountability of the Reporting Authority and to ensure transparency in its methods and its control structure.

In order to restore public confidence, we must show that the lessons from the failure of the Eurobank trial have been learned, and that the structure and organisation of the Financial Reporting Authority will not allow a recurrence of those circumstances.

Also, Mr. Speaker, it is important that there be no perception that those involved in the original decision-making are the same people who are invested with the responsibility to review the process, without any representation independent of those particular authorities. In its current form, the Bill falls significantly short of those objectives.

I will seek to outline the structure, Mr. Speaker. The amendment proposes by an amendment to section 21 of the Principal Law that: **"(2) There is established a financial intelligence unit to be called the Financial Reporting Authority, consisting of the following persons –**

(a) the Director of the Financial Reporting Authority;
(b) an attorney-at-law;
(c) an accountant; and
(d) such other persons, having suitable qualifications and experience, as may be necessary to provide services to the Reporting Authority."

That is the statutory creation of the Authority, and some detail as to the persons who will staff the Authority.

The persons specified in paragraphs (a), (b), (c) and (d) of subsection (2), which I just read, shall be appointed by the Governor, acting in his discretion after consultation with the Steering Group, for such period of time and subject to such terms and conditions as he may see fit.

The Law establishes the authority, sets out what the principal offices are, and then invests the Governor with absolute authority to make the appointments, albeit in consultation with the Steering Group. Ultimately, however, it is his decision, so the Steering Group can say what they want, and make as many submissions as they want, but he can choose to ignore them and place in these positions any person or persons whom he deems fit. Therefore, the power is all his. I submit, Mr. Speaker, that that is fundamentally wrong. I am not sure what gives the Governor any unique qualifications to determine who is best suited for those respective offices. I submit that we would be far further ahead if we had a Financial Reporting Authority Board that made those appointments.

It would give to those in the industry, locally and elsewhere, a certain confidence that persons were not being appointed based more on their allegiance to Her Majesty's Government than particular skills, abilities and qualifications. That is all part of what we, on this side, say is necessary to restore public confidence in the Financial Reporting Authority.

I referred to the Steering Group, which is mentioned in section 21B (1) of the amending Bill. This provides that: **"The Governor in Council shall appoint a body to be called the Anti Money-laundering Steering Group."**

If we do not read any further than that, Mr. Speaker, it does not sound too bad. You might say, "The Governor in Council (Cabinet), as the elected arm of Government, is going to have some input and influence over this". However, when you read on, you come to realise that this is simply a formality, or a rubber stamping exercise. It says: **"21B (1) The Governor in Council shall appoint a body to be called the Anti money-laundering Steering Group consisting of –**

(a) the Governor acting in his discretion who shall be the Chairman;
(b) the Attorney-General, who shall be a deputy chairman;
(c) the Financial Secretary, who shall be a deputy chairman;
(d) the Commissioner of Police;
(e) the Collector of Customs;
(f) the Managing Director of the Monetary Authority; and
(g) the Solicitor General, if we include the proposed Committee Stage amendment."

Therefore, all we have is a rubber-stamping exercise carried out by Cabinet. They have to actually sign off on these appointments, but the Law has already specified who these persons on the Anti money-laundering Steering Group are going to be.

Mr. Speaker, all of those persons will ultimately owe the continued enjoyment of their offices to His Excellency the Governor. Arguably, the Managing

Director of the Monetary Authority may be an exception, since that is a statutory authority. However, the statutory authorities are ultimately subject to Government control and influence. We can stand on technicalities if we wish, and I will make that concession, if it prevents an argument about this. However, the reality is that all of these persons on the Anti money-laundering Steering Group are public servants, or quasi-public servants. If they do not toe the line, we all know what the ultimate result will be.

If we are truly going to try to change the image, if not the reality, of the Financial Reporting Authority, and if we are truly going to try to create an organisational structure that those on the outside can regard as independent, fair, unbiased—not overly subject to, or influenced by, the policy of Her Majesty's Government, pursued in the interests of the United Kingdom and contrary to the interests of the Cayman Islands—then we are going to have to appoint independent persons to that Anti Money-laundering Steering Group.

Many of the people who are involved in the financial industry in these Islands have significantly more experience in these matters than the persons who are holders of the offices set out in this subsection. Why should some of them not be appointed to this Anti money-laundering Steering Group as well? Why is it a closed circle involving only public officers or quasi-public officers, who are ultimately responsible to His Excellency the Governor in any event?

I am satisfied, Mr. Speaker, that that is carefully thought through. There is no way Her Majesty's Government wants a situation in which there are persons there from under whose feet they cannot ultimately pull the rug, if they do not toe the policy line of Her Majesty's Government.

This also brings into stark relief a point I made when I resumed a few minutes ago. It is important that those who are carrying out various functions under the Proceeds of Criminal Conduct Law are not placed in a position where they are required to review what they have done or not done.

When the Attorney General and/or the Director of the Financial Reporting Unit does or does not do something, which is either wrong or a grave omission, who is going to scrutinise what they have done—this Anti money-laundering Steering Group, of which they are members? Let us use the recent example. Do we really think that in that scenario, Mr. Gibbs, as Director, and Mr. Ballantyne, as Attorney General, would be asked to sit in judgment on the findings of fact in relation to the Eurobank trial? That is the scenario we are setting up here. The jury is made up of defendants, or potential defendants. If this is going to have any credibility whatsoever, and if it is not going to place the Cayman Islands, its anti money-laundering measures, and ultimately, the authority in more disrepute than we currently bear, this Anti Money-Laundering Steering Group has got to have independent persons on it—persons who have no vested interest in protecting their jobs and covering their mistakes.

What we have set up here is a very neat and cozy arrangement that permits wonderful protection from the public eye and from public scrutiny to measures that are taken by the various holders of these offices, which are all part and parcel of, and necessary to, the proper functioning of the Proceeds of Criminal Conduct Law. It even protected the Commissioner of Police. He is in there too, as is the Financial Secretary. It is a nice, cozy little arrangement, but it is not what is necessary. It does absolutely nothing to bolster public confidence in this Financial Reporting Authority that is to be newly constituted.

I come now to probably the most fundamental of all objections to this. It seems almost unimaginable to me that at this point in Cayman's development, when we are supposedly the fifth largest financial centre in the world, with some of the most sophisticated regimes to prevent money-laundering and international crime generally, and when we know that that industry, which is so critical to our very existence, is under international threat, and in particular, threat from Her Majesty's Government, the Government is prepared to come down to this Legislative Assembly and propose a Bill that excludes the elected arm of Government from any involvement in the creation of policy as far as the Proceeds of Criminal Conduct Law, and in particular, the Financial Reporting Authority are concerned. They are excluded at a point when, on the basis of the delegated authority under the Constitution, we have an elected arm of Government which has responsibility for virtually everything else, and is held accountable.

When I stand up here and *beat* the Minister of Education because he is not dealing with the Education system the way I think he should, he has to take responsibility for it. It is the same in relation to any other aspect. When I give the Leader of Government Business so much grief over the immigration issue, he has to stand up and take responsibility for it, and he does.

Mr. Speaker, how can we be at a stage where the elected arm of Government is entirely excluded from the policy-making process in something so fundamentally important to our very existence—that is, the continued viability of the financial industry and matters that affect it?

I know one thing: If I were sitting over there, and the Governor or anybody else sought to have me bring this down here, they would have my resignation.

An Honourable Member: That is not a hint, sir.

Mr. Alden M. McLaughin, Jr.: No, I am not talking about the Honourable Attorney General; I know the constraints under which he operates. I am talking about the elected arm of Government.

Therefore, Mr. Speaker, the reality is this: The policy that drives this legislation, and the policy under

which the Financial Reporting Authority is going to operate, is a policy determined by Her Majesty's Government to the exclusion of the elected Government of the Cayman Islands. I must tell you, Mr. Speaker, that this absolutely boggles my mind. I am going to listen to what the elected arm of Government is going to say about why they felt compelled to bring this legislation down here in this form.

Mr. Speaker, section 21C of the amending Bill says that the Governor in his discretion may, after consultation with the Steering Group—who are all his boys, in any event—can disregard their sage advice, because it is in his discretion. Ultimately, therefore, Governor makes the policy, and we all know who the Governor works for.

"The Governor in his discretion may, after consultation with the Steering Group, give to the Reporting Authority directions of a general character as to the policy to be followed in the exercise and performance of its functions in relation to matters appearing to the Governor to concern the public interest."

"Public interest" is a wonderful, wonderful phrase, which the UK Government loves to employ. Who determines what the public interest is? Is it the public interest of the Cayman Islands, the public interest of the United Kingdom, or the public interest of the European Union?

It goes on: **". . . and the Reporting Authority shall give general effect to any such directions."**

This is a very carefully thought out approach, giving the Governor ultimate power to decide everything from the creation of policy to the appointments of the staff and the members of the Anti money-laundering Steering Group—complete, total and unfettered control. Given the history of the Eurobank fiasco—and it is not even history, it was only yesterday—and given the United Kingdom's acknowledged responsibility for what transpired there, this legislation ought to repose confidence in the Financial Reporting Authority, for the discerning investor and player in the financial industry.

It gets worse. Under the proposed legislation, this Authority has even more power than the Financial Reporting Unit had previously, under the Proceeds of Criminal Conduct Law (2001 Revision). I am going to come to that in a moment. Now, therefore, we have put it on a statutory basis, of which we all approve. That is what needed to be done. It sets out clear lines of responsibility—fine, but look where the responsibility rests. Ultimately, it rests with Her Majesty's Government. If I were in another environment, I would put it differently, but it scares the *bejesus* out of me.

In our view, one of the objectives that this legislation ought to have met is the separation of the investigative and reporting functions. I acknowledge that in that respect, the draft before us is considerably better than some of the earlier ones, which I had sight of. However, there is still some confusion over what the true function of the Financial Reporting Authority ought to be. I am of the view that its function ought to be limited to taking reports, and that other, more draconian powers, such as the ability to freeze accounts, ought to remain vested in the investigative arm. I note that there is an attempt to mitigate that concern by means of a provision in the draft legislation. Section 21A (3) says: **"(3) The power conferred by subsection 2(b) is not exercisable unless the Grand Court, upon application by the Reporting Authority, makes an order under this subsection permitting the exercise of that power."**

Mr. Speaker, that provision is mere window-dressing, for reasons I will seek to articulate shortly. I am trying not to read the irrelevant bits of section 21A (2)(b), if you will bear with me, Mr. Speaker. In my view, the offensive provision is that the Reporting Authority: **". . . may, subject to subsection 3 —**

> **ii. where information is disclosed to the Reporting Authority under section 22(3) or 23(5); or**
> **iii. upon receipt of a request from an overseas financial intelligence unit,**
>
> **"order any person to refrain from dealing with a person's bank account for a period not exceeding twenty-one days if satisfied that there is reasonable cause to believe that the information or the request, as the case may be, relates to proceeds of criminal conduct, suspected proceeds of criminal conduct, money laundering, suspected money laundering, terrorism or the financing of terrorism."**

In my respectful submission, Mr. Speaker, if the Reporting Authority receives information that it believes warrants suspicion that there are, or may be, the proceeds of criminal conduct in an account, that information should be passed to the appropriate investigative authority, who can then act under the already existing provisions in the Proceeds of Criminal Conduct Law (2001 Revision). If they have sufficient basis, the court will make the appropriate restraining order or grant the appropriate injunction. It should not be a function of the Reporting Authority to exercise this particular power. That should be sufficient objection, on principle, to warrant the deletion of that particular subsection.

I am sure it will be said that this power is only exercisable with the sanction of the court, and therefore, one does not have to worry too much about due process, or about persons not having an opportunity to make representations, and all of those things. Mr. Speaker, the court is going to have limited information on any of these applications, and since the applications are bound to be made *ex parte*, one can hardly think of a circumstance in which the court would not be prepared to sanction the exercise of such a power.

When we are talking about dealing with information from an overseas financial intelligence unit, it is difficult to perceive how the court will be able to judge the credibility of whatever is submitted. We are

talking about an overseas financial intelligence unit, which in turn, is probably simply acting on the basis of information that it has received, which is also untested.

If this section is going to work at all, the standards of establishing, at the least, a sort of *prima facie* basis for the making of the order will have to be very low. If the threshold is even what we consider to be the reasonable standard, the exercise of this power would not be sanctioned, in most instances.

The practical result is that if this is going to work at all, the court is going to have to rely heavily on whatever submissions are made. Inevitably, in my submission, the court is going to do little more than actually rubber-stamp any request for the exercise of this power, which I believe to be fundamentally wrong. I think that section ought to be removed. Of course, my concern about that is bolstered by the fact that Her Majesty's Government is in control of this whole operation from start to finish.

I have some other concerns, Mr. Speaker, about this piece of legislation. If I can simply summarise that last submission in a few lines, the function of the Financial Reporting Authority ought to be to receive reports, to analyse them, and to disseminate them. Giving them the additional power to freeze accounts, as drafted in the Bill, is unnecessary, unsuited to their expressed function and purpose, and draconian in nature.

There is also a provision that gives me some alarm, particularly considered against the backdrop of the Eurobank trial and the constitution of the Anti money-laundering Steering Group, which is supposed to be the group responsible for the oversight of the policy of the Financial Reporting Authority. That provision provides for the immunity of the Reporting Authority. That section needs to go, Mr. Speaker. Section 21E says: **"Neither the Reporting Authority, the Director, nor any officer, employee or agent of the Reporting Authority, shall be liable in damages for anything done or omitted in the discharge or purported discharge of their respective functions under this Law unless it is shown that the act or omission was in bad faith or constituted willful misconduct or negligence."**

You get immunity not only if you discharge your function, but if you purport to discharge it

Those are nice-sounding words, but laurels were heaped upon Mr. Gibbs and Mr. Ballantyne, even in the House of Commons. Mr. Ballantyne was quick to indicate that in debates, the House of Commons had determined that what he did was in the best interests of the Cayman Islands, and in pursuit of the mandate he had from Her Majesty's Government.

If the conduct of Mr. Ballantyne and Mr. Gibbs in the Eurobank trial—which is not speculation, but the result of findings of fact by the Chief Justice of these Islands—did not constitute bad faith, willful misconduct or negligence, if those findings of fact were met by Her Majesty's Government with a condemnation of what had gone on here as far as outrage from our people, and if we cannot look to Her Majesty's Government to deal fairly and objectively with these things when instances such as the Eurobank trial occur, then we should delete provisions in the legislation that give immunity against suit to the Reporting Authority. Wrongs should have a redress, whether you are the Attorney General or the Director of the Financial Reporting Unit. Whether you are Caymanian or British, wrongs should have a redress. Immunity should not be conferred simply because what you are doing is in the exercise of a mandate or dictate from Her Majesty's Government.

That brings me, Mr. Speaker, to another point. This is an omission from this Law. Before I move on, I should say that no similar provision appears in the Police Law (1995 Revision). If police officers conduct themselves in a way that is improper, they are liable in damages. Their Law provides them with no similar immunity. Many disciplinary procedures are set out in the Police Law (1995 Revision). There is a process by which any inappropriate behaviour or misconduct on the part of any police officer is investigated. If a sufficient basis is found for a charge, a charge is laid, heard and determined.

Why should the Reporting Authority be exempt from any such process? We go an additional step, and confer immunity. It is wrong, wrong, wrong. It is all part of a plot to ensure that those who act in furtherance of this legislation, and who are bound by the dictate of Her Majesty's Government, are protected and insulated from any form of redress by those whom they hurt, damage, and, in some cases, destroy.

That brings me conveniently to this point, Mr. Speaker: There is a complete absence, in this legislation, of any form of complaints procedure. In my respectful view, there must be a provision in the Law by which persons who are affected by the actions of the Reporting Authority may make a complaint, have that complaint investigated, and where appropriate, obtain redress. In the past, concerns about the former FRU included the lack of transparency, and the lack of clear lines of responsibility and accountability. In the financial community, it was felt that by and large, the FRU was a law onto itself. The only persons who knew what was really going on were the Governor, the Attorney General and the Director of the FRU. We did not know about MI6 at that point.

Mr. Speaker, the arrangement that is proposed here has addressed some of those concerns. There is now a clear line of responsibility; you know who is where, and what their functions are. However, it does not address the most fundamental of them, which is that Her Majesty's Government is still firmly and solely in charge.

Secondly, while it creates the appearance of a consultative body, the body is made up entirely of public officers or quasi-public officers. Therefore, there is no transparency. There is no basis upon

which one can challenge any of the decisions are taken. There is no procedure whereby any complaints can be heard and determined. There is no process for a review, by any independent authority or agency, of matters that have arisen as a result of the conduct of any of the members of Anti money-laundering Steering Group, all of whom, or most of whom, have critical roles to play in the discharge of functions under the Proceeds of Criminal Conduct Law (2001 Revision).

Mr. Speaker, if I might have one moment to check my notes to make sure I have covered them, I am almost at the end.

Thank you, Mr. Speaker, for your indulgence. The parliamentary Opposition supports the concept of the FRU becoming a statutory authority with clearly stated objectives, authority and functions. We recognise that the functions performed by a properly operated FRA (as it is going to be called) are of critical importance to the reputation of these Islands as a well-regulated jurisdiction that provides world class financial services to major international players.

Unless that happens—and happens quickly, in order that the FRU can shed its present disreputable image—we are in trouble. The proposed legislation does not even begin to address the fundamental problems about a lack of confidence in the integrity, independence and fairness of the Financial Reporting Authority. What it does is to confirm, and give legislative sanction to, a situation whereby Her Majesty's Government creates the policy, appoints the officers and determines exactly what the Financial Reporting Authority does or does not do. That, Mr. Speaker, does not inspire confidence.

Mr. Speaker, we need to take this particular piece of legislation that has come here, and burn it. The Financial Reporting Authority needs to be restructured in a way that makes it accountable to the Government of the Cayman Islands and not an agency of Her Majesty's Government, subject to the UK's control and influence. That is what needs to happen.

In this day and age, and in light of all that has transpired, we cannot cut the elected arm of Government entirely out of the loop in determining policy matters in relation to something as important as our financial industry. That is what this does.

Mr. Speaker, I am not dreaming up some novel arrangement. What I am urging is an arrangement similar to that of the Cayman Islands Monetary Authority, in which the FRA would have operational independence in the same way that the Monetary Authority does now, but would be ultimately accountable to Cabinet for the performance of its duties, and would look to Cabinet for the creation of policy, and for the direction it should take. That is not at all novel. We had a battle to get the Monetary Authority to that stage, because the UK did not want that either. However, we have gotten it there, and thus far, I have not heard many complaints. That is the way the FRA needs to function. Anything less than that, Mr. Speaker, and the FRA, by whatever name, is going to continue to be viewed as an extension of MI6, which plays by its own set of rules and has no regard for the laws and judicial authorities in these Islands. If we permit the current perception of this important agency to continue, and if we give it legislative sanction—which is what is being proposed—we are going to further seriously undermine the continued viability of our financial industry.

I urge the Government to do what they did with the Terrorism Bill, 2003, which sought legislative sanction to eavesdrop on the telephone conversations of the people of this country. I urge them to do what they did with that: to stand with the Opposition against this kind of imperialistic behavior and attitude on the part of Her Majesty's Government.

We must resist, with every sinew, this sort of neocolonialism. That is what this is. I am calling on the Government to do as I said, and to do as they have done before. They have shown that they have the courage to stand with the Opposition on a point of principle. If Her Majesty's Government insists on imposing this sort of draconian legislation upon us, let them do it, but let us sleep with the clear conscience that we have stood against this sort of wrong.

We have joined hands across the divide that usually obtains in this Honourable House on the Terrorism Bill, 2003. We stretch forth our hands to the Government again today, and say,that we will stand with you. There is solidarity on this one. We cannot, and we will not, give legislative sanction to this type of imperialistic legislation.

We will not be party to improving the Trojan horse, which Her Majesty's Government has already had in place to allow them to infiltrate our financial industry, causing it, and our very existence, further damage. I am going to sit down now, and wait with bated breath to hear what the Government has to say. I thank you, Mr. Speaker.

STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE CABINET

Clarification on Statement made in regard to the Proposed Immigration Bill (white)

The Speaker: Thank you Honourable Member. I have been given notice, and I recognise the Leader of Government Business.

Hon. W. McKeeva Bush: Thank you, Mr. Speaker. What the Government has to say is out of an abundance of caution. Out of abundance of caution, I should say, in regard to the Immigration Bill I laid upon the Table this morning, that the effective date of the new Law will be 1 January 2004. We intend to pass the Bill in November.

The Bill contains clean-up provisions for all long-term residents who are in the Islands when the Law

comes into effect. These persons will have an opportunity to apply for Caymanian status or permanent residence, depending on the length of time they have been here. As I said, out of abundance of caution, I thought it necessary to point that out before moving the adjournment of this Honourable House until Monday morning, 29 September 2003 at 10 am.

ADJOURNMENT

The Speaker: The question is that this Honourable House do now adjourn until Monday 29 September 2003 at 10 am.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 1.37 pm the House stood adjourned until Monday, 29 September 2003, at 10 am.

OFFICIAL HANSARD REPORT
MONDAY
29 SEPTEMBER 2003
11.23 AM

Seventh Sitting

The Speaker: I will invite the Honourable Deputy Leader to grace us with prayers.

PRAYERS

Hon. Linford A. Pierson: Let us pray.

Almighty God, from whom all wisdom and power are derived, we beseech thee so to direct and prosper the deliberations of the Legislative Assembly now assembled, that all things may be ordered upon the best and surest foundations for the glory of thy name and for the safety, honour and welfare of the people of these Islands. Bless our Sovereign Lady, Queen Elizabeth II, Philip Duke of Edinburgh, Charles Prince of Wales, and all the Royal family. Give grace to all who exercise authority in our commonwealth, that peace and happiness, truth and justice, religion and piety maybe established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for thy great Name's sake.

Let us say the Lord's Prayer together. *Our father, who art in Heaven, Hallowed be thy Name, thy Kingdom come. Thy will be done on earth as it is in Heaven. Give us this day our daily bread and forgive us our trespasses, as we forgive those who trespass against us. And lead us not into temptation but deliver us from evil, for thine is the Kingdom, the power and the glory for ever and ever, Amen.*

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

Proceedings resumed at 11.26 am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies for late attendance from the Second Elected Member for the District of Cayman Brac and Little Cayman.

STATEMENTS BY HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

The Speaker: I am not in receipt of any notice for statements for this morning.

GOVERNMENT BUSINESS

BILLS

SECOND READING

The Proceeds of Criminal Conduct (Amendment) Bill 2003

(Continuation of debate thereon)

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Final call. Does any other Member wish to speak? I recognize the Honourable Leader of Government.

Hon. W. McKeeva Bush: Madam Speaker, finally, a Bill is before this House for the restructuring of a Financial Reporting Unit (FRU). Since the introduction of that Motion we have been invited by the Opposition to join hands across the divide.

Madam Speaker, the history of the Bill has its genesis in the fallout of the Euro Bank debacle and the findings of the Honourable Chief Justice as to the misconduct of the former Attorney General and the person who ran that unit. At that time, the Opposition refused to join hands with the Government. It is a pity that the two leading Members of the Opposition, the Leader of the Opposition and the Secretary General, have vanished again. Instead of joining hands at that time with the Government, they stood resolutely in defence of the previous Attorney General.

All the Government was doing was setting the stage for the restructuring of the Financial Reporting Unit, something we could not do with the Attorney General then. That is the problem with the Opposition and why we in this country should be more than careful in listening to the rhetoric pouted by that Member. No matter how nice it sounds, or whether on this Bill or any other matter the reprobate and approbate at the same time difficult to do somehow they find that easy going.

Madam Speaker, the first priority of the Government is to preserve the existence the integrity and

competitiveness of the financial industry. In the region, our competitors in the financial industry have gone the same route, and if we are going to remain a jurisdiction of choice then we cannot offer any less scrutiny than our competitors.

Madam Speaker, the Second Elected Member for George Town, in his introduction of the Opposition's input into this matter, said that the Financial Reporting Authority (FRA) should be made up of private sector representatives.

I quote him from the *Hansard* [25 September 2003, page 776]: **"I submit, Mr. Speaker, that that is fundamentally wrong. I am not sure what gives the Governor any unique qualifications to determine who is best suited for those respective offices. I submit that we would be far further ahead if we had a Financial Reporting Authority Board that made those appointments.**

"It would give to those in the industry, locally and elsewhere, a certain confidence that persons were not being appointed based more on their allegiance to Her Majesty's Government than particular skills, abilities and qualifications."

I read further in the same *Hansard* from the same Speech: **"Many of the people who are involved in the financial industry in these Islands have significantly more experience in these matters than the persons who are holders of the offices set out in this subsection. Why should some of them not be appointed to this Anti-Money Laundering Steering Group . . . ?**

The Speaker: Honourable Leader, may I interrupt? Will you please state again the date of the *Hansard* and the page because I did not get it?

Hon. W. McKeeva Bush: Sorry, Madam Speaker, I was reading from page four of the unedited *Hansard*, dated 25 September 2003.

The Speaker: Thank you.

Hon. W. McKeeva Bush: "Why is it a closed circle involving only public officers or quasi-public officers, who are ultimately responsible to His Excellency the Governor in any event?
" . . . **this Anti-money-laundering Steering Group has got to have independent persons on it—persons who have no vested interest in protecting their jobs and covering their mistakes."**

Madam Speaker, the financial industry would not be independent. The Member is asking that the FRA be made up of private sector representatives but the FRA . . .

Mr. Alden M. McLaughlin, Jr.: Madam Speaker—

Point of Order

The Speaker: Second Elected Member for George Town, do you have a point of order?

Mr. Alden M. McLaughlin, Jr. Yes, Madam Speaker,

I am sure the Leader of Government Business is not intentionally misleading this House, but he said it twice now. Despite what he quoted from my transcript, I did not say that the FRA should be made up of independent persons. I said the constitution of the anti-money-laundering steering group should include independent persons, that is, persons other than public officers or quasi-public officers. The impression that I am getting from what he is saying is that I had suggested that it be made up entirely of members of the financial services industry, which is not the case at all. So I would like to clarify that, and I am sure that the Honourable Minister now, in light of that, will be able to withdraw what he said.

The Speaker: Thank you.

Honourable Leader, perhaps you will be so minded to repeat what you actually attributed to the Second Elected Member for George Town. I am not in possession of a copy of the *Hansard*. I have requested one for myself, and the Second Elected Member for George Town, but I have not yet received it.

Hon. W. McKeeva Bush: Madam Speaker, I would have to read over what I said. I am reading from page 4 and this is the Second Elected Member for George Town who just interjected.

: **"I submit, Mr. Speaker, that that is fundamentally wrong. I am not sure what gives the Governor any unique qualifications to determine who is best suited for those respective offices. I submit that we would be far further ahead if we had a Financial Reporting Authority Board that made those appointments.**

"It would give to those in the industry, locally and elsewhere, a certain confidence that persons were not being appointed based more on their allegiance to Her Majesty's Government than particular skills, abilities and qualifications."

I further read another section**"Many of the people who are involved in the financial industry in these Islands have significantly more experience in these matters than the persons who are holders of the offices set out in this subsection. Why should some of them not be appointed to this Anti-Money Laundering Steering Group . . . ?**

"Why is it a closed circle involving only public officers or quasi-public officers, who are ultimately responsible to His Excellency the Governor in any event?"

In another section, he said, " . . . **this Anti-money-laundering Steering Group has got to have independent persons on it—persons who have no vested interest in protecting their jobs and covering their mistakes."**

The Speaker: Did you make a concluding remark after that?

Hon. W. McKeeva Bush: I did go on to say that the financial industry would not be independent in this instance, and I went on to say the Member is asking that the FRA be made up of private sector representatives, but he did ask that it be made up including private sector representatives. I think he is just playing with words. That is the same thing.

The Speaker: Thank you for the clarification.

Second Elected Member for George Town, are you satisfied with the clarification as it stands? I think it is now abundantly clear that your statement was not an all-encompassing or inclusive one but one which said that part without specifying minority or majority should be at least of those you so specified and you are not actually saying that it should be only private sector persons.

Mr. Alden M. McLaughlin, Jr.: You are entirely right, Madam Speaker, and I am grateful to the Honourable Minister for now clarifying that.

The Speaker: Thank you, Honourable Leader of Government. Please continue.

Hon. W. McKeeva Bush: Madam Speaker, thank you very much.

The FRA (the new body) is a law enforcement agency which is supposed to police the financial industry. How, then, can we be expected to put people on this law enforcement agency to police themselves?

When I say "law enforcement agency" that is my understanding of what they do; they police the financial industry. That is what they were supposed to have been doing before, except they went awry with it. We have no problem with the Member's argument about what happened. Look at the lengths that we went to stop it and did not get much help from him in particular. He stood resolutely in defense of the Attorney General at that time.

Mr. Alden M. McLaughlin, Jr.: Madam Speaker.

Point of Order

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr. On a point of order.

Madam Speaker, the Honourable Minister seems intent on a battle with me this morning, but he is misleading this Honourable House. On no occasion have I defended the Honourable David Ballantyne in the execution of his duties. What I said over and over again is that the Government's bungling of the handling of that matter was largely responsible for the mess we were in. I stand by those remarks. We called on the Honourable Attorney General to retire, publicly. So the Honourable Minister must withdraw those remarks or produce a *Hansard* or some report that indicated that I or any other Member of the Opposition defended the Attorney General.

The Speaker: Honourable Leader of Government.

Hon. W. McKeeva Bush: Madam Speaker, this debate is not so much about the previous Attorney General, as it is about the conduct at the time and what led to the restructuring today. Whether we used that word or not, the Second Elected Member for George Town said, quoting from the *Hansard* dated 10 February: **"The national interest requires that the impasse between the UDP Government and the United Kingdom Government in relation to the Attorney General be resolved quickly. That demands that through dialogue a means be found to permit the Attorney General to retire from office with some semblance of dignity and with his personal integrity in tact."**

Madam Speaker, my argument is that regardless of what that Member said, that to me was the greatest form of defence. As a Government, at that time I moved a censure motion against him because of the loss—very early in the game—of both integrity and dignity. I just read that from the *Hansard,* and if he said that was not a defence, well, the *Hansard* says to me that that is what he was doing.

I know he went and talked to him [the former Attorney General] and I do not know what else he did. He said he went to see him in his professional capacity. Well, all those things are in the past, but I recall the debate. This is what he said, and he might have interjected a lot this morning but it is not about a battle with him. It is to show their inconsistencies and how they vacillate at times.

The Speaker: I have listened to the . . .

[The Second Elected Member for George Town rose]

The Speaker: Second Elected Member, did you have a point?

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, if I might be permitted.

The Speaker: Is it a point of elucidation?

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, I believe that what the Honourable Member has said does warrant a response from me, but I am in your hands.

The Speaker: Please continue**.**

Mr. Alden M. McLaughlin, Jr.: Madam Speaker, every word that the Honourable Leader of Government Business has read from the transcript I said and I stand by. That, Madam Speaker, cannot possibly be interpreted—except by the most cynical of persons—as a defence of the Honourable Attorney General. The Honourable Leader of Government Business must withdraw those statements which he made in that regard. Certainly, it was not me or the Leader of the Opposition, or any other Member of the Opposition, who either agreed to or caused the Government to pay the last Attorney General $300,000 to have him go. That was the Leader of Government Business who did that.

The Speaker: I have listened to both sides more than once. I have listened extremely carefully to the Leader of Government read verbatim the *Hansard*, and I was listening to see whether he was going to conclude it to be a statement of fact or an opinion. On two occasions before he sat, he said "to me." The Chair construes that as can only be tantamount to his personal opinion and will so accept it.

The Leader of Government, please continue with your contribution.

Hon. W. McKeeva Bush: Madam Speaker, thank you very much.

Cynicism or not, the fact is this is what the Member said. He might try to play with words today, but I do recall the heat and the cut and the thrust of that debate and the invective that was thrown at me by that Member in defence of the former Attorney General. If I am a little bit riled up this morning it is because I do remember the kind of debate that the Member gave at the time, and today he has a different hat on. That is what I am trying to show here, and before I am through I will show the reprobate and approbate at the same time.

Madam Speaker, from what I see here, the FRA is supposed to police the financial industry and we could not agree to put people on this law enforcement agency to police themselves. I have had contact with the financial industry and I know that some of them would have liked to have seen this, in particular the Secretary General or the Chairman of the People's Progressive Movement. He would like to have his paws in here, but that cannot be done. That is not something that the Government is willing to accede to at this time.

Everyone knows that this Government has offered the financial industry every protection and assistance, even as far as going to court in Europe. There should not be any doubt in any reasonable person's mind of how jealously this Government guards the industry. However, we must be practical and that is what I am talking about this morning.

Madam Speaker, the Second Elected Member for George Town made much ado about the elected arm of Government not being involved in policy.

I read from page [777] of the *Hansard* [25 September 2003] where the Member says, "Mr. Speaker, how can we be at a **stage where the elected arm of Government is entirely excluded from the policy-making process in something so fundamentally important to our very existence—that is, the continued viability of the financial industry and matters that affect it?**

"I know one thing: If I were sitting over there, and the Governor or anybody else sought to have me bring this down here, they would have my resignation.

"I am not talking about the Honourable Attorney General; I know the constraints under which he operates. I am talking about the elected arm of Government."

What the Member is doing there, Madam Speaker, is trying to infer that the official arm of Government is out in left field or outside of this decision. Well, the Member has another guess coming. He better wait until the Attorney General winds up and then he will see whether the Attorney General is outside the scope of approval here or not. This is not . . . and we say this boldly: We do not put these Bills together, but we have a policy on anti-money-laundering . We, as an elected Government, do not have responsibility for that kind of policy. That is in the ambit of His Excellency the Governor.

Madam Speaker, when he goes on to talk about not being involved with policy, Government has an anti-money-laundering policy and part of the objective is to promote a clean jurisdiction and that is why we have the Proceeds of Criminal Conduct Law. How can that Member be so barefaced to talk about not being involved in policy when we put that there? Madam Speaker, the charge of elected Members not being directly involved I find most amusing, really amusing. Here is the Opposition being reprobate and approbate at the same time. We should not get involved in the Immigration Law—that is wrong, but we must be involved in . . .

Mr. Alden M. McLaughlin, Jr.: Madam Speaker. Madam Speaker.

The Speaker: Second Elected Member for George Town, do you have a point of order?

Point of Order

Mr. Alden M. McLaughlin, Jr.: Yes, Madam Speaker.

Again the Honourable Leader is misleading the House. He cannot make such wide and sweeping statements. The Opposition has never suggested that the Government should not be involved in the Immigration Law. In fact, we have been calling for them to produce it for months.

Hon. W. McKeeva Bush: Madam Speaker, he does not have a point of order.

Mr. Alden M. McLaughlin, Jr.: If the Member is going to use that example he must speak specifically to where we have the difficulty with Government in relation to it, and it is certainly not in relation to policy. It is usurping the functions of the Immigration Board and that has been our point all along. The Member must be specific or he must withdraw the remark.

The Speaker: Leader of Government Business.

Hon. W. McKeeva Bush: Madam Speaker, the Member can be like a jackrabbit as much as he wants this morning, but I am going to continue reading from both of his speeches in the *Hansard* of February this year and on Friday. The Member and his group seriously oppose . . .

Hon. Linford A. Pierson: She needs to rule on the point of order.

Hon. W. McKeeva Bush: I thought she asked me to continue to explain.

The Speaker: I did ask him to continue to so explain. I am not satisfied that the Member has continued, so please allow the Leader his time to respond and then I will rule on the point of order.

Hon. W. McKeeva Bush: Madam Speaker, when I said that we should not get involved in the Immigration Law—we should not make status grants—that is a policy that the Government took to do and they were the ones who said . . . I find it most amusing that under a special section of the Immigration Law we have every clearance, legally and morally, to grant statuses. Now we should not do that but we must be involved in saying whether a person is a criminal or not. This is a good example of the Opposition talking out of both sides of their mouths. Madam Speaker, our first job is to preserve the existence and integrity and competitiveness of the financial industry.

The Speaker: Have you concluded your explanation? Please indicate when you so have.

Hon. W. McKeeva Bush: Madam Speaker, if you need to, rule at that point.

The Speaker: Thank you. I have listened to the point of order and to the Leader of Government. I find that there is no valid point of order and I would ask the Leader of Government to please continue.

Hon. W. McKeeva Bush: Madam Speaker, I believe the Opposition is taking objection that I have said that the FRA is a law enforcement agency. They are going to police, what I call law enforcement agents, the financial industry. It is funny how that Member talks about our constitutional relationship. This is why the public cannot trust the Opposition.

The Speaker: Is that your opinion, Honourable Leader?

Hon. W. McKeeva Bush: Madam Speaker, I am going to prove it. It is my opinion, but until I read this *Hansard* you will see the doubletalk in this country today. Our constitutional relationship gives the power to the *Governor*. I want to read from page 12 of the Hansard dated 10 February: "The national interest . . .

[Inaudible interjection]

Hon. W. McKeeva Bush: Could only be you.

Madam Speaker, the Member is asking if it is him. It could only be the Second Elected Member for George Town. Well, I am not responsible for what the Opposition should have. If they come into this House to debate and say all manner of evil things, then they should have the debate.

[Inaudible interjections]

The Speaker: Order!

Hon. W. McKeeva Bush: Madam Speaker, I have been labouring this morning to try to make a few points. That Member carried on for nearly close to two hours on Friday and no one interrupted him, all right!

They are asking now why they do not have the *Hansard* of 10 February. The *Hansard* is there for everyone to get. Must I first go and tell them that that is what I am going to do? What kind of debate would that be? The lady Member from North Side should know better and keep herself quiet this morning.

[Addressing the Member for North Side] Yes, you stay out of it.

Let us see the doubletalk from what the Member said. I will read a few more choices so that you can clearly get what I am saying about their doubletalk. You heard me read where he said he would resign. I will read another part of the *Hansard* dated Thursday, 25 September [2003, page 778].

" . . . ['Public Interest'] is a wonderful, wonderful phrase, which the UK Government loves to employ. Who determines what the public interest is? Is it the public interest of the Cayman Islands, the public interest of the United Kingdom, or the public interest of the European Union?"

Madam Speaker, page 10 of the *Hansard* from February says,

"We have our feet rooted firmly in reality and we understand with all the noise and *ya-ya* that go on, there are constraints inherent . . ." Let me repeat that to this Honourable House: ". . . there are constraints inherent in the Constitutional relationship we enjoy with our Majesty's Govern-

ment and the United Kingdom. And we also understand that no matter how passionate and well meaning our intentions; no matter how angry we get at the injustice that we perceive has been done to us as a country and as a people, notwithstanding all of those things, we must act reasonably and we must operate within the constitutional constraints that are a part of the relationship which we have with the United Kingdom."

I have already read what he said about the dignity and personal integrity intact for the previous Attorney General. I am also going to read what he said on page 9 of that same day but first I will go to page 12.

"The national interest also requires a constructive relationship with the United Kingdom Government and confidence in the Governor." I will repeat that: **"The national interest also requires a constructive relationship with the United Kingdom Government and confidence in the Governor, not because we are particularly fond of the United Kingdom but because pragmatism requires that the relationship be one of mutual respect and understanding."**

That is the same Governor that we have to work with today. He never changed. I saw him on Sunday and he is still the same person. The constitution relationship is still the same. How can the Opposition talk out of both corners of their mouth, even if there is an expanse of time between when he said one thing as against saying something else?

"I know one thing, if I was sitting over there if the Governor or anybody else sought to have me bring this down here, they would get my resignation."

Now I reckon that that is understanding and cooperation. Madam Speaker that was page 12 and now I read page 9 of February 10th, which pertains to the Motion to move the [then] Attorney General at least to start the ball rolling.

Madam Speaker, listen to him now: **"Certainly inflammatory anti-British remarks which have been made and continue to be made will not foster good relations and will not provide the kind of atmosphere that is conducive to the resolution of this matter."**

Here him again, Madam Speaker, **"Nothing else is going to work, not censure motions, not threats, not derogatory remarks and certainly not anti-British rhetoric. We have urged the Government in the past, we do so again this morning. Cool the rhetoric and lower the temperature of the House. Feelings run high in matters such as this, we know. We feel the sense of injustice, just as any other right thinking resident of these Islands do. We must not allow our emotions to override reason."**

That was the same Member who was going to resign and who was cursing the UK, blaming the European Union for interfering with us. You see, the Opposition cannot always have their cake and eat it too. While all kinds of invectives were hurled at me on that day, in particular my style of leadership by the Second Member for George Town, this is the difference between me and that group. When I take a position and have to battle with the UK, it is because we have a just cause and one in which we know we are fundamentally and legally correct.

The Euro Bank case for which the former Attorney General was responsible, the one that we had to face down the UK on, the case and the debacle that the People's Progressive Movement came here to this Honourable House and beat me and my colleagues and berated us in the defence of the Attorney General . . . this same Member came here a few days ago with his same existing duty to uphold the Constitution with his cap on, only this time back and front, singing a different tune, being the bad boy.

Everything that the People's Progressive Movement does or says is suited to whatever the occasion is. Never mind the facts.

Madam Speaker, our constitutional relationship with the UK remains the same today as it was in February. We believe that the FRU needs restructuring. We believe that a great disservice was done to this country and we said so before. I am not saying that the legislation is all that I would like it to be, because there is no more nationalistic person in this Honourable House than me. However, we have to be pragmatic; we have to be realistic about the whole thing.

I had a discussion with the Governor and he will be removed as he agreed completely from the set-up. The Attorney General is going to respond and I will leave the balance to him.

I would only like to close my remarks in saying that the financial industry today is in better shape because this Government has taken the stand that we have in fighting off the European Tax Savings Directive and various other initiatives. Indeed, we have not signed everything that has been pushed on the Financial Secretary's lap or the Government's lap, but only agreements that would sense.

We have to reorganise the FRA, and people outside the industry need to give the Government a chance, including those who are in the industry. Changes can be made as we go along but first we have taken a long time to get here, but let it not be said that this was the fault of the Government. We have been having discussions with the industry and that is why it took that length of time to get here. We cannot agree on everything with them but I believe we have, by and large, a law that they will appreciate and will work with.

So, Madam Speaker, I close with the remarks on page 9 of the *Hansard*, dated 10 February 2003. **"Certainly inflammatory anti-British remarks which have been made and continue to be made will not foster good relations and . . ."**

The Speaker: Honourable Leader, sorry for the interruption. You did start off by saying the remarks. But, for clarity, would you specify whose remarks?

Hon. W. McKeeva Bush: I want to close my remarks by reading the unedited *Hansard* of 10 February 2003, page 9. These are the Second Member's for George Town remarks. I quote: **"Certainly inflammatory anti-British remarks which have been and continue to be made will not foster good relations and will not provide the kind of atmosphere that is conducive to resolution."**

I read further: **"Nothing else is going to work, not censure motions, not threats, not derogatory remarks and certainly not anti-British rhetoric. Cool the rhetoric and lower the temperature of the water. Feelings run high in matters such as this. We know; we feel the sense of injustice just as any other right thinking resident of these Islands do. For those who may think otherwise as leaders and representatives we must not allow our emotions to override reason."**

End of my remarks. Thank you very much, Madam Speaker.

The Speaker: Thank you. Does any other Member wish to speak? Does any other Member wish to speak? Final call. Does any other Member wish to speak? The Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you, Madam Speaker. Before I commence my debate, I would seek some direction. There is a committee stage amendment that has been passed out to us and I just want to . . .

The Speaker: Are you referring to number 3 amendment?

Hon. D. Kurt Tibbetts: Yes, Madam Speaker. I just want to ensure whether I can or cannot use it or refer to it in my debate.

The Speaker: As I understand it, Honourable Leader of the Opposition, you can make general remarks to it. The specific comments will have to be referred to in the Committee.

The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Madam Speaker. I have just had a look at the number 3 amendment myself, and although it has been approved and circulated, I have just spoken to the drafting personnel and there seems to be one other aspect of it that needs to be tidied up. So, I am not sure whether the Honourable Member wants to speak to it as it is, or he would need to know exactly where we are planning to go with the additional amendment. However, I would prefer to have this withdrawn and have the one that we really intend to put forward so that he can speak to the spirit of it.

The Speaker: Thank you, Honourable Second Official Member. The Chair will seek some clarification in that you said you have now had an opportunity to look at it and would express some concern that it has been circulated before your perusal.

Hon. Samuel W. Bulgin: No, that is not what I am saying, not at all. I forwarded it to be approved. I am just saying that, having had a look at it again, there are aspects of it that, in my view, need to be tidied up so that it can be reconciled with the Bill.

The Speaker: Perhaps the clearer procedure would be to withdraw it. We will take a break for a luncheon at this time and come back at 1.30 pm.

Hon. Samuel W. Bulgin: Obliged.

The Speaker: Before we go, I recognise the Honourable Leader of the Opposition, to see if he had another point separate and apart from that.

Hon. D. Kurt Tibbetts: That is fine.

The Speaker: All right. I think perhaps that would expedite the matter and have a bit more clarity when we come back in.

Proceedings suspended at 11.33 pm

Proceedings resumed at 2.28 pm

The Speaker: Please be seated. Proceedings are resumed. Continuation of the debate.

Before we took the break, I recognised the Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you, Madam Speaker. I rise to give some additional comments to this very important piece of legislation that is before us.

First of all, let me begin my line of argument by stating that as far as my understanding is there are three very important points which would give rise to this piece of legislation: (1) public confidence in a financial Reporting Authority and its operations should and must be restored; (2) the statutory foundation of an efficient financial Reporting Authority provides that it is divorced from an investigative role; and (3) not anywhere less important than the other two is that there is accountability and transparency in its methods and its control structure.

Madam Speaker, in order to restore public confidence, we believe that it must be shown (as has been pointed out by my colleague, the Second Elected Member for George Town) that the lessons of the failure of the Euro Bank trial have been learned and that the structure and organisation of this new FRA would not allow the same circumstances to happen again any time in the future. I believe that all of us here are in agreement with that objective.

It is also important that there be no perception that those involved in the original decision-making are those same posts—not necessarily individuals—and officers with the responsibility to review the process without any representation independent of the various authorities. Madam Speaker, there have been arguments put back and forth, and I will do my best not to be repetitive. However, it is, in my view, absolutely important that we first of all appreciate what the objective of this amending piece of legislation to The Proceeds of Criminal Conduct Law should be.

I am not going to belabour the point to where I get lost in it and I have to remind myself of that. From the onset of my contribution, it has to be understood very clearly where the obvious difference lies in what obtains and what is proposed in the legislation and what we understand to be the primary objective. So, Madam Speaker, we come back to the point of the separation of the investigative and the reporting functions. I think that is where the crux of an argument lies because this situation relates to a constitutional arrangement and it also relates to what obtains in practice.

When we speak of the investigative and reporting functions, and we look at the original Proceeds of Criminal Conduct Law, which has in the definition section . . . and I will quote with your permission, Madam Speaker. It says, **"'financial intelligence unit' means a central, public body responsible for receiving (and, as permitted, requesting), analysing and disseminating disclosures of financial information-**

(a) concerning proceeds of crime or suspected proceeds of crime or

(b) required by any law in order to counter money laundering. "

It also goes on to say **"and 'financial intelligence unit' includes a law enforcement agency."** So that is your original definition in the Law and then we have the amendments or the amending Bill.

As the Memorandum of Objects and Reasons states this Bill seeks to amend the Proceeds of Criminal Conduct Law (2001 Revision) to replace the Reporting Authority with a Financial Intelligence Unit to be called the Financial Reporting Authority.

The first question that we have to ask is based on the initial definition in the PCCL and based on the Memorandum of Objects and Reasons of the amending legislation, the FRA. Once this law is passed, and there is to be a law enforcement agency or not, if that is the intention, then we can understand clearly where we differ. Our concept of a financial Reporting Authority does not lend to such an authority being a law enforcement agency and that seems to be where the big difference lies.

There have been some amendments to the previous law, which on the surface seem to make a lot of difference. However, this whole argument that I am bringing now which hinges on the constitutional responsibility of His Excellency the Governor has to be clearly determined as to what the objective is. It would seem that based on the proposed amendments (even the Committee stage amendment), and based on what is proposed in the amending legislation where it speaks to section 21(c) . . . I quote from the green Bill. **"The Governor in his discretion may after consultation with the steering group give to the Reporting Authority directions of a general character as to the policy to be followed in the exercise and performance of its functions, in relation to matters appearing to the Governor to concern the public interest and the Reporting Authority shall give general effect to any such directions."**

In synopsis, what that basically says is that the Governor, acting in his own discretion after consulting with the steering group (which I shall address in a minute) has the ability to instruct the Financial Reporting Authority as to—while it speaks to directions of a general character—whatever policy he wishes to be implemented. Of course, his Excellency the Governor is Her Majesty's representative here in the Cayman Islands.

Here we are, faced with the question of what the constitutional arrangement is and if the Reporting Authority is simply a Reporting Authority not dealing with being a law enforcement agency. Should it really be the case that the Governor acts in his own discretion? I leave that platform to try to clearly determine, and it is going to be absolutely important that we clearly understand and determine that. If that is the intention that this is a law enforcement agency, then we speak of a horse of a different colour.

There are other arguments that one needs to put forth as to whether that, in our view, should be the case or not. However, listening to all that has been said, both from the Honourable Second Official Member and the Leader of Government Business (although the Leader of Government Business said, as he understands it, is a policing agency), I am not so sure that this Financial Reporting Authority is meant to be a law enforcement agency. Madam Speaker, we need to understand absolutely clearly whether that is the case or not.

I drew the definition from the Proceeds of Criminal Conduct Law which speaks to the initial Financial Intelligence Unit. However, this new amendment refers in its Memorandum of Objects and Reasons to a financial intelligence unit which naturally is the Financial Reporting Authority that we speak of. And if I draw from the earlier definition, then it is a law enforcement agency. If it is a law enforcement agency then I cannot argue why it should not be the "Governor in his discretion", but then I have to change the argument to say why it should not be a law enforcement agency. Unfortunately for me, as I stand here I am not sure which is which, so I have to brush both and I will do my best to not seem to be meandering.

I am just explaining where we see our position in proffering any arguments for or against the amending legislation.

Madam Speaker, unfortunately we are on the receiving end again and when this is over we might hear that we speak from both sides of our mouths. However, in trying to address what we get, we have to. If it is a law enforcement agency, then in truth and in fact what are we creating? I ask the question without delving into the history. That has been a huge part of the to-ing and fro-ing and all of the arguments surrounding not just the Euro Bank trial but prior to that trial, when several of my colleagues were continually asking for clear lines of definitions with regard to whom the Financial Intelligence Unit was reporting.

I daresay (without asking for any comments) that even those directly involved in the process, like the Commissioner of Police, had problems with it; not personality problems but problems with clearly defined parameters under which it was operating and who was responsible for what. We are now saying in the amendments that we are clearly defining who is responsible for what, but I do not know yet whether it is a law enforcement agency.

As I asked, if it is a law enforcement agency, are we doing anything different than it was before if we look at it in this context? The financial industry is regulated and over regulated. We ourselves admit that as it is, if we compare to what the other international agencies are dealing with and the expectations elsewhere of other jurisdictions.

We know that after all is said and done many things that we did in good faith we come to find out now that places such as London are not prepared to do the same because they say it is not cost-effective; that is just by the way.

Madam Speaker, I used that reference to speak to the regulations of the financial industry and I spoke of the Cayman Islands Monetary Authority and its regulatory functions. I also speak of this same Proceeds of Criminal Conduct Law without going into a lot of detail. However, I am certain the Honourable Second Official Member will concur that it gives the police ample powers to deal with any and all issues which might involve money laundering, freezing of accounts, et cetera, included in this new piece of legislation.

Madam Speaker, if all of those statutes exist, then my question again is: why are we creating another arm which sets itself over and above everything else that exists to perform the same functions, or some of the same functions? Let me draw some examples.

In the amending legislation, where it speaks to being able to freeze accounts, section 21 (3) shows a clear picture because it tells of the conditions where the Authority can order any person to refrain from dealing with a person's bank account for a period not exceeding 21 days, et cetera. However, conditional to all of that is that the power conferred by that subsection is not exercisable unless the Grand Court, upon application by the Reporting Authority, makes an order under this section. So for that purpose, Madam Speaker, the Financial Reporting Authority still has to exercise its functions by going in front of a Grand Court Judge and making a request for freezing of accounts or seizing assets or whatever.

As far as I understand it, the Proceeds of Criminal Conduct Law, as it exists, allows for that to happen in any case under similar procedures, but of course, done by another law enforcement agency; namely, an arm of the Royal Cayman Islands Police. My question is (if I understand it correctly): what is the new function which enables the old function to work better?

[Pause]

Hon. D. Kurt Tibbetts: Madam Speaker, just to use that one example, we have to ask the question in the creation of this Financial Reporting Authority where it seems like there is some duplication of authority, what is the real purpose of that? I know that prior to this there was a situation where I believe 72 hours came into play, and now we have a situation of 21 days. If we have a Financial Reporting Authority that is performing the functions of a law-enforcement agency, if that is a separate entity unto itself from what obtains with the other law enforcement agencies, we ask the question again: why are we creating it to perform that function?

As I understand it, the reporting functions (as explained in the amending Bill, section 5) . . . the principal Law is amended by inserting after section 21 the following sections . . . the marginal notes speak to powers, functions and duties of the Reporting Authority. It says, **"The Reporting Authority shall be responsible for receiving and as permitted requesting, analysing and disseminating disclosures of financial information -**

(a) concerning proceeds of criminal conduct or suspected proceeds of criminal conduct; or

(b) required by any law in order to counter money laundering."

It goes on to speak in subsection (2): **"without limiting the foregoing and notwithstanding any other law to the contrary the Reporting Authority shall receive all disclosures of information including information from any overseas financial intelligence units which . . ."** which I do not have to read.

So, it concentrates its efforts on the fact that the Financial Reporting Authority shall receive all disclosures of information, including information from any overseas financial intelligence unit or forwarding any information to another financial intelligence unit upon request. Once an assessment is made, then that information will be disseminated to the relevant agency in order for any criminal proceedings to take place.

The Financial Reporting Authority, as I understand it, if it is a law enforcement agency, serves the same purpose as the Police because if it is a law-enforcement agency and not just an information-gathering and disseminating agency, then it exercises

certain powers to decide whether you should go at this one or the next one or this entity or the other entity. If it is designed for that then I have to conclude that it is being created in a manner that the process is not transparent because the process, otherwise, is. If the Governor, whether in his discretion or in Cabinet's, is of the view that there needs to be an agency of this nature which can deal with matters and the rest of the world not knows about it, then they must come out and say that.

The same arguments we had prior to this from the Euro Bank case bring back those same horrific memories. I have heard many Members in this Legislative Assembly publicly state that we accept that certain types of covert activities are necessary in this world in this day and age because of the nature of the beasts that we deal with. That poses the other question: in accepting that, how do you create an authority that still falls short of allowing a Euro Bank situation to happen again? That is where the question is.

No one is disputing the necessity of the reporting agency. The question is: is it crafted and is legislation in place in such a manner that this can happen again? No one wants it to happen again, so the Government has to convince us how this thing is done. It cannot happen again, and I am not convinced, Madam Speaker.

I must admit that I am not 100 per cent clear as to what the constitutional arrangement is with the Cayman Islands and the United Kingdom in understanding the authority under our Constitution which is vested with His Excellency the Governor. The big question is: I would have thought that in the creation of a Financial Reporting Authority it would have been created in such a manner that no one could possibly think (with the best intentions in the world of everyone concerned) that this situation could occur again. However, what is presented before us today, even with the amendments that are proposed, does not allay those fears because at the end of the day, section 21(c) speaks to the Governor in his discretion regarding general character as to the policy to be followed in the exercise and performance of the functions of this authority.

Now, we could stand around and perhaps argue at length about what position who took when, who said this and who said that. But I am going to avoid that because I do not want to cloud my arguments. I would truly like for the Honourable Second Official Member, in winding up, to clarify the position and to answer the questions that I have posed.

If we again run back quickly to the situation with the Euro Bank, what occurred with the then head of the FRU and his actions, and, by extension, the actions of the then Attorney General, it is clear from the results that there was no legislation in place—neither to prevent it or to punish it. If there were, who reneged their duty? We cannot create legislation that will permit that. They could bend it and twist it until the good Lord comes, no one can tell me that that is what we want. As to how we argue it and to what powers His Excellency should have or what powers should be delegated could well be thought of as another matter, but it boils down to that and that is a very important point.

I daresay that that is a point that bears some heavy reflection, in fact, I think it bears repetition. The actions of those two goodly gentlemen, regardless of intentions or circumstances, obviously were not covered by legislation which could have prevented it from happening. If it did, someone did not do their duty and I would like for the Honourable Second Official Member to pointedly answer those two questions. Was there any legislation which covered those actions, and if there was, why was no action taken?

However, regardless of the two and what the answers are, the point in hand is that any piece of legislation that is forthcoming now must be able to prevent that from happening and not roll the red carpet out and say we do not think it will happen because there are different players in the game.

My colleague made a very important point here and regardless of what the Leader of Government Business or any one of them thinks, it was an absolutely important point. You cannot create legislation for any one. The good Lord promised us three score and ten maybe, sometimes more, sometimes less. None of us live forever and I simply say that to say you cannot craft legislation because everyone in the corner is good and you trust them. You cannot do it, it is wrong.

We cannot allow passage of this legislation which leaves in doubt the transparency of the functions of the Financial Reporting Authority from here on in. That is the bottom line. I do not want to go into the same constitutional arrangements that I referred to earlier on. We could speak to section 7(1) and talk about internal security and we come back to the same argument; is it a Reporting Authority or is it a law enforcement agency? If it is a law enforcement agency, then it has to be "the Governor in his discretion." Is the purpose of the exercise to create a law enforcement agency or a reporting agency? Is it to restore confidence in the industry or is it going to be just one of these things that seem like you simply have painted the same boat in a different colour but it is going in the same direction?

Madam Speaker, my arguments are not based on what is or what obtains; my arguments are based on what should be. The question is: is what I say should be or is it what the Government is saying should be? If the Government is saying that what I say should be is what they say should be then they cannot tell me that there should not be some differences in what is proposed.

So the Government will clarify whether we have a law-enforcement-agency-come-reporting agency, or whether we have a reporting agency whose functions will determine further actions one way or the other by other agencies.

There was a comment made earlier on and the temptation is too great to resist. The comment was, "If it is simply a reporting agency then all we need is a secretary and a fax machine." Madam Speaker, as a reporting agency the personnel that are part and parcel of this agency, which is called for under the amending legislation where it says, **"the principal law is amended in section 21 by repealing subsection (2) and substituting the following subsection (2). Where there is established a financial intelligence unit** [same Financial Reporting Authority] **to be called the Financial Reporting Authority consisting of the following persons:**

(a) the director of the Financial Reporting Authority;
(b) an attorney-at-Law;
(c) an accountant, and;
(d) such other persons having suitable qualifications and experience as may be necessary to provide services to the Reporting Authority."

So, Madam Speaker, there are certain qualified individuals who constitute this authority. As I understand the purpose and function of their job description, when the information is going one way or the other their skills are called upon to make a decision on the next step. This means making assessments because the FRA, while charged with its responsibility of discovery and information gathering . . . I do not perceive the Financial Reporting Authority to simply be sitting down and be a vat of collected information with a fax machine and a young lady sitting there and just say here, take it as it comes. That is not the exercise. This information has to be gathered or disseminated in such a manner that both parties concerned are dealt with fairly because you are playing with people's lives in these instances. You can decide someone's future or not. I know I am right and I agree that if they deserve to be put away then they must be put away. However, at the same time, the reason why there are qualified personnel in this Financial Reporting Authority, in my view, is also to ensure that you are not being irresponsible with the gathering or disseminating of information and that you know what your laws are, also the laws of other territories and what would obtain as an illegal act here and in other territories.

Even if it is only a Reporting Authority and not a law enforcement agency, there would be no diminishing of the staff that is needed to the point of a young lady and a fax machine. Madam Speaker, if we have heard the discussions about these issues prior to this, there have been instances where irresponsible reporting has occurred. It has caused innocent people much harm; sometimes irreparable damage, not just to their characters but also expense. I am not standing up defending anyone, but I am painting the picture as I see the responsibility of the Reporting Authority.

Madam Speaker, at the end of the day if we are moving away from the concept of the Reporting Authority being more than a Reporting Authority and also encompassing a law enforcement agency, I hold the view that we are just changing the names and the people involved and the functions can be the same. We are going a little bit further now because we are putting it all into legislation and saying that is how it should be. Madam Speaker, let it be clearly understood I make no apologies and I am not suggesting that that is the intention; I am clearly pointing out that if that is what it is then that is the net-end result.

I will move on to a few sections of the proposed legislation and make a few short comments on it. I want to use the proposed legislation to go back to the original argument where I said that it is not clear to us whether the intent is just to the Reporting Authority or whether it also includes a law enforcement agency. We want to look at the anti-money-laundering steering group. I must admit, at least that amendment eases the heart just a bit, not too much.

The original section 21(b) (1) of the Bill reads, **"The Governor in Cabinet shall appoint a body to be called the Anti-Money Laundering Steering Group consisting of:**

"(a) the Governor acting in his discretion who shall be the Chairman [and this was the section my colleague had a problem with originally]**;**
"(b) the Attorney General who shall be the-Deputy Financial Secretary shall also be a Deputy Commissioner of Police, Collector of Customs, Managing Director of the Monetary Authority and the Deputy Financial Secretary."

Madam Speaker, the committee stage amendment speaks to the fact that the Governor in Cabinet shall appoint a body to be called the Anti-money-laundering Steering Group which consists of:

"(a) the Attorney General who shall be the Chairman;
(b) the Financial Secretary who shall be the Deputy Chairman;
(c) the Commissioner of Police;
(d) the Collector of Customs;
(e) the Managing Director of the Monetary Authority; and
(f) the Solicitor General."

Madam Speaker, immediately after that we have section 21(c) which says that although—and I am not quoting it—there is a concession in the Anti-Money Laundering Steering Group that the Attorney General is now chairing, it outlines the functions of that group. After it does all of those things it comes back and it says *we will tell you all of those functions; after the Attorney General cheers this group, and after this group has its functions clearly outlined to it, do not get the wrong impression, the Governor is still going to call you all and tell you what to do*. So I ask the question: what is the purpose?

We come back to the question again, and I am so glad that no one has called me thus far for tedious repetition. I can smell it coming soon but that is

alright. It is very important. If that is the case, we are defeating the purpose of the piece of legislation. The perception continues that what happened before could happen again because of how it is structured. That is the whole point.

It is not about taking the authority from the Governor when it comes to internal security. If constitutionally we accept that, then let it be what it is supposed to be: a Reporting Authority. Let it perform its functions without delving into a situation which cause constitutionally for the Governor to act in his discretion with that body. Then, there would be no argument and it cannot be said that this Reporting Authority cannot function without what obtains in the proposed legislation. That is what we are faced with now. Here is the decision.

If the United Kingdom does not want it to be like that, then they must come out and say that also. I will not agree with it, but at least we will know. How this is, we do not know all of that. Madam Speaker, we can take this legislation, look at it and sift through the various parts and understand what it is saying, but we can still say that it should not be like that. So the question of the constitutional arrangement does not come into play. The question is: what do we want it to be?

Any arguments coming forth to outline the constitutional arrangement; please do not bother because we understand the constitutional arrangement. What we are saying is that if we all understand that, then maybe the discussion never came up, maybe the argument needs to be put forward, maybe we need to hear yes or no. Perhaps the Honourable Second Official Member can answer that. Have they been asked, point blank, whether it can be like so or so, or has it just been taken that it has to be like this? That is another question.

I will not make attempts to get into the legal jargon and argue with the words themselves, but I believe that I have conceptualised what we, the Opposition, perceive the Financial Reporting Authority should be. I also believe that I have given just a tad of assistance from my colleague who, despite the ranting and raving of the Leader of Government Business, was very clear in his delivery as to the shortcomings of the legislation.

Madam Speaker, there are some specific questions which the Honourable Second Official Member should answer, and if he cannot then he should say so. At least we will know that he cannot answer. We are arguing, as they have argued from time to time, that in policy decisions, first of all, the elected arm of Government should have a say. Secondly, if we agree they should have a say then this Financial Reporting Authority should not be framed by the legislation that is in front of us in such a manner that, constitutionally, it does not allow that to happen. Therefore, whatever else is anticipated to be the functions of this Financial Reporting Authority, let it rest elsewhere. Are they saying that they do not have confidence in the other law enforcement agencies to perform these functions? I hope not. I certainly know one good gentleman who just jumped out of the frying pan into the fire, for one reason or another.

If everyone is well intended and we and London understand what the objective is, then ask them if the Reporting Authority can be left to perform its functions as it is in section 21(c). It says, **"The Governor in his discretion may, after consultation with the steering group give to the Reporting Authority directions."** Let that read, "The Governor in Cabinet." That is what we are saying. That will restore the confidence, Madam Speaker.

The Government must understand—while they may talk about how the Opposition talked from two sides of the mouth—that this has nothing to do with the Opposition or the Government. What we are speaking about is good governance and, as is important, we have to be seen with every resource available to us including legislation to be making pointed efforts in restoring the confidence of other jurisdictions and individuals in our financial industry and how it functions and how it is regulated. There is no denying that.

The rank and file throughout this whole episode these months ago came down to the fact that certain things were allowed to happen because of the arrangement and we had no control. Madam Speaker, this piece of legislation, in my view, makes it worse because there was no specific legislation dealing with those issues. Now we are making it specific and telling them yes, they can do it. They can twist it all they wish as to what the arguments are, but it comes down to what I said before. Knowing the Honourable Second Official Member, he will have made his notes, as I saw him, and he will specifically answer all of these questions unless we need to adjourn, Madam Speaker, so they can go and ask the Governor a certain question before he comes back to tell us.

The Speaker: Honourable Leader of the Opposition, my Clerk informs me that you have 1 hour remaining.

Hon. D. Kurt Tibbetts: Thank you, Madam Speaker. I certainly am not going to use up all of that. I am just about finished now.

I am really trying to impress that with all of our arguments . . . and I heard the Leader of Government Business refer to my colleague's offer about us all joining hands to deal with this issue. We need to do that because let us remember that it will never change, that would be it.

Now I do not know who that suits, but it does not suit me and it does not suit my colleagues either. That has nothing to do with the constitutional arrangement; it is all to do with the objective of the establishment of this new authority and what it hopes to achieve. Anything else is by-the-way. What is the objective and whose objective is it? Madam Speaker, I would think, before we speak to anyone else, it is our objective that is the most important one. It is our

Cayman Islands. It is our financial industry, and the whole world has to understand that.

There are, perhaps, other points that could be made, but I believe that the Mover of the Bill and the Government understands the last few points that have been made since I got up. I know also that they understand what my colleague, who delivered the main response, has spoken to. This is not something we have not talked about. It is only when legislation comes and we do not have enough time to talk about it that we do not, but we talked about this. Just like everything else, I am not afraid to say it.

Madam Speaker, this is one of those things that has its own life and if we had another day, I could probably use up that hour sensibly too. Nevertheless, that is how it is, but I believe that we have made a case and the argument is not the constitutional arrangements, the argument is what we want to have as a Financial Reporting Authority at the end of the day, and that is what it all depends on.

If what is proposed is the objective, we do not agree with it. It is not going to restore public confidence, absolutely not. It will give to a few some slight impression of concessions, but it should not be about concessions, it should be about what we want and how we want it. There are other agencies under which the constitutional arrangement can work but would not prevent the functioning of this in a manner that people would say that at least what happened before cannot happen again because of the way it is structured now. This does not do the trick, and I hope the Government can do something to make it do that.

Thank you.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Last call. Does any other Member wish to speak? If not we will take a short afternoon break, at which time I will call on the Honourable Second Official Member to exercise his right of reply.

Proceedings suspended at 3.33 pm

Proceedings resumed at 3.49 pm

The Speaker: Please be seated. Proceedings are resumed.

I recognise the Honourable Second Official Member to exercise his right of reply.

[Inaudible interjections]

The Speaker: Order.

Hon. Samuel W. Bulgin: Thank you, Madam Speaker.

I have listened to a very robust and, I daresay, insightful debate and this piece of legislation so far.

Madam Speaker, we can have as much fire in our belly as we want, we can be as flamboyant as we would like, we can be passionate as much as we want, but at the end of the day, there are certain reality checks that we have to bear in mind. We cannot have it both ways.

We are all, as we stand here, creatures of the Constitution. Although the Honourable Leader of the Opposition does not want to hear what the Constitution says, the fact is that we are caught by the spirit, the letter of that Constitution, and until we have advancement, then there are certain things we have to bear in mind.

I think the Second Elected Member for George Town, in his debate, started out by making a passing reference to the fact that the title of the Bill is incorrect. In fact, the title of the Bill is correct. Many people referred to the unit as a Financial Reporting Unit, but if you look at section 21(2) it says that **"there shall be a Reporting Authority . . ."**. That is what the Law says so the title of the Bill itself is correct. Nothing is wrong with it. I will come back to this later.

Madam Speaker, may I also remind this Honourable House that as we stand here today, the Reporting Authority is staffed by one civilian, which is Mr. Thursfield, along with five or six police officers. It has not changed its nature; it is a law enforcement agency. The fact that we are trying to restructure in such a way that it becomes civil and nice does not change that. If it is a law enforcement agency there are certain constraints constitutionally which we have to bear in mind.

Madam Speaker, while there are questions about the structure and the organisation of the FRU—and clearly there is room for improvement and we all in this Honourable House are seeking to find ways to improve the structure and the function among other things—I did mention in my presentation in introducing the Bill that you can only legislate so much and no more. You cannot legislate morality. You can legislate to punish certain conduct, but you cannot prevent certain conduct. You can craft the legislation in such a way that you prevent or mitigate abuse, but at the end of the day, unless you have the right person in the right place, there is always the possibility for abuse.

It does not matter how watertight the legislation is. Unless someone is going to stand up over those who are charged, with the responsibility of giving the effect of the legislature on a daily basis and check everything that is done, there is absolutely no way that you can prevent certain things from happening. You can hope that it does not happen; you can legislate to punish it if it happens but you have to trust people. That is what it boils down to at the end of the day.

The Honourable Second Elected Member for George Town argued passionately about the fact that there should be a board of directors and that it is wrong to have members of the Reporting Authority appointed by the Governor. He also argued that it is

wrong to vest certain powers in the Governor, albeit after consultation with the anti-money-laundering steering group.

Madam Speaker, if I might just point out to Honourable Members where we are coming from. The Reporting Authority is appointed pursuant to section 21 of the Proceeds of Criminal Conduct Law. As a piece of law enforcement, crime-fighting legislation, its object, among other things, is to prevent and, where it occurs, punish for money laundering offences. So, if it is accepted that this piece of legislation is what it is, it does not matter what label we might want to put on it. At the end of the day we have to admit that it is a piece of law enforcement legislation, and the bodies appointed pursuant to this are law enforcement. It is a law enforcement agency.

The definition alluded to by the previous speakers talked about the Financial Intelligence Unit, which include law enforcement agency. Madam Speaker, for those of us who understand how it operates, my understanding of it is that all, or probably most, of the Financial Intelligence Units that are members of the Egmont Group, 94 or so, are law enforcement agencies. Our Financial Reporting Unit deals on a daily basis with law enforcement agencies all over the world. The United States (FINSEN) Egmont Group has a dedicated, secure Website of financial intelligence unit where information is disseminated in a confidential way.

Later on in my winding up, Madam Speaker, I will articulate the wisdom in trying to make it albeit a law enforcement, a notch (for the want of a better word) down from the regular police force. I will point that out.

Madam Speaker, reference is made to the Cayman Islands Monetary Authority (CIMA). May I just say for Honourable Members that there is really no analogy to be drawn with CIMA. It is a regulatory body, and not a law enforcement agency. Although it works closely with law enforcement bodies, its primary function has nothing to do with law enforcement. That is not the Monetary Authority. It has nothing to do with law enforcement, so there is no analogy to be drawn about the board of directors.

While I am on the issue of the board of directors, the Honourable Member pointed out that it would be desirable to have members of the private sector on the Anti-Money-Laundering Steering Group. There is absolutely nothing wrong with that if it were possible and not one single member, as I understand it, of the Anti-Money-Laundering Steering Group had any objection to it. It was canvassed, it was debated passionately and it was thought about. At the end of the day we all concluded that because of the fact that there is a law enforcement body, it was not possible.

It is like calling upon the board of directors to police the police. It is not possible. So that is why they are not there. It has nothing to do with their integrity or their competence or anything. We all find ways to make sure that this piece of legislation was as workable and as user friendly as possible. This is what we could come up with.

Madam Speaker, at one of the discussions it was even said that the amendment was crafted by the United Kingdom. Suffice it to say that they probably just need to have a look at Ms. Myrtle's hard drive under legislative drafting and they will see several, probably twenty or more, drafts that came out of there. It has nothing to do with the United Kingdom, whatsoever, absolutely nothing.

Madam Speaker, let us be practical. Assuming that we have members of the private sector or members of the public on the Anti-Money-Laundering Steering Group, there are certain suspicious activity reports that come in from financial institutions or other institutions that are bodies or agencies to which these members of the private sector belong. Would they be asked to give general policy direction as to how to deal with these suspicious activity reports, or would they be asked to re-choose themselves each time? It makes no sense to me. They could also go on record that they are conflicted out, but they would like to adjudicate or give directions, policy or otherwise, to deal with these reports. These are some of the things that we took into account.

Madam Speaker, may I just remind Honourable Members of this House that the concept of a law enforcement agency and a Reporting Authority are not mutually exclusive. The Honourable Leader of the Opposition made reference to that. We have a Reporting Authority which is a law-enforcement body. There is no difference because they are not mutually exclusive. I mentioned the fact that it is appointed pursuant to this piece of legislation, which is a crime-fighting piece of legislation.

The Second Elected Member for George Town also observed that the Anti-Money-Laundering Steering Group is comprised of all public officers. Indeed, he described it as close circle. I think he referred to us as "all the Governor's boys" involving all public officers and quasi officers who are ultimately responsible to His Excellency in any event. I spoke about the constitutional checks. It does not matter what label we want to call ourselves, the fact of the matter is that at the end of the day we are public officers.

The Constitution says all public officers are appointed at the Governor's pleasure and that Constitution has nothing to do with this particular Governor, this particular elected arm of Government or anyone. It is something that predates all of us. That is what the Constitution says, and we have to operate within that framework. Madam Speaker, he went on to say that it is carefully sought out because there is no way Her Majesty's Government wants the situation where there are those who cannot ultimately pull the rug out from under their feet if they do not tow Her Majesty's Government's policy line.

As I said before, he ran head-on into the crux of the matter when he, quite properly, observed, and I

quote him: "And also Mr. Speaker this brings into stark relief an earlier point which I made when I resumed a few minutes ago and which is the importance of those who are carrying out various functions under the Proceeds of Criminal Conduct Law, not being placed in a position where they are referred to or required to be reviewed in terms of what they have done or might not have done." Madam Speaker, the operative words in that quote was when he said, "those who are carrying out various functions under the Proceeds of Criminal Conduct Law", but I think in order to illustrate the point I need to make a further reference.

[Inaudible interjections]

Hon. Samuel W. Bulgin: Madam Speaker, the Honourable Member, by his utterances in my view, has demonstrated an appreciation for the fact that the functions to be carried out are those of crime fighting. As I mentioned before, it is really a law-enforcement function.

Having read the legislation and having understood its purpose, he knows that it is not a nice and cozy little arrangement. He knows that it fits nice and cozy into the spirit and the language of this Constitution.

Madam Speaker, in his debate the Honourable Member spoke passionately about certain objectionable provisions. I will be quoting from page [777] of the *Hansard*. He said, **"I come now to probably the most fundamental of all objections to this. It seems almost unimaginable to me that at this point in Cayman's development, when we are supposedly the fifth largest financial centre in the world, with some of the most sophisticated regimes** [and these are the operative words, Madam Speaker] **to prevent money-laundering and international crime, generally. In a situation where we know that industry which is so critical to our very existence is under international threat, but in particular by Her Majesty's Government. The Government is prepared to come down to this Legislative Assembly and propose a Bill which excludes the elected arm of Government from any involvement in a creation of policy as far as the Proceeds of Criminal Conduct Law and in particular the Financial Reporting Authority is concerned."**

Madam Speaker, at the top of the quote he has just observed that it is all about preventing money laundering and international crime. It has never been the practice in the Cayman Islands, as far as I know, that the elected arm of Government gets involved in such matters. The Constitution does not allow for that. So the very Constitution that he spoke about, acts as a barrier and he knows that. The Constitution in section 9 says **"Subject to any instructions given to him by Her Majesty through the Secretary of State, the Governor acting in his discretion shall to the extent that he deems appropriate charge members of the Executive Council with responsibility for any business of the Government other than a matter mentioned in section 7(1) (c) of this Constitution or any department of the Government."**

Section 7(1) (c) speaks to the Governor's power in relation to matters of defense, external affairs, internal security, the police or the appointment, including the appointment and promotion or transfer, appointment on contract and appointment to act in an office of any person to any public office.

The Honourable Leader of the Opposition in his contribution makes the observation he read that the Reporting Authority was a public office. If it is, we are caught by the provisions in the Constitution. The Governor makes the appointment and it is one of the things that he is not allowed to delegate. We can speak as much as we like to say, well, the Members of the Reporting Authority and all these people appointed by Cabinet, but the fact of the matter is that constitutionally it is not possible.

Madam Speaker, the last time I checked, there is an old piece of legislation in the Colonial's Law Validity Act which makes it quite clear that any legislation passed by this House that is inconsistent with the provision of this Constitution is absolutely of no effect. It is null and void to the extent of the inconsistency, and he knows that. So we can legislate as much as we like but if it is ultra vires, as the language of the Constitution, it would not be worth the paper it is written on.

[Pause]

Hon. Samuel W. Bulgin: Madam Speaker, although the language of the Constitution speaks to what can and cannot be delegated, I think that after very long, passionate debates in the Anti-Money-Laundering Steering Group meetings there have been some useful changes to the way we do business. Let me just preface this comment by saying that, in fairness to His Excellency the Governor during these discussions about the amendment, he has never once sought to impose his will and the language. Discussions were held among members of the private sector who were present at any given time. We have never had any communiqué from the United Kingdom about anything to put in the legislation. Where it was possible, concessions were made.

If you look at the specific area of the appointment of the Authority, I need to point out that in the past, as section 21 in the current law demonstrates, it was done by the Governor in his discretion, without any reference to anyone, whatsoever. We know from previous experience that that was how the appointments were made.

What this Law is proposing is that before appointments are made there will be consultation with the Anti-Money-Laundering Steering group. May I just remind this Honourable House of who the members are of that group: the Attorney General, Financial Secretary, Collector of Customs, Managing Director of

Monetary Authority, Commissioner of Police and the Solicitor General who will be the chief officer in the Portfolio. His appointment is necessary in order to bring the MSLG in line with the contemplation of the Public Management and Finance Law because the Reporting Authority, administratively, will be under the Portfolio of Legal Affairs. So, for budgetary purposes, the Chief Officer is a member.

Madam Speaker, I have just circulated a most recent amendment which now says that the appointments that would be made by His Excellency the Governor will also be made after consultation with Cabinet. However, again, we have to bear in mind that ultimately, constitutionally, it is a matter with the Governor as to who is appointed to a public office. So I think that on any reading of what we have here, it is a vast improvement on what was obtained previously.

All appointments will be subject to consultations. Additionally, the Governor in Cabinet will have some degree of control by virtue of being able to make regulations to give effect to certain matters under the Law. Page 9 of the green Bill in the final paragraph says, **"The Governor in Council may make regulations to give effect to the provisions of sub sections (2) and 2(a) and 21(a) to 21(i)."** Those sections are involved in a number of matters and I have them listed here-

- The issue of appointment of officers to the unit.
- The administrative functions of the unit.
- The issue of certain policy directions.
- The Governor in Council or Cabinet will also make regulations to give effect to the matters such as restrictions of the Authority from providing information elsewhere or to any unauthorized persons.
- The Cabinet will also be involved in making regulations to deal with the issue of the immunity of these officers; and
- The issue of the protection upon disclosure of information to other reporting authorities.
-

Madam Speaker, very importantly clause 21 (g):

- The issue of confidentiality of employees of the Authority. The Governor in cabinet will have an opportunity to make regulations to deal with that.

I will come back to that section later on because it bears some significance in light of the events earlier this year, and I think I need to deal with that in a bit more detail.

[Pause]

Hon. Samuel W. Bulgin: Madam Speaker, clause 21 is of fundamental importance. In fact, the Governor in Cabinet can make regulations to deal with the guidelines as to the workings of the Authority. In my view, that smacks of some kind of control.

Madam Speaker, by so doing, it sounds to me like the Governor in Cabinet can set certain parameters by being able to make certain regulations. That is an effective way, notwithstanding the constitutional constraint, to exercise some degree of control and to ensure some accountability at least to the Cabinet. Similarly, by being able to make these regulations, the Cabinet can ensure the highest degree of transparency of the operations of the Unit. They are in a position to do so.

We spoke about transparency—the amendment before this House makes it mandatory that the guidelines issued pursuant to clause 21(i) shall be made available without charge for inspection at the office of the Reporting Authority. Members of the public can walk in and look at the guidelines that are there.

[Inaudible interjections]

The Speaker: Please pass comments through the Chair.

Hon. Samuel W. Bulgin: Madam Speaker, the Second Elected Member for George Town also spoke about the fact that the Authority will have power to impose a 21-day freeze if satisfied that there is reasonable cause to believe that there are proceeds of criminal conduct. He made the remark that he thinks that should go because that is an extension of the power. I mentioned in my presentation that that particular provision was left in because, among other things, it was considered that the reference to the Grand Court, before any freeze can be put in place, provides, in our opinion, adequate safeguards against potential abuse. I do not agree with the Honourable Member that the Grand Court will not be able to examine a request and make an independent judgment on the request, but instead will be merely rubber stamping what is presented to it. Madam Speaker, the history of our Grand Court speaks otherwise. Not our Grand Court.

The Member also made reference to the fact that the 21-day freeze is an extension of the investigative powers of the Reporting Authority. Madam Speaker, it is not. What is contemplated there is that where a report is made to the Authority and required to be analyzed—it takes some time to gather information from abroad—the Authority has the power, with the consent of the Grand Court, to preserve potential evidence should it become necessary to ultimately refer the matter to the police. That is why it is necessary. If at the end of 21 days, or before for that matter, having analyzed the Report it turns out that there was nothing criminal about it, two things will happen: (1) the freeze will go; and (2) the person's information would not have found itself into police blotters. So, it is a necessary provision. However, Madam Speaker,

this is not a provision that is unique to the Cayman Islands.

The Bahamas legislation reads: ". . . an act to provide for the establishment of a body to be known as the Financial Intelligence Unit, the functions and powers and body and connected purposes enacted by the Parliament of the Bahamas 29 December 2000."

Madam Speaker, with your permission I would like to read section 4(2) (b). It speaks about the powers of the Financial Intelligence Unit of the Bahamas. **"Without limiting the foregoing and notwithstanding any other law to the contrary, the Financial Intelligence Unit shall,**

> **(a) receive all disclosures of information such as are required to be made pursuant to the Proceeds of Crime Act which are relevant to its function including information from any foreign financial intelligence unit."**

This is the operative provision—

> **"(b) may upon receipt of such disclosure as are referred to in paragraph (a) order in writing any person to refrain from completing any transactions for a period not exceeding 72 hours."**

Madam Speaker, this is even worse because they do not have to go to Court. At least we say that you must go and get the consent of the Court before you can do that. This piece of legislation for the Bahamas is even worse and more draconian (using my learned friend's word).

Hour of Interruption—4.30 pm

The Speaker: Honourable Second Official Member, we have reached the hour of interruption. Are you nearing conclusion or should I acknowledge the Leader of Government for the adjournment?

Honourable Leader of Government.

Hon. W. McKeeva Bush: Madam Speaker, although we did not give the Opposition notice, I think they understand that this is important enough for the Second Official Member to complete his contribution. I am wondering whether the House will agree for that to happen.

If that is all right then I would move that we allow the Second Official Member to complete his contribution.

The Speaker: Honourable Leader, does he have an indication as to how long he will go?

Hon. W. McKeeva Bush: At least half an hour.

Suspension of Standing Order 10(2)

The Speaker: Honourable Leader of the Opposition.

Could I then put the Question that all those in favour of suspending Standing Order 10(2) to allow the Honourable Second Official Member to conclude his reply on the Bill now before the Floor.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: I believe the Ayes have it.

Agreed: Standing Order 10(2) suspended to allow the Honourable Second Official Member to conclude his reply.

The Speaker: Please continue, Honourable Second Official Member.

Hon. Samuel W. Bulgin: Madam Speaker, may I thank the Chair and Honourable Members of this House for their kind indulgence.

Madam Speaker, I was making reference to the Bahamas Legislation and I said that the provision in our amending Law is not unique to the Cayman Islands. We tried to fashion the legislation in such a way that it reflects international standards and norms while, in the same breath, it allows our financial industry to remain competitive.

The Bahamas legislation, Madam Speaker, goes on that the Unit may, upon receipt of a request from a foreign intelligence unit, including the Commissioner of Police of the Bahamas, order any person to freeze a person's bank account for a period not exceeding five days, if satisfied that the request relates to the proceeds of any of the offences specified in the Second Schedule.

Madam Speaker, I made the point that, unlike the Cayman Islands, they are not even required to go to Court to get the Court's consent. We, at least, in our legislation, try to build a bit of safeguard in it and to provide some checks and balances to prevent abuse by requiring that it must be cleared with the Courts before it can be done. If we are going to create a unit, we need to create a unit that is consistent with international standards; otherwise, we are going to run the risk of having condemnation being heaped up on us and we should strive to avoid that where possible.

Madam Speaker, the Second Elected Member for George Town also in his debate described as alarming the provision which gives immunity to the director or other officers of the Reporting Authority in discharge or purports to discharge of their functions under the Law. He made reference to, among other things, the conduct of the former director, Mr. Gibbs. Clause 21(e) of the Bill, Immunity of Reporting Authority, says, **"Neither the Reporting Authority, the Director nor any officer, employee or agent of the Reporting Authority shall be liable in damages for anything done or omitted in the discharge or pur-**

ported discharge of their respective functions under this Law unless, it is shown that the act or omission was in bad faith or constituted willful misconduct or negligence."

Madam Speaker, I mentioned that he made reference to the conduct of the former director.

[Inaudible interjections]

Hon. Samuel W. Bulgin: You are correct.

[Laughter]

Hon. Samuel W. Bulgin: Madam Speaker, by way of example, the issue of the destruction of evidence by the former director is a criminal offence covered under the Penal Code—Destruction of Evidence. It does not matter by whom or for what purpose. If it was meant to defeat the course of justice or pervert it, it is a criminal offense already covered by the Penal Code. Accordingly, I go further. It would have been willful conduct. So the language in this Bill would not cover him at all. He would have been caught. He would not enjoy any immunity under this piece of legislation as before the House.

[Inaudible interjections]

The Speaker: Members, please pass comments through the Chair. We agreed to half an hour. It is going to take much more unless we so conduct ourselves.

Hon. Samuel W. Bulgin: Madam Speaker, I would just say "as the Attorney General at the time." I was not the Attorney General at the time.

[Laughter]

Hon. Samuel W. Bulgin: Accordingly, Madam Speaker, the provision is necessary to allow for the proper functioning of the officers of the Authority, but it provides no comfort where there is evidence of bad behaviour or abuse.

The Speaker: Honourable Second Official Member, if we may have a moment for exchange.

[Pause]

[Deputy Speaker in the Chair]

The Speaker: Please be seated. Proceedings are resumed.

The Second Official Member, please continue.

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker. I must remember that the gender has changed.

Mr. Speaker, the provision that provides immunity has nothing to do, as the Second Elected Member for George Town says, with protecting those who are carrying out the dictates of Her Majesty's Government.

Mr. Speaker, a similar provision finds itself in the Bahamas legislation. With your permission, may I just read Section 7 from the Bahamas Law? It says, **"No action shall lie against the Minister, Director, Officers or Personnel of the Financial Intelligence Unit or any person acting under the direction or the director for anything done or omitted to be done in good faith and in the administration or discharge of any functions, duties or powers under this act."**

Mr. Speaker, it is not a provision that is unique to the Cayman Islands. It is put there so that people can carry out their functions without having to look over their shoulders. As I said before, we just have to ensure that you have the right person in the right place and be able to trust them. There are certain things that you cannot just legislate against; you can only legislate to punish it.

Mr. Speaker, I must make this observation because the Second Elected Member spoke very passionately about creating a board of directors to oversee the operation of the Unit. If there were a board of directors overseeing that Unit, do you know what would be one of the first things they would require before they take their seat? It is a Deed of Immunity. They would ask for that, Sir. That is how members of the private sector operate. Nothing is wrong with that, they are just trying to make sure that they ring fence their assets – immunity.

If you look at the boards of directors of Cayman Airways, the Health Services Authority and the Cayman Islands Monetary Authority, before they pull up their chair they ask that they be provided with this document. They would never function without it. And that is the nature of business.

Mr. Speaker, the Honourable Member also spoke to the issue of the absence of disciplinary or complaints procedure for the officers of the FRA. I mentioned earlier, Sir, that the officers are public officers appointed by the Governor. Being public officers they would be subject to the usual disciplinary proceedings for public officers including, where necessary, dismissal. That is ultimately what will happen and that will be made quite clear in their letters of employment or their contract; that they will be subject to all of these disciplinary procedures. I go further because if there are allegations of excesses or abuse on the part of these public officers, the law always provides that their conduct can be judicially reviewed by the Grand Court. There are means by which their conduct can be called into question.

Mr. Speaker, the money laundering and the financing of terrorism are economic crimes which both rely mainly on the already existing range of financial and business practices to hide the proceeds of criminal conduct. Consequently, the countering, detecting and investigation of these matters may touch all law

enforcement agencies within any jurisdiction. One single and all encompassing unit is therefore unlikely to enjoy all the range of skills and powers necessary to deal with all of these things.

Many jurisdictions, Mr. Speaker, have recognized the reluctance on the part of financial services providers to disclose to traditional law enforcement agencies such activities which, whilst are suspicious, fall short of clearly indicating that funds are proceeds of crime.

I repeat for the benefit of the Honourable Leader of the Opposition: Many jurisdictions have recognised the reluctance on the part of financial services providers to disclose to traditional law enforcement agencies such activities which, whilst are suspicious, fall short of clearly indicating that funds are proceeds of crime. Indeed, Mr. Speaker this is the dilemma for many financial service providers developing their business between confidentiality and prudence.

Mr. Speaker, some jurisdictions have appreciated the benefits of the Financial Reporting Authority serving as an honest broker between the financial services provider and the traditional law enforcement agencies, resolving the confidentiality and prudence dilemma. For example, because funds may be moved quickly, the pre-investigative stage may warrant a virtually immediate response. Yet it may not be appropriate for information about an innocent individual and business transaction to inevitably find its way into the police records. That is why you need an honest broker. Such an arrangement has illustrated greater trust in the counter money laundering system and promoted financial service providers. The FRA is working much more closely together with a common understanding and aim.

In brief, Mr. Speaker, the Financial Reporting Authority, as defined in this Bill before this Honourable House, meets the internationally accepted definition of a Financial Reporting Authority in every respect. In its entirety, it reflects the sensitivity and confidentiality of financial services provisions in these islands. That is what we aim to achieve.

Indeed, Mr. Speaker, the FRA is of helpful and accommodating style by seeking to filter confidential information which ought not to appear in the police systems as a matter of course. While, after all, this is a law enforcement function, it has been given the minimum powers sufficient to accomplish the task that the Proceeds of Criminal Conduct Law sets it to do.

Mr. Speaker, when I presented the Bill to this Honourable House I made the observation that the restructuring of the Unit will be achieved in a manner that reflects the Cayman Islands' continuing commitment in the fight against money laundering in all forms. I also observed that the restructuring will enable the Islands to maintain that delicate but important balance of honouring our international obligations as they relate to combating money laundering and the financing of terrorism, at the same time, allowing our financial industry to be regulated along recognised international standards but remain competitive. While the events earlier this year were an eye opener, we have to keep our heads about us. We cannot throw out the baby with the bath water.

Mr. Speaker, before I take my seat I would just like to touch on one other issue that I think I mentioned earlier on. At one of the meetings with some of the members with the private sector, I mentioned that there was an observation to the effect that the amendment to the PCCL was being drafted by the UK Government. The short response to that observation is that it is incorrect. The legislation, that is, the Bill, was conceptualised right here in the Cayman Islands. It was drafted at the Legislative Drafting Department and was developed after several meetings by members of the Anti-Money-Laundering Steering Group, including meetings with some members of the private sector. It is as indigenous as you can hope for. It has nothing to do with the wishes of Her Majesty's Government. It instead reflects a national effort guided by our current constitutional reality, our own sense of the need to remain a regulated and competitive jurisdiction while at the same time recognising that the Cayman Islands is part of the global community and, therefore, subject to international standards.

Indeed, as I speak, the IMF review team is on the ground and, among other things, they are looking at the structure of the Financial Reporting Unit (honoured institutions) to see whether we are in compliance with their international standards.

Mr. Speaker, criteria 17 to 24 of the IMF Methodology is dedicated exclusively to dealing with the functions, powers and structure of the Financial Intelligence Unit. This is what the Anti-Money-Laundering Steering Group has to bear in mind when we seek to craft amendment to restructure the Unit.

Mr. Speaker, it remains for me to thank all Honourable Members of this House for their helpful contribution to the Debate. I wish also to thank Members of the Anti-Money-Laundering Steering Group, the private sector, the Legislative Drafting Department and the newly appointed Director of the Reporting Authority.

I thank you very much.

The Speaker: Thank you, Honourable Member. I will now put the question that a Bill shortly entitled The Proceeds of Criminal Conduct (Amendment) Bill, 2003 be given a Second Reading.

All those in favour please say, Aye. Those against, No.

Ayes.

The Speaker: I think the Ayes have it.

Hon. W. McKeeva Bush: Can we have a division, please?

The Speaker: Certainly.

Madam Clerk, can we have a division, please?

Division No. 6/03

Ayes: 9	**Noes: 5**
Hon. W. McKeeva Bush	Hon. D. Kurt Tibbetts
Hon. Linford A. Pierson	Mr. Alden M. McLaughlin, Jr.
Hon. Gilbert A. McLean	Mr. Anthony S. Eden
Hon. Donovan W.F. Ebanks	Mrs. Edna M. Moyle
Hon. Samuel W. Bulgin	Mr. V. Arden McLean
Hon. George A. McCarthy	
Mr. Rolston M. Anglin	
Capt. A. Eugene Ebanks	
Hon. Cline A. Glidden, Jr.	
Mr. Lyndon L. Martin	

Absent: 2
Hon. Roy Bodden
Dr. the Hon. Frank S. McField

The Speaker: Honourable Members, the results of the Division is 9 Ayes, 5 Noes and 2 Absentees. Therefore, the Ayes have it.

Agreed by Majority: The Proceeds of Criminal Conduct (Amendment) Bill, 2003 given a Second Reading.

ADJOURNMENT

The Speaker: I will now ask for the motion for the adjournment.

Hon. W. McKeeva Bush: Mr. Speaker, I move the adjournment of this Honourable House until next Wednesday at 10.00 am.

The Speaker: The question is that this House do now adjourn until Wednesday 1 October at 10 am.

Will all those in favour please say Aye. Those against, No.

Ayes.

The Speaker. The Ayes have it.

At 4.57 pm the House stood adjourned until Wednesday, 1 October 2003, at 10 am.

OFFICIAL HANSARD REPORT
WEDNESDAY
1 OCTOBER 2003
11.00 AM

Eighth Sitting

The Speaker: I will invite the Second Elected Member for West Bay to grace us with prayers.

PRAYERS

Mr. Rolston M. Anglin: Let us all bow our heads and hearts as we pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together:

Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.

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

Proceedings resumed at 11.03 am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies from the Honourable Minister responsible for Education, Human Resources and Culture. I have also received apologies for the Second Elected Member for the district of George Town, and apologies for arriving late this morning from the Second Elected Member for Cayman Brac and Little Cayman.

QUESTIONS TO HONOURABLE MINISTERS AND OFFICIAL MEMBERS OF THE CABINET

Suspension of Standing Order 23 (7) and (8)

The Speaker: I recognise the Leader of Government Business for the suspension of Standing Order 23 (7) and (8) to allow question time to begin and continue beyond the hour of 11 am.

Hon. W. McKeeva Bush: Madam Speaker, in order to take questions after the hour of 11 am, we move for the suspension of the relevant Standing Order.

The Speaker: The question is that Standing Order 23(7) and (8) be suspended. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: I believe the Ayes have it.

Agreed. Standing Order 23 (7) and (8) suspended to allow Question Time to continue beyond 11 am.

The Speaker: I now recognise the First Elected Member for George Town, in the person of the Honourable Leader of the Opposition, for his question.

Question No. 83
(withdrawn)

No. 83: Hon. D. Kurt Tibbetts asked the Honourable Minister responsible for the Ministry of Tourism, Environment, Development and Commerce what are the plans for the redevelopment of the property located at SafeHaven which was recently vested with the Port Authority.

Madam Speaker, although I have read the question, a recent article in the newspaper clearly

outlined any answers that I would be seeking. Therefore, the answer has been made public and is available to us all. I will seek leave of the House simply to withdraw the question.

The Speaker: Thank you. The question is that Question No. 83, as appearing in today's Order Paper, be hereby withdrawn.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Question No. 83 withdrawn.

Question No. 84

The Speaker: The Elected Member for the district of East End.

No. 84: Mr. V. Arden McLean asked the Honourable Minister responsible for Community Services, Gender Affairs, Youth and Sports if the Government is seeking to borrow $25 million for affordable housing, and how many affordable houses this will provide.

The Speaker: I recognise the Honourable Minister responsible for Community Services, Gender Affairs, Youth and Sports.

Dr. the Hon. Frank McField: The Government is in negotiation with various financial institutions to borrow funds for the National Housing and Community Development Trust (NHCDT). The NHCDT is a government owned company, which can acquire, develop, sell and manage property. It will be responsible for the management and sale or letting (on simple lease/purchase terms) of the affordable housing developments.

Honourable Members of the Legislative Assembly are aware that we are presently constructing 200 affordable homes. It is anticipated that approximately half of these homes (100) will be completed by January 2004, and the other half (100) by the end of May 2004.

Honourable Ministers are also reminded that in July 2003, Finance Committee approved the funds advanced by the Government for the Affordable Housing Initiative. The $25 million that we are presently seeking is to allow the NHCDT to pay for these 200 homes and to provide an additional 200 homes. These funds will be drawn down in tranches in order to ensure that the Government and the NHCDT are able to recoup their investment in a timely manner. It should be noted that as soon as this is feasible, the Government would make arrangements to recoup the advanced money from the NHCDT. Currently, over 800 people have expressed an interest in purchasing these homes.

Supplementaries

The Speaker: Thank you. Are there any supplementaries? The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. I am wondering if the Minister can tell us whether this $25 million includes property development and purchase.

The Speaker: The Honourable Minister of Community Affairs.

Dr. the Hon. Frank McField: Madam Speaker, I am not in a position to discuss the entire finances or the different management strategies of the National Housing and Community Development Trust at the moment. I have merely said that this $25 million will be made available to produce a total of 400 houses. At the end of the day, this money will be made available to the NHCDT.

The Speaker: Are there any further supplementaries? If not, we will move on to the next question.

Question No. 85

The Speaker: The Elected Member for East End.

No. 85: Mr. V. Arden McLean asked the Honourable Minister responsible for Community Services, Gender Affairs, Youth and Sports if any eligibility criteria have been developed for the affordable housing mortgages.

The Speaker: Honourable Minister for Community Services.

Dr. the Hon. Frank McField: No eligibility criteria have been developed for the affordable housing mortgages.

Supplementaries

The Speaker: Are there further supplementaries? The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. The answer is short, so we can remember it. I am wondering if the Minister can give us an indication as to when the criteria will be developed.

The Speaker: Honourable Minister for Community Services.

Dr. the Hon. Frank McField: Madam Speaker, there have been no criteria developed for the affordable housing mortgages, as this task is one of the man-

dates of the National Housing Community Development Trust.

The NHCDT is a government owned company, which can which can acquire, develop, sell and manage property. It will be responsible for the management and sale or letting (on simple lease/purchase terms) the affordable housing developments.

It is expected that the NHCDT will be fully functioning by the end of October 2003.

The Board of the NHCDT will formulate the criteria for mortgages, and will inform the public via the media or this House.

The Speaker: Any further supplementaries? If not, we will move on to the next question.

Questions Nos. 86 to 93
(deferred)

The Speaker: The Fourth Elected Member for the district of West Bay, have you been deputed under Standing Order 23(3)?

Hon. Cline A. Glidden, Jr.: Yes, Madam Speaker.

The Speaker: Please continue.

Hon. Cline A. Glidden, Jr.: Madam Speaker, in the absence of the Second Elected Member for Cayman Brac and Little Cayman, whose questions are Nos. 86 to 93, I seek the leave of the House to have those questions withdrawn.

[Pause]

Hon. Cline A. Glidden, Jr.: Madam Speaker, out of an abundance of caution, could I ask that these questions be deferred until the arrival of the Second Elected Member for Cayman Brac and Little Cayman?

The Speaker: The question is that Questions Nos. 86 to 93 be herewith deferred until the arrival of the Second Elected Member for the district of Cayman Brac and Little Cayman. All those in favour please say, Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Questions Nos. 86 to 93 be deferred until the arrival of the Second Elected Member for Cayman Brac and Little Cayman.

No. 86: What were the tourism arrival figures for Cayman Brac and Little Cayman for the past five years.

No. 87: With air lift being commonly accepted as being one of the contributing factors to the economic difficulties faced in Cayman Brac, what are the future plans for improved air service by Cayman Airways Ltd. to Cayman Brac and Little Cayman.

No. 88: What is the status of the implementation of a Motion, accepted by Government, to reduce the number of years to be fully vested for firemen in the Cayman Islands.

No. 89: If the Ministry has pursued the introduction of a day trip to Cayman Brac as an added attraction to the many cruise tourists.

No. 90: If there is a formal policy on the promotion of cliff climbing as an added attraction on Cayman Brac.

No. 91: What is the Government's policy on the future extension of Cemetery Pier, its designation as an alternative cargo dock, and the shifting of the existing replenishment zone to avoid the inclusion of the Pier.

No. 92: If the National Beautification Committee and/or Cayman Brac and Little Cayman Beautification Committee has convened any meetings to date and is there a budget to support these programmes?

No. 93: If the Committee on the introduction of a national lottery has reported on its findings and, if so, what were they?

STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE CABINET

Correction of Inaccurate Statements and False Accusations with Respect to Government Policies

The Speaker: I have received notice for a statement to be made this morning by the Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Thank you very much, Madam Speaker.

As the Leader of Government Business and the Minister of Tourism, Environment, Development and Commerce, it is my duty to correct inaccurate statements and false accusations with respect to Government policies.

In recent weeks, the Honourable Leader of the Opposition has proffered false accusations and misleading statements pertaining to the policies of the United Democratic Party (UDP) Government. I will address these issues now, so that our country is aware of the facts and not left to labour under the misinformation campaign hailing from the People's Pro-

gressive Movement (PPM), and in particular, from their party conference.

Having said that, Madam Speaker, I intend to be selective about the issues to which I choose to respond. I refuse to get drawn into a tit-for-tat rebuttal of every false statement uttered by the Leader of the Opposition and his PPM. However, I do feel that it is my obligation to provide the facts when they have been misrepresented by others—in this case, by the People's Progressive Movement.

TOURISM

Madam Speaker, with regard to tourism, I will need to address a number of broad topics. Before doing that, however, I will recap the situation I found the Department of Tourism in when I assumed responsibility for Tourism in November 2000.

In November 2000, the Department was faced with a number of organisational issues. The private sector lacked confidence in the Department's leadership, direction and strategies—so much so that the Governor, at the time, removed the leadership of that Department and ordered significant changes.

In order to effect positive change in the tourism industry, we had to first concentrate on restructuring and refocusing the Department, on creating an atmosphere of trust and teamwork between the private sector and the Department, and on increasing public awareness of the Cayman Islands in all our critical markets.

Madam Speaker, we made a number of significant changes in the Department's staffing, and charged the new Director and Deputy Director with the task of rebuilding the relationship with the private sector. Then we started to build the Cayman Islands' brand again, and to focus on increasing public awareness by securing funding for the first Cayman Islands television campaign to run in North America in many years.

Today, we continue to work closely with the private sector, and we have a fully integrated marketing plan that is developed in consultation with the private sector.

Madam Speaker, all of these things—reorganisation, restructuring, team-building, brand-building and creating new campaigns—were taking place with an intense period of global conditions as the backdrop. First, there were the terrorist attacks on 11 September 2001. Then, there was the US-led war against Iraq, which was followed by the outbreak of Severe Acute Respiratory Syndrome (SARS). Occurring concurrently with these events was the slowing of the United States economy, our number one source market for tourism. The combined effect of these events was to produce what could be referred to as Tourism's "Perfect Storm"—a storm that no one could have ever anticipated or planned for. As the world struggled to recover from this storm, tourism, the world, over was responding with increased funds for the marketing of tourism, and with incredible package pricing for vacations.

As we are all well aware, tourism is an area of our economy that was hard hit by the unfortunate terrorist event and by a severe downturn in world economic conditions. Estimates of spending in the tourist industry worldwide indicate that such spending has been reduced by in excess of US$9 billion. An extraordinary amount of planning has been put into place for the implementation of new marketing plans. New offices have been opened, new staff hired and every effort is being made to encourage travel to, and overnight stay in, the various properties in all three of these Islands.

Madam Speaker, marketing for the tourist industry must be planned well in advance, as a lag occurs between the launch of an advertising campaign and people actually booking and taking vacations as a result of those promotions. Advertisements must be placed now to have any effect next November. The preparation of marketing programmes, and the placing of advertisements in various media sources, is not an overnight process. The United Democratic Party Government has been diligently at work putting in place the various plans that are necessary to encourage tourists to come to these Islands.

Hotels, condominiums, and other places of residence for tourists have been encouraged to upgrade their products and reduce their rates, and airfares charged by Cayman Airways have been cut to encourage further travel. All of these plans are showing increased signs of success. Bookings for the Christmas season and the winter in general are showing steady increases week by week. Encouraging various parts of the industry to hold major seminars in the Cayman Islands, including the seminar by the cruise ship industry, will provide significant exposure and business.

CRUISE TOURISM

Madam Speaker, new negotiations with the cruise representatives have resulted in more ships coming to these Islands instead of bypassing us. This has taken up some of the slack in the overnight tourist industry; provided a welcome piece of business for all merchants, tour operators, water sports operators; and provided more exposure to the Cayman Islands from cruise ship visitors. The signing of an agreement to construct a new port financed by the cruise ship industry is one of the UDP's long-term planning measures, and will go a long way toward benefiting this country and its people for many years to come. These Islands, and many of its small merchants, tour operators, bus conductors and also larger shops, depend upon cruise tourism for a large proportion of their income. Without it, we would be faced with significant problems. The PPM has told many untruths in regard to the funding of the port by the Florida-Caribbean Cruise Association (FCCA).

Madam Speaker, regardless of what the PPM has propagated, we do not have to pay one red cent of the $26 million. I believe that the Honourable Leader of the Opposition understands this. However, it was only too good for him and the PPM to say that it was not good. Of course, there were no alternatives proposed by the Member.

Madam Speaker, the beautification of the George Town area, and the improvement of other facilities, has all been put into place. Further measures will be undertaken along with the port development programme.

Against that introduction, I will now deal more specifically with the issues raised by the Honourable Leader of the Opposition, and his party, about the tourism industry. These are:

- National Tourism Management Policy
- Cayman Airways
- The Port Facility
- Cruise Facilities
- Visitors to the Sister Islands
- The Ritz-Carlton Resort
- Human Resources
- Relationship with the Private Sector

NATIONAL TOURISM MANAGEMENT POLICY

Madam Speaker, the main allegation with regard to the National Tourism Management Policy (NTMP) is that this Government has failed to heed the advice of the NTMP.

In this regard, the Member discussed The Ritz-Carlton project and the additional inventory of hotel rooms that will result from its completion. Although it is true that The Ritz-Carlton will add to the stock of rooms on Grand Cayman, I must remind you that planning permission for The Ritz was both sought and received prior to the publication of the NTMP. Nevertheless, I ask: Is this wrong?

Additionally Madam Speaker, The Ritz-Carlton is a cogent example that the target market is not mass tourism. I repeat that for emphasis, Madam Speaker, because I see that the Member is not listening, and this is all for his benefit. The Ritz-Carlton is a cogent example that the target market is not mass tourism, as he said. This is something of which I have been accused by the Leader of the Opposition. The Ritz-Carlton will appeal to the high-end guest who, up until now, has had limited full-service choices in Cayman. No one who understands the tourism industry can doubt the significant contribution that a product at the level of The Ritz-Carlton will make. Only those persons who are willing to mislead do not know. I do not know if the Leader of the Opposition knows. What I can say is that he does not like to fly, so he might not have been able to get around to a Ritz-Carlton resort. Good!

Madam Speaker, since the NTMP was approved, we have worked diligently towards the goal of implementation. A recommended set of committees, along with the recommended committee representatives, was proposed.

If the Honourable Leader of the Opposition had been paying attention, as he is not doing now, he would recall that I made a statement on this matter in this Honourable House not very long ago. The more than 70 items for action that were spelled out in the NTMP have been allocated to the proposed committees for action.

This preliminary proposal was circulated to the Cayman Islands Tourism Association (CITA), the Sister Islands Tourism Association (SITA), the Cayman Islands Chamber of Commerce and the North Coast Tourism Council. We have received most of their responses as of 1 September 2003. We are now in the process of incorporating their feedback so that we can begin making appointments, and then move on to the business of implementation. What the Member could have done, to be serious and generous at his party conference, was to have said that for five years or more, this country laboured without a tourism management policy. It was one that I had to put in place. From the time that we took over to the time we received the document was a matter of a year and a half. Therefore, to say that we are not moving fast enough is not really being kind. I did not expect kindness, but I do expect facts.

CRUISE VISITORS AND THE NEW CRUISE FACILITIES

Madam Speaker, it would appear that the PPM is targeting the cruise visitors as being mass tourism, and the new cruise facilities as being developed without due regard for environmental considerations. Later on, I will prove that the PPM disregards the truth and the facts.

I have brought before this Honourable House numerous pieces of legislation to help safeguard our fragile environment—legislation that previous governments would not touch. I will address this issue in greater detail later.

As I have said on so many occasions, the new cruise facilities are being developed to better manage existing cruise passengers, and to enhance their experience, thus increasing our opportunity to convert them to stay-over guests in the future. The new facilities will improve the Cayman Islands experience for cruise ship passengers and residents alike. Additionally, the improved facilities will enable our cruise guests to spend more time ashore, hence increasing the opportunity for greater on-island spending.

If the Member wants to look at mass tourism, he needs to go to Cuba, Santo Domingo, Cancun, Mexico, and a few other areas. There he will see

mass tourism. That is not what we are about. Cruise tourism does not make mass tourism.

Madam Speaker, two million people spending $100 per year gives us, I would think, quite a large input into the gross domestic product of this country. I know that the Leader of the Opposition understands that. It is a good form of advertising.

However, I believe the country is hurt when people such as the Leader of the Opposition stand in a public forum to denigrate cruise tourism. I keep saying to him, to his People's Progressive Movement, and to the media that we are watched and listened to every hour of the day, internationally. If they believe that people are not paying attention to what they do and what they are saying, they are making a sad mistake, and it is only going to damage the future of this country. I ask them to heed that warning one more time.

PROPORTION OF VISITORS TO THE SISTER ISLANDS

Madam Speaker, in the last two years, the Ministry, and the Department of Tourism, has worked diligently to support the Cayman Brac and Little Cayman tourism product. In that regard, I will give some specific examples for the information of the public.

The Family Week Promotion: The Department of Tourism was an active team member in bringing this successful private initiative to fruition. The Department of Tourism (DoT) conducted visiting journalist trips to develop credible features on the programme, and assisted with a comprehensive promotion plan in the US market.

The Underwater Statue: The sinking of a dolphin statue entitled "Oceanic Voyagers" was the result of a combined public and private sector initiative that resulted in the statue's being sunk in the waters off Cayman Brac, thus creating an added dive attraction.

Nature Cayman: The DoT has actively worked to support and become involved in the successful Nature Cayman initiative spearheaded by the Sister Islands District Administration. We have supported it recently by:

- developing and printing a Little Cayman nature brochure;
- updating and reprinting the Cayman Brac nature brochure;
- committing to meet with those involved in the Grand Cayman nature product to create a progressive plan for preserving and promoting the Grand Cayman nature product.; and
- supporting the Sister Islands' Nature Cayman initiative by providing funding for interpretive signage associated with many of the observation platforms and trails.

I saw an editorial in a certain newspaper the other day, and I should say this: Just because the DoT is not handing out thousands of dollars to that editor, it is not a fact, as he says, that we are not doing anything to help Cayman Brac and Little Cayman.

THE RITZ-CARLTON

Madam Speaker, although I made reference to The Ritz-Carlton project during my discussion of the National Tourism Management Policy (NTMP), I thought it appropriate to deal with some specific issues that were raised by the Honourable Leader of the Opposition in relation to this property.

Despite the timing issues with the commencement of the project, which resulted from regulatory issues and permits, the DoT has promoted The Ritz-Carlton Grand Cayman at every available opportunity, and continues to do so.

As the construction of The Ritz-Carlton continues to progress on schedule, plans are being developed for the DoT and The Ritz to jointly promote the new property in a number of big ways.

This Ministry and the DoT consider The Ritz-Carlton Grand Cayman to be the "jewel in the crown"—a property that will raise the bar for all room stock and services in the Cayman Islands.

It is real hypocrisy—which seems to be a long suit for anyone in the hierarchy of the PPM—to allege that I, and my Ministry, have given no support to The Ritz-Carlton. Look at the line-up; look at who sits on their platform, and who is in their hierarchy. If it had been up to that person, this prestigious development might never have been started. Up until today, that Member of the PPM (who, I understand does not even vote) is still bad-mouthing the project. That is the hypocrisy of the PPM.

I should tell the Elected Member for North Side that they should not refer to any Member on this side when it comes to that, because it is this Government that is giving them support. They should stop blaming the Minister. In the last several years, I have taken more stick than anyone else for the support of that resort. If I had had my way from the start, five or six years ago, the hotel would have been completed by now, and the Cayman Islands would have been enjoying the visitor support that The Ritz-Carlton can give us, which we so badly need today. The PPM, and their leader, should acknowledge the foresight in my support, and the Government's support, of The Ritz-Carlton, rather than trying to claim any credit at this late stage. That is what I saw sneaking in there.

HUMAN RESOURCE ISSUES

Madam Speaker, I am delighted to report that since January 2002, the DoT has hired 12 Caymanians, and has promoted another eight Caymanians into a variety of posts, including managerial positions. The staff composition in the DoT in Grand Cayman is ap-

proximately 80 per cent Caymanian and 20 per cent expatriate, with the percentage of Caymanian staff consistently on the rise. We know, they know, and in particular, the Leader of the Opposition knows that when we took over in 2000, the place was loaded with expatriate workers. Today, we have put in place more Caymanians than ever before. I had asked for the exact numbers, but I do not have them. They will be given to the House at a later stage.

As these numbers indicate, it has been a goal of mine to see that qualified Caymanians are hired and promoted from within whenever possible. I am encouraged that this is happening, and will continue to support these positive developments through the guidance of the Ministry.

As far as the private sector is concerned, the Honourable Leader of the Opposition is well aware that we continue to encourage the hiring and promotion of Caymanians in the work force, and that we have plans to further facilitate this with the development of a Hospitality Services Training Centre, which we are almost ready to purchase. Knowing all of those things, why would the PPM deliberately mislead the public on this matter? Why? It is nothing more than political posturing by the PPM, plain and simple.

RELATIONSHIP WITH THE PRIVATE SECTOR

Madam Speaker, the Honourable Leader of the Opposition has alleged that my Government has not maintained a good relationship with the private sector. Although I dealt with this issue earlier, I wish to bring to your attention a few other points. The Ministry of Tourism has worked hard to build a solid relationship with the private sector over the past 2.5 years, starting with the Tourism Action Committee in the summer of 2001, and then with the Tourism Economic Recovery Committee, immediately after 11 September 2001—both of which were made up primarily of our private sector partners.

We consider our relationship with the private sector to be vital to our collective success, so we are as consultative as possible. I meet with the Cayman Islands Tourism Association once per month here in Grand Cayman, and receive regular updates from the Sister Islands Tourism Association.

Madam Speaker to demonstrate what I have said, I will point out that I recently received a letter from the President of the Cayman Islands Tourism Association, Mr. Mark Bastis. I ask the Elected Member for North Side to take a note. He said, and I quote: **"On behalf of the CITA, we appreciate our relationship with the Department of Tourism and especially our early involvement in the strategic development of the 2004 marketing plan. While we consult with each other on marketing and product development issues, we believe that our continued involvement is critical and we are confident that this mutually beneficial relationship will continue to strengthen in the future."**

Madam Speaker, there is still much work to be done in the tourism industry; there is no question about that. It is, after all, a rapidly changing industry that requires very creative thinking to remain competitive. However, if you consider where we have come from, the DoT now operates as a business in terms of financial management, marketing planning and human resource management. Many of the credibility issues of the past administration are almost behind us. We now have some of the most compelling offers in the market that we have ever seen. Now that we have the marketing and distribution expertise in place to ensure that the public is aware of these fantastic offers, now is the time for us to pull together to make this upcoming winter season as successful as possible. This is no time for civil disobedience or marches, when we are just beginning to manage the upcoming winter season. Therefore, the Opposition Members should behave themselves.

My Ministry believes that more than ever, now is the time to stay the course. These are unprecedented times, and there are no simple solutions. If there were, worldwide tourism would not still be in such a state of flux.

I wish the Leader of the Opposition were here. This Ministry and the DoT have been committed to building a credible marketing team, and a marketing plan based on appropriate skills, quantitative research and legitimate marketing strategies—something that the Leader of the Opposition says does not exist. I do not know where he is living.

We can no longer afford simply to respond to rhetoric or pure emotion. That is why I say to the Leader of the Opposition that when he stands to challenge the Government, he should do so based on fact, not on what someone tells him under some almond tree.

Neither the Director nor the Deputy Director of Tourism was asked by the People's Progressive Movement for input on current tourism initiatives or programmes, so I guess they had another advisor. If they had been consulted, the speech by the Honourable Leader of the Opposition at his PPM inaugural conference might have been different, or I hope that it would have been different.

The question, Madam Speaker, is whether the Leader of the Opposition was interested in presenting the facts on tourism in his inaugural speech, or simply political rhetoric to drum up support for the 2004 General Elections. The latter is the obvious answer.

I am satisfied that at the macro level, we have positioned ourselves to get the best possible results in our tourism industry, once we can recover from the several events that have plagued global tourism since September 2001, including the economic slowdown in our most significant market, the United States.

I pray diligently on a daily basis. I am not saying that I am the best Christian anywhere. What I am saying is that I pray at least once a night, hoping that we can see world peace, that hostilities will break down and that the international world can come together. That will be better for tourism and economic strategies around the world, and in particular, for developing countries such as the Cayman Islands.

CAYMAN AIRWAYS

A new board was appointed, cost-saving measures were introduced, fares were reduced and load factors have increased. Cayman Airways is a part of our identity and our national pride, and by bringing tourists to the Islands, we create significant financial gains for the country as a whole. Once we can afford it, once expenditure is carefully managed, and once we all support it, we should continue to be proud of our airline and its staff.

As a mandate from me, the Minister of Tourism in 2002, the Cayman Islands Department of Tourism and Cayman Airways (CAL) began rebuilding their relationships with, and commitment to, each other. Let us call a spade a spade: that was not the case. There was far too much bad blood, as there was far too much bad blood between the DoT and the private sector at the time. In 2002, the DoT and CAL developed a joint marketing plan that included newsprint, sale promotions, public relations, city promotions, trade and consumer shows, familiarisation trips for CAL's sales staff and television advertising. In 2002, the Cayman Islands returned to television advertising and featured CAL as the call to action in the Houston market.

Early in January and February of this year, the Cayman Islands Department of Tourism made presentations to the Board of Directors and the Ministry of Tourism, demonstrating US market opportunities for new routes, which were not being served by US carriers and presented viable commercial potential. The DoT drew on its statistical data and showed CAL the top ten US cities, recommending Chicago as the number one new route for consideration. The public knows about the Chicago promotion, as does the Leader of the Opposition, because they criticise that too.

The DoT continues to promote the national carrier with newsprint and television advertising, with trade and other shows, and with various promotions, including direct mail. In the first half of 2003 alone, the DoT has supported the national carrier with over $1.1 million in television and print advertising.

The partnership is being strengthened, and at the moment, the DoT is developing a comprehensive launch plan for the airline's new Chicago route. This plan is expected to include newsprint and television advertising, various shows, trips made by the sales agents, special events, and, of course, direct mail—all with a strong focus on exciting the Chicago area about the destination, especially consumers and the media.

Cayman Airways and the DoT will continue their close relationship. For the remainder of 2003, the DoT will assist CAL with its newsprint, radio and television advertising, with other promotional give-a-ways, with direct mail and with other promotions when promoting its existing routes.

The DoT will assist CAL with a comprehensive marketing plan to promote all routes for the first half of 2004. This comprehensive plan will include sales promotions, newsprint, radio and television advertising, and so on.

Madam Speaker, the DoT continues to look forward to helping the airline introduce the Chicago route and make it a success. We hope to continue to work closely with CAL and will support the national carrier, as it an important element of tourism.

For the sake of the future, let me call a spade a spade. Although we say we must change the way we do business—and that, I think, was part and parcel of his call—people need to understand that statement.

Tourism can no longer mean a hotel with beds and a boat. A real restaurant is what is demanded, with amenities. Real service is needed. Lower costs are also needed. Good entertainment is what visitors are looking for. I trust that the Opposition understands this. The Leader of the Opposition says we must balance it. Madam Speaker, what are we balancing? If we do not have a resort with all the things that people are expecting of a five-star resort today, and if people have to close up their entertainment centres at 12.00 at night, stop and think. Put yourself in my shoes and ask yourself, "What would I do?" You did not say that.

ENVIRONMENTAL ISSUES

I am turning now to environmental issues, Madam Speaker. Again, the Honourable Leader of the Opposition attacked my Government's record with respect to our environmental policies.

The following is a summary of the Ministry's achievements in the area of environmental protection. In 2001, legislation amending the Marine Conservation Law was introduced. These amendments gave effect to recommendations that, in some cases, had been made some six to seven years earlier by the Department of the Environment and the Marine Conservation Board. The amendments introduced reduced catch limits and extended closed seasons for conch and lobster, as well as new provisions for the protection of whelk, the Nassau grouper, jewfish and several species of ornamental fish. In addition, an 8-inch size limit was placed on all fish and a licensing provision for fish pots was introduced.

In addition, the Ministry has initiated a consultation process on the establishment of a special management area for the Sand Bar and its environs. The Marine Conservation Board, the Department of the Environment and the Cayman Islands Tourism Asso-

ciation are currently engaged in the development of recommendations for regulations and guidelines for the management of this critically important area.

Madam Speaker, in December of last year I presented to this Honourable House the Executive Summary and Final Report of the Aggregate and Fill Study, which was carried out on behalf of the Government by the consulting firm CH2M Hill. Government financed this study and has committed to implementing its recommendations because we understand that having an adequate supply of aggregate and fill to meet future demands is important to all Caymanians and visitors to the Islands. These types of materials are needed to allow continued improvements to roadways, schools, medical facilities, and housing. However, we also understand that improvements to the Islands' infrastructure must be made with an eye toward the prevention of unacceptable levels of environmental impact, which could be caused by the inadequately regulated excavation of marl, sand, and rock from upland or marine environments. Therefore, an interagency committee, with membership from all departments and agencies involved in the review and permitting of excavations and quarries, is currently in the final stages of developing guidelines for the implementation of many of the recommendations of that Report.

Madam Speaker, I would also like to remind Honourable Members that in May 2002, I tabled the Cayman Islands National Environment Policy. The country never had a policy before. This document, which is the first of its kind, was developed with reference to the commitments made in the Environmental Charter, which I signed with the United Kingdom Government in September 2001, as well as to our obligations under various multilateral environmental agreements that have been extended to the Cayman Islands by the UK. The policy also embraces this government's philosophy of balance, and a commitment to obtaining the maximum benefit from our development opportunities while ensuring the conservation of our natural environment and resources. Five broad goals, and eight key strategies, are outlined, with two of the agreed areas for priority action being (1) the enactment of national conservation legislation and (2) the establishment of a national system of protected areas, starting with the creation of the Barkers National Park, protecting some two hundred odd acres of wetlands and beaches.

Madam Speaker, I am sure that Members of this Honourable House will also recall that in March of 2002, I tabled a White Paper on the proposed National Conservation Law, which explained the need for new national conservation legislation, including the outlining of commitments under various multilateral agreements. Madam Speaker, it is still my intention to bring the Bill for the new National Conservation Law to this Honourable House during the November 2003 sitting. I hope that I will have the full support of the Opposition, and I trust that they are perusing that legislation, which has been on the Table since March.

Madam Speaker, in April 2002, I made a statement in the Honourable House regarding Government's plans to establish the Cayman Islands' first National Park in Barkers. That is moving along, with negotiations with the owners of various bits and pieces of properties.

Finally, Madam Speaker, I wish to remind the Honourable Leader of the Opposition and his People's Progressive Movement that the Report of the Beach Review and Assessment Committee established by my Ministry was tabled in May of this year. Although he is saying that we are not doing anything, the Government is committed to implementing the recommendations outlined in the Report and, as he should know, $750,000 has been allocated in the 2003/2004 Budget for the recommended nourishment exercises on the southern end of Seven Mile Beach. All this is happening, yet the Member says we are not doing anything to protect the environment. Where is that Member living?

In summary Madam Speaker, it is clear that the Leader of the Opposition has not been paying attention to developments in our country. Rather than cooking turtle meat, he should be well aware of the conservation efforts underway.

I refuse to believe that the Leader of the Opposition is unaware of these developments. I believe that he is aware, but that he has deliberately set out on a course to mislead the country for his party's political gain. I have demonstrated clearly that my Ministry has made major progress in the area of environmental protection over the past two years. Perhaps the environment, including the Turtle Farm, would be that much better if the turtles had been taken back, instead of being cooked.

THE FINANCIAL INDUSTRY

Madam Speaker, this is one that really galled me: the criticisms of the financial industry. I know, as I have had to learn, that that Member would not know much of what he was talking about. He was reading a speech that could only have come from the Chairman of that party. Some of the arguments were put to me directly by him; therefore, I know that the exact wording had to come from the Chairman.

The Leader of the Opposition had the audacity to criticise me for what he claims is a lack of support for the industry. They should hang their heads in shame for that statement, coming from a man that forgot to send an important letter on the European Union Tax Savings Directive. We have given support to the financial industry.

The new Monetary Authority Law (2003 Revision) was brought into force, and a number of highly qualified, internationally recognised persons were appointed to the Cayman Islands Monetary Authority

Board of Directors to complement our local expertise. Although I cannot list all the achievements and qualifications of the foreign and local experts on the Board, they are well known.

Dr. Richard Rahn is a Ph.D. economist who served as an economic advisor to former President George Bush, among various other accomplishments.

Sir Alan Traill served as Lord Mayor of London and was one of Margaret Thatcher's economic advisors, among the many other agencies he served.

Dr. Warren Coats, a Ph.D. economist, served in numerous roles with the International Monetary Fund (IMF), including Senior Economist and Economist to the Central Banking Department.

Senator James F. Keheller, an attorney-at-law and a former trade minister for Canada, served on the Senate Banking Committee for fourteen years in Canada.

The Board, along with the hardworking members and staff of the Monetary Authority, are in the process of re-organising the Authority in order to meet its goal of being one of the most efficient, friendly, sensibly regulated, and business-orientated authorities in the Western Hemisphere.

The United Democratic Party (UDP) Government appointed a group of well known lobbyists, the Livingston Group, at a substantial cost to the Government, to guide the Government and the financial industry through the difficult times we were experiencing and restore good relationships with Washington D.C.

Madam Speaker, there are two forces that affect earth: one is gravity and the other is Washington D.C. Many will remember the Enron crisis and those who sought to implicate the Cayman Islands. Many will remember the numerous international initiatives aimed at financial centres, including the Cayman Islands. These advisors and lobbyists have worked diligently and relentlessly with many leaders of important congressional committees, both in the House and the Senate, to bring to their attention the true facts about the Cayman Islands. This has had an extremely beneficial effect on the relationship that the Cayman Islands now has with the leaders of the world's most powerful economy. They provided relevant documentation and facts in relation to the Cayman Islands in an effort to dispel false statements and rumours relative to our laws, our regulatory matters, and our good governance policies. Although these efforts may not always be visible in the press, they have had untold benefits for the people of these Islands. Can you dare say that we are not doing anything for the industry?

Regular visits to Washington were arranged by the Livingston Group and their hardworking staff, consisting both of Republicans and Democrats, to meet with Republican and Democratic Leaders in the House and Senate, to put our story, and the facts, plainly on the table. Even I, as big as I am, have traversed the Capitol Hill building from 7.30 in the morning to 8.30 at night, breaking only for a snack and a drink of water. The Attorney General, the Honourable Financial Secretary and members of his staff, other members of the private sector and I walked, ran and took trains to meetings on a non-stop basis. The Deputy Leader of Government was also in Washington to sign the Tax agreement with the United States.

For those who may not appreciate this kind of work, the Capitol Building in Washington D.C. houses staff whose number exceeds the entire population of the Cayman Islands. I am sure that we must have walked and ran the distance between Bodden Town and West Bay a number of times during that visit. Yet they say we did not do anything; we just like to go off on trips. A trip, they call it! At least I went, and we were successful. That is more than the PPM can say of their leader.

Madam Speaker, The Leader of Government Business, along with the Financial Secretary, the Honourable Attorney General, members of the Financial Secretary's staff and members of the private sector, and accompanied by the Livingston Group, also met with every important government agency, to build on our relationships, clarify issues and express our policies and strategies for the future. At each meeting, after our polices and strategies had been set forth, every single department, Treasury, State, Customs, Immigration, Justice and other official expressed appreciation for our visit and approval of our plans and policies.

One of the things that we are well on the way to accomplishing, after that visit, those meetings and that interaction with Washington, is immigration clearance. I am not saying that it is going to be immediate, but we are well on the way with discussions with the relevant authorities. The implementation of the tax convention write-off is also something that we are moving forward with now, with the private sector. We told the Chairman of the People's Progressive Movement, Mr. Duckworth, who was at the meetings where we informed the National Advisory Council and the Private Sector Consultative Committee (PSCC) on financial matters. They know all of this. Why do they seek to deceive? Why?

We have initiated new immigration policies to assist businesses to increase their personnel and products in the Cayman Islands, and introduced the CAYPass system for directors and business visitors, in order to ease the red tape and burdens of immigration.

We have hired additional representation with a reach throughout Europe to advise us on developments, and to take steps to assist us in dealing with these developments, before they fester into crises.

We enhanced our relationships with other British Overseas Territories on the advice of major international institutions and non-governmental organisations who wished British Overseas Territories and other financial centres in the Caribbean to come forth with one policy on major issues.

In keeping with our policies, we hired experts to advise us on the European Union Tax Savings Directive, and on the basis of that advice, we took action in the European Court of Justice to clarify our position relative to that initiative. Again, Madam Speaker, it was being done against the backdrop of a beating every day from the Opposition, and charges levelled at me as the Leader of Government Business.

All of this work is not done in seven-hour or five-hour days, Madam Speaker. It sometimes means burning the candle late at night. Although it was not popular with all, everyone has seen from the judgement, a ruling accorded with local expert opinion, that the benefit of taking the UK to court has been tremendous. I say again that the Leader of the Opposition should run and hide for his do-nothing approach. He, of all people, should be as quiet as a church mouse when it comes to the financial industry, and these matters.

We enunciated our policy in relation to tax information agreements. If you check the records, and look at the tape (and I listened to every word of it), this is the area into which the PPM chooses really to delve. The policy was carefully designed after advice from local and international experts, and accords with international law and the position of the United States of America in relation to certain objectives of the Organisation for Economic Co-operation and Development (OECD) tax harmonisation initiative. I pray that the Opposition Members are listening. I hear them groaning, but I hope they are listening. They need to listen, Madam Speaker. Our position is that the Cayman Islands are willing to enter into tax information exchange agreements with various countries, provided that those agreements are beneficial to our economic well-being. We cannot, and will not, continue blindly to follow initiatives and enter into agreements that provide no benefit to the Cayman Islands, and no access for any of our financial products to foreign markets, when legislation exists that prohibits business being done with Cayman Islands companies and entities. There must be a fair and balanced agreement, not a one-way street designed to destroy or disadvantage our financial industry, and the financial service providers who serve therein.

Madam Speaker, on the one hand, I am barraged with invective about my style of governance, yet they are telling us that we should rush ahead and sign these things, that we should go ahead and set them up. We are doing that, but we are doing it on a timely and even-keeled basis. Everyone should clearly understand that international law provides that a country's taxation regime should not extend beyond its territorial boundaries unless there are adequate treaty arrangements for the enforcement thereof outside of those territorial boundaries. This principle is recognised, and has been followed from time immemorial. Perhaps Anton Duckworth understands this, but it seems that as Chairman of the People's Progressive Movement, he chooses to say otherwise.

While the Opposition was choosing to mislead this country, and to be insensitive to our troubles with international pressures, we have been working. As I said, we did not rush forward. There were steps for us to take. We sought permission from the United Kingdom to negotiate bilateral tax information agreements. The Cayman Islands is not a sovereign jurisdiction, and in order to enter into these agreements, it is necessary to have the requisite consent of the United Kingdom, which is in charge of our external affairs.

Madam Speaker, we have already enunciated a policy that all of these negotiations will be carried out by a joint team of local persons who, acting with foreign experts on the laws of the country in which the negotiation is going to take place (for instance, Italy), will carry out the task. We have told them this. There will be no more signing of agreements without understanding their full implications and without significant benefits.

A good example is the “know-your-customer” arrangement. They said, “As a jurisdiction, you need to have this”. Cayman’s financial industry went to great lengths, and great expense, to sign, to have all of that done, and to put you and me, and other citizens of this country, through various hassles in getting our bank accounts straightened and useful to us. The UK came back to say that they were not going to do so, because it was too costly for them and their public, while we complied with best practice and standards. Therefore, there will be no more signing of agreements, and you can tell Anton Duckworth and every member of the People's Progressive Movement that I said that. I will not agree. If I only have one more year, then whatever government comes after may choose to do differently—so be it. However, you can believe this: It will not be me. I am not going to agree to do anything that will endanger the financial industry of these Islands.

Madam Speaker, all of the above, and much more that time does not permit me to mention specifically, is beginning to have the desired effect. There has been all of this work, and they say that we have not done anything. There has been all of this hard work, time and energy spent by us—not only by civil servants, and not only by elected Members, but by civil servants and the elected Cabinet working together in a unified move.

Reports from the financial industry indicate that business is beginning to increase in a number of important areas. I take my hat off to the Honourable Financial Secretary. There are constant changes in the international arena, and constant challenges. These changes and challenges are being met by the hardworking and dedicated staff at the Monetary Authority.

Of course, there is more to be done. We know that, but no one can point a finger right now to say

that Cayman is not well-regulated, or that we do not have a Monetary Authority that is trying to do its job. Yes, we have a young Caymanian lady in charge, and I am proud of that. She is doing a sterling job, and the industry needs to work with her.

The industry, the Opposition, and even the Government has to recognise that it is no longer business as usual in this world. Rather than posturing on a political platform, they should offer support. It is their job to come forward with new products; it is not the job of the Monetary Authority. It is the Monetary Authority's job to scrutinise the products, and see that these products are what we need and can stand behind. Anton Duckworth and his gang should understand that.

It is essential that Cayman stay on the leading edge of international developments. It is essential that the Monetary Authority provide a fast, efficient and competitive service that is recognised by the international financial community as the best service in the Caribbean, if not in the Western Hemisphere. This is our aim, and we will not rest until that goal has been achieved.

Madam Speaker, this brings me to another matter. Certain criticisms have been levelled at the Government recently in relation to the additional tax information exchange agreements. I have explained some of that already. We have now got that permission. The Government sought permission from the United Kingdom to begin such negotiations, and we all know that the United Kingdom has been subjected to pressures of the international financial recession, such as the Iraqi war, and other internal problems. However, I am happy to report that our patience and persistence has paid off, and that such permission is in hand. They have given us the permission to negotiate for ourselves and that, Madam Speaker, is a significant milestone for this country.

Madam Speaker, it is obvious to me that the People's Progressive Movement is swimming against the currents of good policy and good business practice. These kinds of irresponsible pronouncements, designed to mislead the press and the public, can be best described as a pure propaganda movement emanating from the poor principal management policies enunciated by the People's Progressive Movement.

INTERNATIONAL INITIATIVES AFFECTING THE FINANCIAL SERVICES INDUSTRY

Madam Speaker, I also received criticism about the handling of those international initiatives, but I can say, and the world can say, that we have fought a good fight, and we are still successful. When you check the meetings that I have had to attend in Brussels, Washington and the Caribbean, Madam Speaker, the Cayman Islands have been well represented politically from this side. Of course, the civil service arm has backed me, or I have backed them, whichever way you want to put it. I think we have fought a good fight for the Cayman Islands, and we will continue to do that.

In a few weeks' time, I will be off to Ottawa, Canada with the Financial Secretary and some others, to attend the OECD meeting, where we will tell them again about the level playing field. That is what is necessary for us.

With all of that travel—for which they have berated me, of course—the Leader of the Opposition cannot convince me that he was not aware of these developments and the work that I was doing. We kept the public and this Honourable House informed every step of the way. I have no doubt that the public remembers the events, and so does the Leader of the Opposition. However, he was determined to mislead the public during his party's conference in an effort to polarise the public for the upcoming General Elections next year.

I say this to him, as I said earlier: He should remember that the Caymanian public does not forget easily. They can see right through political posturing. Let me remind him again that I will not sit idly by and listen to them mislead the public, especially when it comes to major national issues. As I said before, I will not allow him and his cohorts to drag me into an argument on every issue. However, he is now put on notice that he can count on me to respond to him on major national issues—issues on which he and the propaganda movement have a propensity to deliberately mislead the public.

THE CONSTRUCTION INDUSTRY

The building of homes, office buildings, hotels and industrial complexes is on the rise. Planning approvals, and applications for the same, have increased significantly over the last six to eight months. I congratulate the Deputy Leader of Government and Minister of Planning. This industry creates jobs in all walks of life and supports many families.

Revenue from imports is essential to support social services, schools and medical care; to pay civil servants; to build roads and to improve the standard of living of all persons in this country.

I listened to the Leader of the Opposition ask, in that statement, "For whom are we developing?" Madam Speaker, where are we going to get the money if we do not have inward investment? If we do not bring people here to invest, where is the money going to come from? Where—from taxation? Even if we do not have inward investment, but introduce taxation, where is the money going to come from to pay for that?

I have often said that if the public of this country should ever choose that group, in the direction they are going, then *dog eat their supper*. The previous style did not get anywhere in this country. We know that, no matter how much they criticise me about my style of leadership.

To stimulate the industry, the UDP Government cut stamp duty, building fees and red tape, and improved services to the public, thereby stimulating growth. This has resulted in increased collections. Look at the figures; they are concrete proof of the good policies, and the results of good policies, put in place by the UDP Government. Recently, even the editorial of the one newspaper that had recently taken to criticising everything the Government has done had to say that the Government is on target, and that a good job is being done. Whether it was yesterday or today, I am not sure.

[Inaudible interjection]

Hon. W. McKeeva Bush: I know. That is why he has been giving you so many headlines recently.

"And now the Good News." It was today's paper. Therefore, even those who were lauding the Opposition are saying what a good job we are doing. What sayest thou?

EDUCATION

Our education system was not preparing our children adequately for the challenges they faced in the 21st Century. Without an adequate education system, our children faced doom and gloom in the job market, whether in the Cayman Islands or elsewhere, and well-paying jobs would not be available to them. The Minister of Education has received much criticism. Things might not have moved as fast as I would have liked to see, but he has worked diligently and relentlessly to initiate new systems, new programmes and new teacher participation in the planning of programmes. Although the new schools are not yet online, what is important is that even if a school class has to take five or ten more children, they have new programmes before them today. We are pursuing an opportunity for every child in primary school to have a computer, and first, in this 21st Century, we had to train the teachers.

Therefore, Madam Speaker, the Opposition should understand that, yes, there is a lack of classrooms, but that did not start today. In my district, there are plans to build a new school. There are temporary classrooms, but what is wrong with temporary classrooms? At least we had the wherewithal to do it. We certainly would have appreciated having permanent classrooms, but it is more important right now to get programmes in place, and we are continuing. In fact, on Friday morning, we will break ground for the next primary school at Poindexter Road. That will be followed by a high school and by the West Bay Primary School later on. The Member says, "The school in the swamp". Madam Speaker, I will be kind to him, and say that he should go back to wherever he can find a school.

The Minister of Education has worked, and the criticisms are not fair. They are not founded on fact, either. The IBM distance learning system introduced by the Minister is one of the most sophisticated learning systems, and is available only to a few schools in North America. Our teachers are being introduced to the system, and when full implementation takes place, all children in our schools will have access to a computer. The only place I saw that was in Singapore, when I visited a primary school there.

New higher education programmes have been introduced, and more are planned. The Minister of Education is now in Canada looking at how we are going to introduce the university. Think of that, Madam Speaker. This little island, with approximately 43 thousand people, is going to have a university. I am almost 48 years old, and I thought I would never see this. I so longed to have that opportunity, but my parents could not do that. I did not have that chance. You say that our children do not have opportunity? A lot of opportunities exist, and what the People's Progressive Movement should do is to say that to the people. If they would help to educate the people, then the people would learn. However, if we divide, they will go one way. They will say, "There is nothing, because that is what my representative is saying. There is nothing happening. I do not have any opportunity".

A medical university with approximately 300 students has been licensed. The benefits of that university to our economy alone are in excess of $100 million per annum. People from our country—from these Islands—are attending the university on scholarships. Hopefully, after completing a comprehensive training period, they will return to assist with medical care in these Islands.

MEDICAL CARE

Our people, our children, our visitors, our guests and our residents deserve the best medical care that we can afford. This is essential to the growth and prosperity of our country, and all our industries. Without good medical care, we cannot have a good tourism industry either. Bear that in mind. Every company and business, and every resident who wishes to come to the Cayman Islands, enquires about the standard of medical care in these Islands.

The UDP is committed to providing first-class medical treatment that is affordable. In order to do so, the hospital and the various clinics must have efficient management and management systems. We cannot continue doing today what we were doing in the 1960's. Medical care is expensive, and growing more expensive each day. For our hospital to produce the type of care that the UDP Government is committed to delivering to all the people of these Islands, it must be able to produce income, and it must have proper management systems.

If the hospital cannot pay for itself, or at least for a large portion of the cost, then what is going to happen? You say, "Do not raise fees?" Then where will the money come from? That is what we have tried to do, not to tax our people—especially those who can least afford it. The Minister of Health has been working overtime to fix a system that was in serious decline, costing the Government over $30 million per annum. This is something that the Leader of the Opposition should have said.

The Government is committed to employing the best available and the most experienced administration, highly qualified to run and operate the hospital. Recently, an extremely highly qualified and senior medical management executive, who spent years with the University of Miami, a leading medical university, has just taken up that post. Many complain about the cost of good personnel, and there are many who seek to sabotage the Government's plan for providing good medical care to our people. We are committed to providing the funding to employ the necessary people. Nothing is as important to our people as their medical health, that of their children, and that of future generations.

Significant sums of money are committed to development in all other areas of government, and experts are employed when necessary. For too long, our health services and our hospital have been denied the services of the best experts available.

Let us call a spade a spade, Madam Speaker. The Livingston Group is one of the best groups that we could find to protect us in Washington. The group in London, DLA Upstream, is one of the best groups that we could find to lobby and talk for us in London. However, it is not costing us $10,000. It is costing real money, but this is the price that we have to pay to get good people. Why is there such an alarm when we have to hire expertise in the medical system? If he does not do what we want, and what the programme calls for, then it is easy: he goes.

A new Cerner medical system, for the collection of data and the better management of our health system, is due to start being installed in early October. This will greatly enhance the ability of the hardworking and dedicated staff at the hospital to provide better care, and better-managed care, to all our people. If anyone opposes this UDP policy, let him stand up and be counted. However, to try to smear someone because he is paid a good salary is not right. It is not even good politics; it is shameful politics.

Madam Speaker, the UDP Government understands that all these things take time, and that change is not acceptable to those who want to continue in the old ways. However, we are committed. We will follow through with our commitment to provide the people of these Islands with first-class medical care. Where skills are not available locally, we will employ, and continue to employ, highly qualified people to assist us in the implementation of this policy.

AVIATION

Madam Speaker, new persons have been appointed to the Civil Aviation Board, and plans are well underway for the implementation of additional works at the airport, to meet new international standards.

We all know that the new security measures necessary due to the threat of terrorism have occupied most agencies in the United States of America. These matters have to be addressed urgently, and constantly, prior to opening offices of this nature—meaning the establishment of US Customs and Immigration here. All that can be done. As I said, however, we have to address the matter of the airport's meeting international standards.

Madam Speaker, this is good long-term policy planning for the benefit of our people and our children. Nothing ventured, nothing gained.

HOUSING

Housing is another matter that took a beating. The Leader of the Opposition challenged me, the Leader of Government Business, and the Minister of Housing, saying that he could get better and shinier houses for $30,000. The day that he can do that, I will say to him, "Quick, come and run to the Glass House. Do not stop; run and bring them to us". Let us know, Madam Speaker, when he has that alternative. We will gladly take up his project.

SPORTS

This is another success for the Minister of Sports. I believe that we are improving when I see the number of medals, the kind of competition, and the effort that is made by our sportsmen and sportswomen—our athletes. Sometimes medals do not mean everything. I congratulate the hard work of the Minister of Community Affairs.

TELECOMMUNICATION

Madam Speaker, despite the pessimism of most that it could never be done, our Minister responsible for Telecommunications, the Deputy Leader, has carried out long, arduous and difficult negotiations for the liberalisation of our telecommunications industry. I should say that he was ably assisted by my colleague, the Fourth Elected Member for the good district of West Bay, Mr. Glidden. A new Information and Communications Technology Authority (ICTA) has been established, with professional staff and a qualified, hardworking Board. As everyone knows, there has been a recent announcement that many applicants have been qualified for the granting of licenses, and by February 2004, our telecommunication industry will be served by more than one person.

I hear the Opposition threatening the UDP while they are being lobbied by the Caribbean Utilities

Company (CUC). The Government will nonetheless move forward in its efforts to bring about lower electrical costs to the people and businesses of these Islands. CUC can spend as much money as they want, and buy as many drinks in as many bars in George Town, or this country, as they want, but our work will go ahead. The only thing they will do is face competition, because we are going to put that in place. We are determined to do so, no matter how much money they put up against the United Democratic Party, and no matter how many drinks they buy.

This will bring a reduced price to local persons and businesses, and will encourage new businesses to be established in the Cayman Islands, where competitive rates will be available. That is what is needed—not what the PPM suggested about the pricing. Competition will bring the price down. May the good survive, just as has happened with the liberalisation of Cable and Wireless and our telecommunications services.

And let me say in defence of the Minister regardless of what rebuke that they might want to say on the front page. Caymanians and Opposition pay attention to where that is coming from! Ask who own that company; ask the background of that company. That will not deter the Government.

The immediate benefits of this kind of policy have already been felt in the pockets of all people who have to pay a monthly telephone bill. Our policy is competition. The costs are already going down and this is only the beginning.

ROADS

New roads and roundabouts have been completed, they have complained about that but over time they will drive on it and will not mutter; they will not even know that a new road was there. But it is moving traffic and that is what is important. Traffic congestion is being eased and plans are on the way for future roads. This can only improve the quality of life for all, including the PPM, encourage investment and provide extra valuable time for families to spend together.

So, Madam Speaker, I congratulate the Minister responsible for these works, the Deputy Leader. Not all the time we agree but he works and that is the way it has to be. At the end of the day we are unified and doing what is good for the people of this country.

DEBT REDUCTION AND REVENUE GENERATION

Madam Speaker, the recent bond issue is another topic for that blessed platform. The recent bond issue in the international capital markets, a first ever, raised money to repay high interest debt and for some capital projects. Nearly all countries use this method of financing. It saved us about Sixty Million Dollars and came about by good government policies of the UDP Government. I thank the Honourable Financial Secretary and his team for their hard work.

The PPM also made the claim generally that we were neglecting our people. We know that is not so, especially when we lay reports on the Table of this Honourable House which shows our Development Bank giving small business loans, education loans and housing loans in the past two years of over $5 million. Of course, the PPM said it could not work. How can they be so hypocritical to say nothing is happening - the economy is down - and people are suffering - how? Ask the Leader he is the good investor, he is a good Caymanian when it comes to that and if he sees an investment that is good he is going to take an opportunity at it as well as I would do or you or the next man would do. But you cannot make investments yourself if things are bad in the country. And I would say, tell the truth, tell the people the truth at all times and then people would understand. Even if they do not like it they will understand.

Madam Speaker, in closing I thank you and this House for this time. Today should be another day when we celebrate what we continue to accomplish together. We are creating new jobs and opportunities for Caymanians and all who live here, giving our children a chance to succeed in the 21st Century with 21st century tools, breaking a telephone monopoly to lower rates and trying to bring lower electrical rates, and putting our energy behind all these good things. And equally important, by standing as tall as a ship's mast, we continue to strive to protect one of the biggest and better financial centers in the world, right here at home.

But today, in our Legislative Assembly, I am appalled by an opposition, which has no shame and no honor. By those who spend nights behind closed doors figuring out how they can advance themselves by tearing us down.

Pretty incredible, when you consider this same group stands guilty of the very things they accuse of others. They charge others and me with playing Caribbean politics, that is another one that hurts because I am a Caribbean man, music, culture everything but I do not hide that. But they in near secret bring in those very same people to help them set up their party, their organization, their meetings, their strategy in the districts, even tell them how to vote, even their ideas they bring them in. Like inviting talk of independence from regional leaders, the Honourable Prime Minister of St. Lucia. Now maybe that's okay if you're living like other regional countries, but it is not for us in the Cayman Islands. Then, driven by desperation and anger, these same people engage in the kind of gutter politics that shame them and, in the eyes of the world, all of us.

You know who you are, and now our Island does as well.

Madam Speaker, I thank you for your indulgence.

The Speaker: It is now fast approaching the hour of 1 pm. We will now take the luncheon break and reconvene at 2.30 pm.

Proceedings suspended at 12.59 pm

Proceedings resumed at 3.04 pm

The Speaker: Proceedings are resumed.

The House will now go into Committee to consider these two Bills.

GOVERNMENT BUSINESS

BILLS

COMMITTEE ON BILLS

House in Committee at 3.05 pm

The Chairman: Please be seated. The House is now in Committee. With the leave of the House may I assume as usual that we would authorise the Honourable Second Official Member to correct minor printing errors and of such like as these.

Would the Clerk please state each Bill and read its respective clauses.

The Proceeds of Criminal Conduct (Amendment) Bill 2003

Clauses 1 to 3

The Clerk:

Clause 1	Short title and commencement.
Clause 2	Amendment of section 2 of the Proceeds and Criminal conduct Law (2001 Revision) definitions and interpretations.
Clause 3	Insertion of section 3(a), definition of terrorism.

The Chairman: The question is that Clauses 1 to 3 stand part of the Bill. If there is no debate I will put the question that clauses 1 to 3 stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 1 to 3 passed.

Clause 4

The Clerk: Clause 4: Amendment of section 21. Code of practice and Reporting Authority.

The Chairman: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Madam Speaker.

In accordance with the provisions of Standing Orders 52(1) and (2), I the Honourable Second Official Member give notice to move the following amendments to The Proceeds of Criminal Conduct Amendment Bill 2003, that the Bill be amended as follows: That there be a withdrawal of Clause 4(a) as proposed in the amendment and that amendment No. 2 be substituted therefor which will include a new clause 4(b) which reads as follows– "(b) by inserting after subsection (2) the following subsection –

"(2A) The persons specified in paragraphs (a), (b), (c) and (d) of subsection (2) shall each be appointed in writing by the Governor acting in his discretion, after consultation with the Steering Group and the Cabinet, for such period of time and subject to such terms and conditions as he may see fit."; and".

I am also asking that clause 4 be amended by deleting clause 4(c) and substituting the following -

"(c) by repealing subsection (3) and substituting the following subsection –

"(3) The Governor in Cabinet may make regulations to give effect to the provisions of subsections (2) and (2A) and sections 21A to 21 I.";

The Chairman: Thank you. The amendment has been duly moved, does any Member wish to speak thereto? *[Pause]* If there is no debate–

Hon. Samuel W. Bulgin: Madam Speaker, just for completeness of the record, I think I said that I "gave notice." What I am actually doing is moving the amendment.

The Chairman: Thank you for that clarification. I put the question that the amendment stands part of the clause. All those in favour say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Amendment to Clause 4 passed.

The Chairman: I now put the question that the clause, as amended, stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 4 as amended passed.

Clause 5

The Clerk: Clause 5: Insertions of sections 21A to 21(i). Additional provisions relating to Reporting Authority.

The Chairman: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Madam Speaker.

After having giving notice in accordance with the provision of Standing Order 52(1) and (2), I the Honourable Second Official Member move the following amendment to The Proceeds of Criminal Conduct (Amendment) Bill 2003 in Clause 5 – by deleting the new section 21A(5) proposed for insertion in the principal Law, and substituting the following –

"(5) An aggrieved person may, upon notice to the Attorney-General, apply to a judge in chambers to discharge an order made by the Grand Court under subsection (3), but such order shall remain in full force and effect until–

(a) the judge in chambers determines otherwise; or

(b) the expiration of the period during which a person is required, by an order made under subsection (2)(b), to refrain from dealing with another person's bank account,

whichever is sooner.";

I am further moving that it be amended to add subparagraph 2 in the new section 21A(8) proposed for insertion in the principal Law:

By deleting "paragraph (a), (b)" and substituting "paragraph (b)";

By deleting the new section 21B(1) proposed for insertion in the principal Law and substituting the following –

"21B. (1) The Governor in Cabinet shall appoint a body to be called the Anti-Money Laundering Steering Group, consisting of –

(c) the Attorney-General, who shall be the chairman;
(d) the Financial Secretary, who shall be the deputy chairman;
(e) the Commissioner of Police;
(f) the Collector of Customs;
(g) the Managing Director of the Monetary Authority established under section 5 of the Cayman Islands Monetary Authority Law (2003 Revision); and
(h) the Solicitor General.";

And by deleting the new section 21B(2)(b) proposed for insertion in the principal Law, and substituting the following -

"(b) determining the general administration of the business of the Reporting Authority;";

The Chairman: The amendment has been duly moved. Does any Member wish to speak to it? If not I will put the question that the amendment stand part of the clause. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Amendments to Clause passed.

The Chairman: I will put the question that the clause as amended stands part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Clause 5 as amended passed.

Clause 6

The Clerk: Clause 6: Amendment of section 22. Assisting another to retain the benefit of criminal conduct.

The Chairman: The Honourable Second Official Member.

[Pause]

Hon. Samuel W. Bulgin: Thank you, Madam Speaker.

In accordance with the provisions of Standing Order 52(1) and (2), I the Honourable Second Official Member move the following amendment to the Proceeds of Criminal Conduct Amendment Bill 2003 in clause 6—by deleting clause 6 and substituting the following clauses: "Amendment of section 22 – assisting another to retain the benefit of criminal conduct."

"6. Section 22 of the principal Law is amended by repealing subsection (8) and substituting the following subsection -

"(8) The Reporting Authority -

(a) without having to obtain the consent of the Attorney-General, shall disclose to any law enforcement agency in the Islands any information received under this section, **where there is prima fa-**

cie evidence of criminal conduct or where the Reporting Authority has cause to suspect criminal conduct;

(b) without having to obtain the consent of the Attorney-General, may disclose any information received under this section in relation to criminal conduct, to the Cayman Islands Monetary Authority established by section 5 of the Monetary Authority Law (2003 Revision), or to such other institutions or persons in the Islands as may be designated in writing by the Steering Group; and

(c) subject to subsection (6), may disclose any information received under this section in relation to conduct defined in paragraph 3(1)(b) of the Schedule, to any overseas financial intelligence unit,

in order to-

(i) report the possible commission of an offence;
(ii) initiate a criminal investigation respecting the matter disclosed;
(iii) assist with any investigation or criminal proceedings respecting the matter disclosed;
(iv) facilitate the effective regulation of the financial services industry; or
(v) generally give effect to the purposes of this Law."

Madam Speaker, further Section 23 of the principal Law is amended by repealing subsection (9) and substituting the following subsection –

"(9) The Reporting Authority -

(a) without having to obtain the consent of the Attorney-General, shall disclose to any law enforcement agency in the Islands any information received under this section, where there is prima facie evidence of criminal conduct or where the Reporting Authority has cause to suspect criminal conduct;

(b) without having to obtain the consent of the Attorney-General, may disclose any information received under this section in relation to criminal conduct, to the Cayman Islands Monetary Authority established by section 5 of the Monetary Authority Law (2003 Revision), or to such other institutions or persons in the Islands as may be designated in writing by the Steering Group; and

(c) subject to subsection (7), may disclose any information received under this section in relation to conduct defined in paragraph 3(1)(b) of the **Schedule, to** any overseas financial intelligence unit,

in order to -

(i) report the possible commission of an offence;
(ii) initiate a criminal investigation respecting the matter disclosed;
(iii) assist with any investigation or criminal proceedings respecting the matter disclosed;
(iv) facilitate the effective regulation of the financial services industry; or
(v) generally give effect to the purposes of this Law."

The Chairman: The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you, Madam Chairman. If I may just for purposes of clarity: there are two instances in the proposed committee stage amendments, which speaks to certain types of evidence of criminal conduct. I am wondering where each of the amendments begin in the subsection where it speaks to without having to refer to the Attorney General. How then will it be established that this evidence of criminal conduct is *prima facie*? What I am really trying to determine is, does the Reporting Authority itself have the ability to establish that just on its own, and if so, how does it establish that?

The Chairman: The Honourable Second Official Member.

Hon. D. Kurt Tibbetts: If I may make it absolutely clear . . . and I am certain the Honourable Attorney General can deal with it in this manner. What is the benchmark where you establish that evidence is *prima facie*?

Hon. Samuel W. Bulgin: Thank you. Madam Chairman, the expression *prima facie* means "on the face of it." If I may describe it as a subjective objective criteria or test, what usually happens is if the person who is in receipt of this information, having read it—in this case where they are empowered to require additional information to amplify any aspect of the report—and having conducted that exercise on the face of what is in front of them they took the view that it is a potential criminal conduct, then at that stage, in the case of overseas seeking the consent of the Attorney General to disclose it onwardly or locally, without having to get the consent of the Attorney General, may refer it to the relevant body.

In direct answer to the Honourable Member it is a subjective objective exercise by the person who is charged with analyzing the suspicious activity report that is sent in to the Authority.

The Chairman: The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you. I understand what the Honourable Second Official Member is saying but I need to ask him if it is considered—bearing in mind the possible nature of some of these disclosures—a safe enough method for onward disclosure, understanding that if it is to overseas agencies it would have to go through the Attorney General. Even with the local agencies – is that liberty for a special reason and why not? The amendment specifically now states *without having to refer to the Attorney General.* What is the purpose of that? Why not be safe by using the good offices of the Attorney General or his delegated staff to make that decision rather than take the chance of that not being the case and disclosure being extended to other agencies, when in fact if it was really not so it not have gone any further.

The Chairman: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Madam Chairman, two things:

Firstly, the amendments proposed to sections 22 and 23, especially paragraphs A and B, were to clarify the language in the principal Law as it currently stands. The reason for that is there have been ongoing debate, for example 22(8) of the Law, whether it makes it clear that the Attorney General's consent is not required for disclosures locally. You can understand why and with your indulgencies I will make reference to it. Section 22(6) says: **"Where information is disclosed to the Reporting Authority under subsection (3), the Reporting Authority shall not further disclose the information without the consent of the Attorney-General . . ."**

Then subsection (7) says: **"Subsection (6) does not apply to information received by the Reporting Authority which it discloses to any institutions or person in the Islands."**

However, Madam Chairman, this thing is compounded further because subsection (8) then says: **"Subject to subsections (6) and (7), the Reporting Authority may disclose any information received under this section—"**

It is extremely convoluted so it was thought necessary to break it down and basically reproduce the same language but in a different format so that it can be quite clear.

In respect of why there is no consent for local disclosures it was always the intention that where on the face of it a report discloses that there is a criminal conduct, then there should be no impediment, no discretion. It should be referred to the Police for further investigation. That is why it is not required for local disclosures.

Secondly, if the suspicious activity report discloses, for example some sort of bad behaviour on the part of a professional body and it is thought that it should be required for disciplinary reasons, it should be sent to the Monetary Authority to be dealt with. And that is why there is really no such veto powers required by the Attorney General. However, I must say that the private sector, in their *dossier* that was sent to us, which was signed off by three Members, Messrs Tim, Quinn and McGraw, took the view to the extent that the language was not quite clear and needed to be tidied up. They were also of the view that there should be no need for the Attorney General to authorise onward disclosure locally.

The Chairman: The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you, Madam Chairman.

Just so that the Honourable Second Official Member can understand clearly; when I ask questions of that nature . . . I have no contact with those names you just called so I am not acting on their behalf. I was not suggesting you were inferring that but it is absolutely necessary for me to make that clear.

While I understand what the Honourable Attorney General has said and what these other people have said about making it clear . . . but first of all that means in this case the Financial Reporting Authority is not acting as a law enforcement agency but as a Reporting Authority. Otherwise they would not necessarily have to refer right away to another law enforcement agency but that is another matter that should, perhaps in retrospect, have been dealt with in debate on the Floor of the House.

Having said that I go back to this question: what type of consideration is there? If such a disclosure is done, as the case has been put forward by the Honourable Attorney General, that no impediment should be there if it is referred to any other law enforcement agency—and in the case of disciplinary action to the Monetary Authority—will not that law enforcement agency at some point in time still have to refer to a legal authority to question whether there is a case to be answered or not? That is my first question. There seems to be a puzzled expression . . . alright, he understands me. Sorry.

The Chairman: Are you putting the one question?

The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Madam Chairman, the purpose of the referral would be for further investigations to be undertaken. And even at that stage once that investigation is taken if there is a charge or criminal prosecution to be executed, it would still have to go through another litmus test–

Hon. D. Kurt Tibbetts: That is exactly my point.

Hon. Samuel W. Bulgin: –which mean that it would have to go to the Attorney General or the Legal Department for ruling. And thereafter if charges are laid

there is still another litmus test because it has to pass the *prima facie* case test at the court. So there are several tiers.

The Chairman: Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you, Madam Chairman. I wish to thank the Honourable Attorney General but he has just made the point that I have been trying to make. I accept and understand that there are several tiers so if a legal department is better equipped to make a judgment call on whether there is evidence of criminal conduct and that a *prima facie* case has been established, why not let them be the first ones to say yes or no? If they decide that there is not, based on their expertise then there would not be that waste of time or exposure. If they decide that there is the same litmus test that the Honourable Attorney General speaks to would take place – and if he is going to answer me by coming back with how convoluted everything was and this is the easiest way to make sure if something needs to happen it would happen then – my counter to that is, why allow the possibility of anyone being exposed when at the end of the day that same Attorney General's office and any delegated authority will make the judgment whether it should go any further or not? I am saying that it is entirely possible in any given instance, whether those instances be in the minority or the majority or one in a million, that a legal department might be much better equipped to decide if something is worth investigating more so than the snoopy dogs.

I wish to not make any comparisons but I believe that there is a case for that. What I would love is if the Honourable Attorney General could convince my thoughts not to lean in that direction and that I am really not making any sense so just leave it alone. But he has not done that thus far.

The Speaker: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Madam Chairman. I think I need to begin my response by saying that we have to understand and appreciate that there is "role clarity" and different people perform different functions and there are several law enforcement agencies that perform different law enforcement functions. The Reporting Authority and a law enforcement agency are not mutually exclusive; it is a Reporting Authority which is a law enforcement agency. I am not sure whether he would regard the Legal Department as a law enforcement agency. We do but that is another matter.

Madam Chairman, let me also say that I mentioned in my response that while the Reporting Authority is a law enforcement agency the purpose of the legislation is to vest it with the minimum amount of power in order for it to exercise its function. The purpose for that is to have an "honest broker" where, if on the face of it something turns out not to be a criminal conduct, that person's data information will not have found itself in the Police blotters.

Let me explain what happens normally: when a person's report is made to the Police it can be disseminated throughout the Police Station's network within one minute, be it George Town, East End and North Side as intelligence . . .

Hon. D. Kurt Tibbetts: That is my point.

Hon. Samuel W. Bulgin: So, if it is that it turns out that there was nothing criminal about it then what you would have had, Madam Chairman, is that person's information/data being all over the Police Stations and in the Police blotter, only to find out at some stage the whole information has to be scrubbed. So, the purpose of the Reporting Authority is to act as a filter in those circumstances, and having analysed the information, takes the view that it is something that has to be referred to the Police who then investigate.

The point is that the Legal Department does not get involved in the investigations unless at some stage during the investigation the Police require guidance on a particular matter. We, the Legal Department, kick in after the Police have done their information, fact finding and evidence-gathering exercise. Thereafter the file is turned over to us as a complete file, and based on the totality of what appears in that file the Legal Department will advise the Police whether charges should be brought or not.

So, there are different roles to be played at different levels in the pyramid.

The Chairman: The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you, Madam Chairman. I know that the Honourable Second Official Member is not going to agree with me but I could not have made my case any better than the words he just said. I understand now with clarity the different roles but my question was: the same way he said if something gets to the investigative stage where it goes through the Police blotters and the information is disseminated all over the place then there is complete exposure at that point in time, comparatively speaking. It was for that very reason I asked him the question on the gathering of this information; why not the Reporting Authority, instead of taking it on their own to establish the *prima facie* case or not. Why not refer it to the Legal Department or the Attorney General's chambers for him to decide on who or what method should be used to look at it.

I understand what he is saying about the role the Attorney General's Office and the Legal Department would play after all the evidence is gathered. However, my point is that if there is any concern that in the case of innocence there is unnecessary exposure, is he saying that the Financial Reporting Author-

ity (FRA), based on the initial gathering of evidence, is better equipped than the Legal Department to decide whether a prima facie case has been established? If that is what he is saying then I will accept it because he is the Attorney General and he must know which office is better prepared. But if that is not what he is saying then he has not told me why it should not be the Attorney General's chambers who decide on whether further investigations need to be continued. That is my whole point.

I do understand the roles of the various agencies that he speaks to but it has not changed the view that I have put forward; that if you are intending to protect the innocent you need to do so in a manner using all of the resources available to you. And if the Attorney General's Chamber has a resource and it is less of a resource than the FRA then I will accept it coming from the Honourable Attorney General. However, I do not think that he can say that; God forbids that that is really the case.

The Chairman: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Madam Chairman. The Legal Department is staffed with extremely competent lawyers. However, the Law before this Honourable House contemplates that the Reporting Authority is going to have its own legal advisor. That is what the Law says. It says it is going to be staffed by the director, an accountant and an attorney-at-law – all competent people – who will make that sort of initial assessment themselves. So, there is equal competence around the place.

Madam Chairman, let me go on for clarification: the usual suspicious activity report is a one paragraph in most instances. For instance, someone walks off a cruise ship, walks into my bank and attempts to deposit $50,000 or $500,000, as the case may be, and he has some difficulty explaining the source and refusing the business . . .

The Chairman: Honourable Second Official Member, is this a hypothetical situation?

Hon. Samuel W. Bulgin: Yes, Madam Chairman. I am just setting the stage to explain to the Honourable Member what happened but it is clearly hypothetical. In this case it can be either but what I am getting to is that on the face of it that in itself seems suspicious.

The question is whether there is an underlying criminal conduct and what will happen is that the Reporting Authority would conduct an exercise to determine that. This also is a hypothetical example: it might very well turn out that you have a gentleman who is going through divorce proceedings in the United States and is trying to hide his assets from his wife and that is the only reason why he turns up in the Cayman Islands with it. So when you dig into it there is really no underlying criminal conduct but on the face of it, it seems suspicious. And if that is all that happens you do not want to send that information in to the Police blotters and have it sent to Financial Crimes Enforcement Network (FINCEN) and all over the place. It would have defeated the entire purpose of confidentiality. And so that is why we have that honest broker where the Reporting Authority acts as a filter in those circumstances.

The Chairman: I will allow one more supplementary Honourable Member.

Hon. D. Kurt Tibbetts: Madam Chairman, just a comment. I am not going to pursue it any further, all I can say is I have heard exactly what the Honourable Attorney General has said and understand clearly what his point is. As I told him a while ago and will tell him again: with the story he just hypothetically painted, I could not have said it better to prove my case but if they are satisfied that that is who it is and it should not be them then that is how it is. But it is not that they have showed me why.

The Chairman: If there is no further debate I will put the question that the amendment stand part of the clause as it relates to clause 6. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Amendment to Clause 6 passed.

The Chairman: I will now put the question that clause 6 as amended stand part of the Bill. All those in favour please say Aye. Those against, No.
Ayes.

The Chairman: The Ayes have it

Agreed: Clause 6 as amended passed.

Clause 7

The Clerk: Clause 7 Amendment of section 23. Acquisition, possession or use of property representing proceeds of criminal conduct

The Chairman: The amendment has already been moved so I will put the question that the amendment stands part of the clause. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it

Agreed: Amendment to Clause 7 passed.

The Chairman: I will now put the question that clause 7 as amended stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it

Agreed: Clause 7 as amended passed.

Clause 8

The Clerk: Clause 8 Savings and transitional provisions.

The Chairman: The amendment has been duly moved. Is there any debate? Sorry, there is no amendment to clause 8. Is there any debate? If not, I will put the question that clause 8 stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it

Agreed: Clause 8 passed.

The Clerk: A Bill for a Law to amend the Proceeds of Criminal Conduct Law 2001 (Revision) to replace the Reporting Authority with the Finance and Intelligence Unit to be called the Financial Reporting Authority and for incidental and connected purposes.

The Chairman: The question is that the Title stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.
The Chairman: The Ayes have it

Agreed: Title passed.

The Complaints Commissioner Bill, 2003

The Clerk: Clause 1 Short title.

The Chairman: The question is that clause 1 stands part of the Bill. If there is no debate I will put the question that clause 1 stands part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it

Agreed: Clause 1 passed.

The Clerk: Clause 2–

The Chairman: The Honourable Leader of Government.

Hon. W. McKeeva Bush: Madam Chairman, I am in a good mood for the Opposition this afternoon. I want to find out why is he so jealous that I am dealing with the Bill. He feels that the other guys should handle it and not me. Why should an Elected Member not handle it?

[Inaudible]

Hon. W. McKeeva Bush: Good thing it is not.

The Chairman: I believe there is an amendment to Clause 2.

Hon. W. McKeeva Bush: That tells me where you all are at. Go ahead, if you go North Side we will have less trouble.

Madam Chairman, I am sorry that the Opposition has distracted me so much that I did not hear you.

The Chairman: I believe there is an amendment to Clause 2.

Hon. W. McKeeva Bush: Madam Chairman, in accordance with the provisions of Standing Orders 52(1) and (2), I move that Clause 2 be amended by inserting the following definition in its appropriate alphabetical order**—"'maladministration' means inefficient, bad or improper administration and, without prejudice to the generality of the foregoing, includes -**

(a) unreasonable conduct including delay;

(b) abuse of any power (including any discretionary power) or authority including any action which –

(i) is unreasonable, unjust, oppressive or improperly discriminatory or which is in accordance with a practice which is or may be unreasonable, unjust, oppressive or improperly discriminatory; or

(ii) was based wholly or partly on a mistake of law or fact; and

(c) unreasonable, unjust, oppressive or improperly discriminatory procedures;".

The Chairman: The amendment has been duly moved. Does any Member wish to speak?

Hon. W. McKeeva Bush: No, they do not have anything to say except to say "we jealous."

The Chairman: If not, I will put the question that the amendment stands part of the clause. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Amendment to Clause 2 passed.

The Chairman: I will now put the question that the clause as amended as amended now stand part of the Bill.

Agreed: Clause 2 as amended passed.

Clause 3

The Clerk: Clause 3 Appointment of Commissioner.

The Chairman: I believe there is a proposed amendment to clause 3 as well.

Hon. W. McKeeva Bush: Yes, Madam Chairman.

I move that clause 3(2) be amended by deleting the word "four" and substituting the word "five".

The Chairman: The amendment has been duly moved. Does any Member wish to speak? If not, I will put the question that the amendment stand part of the clause. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Amendment to Clause 3 passed.

The Chairman: I will now put the question that the clause as amended stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 3 as amended passed.

Clauses 4 to 6

The Clerk:

Clause 4	Oath of office
Clause 5	Salary and emoluments
Clause 6	Administrative provisions

The Chairman: The question is that clauses 4, 5 and 6 stand part of the Bill. If there is no debate I will put the question that clauses 4, 5 and 6 stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 4 to 6 passed.

Clause 7

The Clerk: Clause 7 Appointment of acting commissioner.

The Chairman: I believe there is a proposed amendment to clause 7.

Hon. W. McKeeva Bush: That clause 7(1) be amended by inserting after the word "Governor" the words "after consultation with the Cabinet".

The Chairman: The amendment has been duly moved. Does any Member wish to speak? If not, I will put the question that the amendment stand part of the clause. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Amendment to Clause 7 passed.

The Chairman: I will put the question that the clause as amended stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 7 as amended passed.

Clause 8

The Clerk: Clause 8 Government entities subject to investigation.

The Chairman: The question is that the clause 8 stand part of the Bill. If no debate I will put the question that clause 8 stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 8 passed.

Clause 9

The Clerk: Clause 9 Powers of investigation.

The Chairman: I believe there is an amendment to clause 9.

Hon. W. McKeeva Bush: Thank you, Madam Chairman. I move that clause 9 be amended by inserting the following as subsection (2) and by renumbering the clause accordingly –

> "(2) In investigating any matter leading to, or resulting from or connected with a decision of a Minister, the Commissioner shall not inquire into or question the policy of the Minister in accordance with which the decision was made."

The Chairman: The amendment has been duly moved. Does any Member wish to speak? If not, I will put the question that the amendment stand part of the Clause. All those in favour please say Aye. Those against, No.

Ayes.

Agreed: Amendment to Clause 9 passed.

The Chairman: The Amendment stands part of the clause. I will put the question that the clause as amended stands part of the Bill. All those in favour please say, Aye. Those against, No.

Ayes.

Agreed: Clause 9 as amended passed.

Clauses 10 to 21

The Clerk:

Clause 10	Conditions of Investigation
Clause 11	Provisions relating to complaints
Clause 12	Procedure and respect of investigation
Clause 13	Evidence
Clause 14	Provision for Secrecy of Information
Clause 15	Obstruction and Contempt
Clause 16	Procedure after investigation
Clause 17	Disciplinary Actions against Officers
Clause 18	Reports by Commissioner
Clause 19	Privileged communications
Clause 20	Regulations
Clause 21	Expenses

The Chairman: The question is that clauses 10 to 21 stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

Agreed: Clauses 10 to 21 passed.

New Clause 8

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Madam Chairman, I move that the Bill be amended by inserting after section 7 the following section 8 that the Bill be renumbered accordingly at "appointment of mediators."

"(1) the Commissioner may from time to time appoint

(a) mediators for the purpose of section 12 or;

(b) professional or technical advisors to assist him in the performance of his functions.

"(2) persons appointed under subsection (1) shall be paid such fees as the Governor in Cabinet may approve."

The Clerk: New Clause 8 Appointment of Mediators.

The Chairman: The question is that the clause be read a second time. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed that the clause be read a second time.

The Chairman: The question is that the clause be added to the Bill as Clause 8 and that subsequent clauses be renumbered accordingly. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: That the clause be added to the Bill as clause No. 8 and that subsequent clauses be renumbered accordingly.

New Clause 12

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Madam Speaker, I move that the following section (b) be inserted after section 10 to be renumbered as section 12, dealing with complaints by mediation—

"12 (i) The Commissioner may decide to deal with a complaint by mediation under this Section if he is of the opinion having regard to all the circumstances of the case that the subject matter of the complaint involves only minor mal administration;

(ii) the Administrator shall appoint in accordance with Section 8 such person as he thinks fit to be a mediator in any mediation;

(iii) the Commissioner shall not participate in any mediation;
(iv) participation in mediation by the complainant and the relevant Government entity is voluntary and the party may withdraw at any time;
(v) the mediator may terminate the mediation at any time;
(vi) where an attempt to deal with a complaint by mediation under this section is unsuccessful:

(a) the complainant is to be treated as if the mediation had not taken place and
(b) the mediator is excluded from participating as an investigating officer in any subsequent investigation of the complaint.
(vii) Anything said or admitted during mediation and any document prepared for the purpose of such mediation shall not be admissible in evidence;
(a) in any subsequent investigation of the complaint concerned unless the person who said or admitted the thing or to whom the document relates consents to its admission or;
(b) against any person in any court or at any inquiry or in any other proceedings and no evidence in respect of the mediation may be given against any person, nothing in this section prevents a complaint from being dealt with otherwise in accordance with this section."

New Clause 12

The Clerk: New Clause 12 Dealing with complaints by mediation.

The Chairman: The question is that clause 12 be read a second time. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman The Ayes have it.

Agreed: Clause read a second time.

The Chairman: The question is that clause 12 be added to the Bill as clause No. 12 and that subsequent clauses be renumbered accordingly. All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause added to the Bill as Clause 12.

New Clause 21

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Madam Chairman, I move that the following section be inserted after section 18 to be numbered as section 21 and that the Bill be renumbered accordingly. Appeals restricted.

"21. No proceeding of the Commissioner maybe held bad for want of form and except on the ground of lack of jurisdiction. No proceeding or decision of the Commissioner conducted or taken in good faith is liable to be challenged, reviewed, quashed or called in question in any Court."

The Clerk: New Clause 21 Appeals restricted.

The Chairman: The question is that this clause be read a second time. All those in favour please say Aye. Those against, No.

Ayes. The Ayes have it.

Agreed: Clause read a second time.

The Chairman: The question also is that this clause be added to the Bill as clause no. 21 and that subsequent clauses be renumbered accordingly. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: I believe the Ayes have it.

Agreed: Clause added to the Bill as Clause 21 and that subsequent clauses be renumbered accordingly.

Schedule 1

The Clerk: Schedule 1 Oath for the Due Execution of the Office of Commissioner.

The Chairman: The question is that schedule 1 stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Schedule 1 passed.

Schedule 2

The Clerk: Schedule 2 Matters Not subject to investigation.

The Chairman: The question is that schedule 2 stands part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: I believe the Ayes have it.

Agreed: Schedule 2 passed.

The Clerk: A Bill for a Law to provide for the Appointment and Functions of a Complaints Commissioner for the Investigation of Administrative Action taken by Government Entities and for Incidental and Connected Purposes.

The Chairman: The question is that the Title stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Title passed.

The Chairman: The question is that the Bills be now reported to the House. All those in favour please say Aye. Those against, No.
Ayes.

The Chairman: I believe the Ayes have it. That concludes proceedings in Committee.

Agreed that the Bills be reported to the House.

House Resumed At 4.03 pm

REPORTS ON BILLS

The Proceeds of Criminal Conduct (Amendment) Bill 2003

The Speaker: Please be seated. Proceedings are resumed.

The Honourable Second Official Member.

Hon. Samuel Bulgin: Thank you, Madam Speaker.

I beg to report that a Bill for a Law to amend the Proceeds of Criminal Conduct Law 2001 (Revision) to replace the Reporting Authority with the Financial Intelligence Unit to be called the Financial Reporting Authority and for incidental and connected purposes having been considered by a Committee of the Whole House and passed with amendments.

The Speaker: The Bill has been duly reported and is

The Honourable Leader of Government Business.

The Complaints Commissioner Bill, 2003

.**Hon. W. McKeeva Bush:** Thank you, Madam Speaker. I know you have to be a bit confused. The Opposition said I was not supposed to be doing this.

I have to report that a Bill shortly entitled The Complaints Commissioner Bill 2003 was considered by the Whole House and passed with amendments.

The Speaker: The Bill has been duly reported and is set down for its Third Reading.

THIRD READINGS

The Proceeds of Criminal Conduct (Amendment) Bill 2003

The Speaker: The Honourable Second Official Member.

Hon. Samuel Bulgin: Thank you, Madam Speaker. I move that a Bill for a Law to amend the Proceeds of Criminal Conduct Law 2001 Revision to replace the Reporting Authority with a Financial Intelligence Unit to be called the Financial Reporting Authority and for incidental and connected purposes to be given a third reading.

The Speaker: The question is that a bill shortly entitled The Proceeds of Criminal Conduct (Amendment) Bill 2003 be given a third reading and passed. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: I believe the Ayes have it.

Agreed. The Proceeds of Criminal Conduct (Amendment) Bill 2003 given a Third Reading and passed.

The Complaints Commissioner Bill, 2003

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Madam Speaker, I beg to move that a Bill shortly entitled The Complaints Commissioner Bill, 2003 be given a Third Reading and passed.

The Speaker: The question is that the Complaints Commissioner Bill, 2003 be given a Third Reading

and passed. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: I believe the Ayes have it.

Agreed. The Complaints Commissioner Bill 2003 given a Third Reading and passed.

The Speaker: Is it the intention of the House to continue on with the business until 4.30 pm or would the House wish an afternoon break?

[Pause]

The Speaker: All right.

I recognise the Honourable Leader of Government Business.

Suspension of Standing Orders 45 and 46(1)

Hon. W. McKeeva Bush: Madam Speaker, I move the suspension of the relevant Standing Order.

The Speaker: The question is that the Standing Orders 45 and 46(1) be suspended. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Orders 45 and 46(1) suspended.

FIRST READING

The Cayman Islands Development Bank (Amendment) Bill 2003

The Speaker: The Bill is deemed to have been read a first time and set down for second reading.

SECOND READING

The Cayman Islands Development Bank (Amendment) Bill 2003

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Thank you, Madam Speaker. I beg to move [the second reading of] a Bill for a Law to amend The Cayman Islands Development Bank Law 2001 and for incidental and connected purposes.

The Speaker: The Bill has been duly moved. Does the Honourable Leader of Government wish to speak thereto?

Hon. W. McKeeva Bush: Thank you, Madam Speaker.

The Cayman Islands Development Bank Law, Law 34 of 2001 was enacted in the Legislative Assembly on 5 December 2001 and assented to by His Excellency the Governor on 4 February 2002.

Following the passage of the Law, several practicalities needed to be put in place to ensure that the CIDB Law is in sync with the ongoing public management and finance reform and in compliance with the recommendations of the Monetary Authority.

A number of minor amendments to the Law is therefore being proposed and are embodied in the draft Bill, which has been circulated to Members of this Honourable House. Primarily, the Bill seeks amendments to sections 21 and 24 of the Law to change the CIDB fiscal year end from December 31 to June 30, which would bring it in line with the Public Management and Finance Law that specifies a new fiscal year end of June 30 for the entire Public Service. Also, to provide for the Monetary Authority to make recommendations to the Governor in Council in regards to a change in Director or Officer of the Bank.

Madam Speaker, as you will have realised these are just minor amendments and do not militate against the central operations of this financial institution.

I, therefore, wish to table the Bill for a Law to amend the Cayman Islands Development Bank Law (2001) and ask that it be passed.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Last call. Does any other Member wish to speak? If not I will recognise the Honourable Leader to exercise his right of reply.

Hon. W. McKeeva Bush: Madam Speaker, just to thank Members for their support and we will have a short amendment when we get to committee stage. Thank you.

The Speaker: The question is that a Bill shortly entitled The Cayman Islands Development Bank (Amendment) Bill, 2003 be given a Second Reading. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: I believe the Ayes have it.

Agreed: The Cayman Islands Development Bank (Amendment) Bill 2003, given a Second Reading.

The Information and Communications Technology Authority (Amendment) Bill, 2003

The Speaker: The Honourable Deputy Leader.

Hon. Linford A. Pierson: Madam Speaker, I beg to move that a Bill for a Law to amend the Information and Communication Technology Authority Law 2002 and for incidental and connected purposes [be given a second reading]

The Speaker: The Bill has been duly moved. Does the Honourable Member wish to speak thereto?

Hon. Linford A. Pierson: Madam Speaker, just to make a short contribution as the Bill is fairly straight forward. This Bill amends the Information and Communication Technology Authority Law 2002 in order to provide against anti-competitive practices in the provision of Information and Communications Technology (ICT) Services and ICT Networks in the Islands.

The Bill also seeks to give power to the Authority to impose administrative fines. Other miscellaneous amendments are included in the Bill. Clauses 1 to 14 are fairly straight forward and some of those amendments are consequential changes.

Clause 15 inserts part 3 (a) which provides, again, anti-competitive practices. This part of the Bill is based on the Competition Act 1998 of the UK which complies with Articles 81 and 82 of the European Commission Treaty of Rome. Madam Speaker, just to expand on this Clause—

"The Agreements by or between licences or between one or more licences any other person decision by licences are concerted practices which

"a) may affect trade in the Islands and

"b) have as their object or effect the prevention restriction or distortion of competition relating to any ICT Service or ICT Networks subject to this law are prohibited."

Section 2. subsection (1) applies in particular to agreements, decisions or practices which

"a) directly or indirectly fix purchase or selling prices or any other trading conditions

"b) limit or control production, markets technical developments or investments

"c) share markets or sources of supply

"d) apply the similar conditions to equivalent transactions with other parties thereby placing them at a competitive disadvantage

"e) make the conclusion of contract subject to acceptance by the other parties of supplementary obligations which by their nature or according to commercial usage have no connection with the subject of such contract."

Madam Speaker, section 3(1) applies only if the Agreement, decision or practice is or is intended to be implemented in the Islands or is, or is intended to be implemented in such other manner as will affect the operation of any ICT Network or ICT Service in the Island.

Section 4. "Any agreement or decision which is prohibited by subsection (1) is void. Madam Speaker, subsection (5), a provision of this part which is expressed or applied to, or in relation to an agreement is to be read as applying equally to, or in relation to a decision by a licensee or concerted practice by which any necessary modification unless the context otherwise requires."

In subsection (6) the Islands means "in relation to an Agreement which operates or is intended to operate only in part of the Islands that part."

Part 3 (a) seeks to outlaw agreements, business practices and conduct that may damage competition in the Islands. Section 34(b) which is called the Prohibition applies to both informal and formal agreements whether or not they are in writing. So an informal understanding where companies (a) and (b) agree to match the prices of company (c) will be caught in the same way as a formal agreement between competitors to set prices.

Section 34 (f). Prohibition covers the abuse by one or more businesses of a dominant position in the market. Section 34 (f) (ii) gives examples of specific types of conduct that are particularly likely to be considered as abuse of a dominant position. These include:

(a) imposing unfair purchase or selling prices;

(b) limiting production markets or technical development to the prejudice of customer consumers;

(c) applying different trading conditions to equivalent transactions thereby placing certain parties at a competitive disadvantage; and

(d) attaching unrelated supplementary conditions to contracts

Madam Speaker, sections 34 (g), 34 (h), 34 (i) and 34 (j) deal with the investigatory powers of the Authority in relation to licences and undertakings which infringe the prohibition set out in section 34 (b) and 34 (f). And the Authority will have the power to enter premises pursuant to a warrant to search premises and take possession of relevant documents.

Section 34 (k) is very important. It states that "a person shall not be required under any provisions of this part to produce or disclose privileged communications." This deals with privileged communication.

Privileged communication means the communication:

"a) between a professional legal advisor and his client or,

"b) made in connection with or in contemplation of legal proceedings and for the purposes of those proceedings which in proceedings in the Court would be protected from disclosure on grounds of legal professional privilege."

Madam Speaker, I would like to move on to another very important section: 34 (t). This applies to any period of time prior to any person entering into an agreement where that person is of the opinion that the agreement may infringe the section 34 (b) prohibition and he has notified the Authority of the intended agreement and has requested a decision as to whether an exemption can be granted with respect to the intended agreement.

Madam Speaker, clause 17 of this Bill repeals and replaces section 38 (1) in order to clarify that the Authority may but is not obligated to set up the Universal Service Fund. This is found on page 26. It reads:

"The principal Law is amended" in section 38 "by repealing subsection (1) and substituting the following subsection which reads as follows: "The Authority for the purposes set out in section 39 may establish a fund to be known as the Universal Service Fund and such fund if established shall be managed by the Authority in accordance with regulations made by the Governor in Cabinet after consultation with the Authority."

Clause 20 amends section 48 which deals with infrastructure sharing. This is most important. The new subsection (2) of section 48 will provide that -

"A licensee shall not deny another licensee access to its infrastructure or infrastructure arrangement except

"a) where there is insufficient capacity taking into account reasonably anticipated requirements;

"b) there are reasons of safety or security; or

"c) there are technical and engineering matters which would make such access difficult or impossible."

Madam Speaker, clause 21 inserts section 48 (a), which provides that a licensee shall not divulge confidential information of another licensee except in certain limited circumstances. They are perhaps some of the most important amendments being sought to the Information Communication Technology Authority Law. However, in addition to that, I intend to move in committee stage an amendment to the Law which will have the effect of amending section 53 (2) by repealing the words "in obedience to warrant or order issued by the Governor" and substituting "the Governor" with "a Judge of the Grand Court." It is my intention to go into further details of this in committee stage.

Madam Speaker, I would like to say here that when the original Bill was being prepared and brought to Executive Council the then Governor had that section replaced where it referred to a Judge in the Grand Court. I have every reason to believe after discussing this with the present Governor that he might also have a problem with this amendment. However, it is the view of the Government that it is appropriate that any interception of a telephone line should be done on the order of a Judge of the Grand Court for various reasons that have already been mentioned during previous debates. I will not go into those again.

Madam Speaker, I would ask all Honourable Members to give their support to these amendments. Thank you.

The Speaker: Thank you. Does any other Member wish to speak? The Elected Member from the district of East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. I rise to make my contribution to the Law to amend the Information and Communication Technology Authority Law 2002 that is currently before us.

Maybe I should start off with the amendment that the Minister introduced by saying that when this Bill initially came to the House in 2002, I spoke out very passionately against the Governor having the authority to tap phones, intercept conversations and telecommunications in this country. At that time I asked that it be changed. I understand that the Government was under certain restrictions by the former Governor and his rulings and it was not changed. I must now applaud the bravery of the Minister for bringing it back and I commend him accordingly.

There are a number of issues I see in the amendment to this Bill and I have some concerns with them, but very importantly is the area of giving so much sweeping powers to the Authority; being able to enter premises.

Hour of Interruption—4.30 pm

Suspension of Standing Order 10(2)

The Speaker: We have reached the hour of interruption. I recognise the Leader of Government Business for the motion of adjournment or for the suspension of Standing Orders 10(2) to allow the House to continue.

Hon. W. McKeeva Bush: Madam Speaker, we had agreed to continue until 5 pm so I will move the suspension of the relevant Standing Order to continue until that time.

The Speaker: The question is that Standing Order 10(2) be duly suspended to allow the House to carry on its proceedings until 5 pm today. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: I believe the Ayes have it.

Agreed: Standing Order 10(2) suspended to allow proceedings to continue until 5 pm.

The Speaker: Please continue Elected Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. As I was saying there seems to be a number of areas in this amendment to the ICTA Law that I am a little concerned about; when it starts giving powers to an Authority where they can enter premises and get involved in the management of these companies. I hold no brief for anyone but I do have some concerns when it appears that the micro management . . . and I understand what the Government is trying to do, it is trying to prevent unfair competition in the industry. However, when we start to get into requiring that the Authority can issue warrants to take equipment from premises and the likes where there is reason to believe that someone has infringed on the law, I find that quite unfortunate that we have to go to that length in order that companies stay in line. I then looked at the exemptions under section 34 (c). The Authority may grant an exemption from section 34 (b) with respect to a particular agreement. Now 34 (b) (i) reads: "Agreements by or between licensees or between one or more licensees and any other person decisions by licensees or concerted practises which

"a) may affect trade in the Islands; and

"b) have as their object or effect in the prevention, restriction or distortion of competition relating to any ICT Service or ICT Network subject to this Law or prohibited."

Subsection (2) says: "Subsection (1) applies in particular to agreements, decisions or practises which -

"a) directly or indirectly fixed purchase or selling prices or any other trading conditions;

"b) limit or control production markets, technical development or investment;

"c) share markets or sources of supply;

"d) apply dissimilar conditions to equivalent transactions with other parties thereby placing them at a competitive disadvantage; and

"e) make the conclusion of contract subject to acceptance by the other parties of supplementary obligations which by their nature or according to commercial usage have no connections with the subject of such contracts."

Madam Speaker, my concern is: why would we want to exempt any company from such things. If it is in the best interest of the country that an agreement on direct or indirect fixed purchase or selling prices of any or other trading conditions and share markets or sources of supply -

"e) make the conclusion of contracts subject to acceptance by other parties of supplementary obligations."

Madam Speaker, I do not understand why we would want to exempt anyone from ensuring that they live up to these requirements. When we look at these five conditions, it is quite obvious that these would be in the best interest of this country and the consumer. I see no reason why there should be a need for exemption from them. Are we saying that the Board should have the authority to exempt some companies from living up to these in order that competition stays alive? So what about the other companies? Would it not be unfair to them? That is why I said it appears that we are getting into the micro management of the competition.

Madam Speaker, another area that I was concerned about with the micro management is . . . and maybe I will just go on to another section Madam Speaker.

Section 20, under amendment of section 48, Infrastructure Sharing. While I appreciate that the Law currently has provisions in it for infrastructure sharing this section seems to, in a little more definite way, clarify the infrastructure sharing. The reason I say that is because we heard recently that some nine or six providers were given licences. I personally know that there are a number of antennas that are being applied for through the Planning Authority.

Madam Speaker, the Leader of Government Business is saying that I should stop objecting to them. Well, I am going to take the objection that I just made to the extent of the Law.

In areas where there is infrastructure currently in place there should be no need to, within the same proximity, add additional infrastructure. I appreciate when the amendment requires that infrastructure be shared. Where there is sufficient capacity taken into account, reasonable anticipated requirements, there are reasons of safety or security or there are technical and engineering matters which would make such access difficult or impossible are the only reasons where it should not be shared.

Madam Speaker, we see the erection of so many antennas over the last few years strategically placed around the country and while I personally do not want to be standing in the way of competition and what is good for the country, I believe that the proliferation of these antennas is not in the best interest of aesthetics, safety and the likes. I have had personal experience with it and I really do not want to oppose these things just for opposition sake. The Leader of Government Business can groan as much as he wants but if he owned 8 acres of property and they had an antenna on one side of it and they tried to put another one between it and the road, he would not be groaning, he would be out there opposing too. That is what I am talking about: objection without really wanting to object. I think there are other areas within the country that can accommodate these antennas and regardless it matters not to me who these companies are. These are some of the things that the Authority needs to take into consideration.

I welcome and implore them to look at the sharing of infrastructure in this country in the telecommunication industry. It is absolutely necessary. No one should be allowed to prevent the sharing for frivolous reasons like restrictions on height; that they cannot get their antennas to the required height. The

other provider who needs an antenna will have the expense anyway of putting the entire infrastructure in. Why is it that those cannot share by building on to the current infrastructure, whichever company that is for? Certainly I agree that there will be areas where there are no antennas currently and someone is going to have to put them down. However, in some instances I believe there should be a particular requirement that they all share in those locations as well if they so desire. There should not be many restrictions on height but the residential areas should have sufficient lands to contain the antenna if it happens to fall in the event of hurricanes or the likes. So, I welcome that section of the Law and I look forward to hearing that all these providers will be sharing infrastructure, particularly in the area of antennas.

Madam Speaker, section 22 of the amendment speaks to an amendment in section 49 (1) which says: "By repealing the words 'Governor in Council' and substituting the word 'Authority.'"

Madam Speaker, the principal Law says, "The Authority shall establish and manage a national plan for the allocation of telephone numbers among licensees in accordance with the regulations made in that respect under this Law by the Governor in Council."

If we apply the amendment to it, it would say, "The Authority shall establish and manage a national plan for the allocation of telephone numbers among licensees in accordance with the regulation made in that respect under this Law by the Authority."

Madam Speaker, maybe I am way off track here but perhaps the Minister can let us know what regulations we are talking about. We are taking that authority to make regulations in this respect away from Cabinet and giving it to an Authority. There may be some reasons for doing that, I have not seen them but I am sure the Minister will be able to assist us in that regard.

Again, my concern is the level of micro management; how far does the ICT Authority should be allowed to go? I understand the Minister when he says that much of these amendments are keeping in line with the European Committee regulations of Rome, I think she said (something to that effect).

Madam Speaker, while I appreciate our hopes and dreams to get the telecommunication in the country regulated, we cannot, in its entirety, give full authority to the Authority, in that, not only this Authority (the current board) but there will be other boards. I am not trying to make any aspirations or allegations against any one but this is a very competitive business and there has to be some control exercised by Cabinet. This amendment is giving the Authority some very sweeping responsibilities and authority and I am extremely concerned that maybe we should keep the control that this amendment proposes to give to the Authority.

With those few words I sit down, but in essence we agree and maybe the Minister can clarify some of the few areas that I briefly spoke on in his reply.

I thank you, Madam Speaker.

The Speaker: Thank you. Does any other Member wish to speak? Does any other Member wish to speak? Final call. Does any other Member wish to speak?

If no other Member wishes to speak, I will recognise the Honourable Deputy Leader if he wishes to exercise his right of reply. If not, I recognise the Leader of Government.

[Inaudible]

The Speaker: Sorry.

Honourable Leader . . . *[Completion of statement inaudible.]*

[Pause]

The Clerk: Question Time Recommitted.

[Pause]

The Speaker: I recognise the Second Elected Member for the district of Cayman Brac and Little Cayman.

QUESTIONS TO HONOURABLE MINISTER AND OFFICIAL MEMBERS OF THE CABINET

(Recommitted)

The Speaker: I recognise the Second Elected Member for the district of Cayman Brac and Little Cayman

Mr. Lyndon L. Martin: Thank you, Madam Speaker. Questions Nos. 86 to 93 standing in my name are put to the Minister of Tourism, Environment, Development and Commerce. Although there is no specific Standing Order, I am hoping to withdraw these questions. Is it necessary for me to read each one into the record?

Questions Nos. 86 to 93 *(Withdrawn)*

No. 86: What were the tourism arrival figures for Cayman Brac and Little Cayman for the past five years?

No. 87: With air lift being commonly accepted as being one of the contributing factors to the economic difficulties faced in Cayman Brac, what are the future plans for improved air service by Cayman Airways Ltd. to Cayman Brac and Little Cayman?

No.88: What is the status of the implementation of a Motion, accepted by Government, to reduce the num-

ber of years to be fully vested for firemen in the Cayman Islands?
No. 89: If the Ministry has pursued the introduction of a day trip to Cayman Brac as an added attraction to the many cruise tourists.

No. 90: If there is a formal policy on the promotion of cliff climbing as an added attraction on Cayman Brac.

No. 91: What is the Government's policy on the future extension of Cemetery Pier, its designation as an alternative cargo dock, and the shifting of the existing replenishment zone to avoid the inclusion of the Pier?

No. 92: If the National Beautification Committee and/or Cayman Brac and Little Cayman Beautification Committee has convened any meetings to date and is there a budget to support these programs?

No. 93: If the Committee on the introduction of a national lottery has reported on its findings and, if so, what were they?

The Speaker: Is there a seconder?

Hon. Cline A. Glidden, Jr.: I beg to second that motion, Madam Speaker.

The Speaker: The question is that questions 86 to 93 be withdrawn. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: I believe the Ayes have it.
Agreed. Questions Nos. 86 to 93 withdrawn.

GOVERNMENT BUSINESSS

Suspension of Standing Order 24(5)

The Speaker: The Deputy Leader of Government.

Hon. Linford A. Pierson: Madam Speaker, I wish to make a motion to suspend Standing Order 24(5) to allow me to bring Government Motions during the current meeting. That Standing Order, as most Members are aware, deals with the five-day notice that is required prior to the commencement of a meeting.

The Speaker: The question is that Standing Order 24 (5) be suspended. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 24(5) suspended.

ADJOURNMENT

The Speaker: May I now have the motion for the adjournment by the Honourable Leader of Government Business?

Hon. W. McKeeva Bush: Madam Speaker, I move the adjournment of this Honourable House until 10 am tomorrow morning.

The Speaker: The question is that the Honourable House do adjourn until 10 am tomorrow morning. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: I believe the Ayes have it.

At 4.58 pm the Honourable House stood adjourned until Thursday, 2 October 2003, at 10 am.

OFFICIAL HANSARD REPORT
THURSDAY
2 OCTOBER 2003
11.12 AM

Ninth Sitting

The Speaker: I invite the Honourable Third Official Member to grace us with prayers.

PRAYERS

Hon. George A. McCarthy: Let us pray.

Eternal Father, in whose presence our souls find the light: We beseech Thee to direct and prosper the deliberations of the Legislative Assembly now assembled that all things may be ordered upon the best and surest foundations for the glory of Thy Name and for the safety, honour and welfare of the people of these Islands.

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 11:15 am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received notice of apologies for late attendance from the Honourable Minister responsible for Health.

PRESENTATION OF PAPERS AND OF REPORTS

Report of the Standing Finance Committee on the New Prospect Primary School

Hon. George A. McCarthy: Madam Speaker, I beg to lay upon the Table of this Honourable House the Report of the Standing Finance Committee on the New Prospect Primary School, for the meeting held on 12th August 2003.

The Speaker: So ordered. Does the Honourable Member wish to speak to it?

Hon. George A. McCarthy: Madam Speaker, as the deliberations of the meeting were publicly aired, I don't think it will be necessary to give further details at this time. All other Honourable Members have been apprised as to the details in support of that project.

The Speaker: Thank you, Honourable Member

STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE CABINET

Statement on the Report of the Cayman Islands Electoral Boundary Commission 2003

The Speaker: I recognise the Honourable Leader of Government Business.

Hon. W McKeeva Bush: Madam Speaker, I rise to make a statement on the Report of the Cayman Islands Electoral Boundary Commission 2003, which has been received by all Members of this Legislative Assembly, and is slated to be laid upon the Table of this Legislature by the Acting First Official Member tomorrow, Friday.

Madam Speaker, by way of background information, the Electoral Boundary Commission was established under section 28A of the Cayman Islands (Constitution) (Amendment) Order 2003. The Commission consists of a Chairman, appointed by the Governor, acting in his discretion; one member appointed by the Governor, acting in accordance with the advice of the Leader of Government Business; and one member appointed by the Governor, acting in accordance with the advice of the Leader of the Opposition.

The following persons were appointed: Mr Carl Dundas, Chairman; Mr Eddinton Powell (appointed on the advice of the Leader of Government Business); Ms. Adrianne E. Webb (appointed on the advice of the Leader of the Opposition).

The mandate of the Electoral Boundary Commission was: "**to submit a report to the Governor, as soon as practicable after its appointment, recommending the boundaries of 17 electoral constituencies into which the Cayman Islands should be divided with a view to each such constituency returning one member to the Legislative Assembly."**

The Commission has submitted its report within the allotted time frame, and I am informed that they worked diligently to provide a comprehensive report. Madam Speaker, I regret to advise that the United Democratic Party is unable to accept the Report of the Electoral Boundary Commission 2003, and will not be supporting the single member constituencies—that is, the concept of *one-man-one-vote*—for the upcoming general elections in 2004.

It should be noted that one of the methods employed by the Commission to seek public input was an invitation for submissions. The Commission received a total of eight submissions from individuals, groups of individuals or organisations. Additionally, district public meetings were held and were poorly attended. In Grand Cayman, public meetings were held in each of the five electoral districts. Thirty-seven people attended in the district West Bay. In the district of George Town, 15 persons attended. In Bodden Town, 16 persons attended. In North Side, seven persons attended. In East End, three persons attended. In Cayman Brac, 11 persons attended, and in Little Cayman, no one attended the meeting.

Madam Speaker, we cannot, therefore, conclude that there is widespread public support, at this time, for the concept of 17 single member constituencies—for *one-man-one-vote*—in the Cayman Islands.

Madam Speaker, on Tuesday last, we informed his Excellency the Governor of the decision of the United Democratic Party not to support *one-man-one-vote*. Yesterday, I asked the Leader of the Opposition for a short meeting in the morning; he agreed to have one in the afternoon. We—that is, all the Elected Members (with the exception of the Deputy Leader of Government, with whom we had held discussions together as a party; the Second Elected Member for George Town, who was absent for the entire sitting; and the Minister of Education, who is, of course, off the Island on Government business—met after the adjournment yesterday.

At that meeting yesterday, Madam Speaker, we informed all Members of our decision not to support *one-man-one-vote*, and shared with each Member a communiqué from his Excellency the Governor. After reading that communiqué, the Leader of the Opposition said he needed time to respond. He has issued a very detailed and, sadly, a most erroneous statement this morning, to which I will later reply.

Proposed Draft Constitution

Hon. W McKeeva Bush: Madam Speaker, I also wish to lay upon the Table of this Honourable House a copy of the draft Constitution, which is proposed to come into force—with new amendments—in 2004, on the results of the General Elections.

Notice of Motion to debate the Draft Constitution

Hon. W McKeeva Bush: Madam Speaker, we have been having discussions with our people about this draft. I here and now give notice of a motion, which I will move in the November meeting, to debate the draft Constitution. Although we have had discussions with our constituents on the proposed Constitution, we will continue to discuss the proposals. I can also say that we have asked the Chamber of Commerce to chair a bipartisan committee for further discussions on the Constitution, as proposed by the UK. Thank you, Madam Speaker.

The Speaker: Thank you, Honourable Leader of Government Business. I have also received notice for a statement to be made this morning by the Honourable Deputy Leader.

New Government Policy-sharing of Communication Towers with ICT Licensees

Hon. Linford A. Pierson: Thank you, Madam Speaker. A number of new Information and Communications Technology (ICT) Licences are about to be finalised by the ICT authority, as part of my mandate to liberalise the telecommunications market. The new licensees will be constructing their networks over the next several months, and are expected to offer services shortly thereafter.

Due to the nature of wireless communications, some of the new licensees must install a number of communication towers in order to provide adequate services to their customers. However, to prevent a proliferation of towers across the landscape of these Islands, the ICTA has established guidelines encouraging the co-location of ICT network equipment on existing communication towers, where such an arrangement is technically feasible. Some of the ICT licensees have already approached my Ministry, enquiring as to whether they may utilise existing government-owned communication towers in order to support their company's new wireless equipment.

These towers were originally constructed to support the various antennae and cables for the Government paging and radio communications systems, as well as Radio Cayman. They have been installed at strategic locations throughout these Islands, and are self-supporting structures, designed to withstand hur-

ricane force winds in excess of 150mph. These towers are built on specially engineered, reinforced foundations, so they do not require guide wires to maintain their integrity. In accordance with the established guidelines by the ICTA, the Government has adopted a new policy that applies to its own towers that makes space available for ICT licensees' antennae and cables at government owned facilities.

Accommodating some of these new wireless networks at government tower sites will provide a new source of revenue. They are mutual benefits of permitting the ICT licensees to utilise the communication towers that have access capacity. This would allow Government to obtain additional revenue estimated at $2000 - $4000 per tower per month, through leasing agreements with ICT licensees. By locating private sector ICT network equipment on existing government towers, this may help to reduce the total number of new towers that will need to be constructed. This new policy is another example of how public-private sector partnerships can be beneficial to all parties involved. The Government looks forward to concluding agreements that the new ICT licensees in our continuing efforts of working together in the best interests of the Cayman Islands.

Thank you, Madame Speaker.

The Speaker: Thank you Honourable Minister. I have asked the Deputy to deputise for me. At this time we will do the change over.

[Deputy Speaker in the Chair]

The Speaker: Proceedings are resumed.

Can we have the motion for the suspension of Standing Orders 45 and 46(1) and (2)?

Suspension of Standing Orders 45, 46(1) and (2)

Hon. Linford A. Pierson: Mr. Speaker, I beg to move the suspension of the relevant standing order.

The Speaker: The question is Standing Orders 45 and 46(1) and (2) be suspended. All those in favour please say Aye.

Ayes.

The Speaker: The Ayes have it. Standing Orders 45 and 46(1) and (2) are suspended.

Agreed: Standing Orders 45, 46(1) and (2) are suspended.

[Inaudible]

The Speaker: Honourable Member, we have no notice of any Private Members motions so we have no need for that.

GOVERNMENT BUSINESS

BILLS

FIRST READINGS

The Loan (No. 2) Bill 2003

The Speaker: The Bill is deemed to have been read the first time and is set down for the second reading.

The Public Service Pensions (Amendment) Bill 2003
(Withdrawn)

The Speaker: I recognise the Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, thank you. In accordance of Standing Orders 58 or other relevant Standing Orders, I beg to withdraw the Public Service Pensions (Amendment) Bill 2003, and for the amended Bill to be brought back at a subsequent sitting or meeting of this Honourable House, quite likely in November. The reason being, Mr. Speaker, is that the substantive law that is now being amended has certain gaps in it; there are certain omissions of previous amendments, and as a consequence the amending bill is not lining up with the current law. I am proposing that it be withdrawn.

The Speaker: Thank you Honourable Member.

SECOND READINGS

The Information and Communications Technology Authority (Amendment) Bill 2003

The Speaker: I recognise the Deputy Leader of Government.

Hon. Linford A. Pierson: Mr. Speaker, I should like to begin by thanking my good friend, the Elected Member for East End, for his valuable contribution and in particular for his support, or hopefully for his support, for my committee stage amendment. I would also like to acknowledge his consistent opposition to provisions giving the Governor the power to authorise the interception of messages. I also note his concern about wide-ranging powers delegated to the ICT authority, but as I will demonstrate in what follows, I believe that what is proposed in these amendments is both appropriate and necessary. Moreover, we have not blindly incorporated legislation from the UK or Europe but rather have modified it to include checks and balances that are appropriate for the Cayman Islands.

In the Honourable Member's first substantive point on the Bill itself, he remarked that he had concerns about giving the Authority the power to issue

warrants to remove equipment and other material from a company's premises. Mr. Speaker, were this the case, I would share his concern. In fact, the new 34I that this Bill proposes, on page 16, states only that: **"the Authority may apply to the Court for a warrant and that a judge may issue that warrant only if he is satisfied"**, let me repeat that: it states that a judge may issue the warrant, not the Authority:

"a) where he is satisfied that there are reasonable grounds for suspecting there are on any premises documents-

i) the production of which has been required under section 34G".

Just before continuing, to refresh Members' minds, I would just like to read 34G of the Bill. 34G states: **"Without limiting the generality of section 9 (3) (c)"** and that is of the Principle Law, **"the Authority may conduct an investigation under this Part, on application by any party or on its own initiative if there are reasonable grounds for suspecting-**

a) that the section 34B prohibition has been infringed; or

b) that the section 34F prohibition has been infringed."

Just for clarity, Mr. Speaker, section 9 (3) (c) of the substantive or principle law, that is The Information and Communications Technology Authority Law 2002 states **"Without prejudice to the generality of subsections (1) and (2), the principal functions of the Authority are- c) to investigate and resolve complaints from consumers and service providers concerning the provision of ICT services and ICT networks;"** This is a most important point that the Member raised and I believe that for clarity and to explain this further I will read certain sections from the amending bill itself. 34I states **"On an application made by the Authority to the court in accordance with rules of court, a judge may issue a warrant if he is satisfied that- a) there are reasonable grounds for suspecting that there are on any premises documents-**

i) the production of which has been required under section 34G" as I have mentioned already and

ii) which have not been produced as required;

b) there are reasonable grounds for suspecting that-

i) there are on any premised documents which the Authority has power under section 34G to require to be produced; and

ii) if the documents were required to be produced, they would not be produced but would be concealed, removed, tampered with or destroyed.

(2) A warrant under this section shall authorise a named officer of the Authority, and any other officers of the Authority whose assistance the investigating officer considers necessary in the circumstance-

a) to enter the premises specified in the warrant, using such force as is reasonably necessary for the purpose;

b) to search the premises and take copies of, or extracts from, any document appearing to be of a kind in respect of which the application under subsection (1) was granted ("the relevant kind");

c) to take possession of any documents appearing to be of the relevant kind if –

i) such action appears to be necessary for preserving the documents or preventing interference with them;"

and Mr. Speaker, I trust that the Honourable Member is listening to the points I am making because they are for his benefit …. or

"ii) it is not reasonably practicable to take copies of the documents on the premises;

d) to take any other steps which appear to be necessary for the purpose mentioned in paragraph (c) (i);

e) to require any person to provide an explanation of any document appearing to be of the relevant kind or to state, to the best of his knowledge and belief, where it may be found;

f) to require any information which is held in a computer and is accessible from the premises and which the named officer considers relates to any matter relevant to the investigation, to be produced in a form in which it can be taken away, and in which it is visible and legible."

Mr. Speaker, the Bill goes on to discuss this issue of the power to enter premises under warrant, but the major point to make is that it is on the application by the Authority to the court, in accordance with the rules of the court, that a judge may issue a warrant. Such a warrant would not be issued through the Authority neither would the Authority be able to enter premises unless that authority was given. You will notice that only judges not the Authority may issue a warrant. Secondly, such a warrant can only be issued in clearly specified circumstances and thirdly, the provision speaks only to documents not equipment or other material.

Mr. Speaker, the Honourable Member may have been referring to subsection 4 of this section, where it reads **"Any person entering premises by virtue of a warrant under this section may take with him such equipment and materials as appears to him to be necessary."** If this indeed what the Honourable Member was referring to, he has misunderstood the provision. It speaks to what the officer, that is the officer carrying out the investigation, may take with him into the building: it could be perhaps a torch, a flashlight, or a laptop computer; but not

equipment that he could remove from the building. This section is clearly restricted to documents. I should also note that many other countries do not require the Regulator to obtain a warrant from a judge. Again, this is an example of the checks and balances that we have introduced into the Cayman Islands legislation.

In his next point the Honourable Member made reference to objectives of 34B as matters being in the best interest of Cayman Islands and consumers. I agree with his assessment. However, the Honourable Member went on to call into question the justification to the exemptions from 34B which are found in 34C. Section 34C states: **"1) The Authority may grant an exemption from section 34B with respect to a particular agreement if**

a) a request for an exemption has been made to the Authority by a party to the agreement; and

b) the agreement is one to which section 34D applies.

"2) The exemption referred to in subsection (1) may be granted-

a) subject to such conditions or obligations; and

b) shall have effect for such period, as the Authority considers appropriate."

Section 34D provides as follows: **"The Authority may declare provisions of 34B inapplicable in the case of any agreement which –**

a) contributes to-

i) improving production or distribution, or

ii) promoting technical or economic progress, while allowing subscribers a fair share of the resulting benefit; but

b) does not-

i) impose on the parties to the agreement restrictions which are not indispensable to the attainment of those objectives; or

ii) afford the parties concerned the possibility of eliminating competition in respect of a substantial part of the products in question."

Mr. Speaker, it can be seen that section 34D gives the Authority the ability to grant exemption in very particular circumstances. These relate to agreements that contribute to improving production or distribution or promote technical or economic progress while also allowing a fair share of the benefits to be received by subscribers. At the same time such agreements must not impose on parties to the agreement on reasonable restrictions nor raise the possibility of eliminating competition in respect of a substantial part of a product.

It is my view that very few agreements will meet the high standard required to qualify for exemption. However, if any do so qualify it is only appropriate that the Authority has the ability to grant them exemption from the rules. If as a result subscribers receive a fair share of the benefit and in some way production or economic progress is also promoted the beneficiaries will be the Cayman Islands and its people.

I should also point out section 34E permits the Authority to cancel or vary any exempted agreement. I therefore submit the safeguards are reasonable and the provision is in the best interest in the people of these islands.

As the previous two points have been dealing with the anti-competitive practices section of the Bill, all Honourable Members may wish to know that in almost all other jurisdictions in which an Authority is required to regulate the competitive communications or ICT sector, there exists standalone legislation on the subject together with a body of case law. For example, the UK has the Competition Act 1998, Canada has the Competition Act 1985, and Jamaica has the Fair Competition Act 1993. No such laws are on the Cayman Island statute book. It is for this reason we are proposing to incorporate these provisions in the ICTA Law.

Moving on to the Member's next point, I am very grateful for his strong support for the provisions on infrastructure sharing and in particular the sharing of towers. The Member mentioned a number of issues some of which are the responsibility of the Authority whilst others are properly dealt with by the Planning Department – both units falling within my ministry, so it is my direct responsibility. To ensure that nothing falls between the cracks, these two bodies are closely cooperating. For example, no applications for towers are being considered by Planning until the ICT Authority ensures them that infrastructure sharing provisions are being met. A joint policy has been developed and notified to both the incumbent and new entrants.

This policy states that planning permission will be granted in the following order of priority: 1) additions to existing towers; 2) new towers where firm contracts are in place for the tower to be shared by three or more parties 3) new towers where firm contracts are in place for the tower to be shared by two or more parties and 4) new towers where no sharing will take place.

In addition, the Authority and Planning will examine the locations of all towers to ensure that even shared towers are not approved for locations of close proximity if this is technically avoidable. As suppliers are very keen to offer their services as quickly as possible and because tower sharing is financially beneficial to them, we believe that the companies have a strong incentive to ensure that their applications fall within categories 1 and 2 above.

Moreover, Mr. Speaker, Planning and the ICTA last week jointly facilitated a meeting between existing tower owners and the new entrants in order to promote cooperation between them. This meeting was attended by over 40 representatives of the companies

together with my Permanent Secretary and Government's Telecommunication Officer and the meeting was most productive. Honourable Members will also wish to know that Cabinet recently made a policy decision that I read into the Hansard earlier today that all government owned towers should be included in the infrastructure sharing programme. As stated Mr. Speaker, not only will this assist in reducing the impact upon the environment but potentially will be a useful new source of government revenue. Suppliers will be able to approach my ministry and the telecommunications office to enter into tower sharing agreements that will help them to meet the infrastructure sharing policy requirements outlined above.

The Honourable Member for East End also mentioned that we need to ensure that the land upon which the towers are built is large enough to deal with the possible collapse of a tower. This is a Planning consideration and is built into the Planning regulations. The size of land required is dependant upon a number of factors such as the height of the tower and the type of construction for example whether it is free-standing or uses guide wires.

Finally, the Honourable Member referred to proposed amendment to section 49 (1) of the ICTA Law. This amendment gives the responsibility for issuing of regulations governing the national plans for the allocation of telephone numbers to the Authority rather than to the Governor in Cabinet. In fact, this is not a new provision but rather the removal of an anomaly of the Law. If members would refer to section 70 (3) of the principal Law they will see that it says in subsection 3 **"The Authority may, in accordance with this Law, make regulations relating to**

a) Licence fees

b) Infrastructure sharing" and most importantly to this discussion-

c) the numbering system; and

d) the quality standards under section 50 (3) and the Authority shall consult with the Minister before making such regulation."

Just for ease of reference I would refer anyone interested in reading section 70 (3) of the ICTA Law 2002 to look on page 39 and section 70 is under part IX-General.

The view taken by this Honourable House at this time, at the time that this principal Law was passed in 2002, was that these matters which are largely technical in nature would be best dealt with directly by the Authority and that the requirement to consult with the Minister was sufficient safeguard. That is still my view, Mr. Speaker. The proposed amendments may remove the current conflict between the provisions of section 49 and section 70 of the Law.

In closing, I would ask for the support of this Honourable House for this Bill which is necessary to progress Governments' commitment to the liberalisation of telecommunication in these islands. Thank you Mr. Speaker.

The Speaker: Thank you Honourable Member.

The question is that the Information and Communications Technology Authority Amendment Bill 2003 be given a second reading. All those in favour please say Aye.

Ayes.

The Speaker: The Ayes have it. The Information and Communication Technology Authority (Amendment) Bill 2003 has been given a second reading.

Agreed: The Information and Communication Technology Authority (Amendment) Bill 2003 has been given a second reading.

The Speaker: Honourable Members it has been brought to my attention that I may have made an error in procedure a few minutes ago when the Third Official Member actually moved for the withdrawal of the Bill, but I have been informed that the word was not actually taken, so at this time I would like to take the question on the withdrawal. The question is for the Public Service Pensions (Amendment) Bill 2003 to be withdrawn. All those in favour please say Aye.

Ayes.

The Speaker: The Ayes have it, the Bill has been withdrawn.

Agreed: The Public Service Pensions (Amendment) Bill 2003 withdrawn.

The Dangerous Substance Handling and Storage Bill 2003

The Speaker: The Honourable Deputy Leader of Government Business.

Hon. Linford A. Pierson: I beg to move the second reading of a Bill for a Law to provide for the handling, storage and transportation of dangerous substances; and for incidental and connected purposes.

The Speaker: The Bill has been duly moved. Does the Mover wish to speak thereto?

Hon. Linford A. Pierson: Mr. Speaker, this Bill seeks to reform the Law relating to the handling, storage and transportation of more than 250 gallons of dangerous substances in the Islands. This proposed law will replace the existing Petroleum Storage and Handling Law (1996 Revision), which deals with petroleum products in volumes exceeding 100 gallons. The proposed law has an expanded scope with a comprehensive definition of dangerous substances.

For the purpose of this Law, dangerous substances are defined as petroleum, petroleum products, flammable gas, flammable liquid, combustible

liquid, compressed gas, highly volatile liquid and hazardous industrial gases. Volumes less than 250 gallons are exempt and are not covered by this Law. It is proposed to use this volume as the benchmark for the proposed Law to ensure the Inspectorate is able to effectively administer the provisions of this Law. Using this minimum volume will exclude smaller liquid propane gas installations for stoves, barbeque grills etc. The handling and storage of other hazardous substances not governed by this proposed Law are covered by the Fire Code.

Mr. Speaker, Clause 1 provides the title which is cited as "The Dangerous Substances Handling and Storage Law 2003". The title has been changed from Petroleum Handling and Storage 1996 Law as a result of the inclusion of compressed gases as well as flammable liquids.

Clause 2 is the definition section. The following definitions should be noted: 'concession' allows the Governor in Cabinet to grant the right to import, sell or deal with dangerous substances under certain extreme conditions such as the withdrawal of the major oil companies from the Islands

As one Member had asked my opinion on what the concession was all about, I will reread that: concession allows the Governor in Cabinet to grant the right to import, sell or deal with dangerous substances under certain extreme conditions such as the withdrawal of the major oil companies from the Islands.

"'Workplace' means any premises in which dangerous substances of a quantity of more than 250 gallons are handled, stored or transported and includes any storage terminal, retail outlet, commercial bulk storage facility, hospital or factory and a private residential home." A minimum of 250 gallons was placed on the tankage in order to exclude smaller liquid propane gas installations such as stoves and barbeque grills.

Clause 3 deals with concessions to trade in the importation and delivery of dangerous substances. This clause provides the Governor in Cabinet may under certain extreme conditions grant a concession to a person they feel is qualified. Extreme conditions may include the withdrawal of exclusive supplier that results in the complete loss of supply. A concession is granted with immediate effect with the expectation that the normal permit application procedure will follow.

Under Clause 4 it provides **" 1) The operator of a workplace shall not operate or occupy or cause such workplace to be operated or occupied without a valid operating permit."** The operating permit which replaces the current business licence will be issued by the Dangerous Substance Handling and Storage Board. The permits will not only be necessary for companies such as ESSO, Texaco and Home Gas, but also for smaller tanks that are currently unregulated and scattered throughout the three Islands.

Clause 5 establishes the Dangerous Substances Handling and Storage Board. The clause gives details of the members, how they are appointed, and their positions.

Clause 6 specifies the function of the Board is to **"issue operating permits for workplaces and permitted vehicles that are subject to this Law and regulations under this Law."**

Clause 7 sets out the basic procedures relating to Board meetings, such as the frequency of meetings, rules of absenteeism, procedures and exclusions for voting.

Clause 8 states that all Board decisions shall be confidential.

Clause 9 provides for the remuneration determined by the Governor in Cabinet of Board members who are not Public Officers.

Clause 10 provides for the appointment of a Chief Petroleum Inspector and other inspectors

Clause 11 provides that the Chief Petroleum Inspector and other inspectors shall be issued with identification cards.

Clause 12 provides for the avoidance of pollution and the safe conduct of activities in the workplace. This places the onus on the owner of the workplace internally and anyone externally to operate as safely as possible and to see that others are prevented from causing spills, explosions, theft and damages to property. This clause provides for the safe disposal of dangerous substances such as residual tank sludge from gasoline and diesel tanks. This clause also makes allowance for fines of $20,000 for persons circumventing this clause of the Law unless they can prove that they were not responsible.

Clause 13 provides that **"the operator of a workplace shall report any accidental release or spillage of any dangerous substances to the emergency services in the Islands as soon as is practicable but no later than 24 hours after release or spillage."** Emergency services will then **"report the spill to the Chief Petroleum Inspector who shall take such action as is necessary in the circumstances".** Subsection 5 of this clause includes a penalty for not reporting spills.

Clause 14 deals with the inspection of workplaces by the Chief Petroleum Inspector. It gives him the authority after giving at least 24 hours notice in writing to enter any work place and inspect, take samples and seize any dangerous substances and documents if there is a belief that the Law has been contravened.

Clause 15 sets out the general powers and duties of the Chief Petroleum Inspector

Clause 16 provides for the issue of remedial notices by the Chief Petroleum Inspector where he is of the opinion that steps are required to be taken by an operator to ensure compliance with this Law or any of the regulations made under this Law. A remedial notice states the requirement of this Law or regulation; gives direction for remedial and the time to remedy

which may require stopping an operation, vacating a workplace, altering a workplace or vehicle or introducing temporary measures until permanent measures are in place.

Clause 17 provides for appeals within a period of 14 days to the summary court for the removal of a remedial notice.

Clause 18 gives the Chief Petroleum Inspector the authority to request assistance from any constable or officer of the fire brigade **"to assist him in the execution of any of his powers or functions."**

Clause 19 deals with the liability for accidents at a workplace. If a formal investigation of an accident, or a coroner's inquest suggests that '**this Law or any regulation made hereunder were not complied with at or before the time of the accident, summary proceedings against any person liable to be proceeded against must commence within six months**" of the findings. **"A copy of every report with respect to and in consequence of any accident in the workplace made by any authority shall be sent to the Chief Petroleum Inspector."**

Clause 20 deals with alterations at the workplace. If an agreement between the lessor and lessee **prevents one or other from making alterations which are necessary to conform with any requirements or standards imposed by the Law, either party may be in an action joining the other after a hearing, issue an order setting aside or modifying the agreement to permit making the modifications**. The apportioning of the expenses of any alteration must also be done in a like manner. If a spill or explosion occurs, the operator is required to **"obtain the approval of the Chief Petroleum Inspector before commencing reconstruction work or repairs."**

Clause 21 makes it an offence to engage in activities under this Law without an operating permit. Anyone operating without a permit can be fined up to $50,000 or imprisoned for a term up to five years. The court can also make an order to forfeit any equipment and grant an order restraining the accused from continuing to engage in similar activities.

Clause 22 sets out other offences against the Law and the associated penalties.

Clause 23 deals with orders for payment of compensation for persons convicted of an offence. **"Under this Law the court may an order for compensation to any person for any damage caused by the offence."** If the claimant is not satisfied with the amount of the compensation they have a right to a civil remedy.

Clause 24 provides for the making of regulations by the Governor in Cabinet.

Clause 25 deals with the cost of seizures made under the Law.

Clause 26 gives the Chief Petroleum Inspector emergency powers to require any person to adopt measures to prevent or avert the danger of the release or spillage of dangerous substances.

Clause 27 is an immunity clause that prevents damages from being brought the Chief Petroleum Inspector or anyone acting under his orders when they are carrying out duty under this Law.

Clause 28 repeals the Petroleum Handling and Storage Law (1996 Revision).

Clause 29 is a saving clause. It prevents the infringement or overlapping of powers of the Chief Fire Officer, the Director of Labour or any officer of these departments.

Clause 30 is the transitional clause. All existing licences and concessions shall remain in full force until the expiration date of that licence or concession. After the expiration date they become subject to this Law.

Mr. Speaker, it is my intention to bring an amendment to Clause 21 (1) of the Bill by deleting the words **"on conviction on indictment"** and substituting the words 'on summary conviction' during the Committees stage of this Bill. And I would ask for all Honourable Members support on for the passage of this most important piece of legislation. Thank you Mr. Speaker.

The Speaker: Does any other Member wish to speak? I recognise the Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you Mr. Speaker. The Opposition welcome this Bill to this Honourable House and as I listened carefully to the Ministers presentation and explanation of the various sections, the only justice here to the Bill would be certain questions that we have, and certainly the Minister can address those in his winding up.

Mr. Speaker, as the Minister stated in his introduction, the Bill seeks to reform the previous law which related to the handling, storage and transportation of natural gas, petroleum, petroleum products, hazardous industrial gases and other substances. The Minister mentioned early in his delivery the fact that this Bill relates to storage of 250 gallons or upwards of any these dangerous substances. He went on to say storage of such substances in smaller quantities would be dealt with under, if I remember correctly, the Fire Brigade Law. I just want to speak just a few minutes about that issue.

I did have a big question mark in my mind in when going through the Bill as to how it would have been possible, feasible and practical to be able to carry out regular inspections of not just the premises but a lot of those containers which are obviously of less holding capacity than 250 gallons, for instance dive tanks and other containers of such nature and the Minister spoke about smaller containers for barbeque grills etcetera. Although I understand what he was saying, I believe there are commercial ventures that utilise fair quantities of such containers which hold less than 250 gallons, and even though that may not directly concern this Bill which refers to containers having a capacity of more than 250 gallons, I wonder,

seriously if it is practical and if it is done, how does the Fire Service actually handle that?

The Ministry has told us that we have had a few accidents in the past, although our safety records are pretty high in the Islands, but in looking at it I was just wanting to make sure that this in fact is able to be done so that the problem that we concentrate on the larger containers, which is a similar problem with the smaller containers, is also dealt with effectively, although I accept that they do not directly relate to this Law, I sincerely hope that the Chief Fire Officer or his designate is going to be on this Board and that there is a relationship involved which ensures that proper inspections are carried out, because I do believe that many of the same premises which have some of the larger containers there, will also have the smaller ones. We do not want to have a level of inspection for the over 250 gallon containers and then a lesser level of inspection or monitoring for the smaller containers. I think that is the point there even though the Law does not directly relate to it.

Mr. Speaker, the Minister earlier in his presentation referred to section 3 of the Bill which speaks to concessions. This section says **"The Governor in Cabinet may grant concessions under this Law to import or to otherwise deal with dangerous substances in the Islands and such concessions shall be under subject to such terms and conditions as the Governor in Cabinet considers necessary."** When we go over to the definition section and see the definition of the word concession – **"'Concession' includes any instrument whereby the Governor in Cabinet grants a right or privilege enabling a person, exclusively or subject to restriction, to import petroleum and petroleum products in the Islands or the territorial waters thereof or both upon and subject to such terms and conditions as may be expressed or implied in such instrument or provided for under this or any other law;"**.

Mr. Speaker, I heard the Minister's explanation but I must admit that the definition of the word concession still leaves me with a bit of worry. If the example that the Minister used such as the existing wholesale providers of gasoline and diesel for instance, in other words the oil companies, and if there was either some disagreement or it no longer made sense to them from a commercial point of view and they simply pulled out of the country, and the Government had a need to encourage someone else, I really cannot subscribe that there could be any concession that is exclusive, regardless of the term, because Mr. Speaker, here we are now going the opposite route with several other providers for reasons that are obvious and totally related to the benefit of the consumer. I hear what is being said but I still believe that a concession could be granted with whatever conditions that are necessary but without it being with exclusive conditions. I cannot see this country being held over the barrel by, and that is important words when I say held over the barrel, by any entity which will wholesale these types of products, and the nature of competition being what it is, the volume that is here does not warrant somebody competing for the business. I know there have been problems in the past with those who supply because of certain things they want to do.

I think all of us remember the arguments with the Trade and Business Licensing Board and whether they were wholesalers or retailers, or whether they could own the stations or whether individuals had to own them, and I hear all of those arguments, but regardless of what they say I am with absolute certainty that they are not here because they like us – profit has to be involved somewhere along the line. So, I make this point to ask the Minister to hear the argument and see if it is possible to reconsider that specific position. I understand the need for the Governor in Cabinet to be with an ability by law to grant certain types of concessions given certain extreme circumstances, but I do not believe that it has to go as far as to speak to exclusivity.

Mr. Speaker, the Minister read out the list of substances that are considered dangerous substances, and as he mentioned this law will extend a bit further than the one that is being repealed and replaced by this Law, and I think that is a good thing. Without going into all of the history of previous attempts to get this Law here and other constraints that were involved, I have to say that we on this side are in support of this forward move to come to grips with having proper inspections and an inspectorate and also ensuring that the providers now know that there will be an inspectorate with a statute and that there are specific conditions that they will have to meet.

In saying that, let me refer to a couple of instances in the Bill itself where we speak to operating permits. I wonder where we immediately saw the separation of containers with a holding capacity of 250 gallons or more, and containers of less than that capacity and refer to the two different laws. The Law defines the workplace which as **"any premises in which dangerous substances of a quantity of more than 250 gallons are handled, stored or transported and includes any storage terminal, retail outlet, commercial bulk storage facility, hospital or factory and a private residential home"** so the definition is pretty wide, and I am wondering now first of all how do we relate to one container which has a capacity of more than 250 gallons or 20 containers which have an accumulated capacity exceeding 250 gallons. I think we need to be clear whether this storage capacity of 250 gallons or more includes accumulated small containers, or whether it only speaks to one holding capacity. I suspect that I might know what I think the answer should be but I will not venture there and perhaps the Minister will clear that up.

I bring the point up simply because if there is any ambiguity in the Law now is the time to deal with it. Once we know what the intention is then we will

know how to bring clarity to it. If it is not intended to include that then we know where we are at.

But that leads to the other point again which is if does not include that (accumulative capacity) then does the other Law which deals with that go as far as to speak to an operating permit? There is a question there because if we speak to safety measures and the purpose of an inspectorate being a preventive measure, in other words to ensure that individuals or entities have proper safety precautions, then the real truth of the matter is it does not matter whether it is one big container or whether it is 20 small ones, it is all about the same thing. So, we are going to be in difficulties especially if the two different types are on the same premises. We are going to be in difficulties of having to have an operating permit for one but not having to have an operating permit for the other. I wish to subscribe to the belief that if we are going one way we need to cover both. I am not suggesting that it has to be in this Law, but I am saying that if it is not intended that this Law covers those instances, then we have to ensure that the other Law parallels this one with regards to what the requirements are.

I think it is important that we look along those lines and as I mentioned earlier Mr. Speaker, it is good to know that the Law itself establishes a relationship between the inspector and the Fire Service because we all realise that in many instances both entities will have to work hand in hand. So that is fine and there is no question of intention. I just think we have to ensure – because we could get caught quite readily where one inspector has the ability to enforce certain things in certain ways and on the very same premises with like risks another inspector can not do likewise, and that certainly would cause a problem.

So those are questions simply because in reading this I am not absolutely clear what it deals with and what it does not deal with; and not having the benefit of knowing either, not so much what the other Law reads, but how those inspections are carried out and what authority those people have by law, hence the questions.

Mr. Speaker, let me move on to subsection 9 of section 4 in the Bill: **" the operator of a workplace which is in operation or is occupied without an operating permit and the operator of a permitted vehicle which is being operated without an operating permit at the date of the commencement of this Law shall apply for an operating permit within three months of the date of the commencement of this Law."** I am presuming by this that because we do not have this Law now and the old Law perhaps did not call for operating permits as extensively as this new Law will, that when this Law comes into force there will be people who operate in a manner in which the old Law did not capture but this new one will so they are going to get some time to rectify the situation. That is how I would read that.

I make mention of the time, not to say for a minute that it is unreasonable either way or that it is too long or too short a period of time, but what I want to say is that if we do not have an inspectorate that exists now and we are creating that inspectorate, I just to ensure that there is a methodology that will be employed to ensure that just after that three month period that there is, for want of a better word, a wholesale inspection which is sweeping, so that everybody falls in line and it is not just left like that.

Lots of times when new situations come into force like this we find that it is said in the Law but a year later someone claims ignorance. Then you are caught in a situation where you are not so sure what to do because you have not actually made contact with that entity except this being the first time, so you are hard pressed to penalise. But at the same time during that interim you do not know whether they are operating with the right level of safety, you do not know whether the education process has worked or whether the persons involved are actually aware of what they should be doing when it comes to the handling and storage of these types of dangerous substances. The question about the three month period is just to ensure that there is a plan once the Law comes into effect and the period is up for the necessary inspections take place. I am not again suggesting that when this follow-up is done right after the 90 days that the purpose of it is to lever penalties but rather it is an awareness that I speak to, which brings me to the next point that I wish to raise.

It is obvious that the larger operators will be quite aware, even to this point, of the legislation that is coming into place, because discussions might have taken place with them to get input, which is fine, but there are going to be many small operators who are not very familiar or who may not at this point in time even know that the old Law is being repealed and that there is a new Law coming into force. While I am confident that the thought has been held in mind I want to suggest to the Honourable Minister that he ensures that a proper public relation programme is engaged with the public so they are totally aware of and understand the 90 day period and that they must feel free to seek the advice of the Inspector and his team so that they can know what they have to do to bring them up to scratch.

I believe that if it is handled in that manner then, by and large, everyone will feel more compelled to co-operate because if you go through the process in that manner there perhaps will be less resistance even if in some instances it might involve a little more cost—not necessarily on an on-going basis but initially to bring the equipment and the safety up to the desired levels. I believe that also is something that is important.

Subsection (10) of section 4 addresses the regulations. In discussions with the Inspector I am with understanding that the regulations are being worked on. I dare say that I just raise this point again to say that once this Law is in force and there is this 90 day period, it is going to be absolutely important

that the regulations are put in place as quickly as possible because enforcement is going to need the regulations. The Law will only be addressing specific items, some of which have been mentioned by the Minister, but the regulations will get down into the meat of the matter, if I may put it like that, and will specify exactly what the conditions are under which the operators have to live by and what standards have to be met. The Law will have some application, speaking generally, but the regulations will speak to all of the specifics—like when we refer to compressed air, containers and inspections. Mr. Speaker, it is not with great authority that I speak but just doing some research into the matter and in consultation with my colleagues, industry standards world-wide dictate certain levels which, I dare say, many of the operators in these Islands are not familiar with.

If we are going to put a law and regulations in place and if we are going to expect them to have the desired effect, then not only will there be need for this educational process and a PR programme that I have mentioned, but we need to have the regulations in place with the specific requirements and standards that have to be met so that people can become familiar with these. Otherwise it is going to be very frustrating for both sides of the coin – for those who have to uphold the Law and those who have to live by it. I just make the point and perhaps the Minister will simply reassure us of the timing with the regulations and such the like.

I want to offer some comments on section 5 and perhaps when the Minister hears the logic, we will see whether he thinks that it should remain how it is or whether there may be some consideration for what I am going to put forward. Section 5 speaks to **"the establishment of a Dangerous Substances Handling and Storage Board which will consist of –**
a) the Permanent Secretary of the ministry responsible for the operation of this Law; [which is fine] **b) the Permanent Secretary of the ministry responsible for the Environment or his nominee;** [which is finer] **c) the Chief Fire Officer or his nominee;**[which is finer yet] **and "d) two other members appoints by the Governor."** So what we have is a chairman and four other members if I count correctly. Then section 7 (4) speaks to a quorum: **"The Board shall reach its decisions by a majority of the votes of the members present and voting at any meeting. The chairman or presiding member shall have no original but only a casting vote. Three members of the Board present at any meeting shall form a quorum."**

How I understand that where it says **"Three members of the Board present at any meeting shall form a quorum"** I understand that to include the chairman. So if that includes the chairman but immediately it takes away one of the votes because the chairman's vote is only a casting vote, and if three forms a quorum then you are leaving the possibility of many occasions the casting vote having to trip in to be able to make a decision. Now that is not to say that every time that Board meets that there will only be three people, but what it is saying that there is a quorum if only three people attend.

I am not for a minute trying to pre-empt the membership of the Board and how that will operate, and whether once people are satisfied that three members are going to be there the rest don't feel the need to turn up – I am not suggesting anything like that. All I make reference to is this is going to be the Law and it is going to tell under which conditions the Board can operate and what makes a quorum and how it is able to function. I want to suggest to the Minister that perhaps there can be a re-think about that so that the risk of the chairman's casting vote coming in to play more often than we would want to be necessary can be lessened.

Now there may be several permutations that you could work on: whether you are going to add one more number to the Board or whether you are going to change the number that creates a quorum, I am not necessarily wanting to be specific with the suggestion but I am certain that there are ways without it affecting negatively the operations of the Board that it could be looked at. The crafters may have different ideas, but in me reading it and looking at it, that is how it comes to me. The Minister can address that and I am certain that he will be looking at what I am saying. There may be a different logic that I have not seen yet, but I am sure we will hear from him.

When we move on to –

The Speaker: Honourable Member if you are moving on to a new item, would now be a convenient time for the luncheon break?

Hon. D. Kurt Tibbetts: Yes, Mr. Speaker, that is fine.

The Speaker: We will now take the luncheon suspension and resume at 2:30 pm

Proceedings suspended at 12:45 pm

Proceeding resumed at 3:50 pm

The Speaker: Please be seated. Proceedings are resumed. I recognise the Honourable Leader of the Opposition with the continuation of his debate.

Hon. D. Kurt Tibbetts: Thank you Mr. Speaker. When we broke for lunch I had just completed making my point with regards to the Dangerous Substances Handling and Storage Board and how it was constituted the numbers to cause for a quorum, and I have already made that point and I was going to move on to section 8 but before I get there, section 6 and section 7 refers to the responsibility of the Board with regards the issuing of operating permits for workplaces and permitted vehicles.

Section 7 goes on to say that **"the Board shall meet quarterly"**. I am glad that there is the proviso in there **"and upon such other occasions as, in the opinion of the chairman, is necessary to conduct business related to the issuing of operating permits."** It is obvious that both workplaces and permitted vehicles may well have need for these applications for the permits to be dealt with in-between the regular quarterly meeting. A vehicle might arrive on the Island two days after a previous meeting so there needs to be the ability to deal with something like that rather than let the vehicle remain unused until for nigh on three months. I am assuming that that proviso in section 7 is put there for the same reason that I refer to, and I just want to make sure that in setting the frequency of the meetings by Law that all of this is taken into consideration. If by chance that is not the case then I believe that consideration needs to be taken for such events. Not just vehicles but perhaps a new building coming on line and being granted a certificate of occupancy at a certain period of time that is close to a meeting that has just occurred and not having to wait that long period of time.

Section 8 addresses the duty of confidentiality and all I really wish to do with section 8, Mr. Speaker, is to pose a question. I do appreciate the fact that section 8 (1) states **"The fact and any particulars of, or relating to, any matter falling for consideration by, or the decision of, the Board shall be treated as confidential by each member of the Board, and he shall not disclose any such fact or particular otherwise than in the proper performance of his duties under this Law or in compliance with the order of a court of competent jurisdiction."**

When we look at the Law, and perhaps there is a section that deals with what I am saying but I am not quite sure of that, I want to point out to the Honourable Minister that if there is an application and the result of that application causes someone to be, I think the legal jargon is, aggrieved – the person is not satisfied with the results of that application, we need to ensure that there is recourse or redress whether it be a court of law.

I know that it mentioned it in section 8 (1) with "**the order of a court of competent jurisdiction"**, but I do not think that one would simply let that be the only recourse if one is not satisfied. The confidentiality aspect mentioned in section 8 (1) does not relate clearly that if I were to make an application to the Board, for instance, (I do not know whether the results of the application will be passed on to me in writing), and if the application were to be denied, would the contents of the letter explain the reasons for the refusal? Would it also explain what I would have to do to be able for a new application to be successful?

I am not suggesting that would not be the case. I just want to make sure that that is the thought process with regards to how this will be dealt with. I appreciate the confidentiality that members of this Board will be charged with and I am not suggesting that it should be different in the Law. I am only going a bit further to speak to someone who might make an application and if the application is not successful, then what happens after that? Is that person advised of the shortcomings and what to do so that they may reapply and be successful, or how is it dealt with? That is the kind of question that I have to raise about that.

Mr. Speaker, in section 10 (5); **"In carrying out his functions under this Law the Chief Petroleum Inspector shall be guided by the Building Code Regulations (1998 Revision) and by the Fire Code 1997 and such other legislation including international codes and standards as the ministry considers relevant."** This relates to the point made earlier on. **"The other legislation including international codes and standards as the ministry considers relevant."** I am assuming that this is a floater meaning that today there may be one international code or a standard, tomorrow another might crop up, and the ministry may well upon becoming aware of this take it on board; that it is in everyone's best interest to use that code or that standard which is internationally accepted as one of the standards or codes to be looked at.

That being the case, if that is what this section is telling me, that it is not just a one time shot but that the Ministry will have the ability from time to time to update, by way of research or whatever correspondence comes to them or such the like, then the point that I made earlier on about making sure that all and sundry were aware of where they stood, especially those in the industry, the proprietors of the workplaces or the owners of the vehicles or the containers, it is of absolute importance that be a focus at all times so that the information be disseminated to these people if the bar is changed in any point of time and where it is at and what it is. I also assume in this same section, when we refer to the Building Code Regulations (1998 Revision) and the Fire Code 1997, that any revisions to both pieces of regulations would simply fall into this category also.

Section 13 (1) requires **"the operator of a workplace shall report any accidental release or spillage of any dangerous substances to the emergency services in the Islands as soon as is practicable but no later than 24 hours after the release or spillage"** I am not really questioning the 24 hour period but I am wondering even though the Law says **"as soon as is practicable but no later than 24 hours after"** I am trying to think that perhaps this might be because a location might be closed on a weekend and maybe nobody is aware of it. You certainly do not want to penalise someone so that they have to live on the premises and be looking at it all the time, I hear all of that, but I am wondering if there is no other way to say it - to really impress on these individuals or entities the importance of reporting it.

I think of the odd case where this may occur. Although there are safeguards in the legislation that protects the proprietor if they have given instructions and something happens and the instructions were not followed, they need not necessarily be penalised for things that go wrong. There are other sections in the Law which covers that., But I am just thinking perhaps an employer or employee, either one – whichever one feels the onerous responsibility of what may have happened, if something goes wrong and somebody says to themselves 'I can not make this happen just like this because I am going to be held responsible but I have 24 hours so let me try to fix whatever it is that is wrong before I make any report and then I will report it', I know that it creates some difficulty for a Law to capture but I just raise the point to wonder if there is some other wording that might be able to be crafted and again there may just be no other way but just looking at that you just never know Mr. Speaker.

Moving on to section 14 (1) it reads **"The Chief Petroleum Inspector shall investigate complaints of violations of this Law and, on a regular basis, make routine checks of workplaces to ensure compliance therewith and for that purpose he (or an inspector authorised by him) shall – a) visit any workplace, after giving at least 24 hours notice in writing …. "** I do not need to read the rest of it. This 24 hour business is not the same point as I just spoke to, but it raises certain questions again.

If everyone knows that they have a 24 hour period of notice that is mandatory then it is very possible, in my view, that certain types of activities which people know are unacceptable via this Law or any regulations which come under this Law (for example it is either in their view a cost saving on their part or perhaps it is something that they can pay less staff for or rotate their staff because there is no need for that many people but I am really talking about cost saving) will be corrected by the time the inspector comes, and then the moment the inspector goes they revert back to the situation. Now that is hypothetical but certainly possible. One would like to think that in the normal run of events everyone is doing everything to the best of their ability to keep everything ship-shape, so therefore it is only courteous to give them notice. So everybody dresses up proper for the following morning and everybody comes in and shakes hands and then walk through the motions and everything is fine. But it raises the question in my mind about the notice. Perhaps there is a reason, and I am certain the Minister will address that when he is winding up, but I bring that point out because it raised questions in my mind when I was reading through it.

Section 15 (2) **"The Chief Petroleum Inspector's duties and responsibilities also include - d) as a condition of condition of obtaining an operational permit, annually inspecting all permitted workplaces to cover- i) the integrity of container, pipelines and permitted vehicles;"** etcetera. Again Mr. Speaker, I am not totally familiar with operations of this nature except for what I see on the surface, but I do not know whether regulations will clearly outline how these inspections will take place.

I want to say that I think it is reasonable to speak to an annual inspection like most other things, but of course I would also like to believe that the Inspector should have the ability to inspect at any time. For instance, as the Law would speak to it, if there is a complaint or something like that, there is an annual inspection I think that should not necessarily be the only inspection. The real question is when we speak to the integrity of containers, pipelines and permitted vehicles (my point earlier on as to whether the Law will refer to one container that holds 250 gallons of any of these dangerous substances or 10 containers with an accumulative storage of 250 gallons or more) we make sure that all of the containers have the same regime under which they are inspected and same penalties and that kind of stuff.

If, as I do take the view, we have to do the inspections of all of these items then there may be a dive shop that has 150 tanks and I am not 100 percent sure what methodology would be in place to ensure that this is done in a matter that is satisfactory. While it is not my job in debating the Bill to bring the issue up to question how it will be done to make certain that in pointing this whole office together, that matters such as this are taken into consideration, I simply raise the question because I believe that it seriously needs to be considered: whether it is really the most prudent thing to do to have two different entities doing these types of inspections.

I do not know if there is some way that people from another agency can be seconded and be trained to make sure that they understand the standards that are expected and the methods of inspecting these tanks. It is my understanding that there is actually some type of x-ray that is used at times with some of these tanks that looks at pressure and integrity of the metal in these tanks. Although we have not had many serious accidents we have had a few and in fact I think one of them was fatal and regardless of what happened, this metal literally blew up. I am only just thinking of all of these things to try to ensure that no matter how it is done, it is done in a manner where everyone is satisfied that this is the best way. It is quite likely that in raising this question that both the Minister and his competent staff will be looking to ensure that this happens in the right manner, but because of the way the Law is crafted some discussion needed to take place to ensure that we are thinking along those lines.

This same section 15 (2) reads **"The Chief Petroleum Inspector's duties also include – (l) annually reporting to the chief officer of the ministry on the storage and handling of dangerous substances in the Islands with respect to progress made, significant lapses and future plans; and (m) any other responsibility or duty imposed on him by the Law or by the regulations under this Law"**.

Again, Mr. Speaker, just simply going by what the Law calls for, I would want to assume that this reporting procedure would be more often than annually. The Law might well just say annually but in actual fact there may be a policy which dictates earlier reporting. I am only going by what I read from the Law but I wonder whether an annual report is in keeping with the dynamics of such an inspectorate. I cannot say much more about it because I am not physically in tune with exactly how the Inspectorate is going to function and its reporting duties to the Chief Officer, but I thought that point needed to be raised.

It is good to see in section 21 the penalties involved from the onset of the Law show that Government means business. I think it is absolutely important that this message be sent. Certainly even if some of the fines appear to be high I would like to say that the handling and usage of these types of substances be managed properly Mr. Speaker, especially if the public is involved and there is the possibility of harm coming, then it is absolutely important that people recognise by the sanctions they must do what is necessary to ensure that they have taken every precaution with regards to safety.

Section 22 (6) is giving guidance to instances where an operating permit is not required and for practical purposes it makes all the sense in the world to speak to the instances that are referred here. Section 22 (6) **"An operating permit is not required – a) in relation to fuel carried by ships and aircraft for purposes of their own propulsion;"** – the cruise ships coming into the harbour will not need a licence for the fuel they are carrying on board to leave here to go to Kingston or leave Kingston to come to here. That is clear and we understand that. But it is not clear in my mind section 22 (6) (f) **"by mains engineers acting under the Electricity Law (2003 Revision) and persons under his control when so acting;"** I have to ask a question here, for the truth is I am not 100 percent sure exactly what that means, and perhaps the ministers citing an example would just make it clear to me. I just wondered whether we could get that specific subsection cleared up.

Section 24 refers to the regulations and as I mentioned earlier on that in discussion with the Petroleum Inspector work is being done on them as we speak. . I was just trying to get some feel as to how the timing will be with regards to those regulations because it is going to be important that the regulations come on line as quickly as possible.

When we look down on section 24 (1) **i) the establishment of a Compensation Assessment Tribunal for assessment of compensation claims arising from the handling, storage or transportation of dangerous substances; j) provision for appeals against the decisions of the Compensation Assessment Tribunal; k) enabling the Attorney-General on behalf of the public to claim damages for pollution or other injury to public amenities arising from the handling, storage or transportation of dangerous substances;**" section 24 (1) (k) is pretty clear.

However, with point (i) **"the establishment of a Compensation Assessment Tribunal"** I am not so sure whether I am to assume this Tribunal would take claims arising from the public who may have been injured or have damaged property or such the like. This is to do with the regulations just so that I can get it clear rather than it sounding confusing. Section 24(1) **"the Governor in Cabinet may make such regulations as are required for the effective implementation of this Law including regulations dealing with –"** all of those things we have talked about and more.

If we have a Compensation Assessment Tribunal and this is their job – somebody makes a complaint and they bring the evidence and they hear it and that kind of stuff, and the regulations will also deal with the provisions for an appeal against the decision of the Compensation Assessment Tribunal – I assume that appeal could come from either direction because it says **"j) provision for appeals against the decisions of the Compensation Assessment Tribunal"**. As I would understand it, and if I am wrong then I am quite willing to hear where the difficulty is, but you will have somebody who will complain and that person will be complaining against somebody else—there have to be two entities whichever way and I am just wanting for clarity how these regulations will deal with that. If that could be cleared up so we can understand exactly how that functions.

Tied into this, when we move on to section 27 which you could call the Indemnity Clause meaning it is specifically states **"No action for damages may be brought against- a) the Chief Petroleum Inspector; b) any inspector; c) any member of the public acting at the request of the Chief Inspector or any inspector; d) any person or constable acting under the direction of the Chief Petroleum Inspector; and e) the Crown, in respect of death, injury or loss incurred by any person occasioned in the course of carrying out duty under this Law relating to any fire or explosion or any release or spillage involving dangerous substances."**

If I understand what this is saying, and I am not sure because I do not profess to be a lawyer, it means that if I am hired by the Inspectorate and while I am carrying out my duty there is a fire or explosion or some release of spillage and it causes me to lose my life, then this Law prevents any of my heirs or successors from seeking any damages against the **"the Chief Petroleum Inspector, any inspector, any member of the public acting at the request of the Chief Inspector or any inspector; any person or constable acting under the direction of the Chief Petroleum Inspector; and the Crown."** What this Law is saying is that absolutely no way any one of these individuals or the Crown may have any responsibility whatsoever. That is my understanding of what it is saying. And if that is the case then I would expect

that any action brought against any entity would be perhaps the workplace or location or proprietor of any location where it occurred, but again I am not so sure that whilst this is telling you who the action may not be brought against, exactly what can happen and what redress anyone can have. So if we could just have some clarity to that then perhaps we might feel a little more satisfied.

[Pause]

Hon. D. Kurt Tibbetts: Mr. Speaker, if you could permit me one minute please.

[Pause]

Hon. D. Kurt Tibbetts: Mr. Speaker, the next point that I would like to raise, and this goes back a little bit, the definition section under dangerous substances number **"(g) is compressed gas"** and further down **"'gallon' means an imperial gallon"** and **"'workplace' means any premises in which dangerous substances of a quantity of more than 250 gallons are handled, stored or transported and includes any storage terminal, retail outlet, commercial bulk storage facility, hospital or factory and a private residential home."**

Mr. Speaker, I just gave those three definitions because this Law, or this Bill when it becomes Law, is going to deal directly with any premises in which dangerous substances of a quantity of more than 250 gallons are handled. That means from the definitions more than 250 imperial gallons and of course gallons is a liquid measurement. Unfortunately dangerous substances include compressed gas. Now the point that I wish to make with that is that the volume for compressed gas or compressed air can not be measured in imperial gallons. So I believe that there needs to be some other equation put forward in this Law which would speak to compressed gas otherwise the Law in itself will be impotent with regards to the Inspectorate being able to apply it to any workplace that stores such a substance. I believe that when we talk about compressed gas volume is calculated in cubic metres or cubic feet, I think, so I am sure you see where the dilemma is. I am not suggesting for a minute that compressed gas should not be treated as a dangerous substance – far from it. I am only saying that in order to be able to have the Law be effective in that area then we have to find a way to be able to say what volume of compressed gas we are dealing with, because certainly we can not say 250 imperial gallons.

Finally, section 30 speaks to **"Any licence or concession issued or granted to any person to store, handle, transport or otherwise deal with any dangerous substance in the Islands and which is valid immediately before the commencement of this Law shall continue to remain in full force and effect until the expiration date set out in the licence or concession."** Mr. Speaker, I understand that a law must be fair and appear to be fair. While this may seem to be the only sensible way to effect the transition (because until the Law is put into effect these entities are operating under the 1996 Law), the only problem I have with this Law, and I have not really checked with the previous Law by the way, but I see the licences in this Law shall be for three years so once again my problem is the timing factor.

Let us assume this Law is assented to and comes into force within 30 days, for arguments sake, so we are looking at the month of November. There may well be licences which have a couple of years before they need to be renewed. The standards this Law will set are tremendously different from the 1996 Law, without a shadow of a doubt, and there is no question in my mind that you have to be fair. If you are really going to be fair and the licences are in some instances for three years and some people have two years or more before a renewal date comes up, for all of our new licences how are we going to deal with the fact that a new operator or proprietor of a workplace will have to deal with these standards for two years and the other one will not?

Now if it is simply accepted this is the price of the transition and we just have to go with it that way and live with it, then perhaps I can not say anything more either. But I had to bring the thought out because I am wondering if there is no way of giving a specified time line for compliance with the new Law.

For instance, and I think of this as I am on my feet, when it speaks to any licence or concession issued or granted which is valid immediately before the commencement of this Law, whatever period of time left on it, I am wondering whether instead of saying **"shall continue to remain in full force and effect until the expiration date set out in the licence or concession"** whether there could not be a specified time period which would not only allow the person or entity ample time within a comfortable time frame to comply with the new Law but also not seem to be onerous. So, I am making that suggestion and I am not going to put forward a specific time line. I do not know what exactly the thoughts were behind this Law or whether from a point of legal practice once they have a licence you can not do anything about the licence, but I bring the practical outlook on it and I am certain the Minister will address it.

I have raised these points Mr. Speaker, on behalf of the Opposition after we looked at this and conferred only in support of the Bill but taking some perspective to see if the suggestions we are making can cause for immediate improvements before the Bill actually takes safe passage. So I am confident that the Minister will appreciate the spirit of the contribution and certainly we look forward to being able to go through the committee stage and dealing with whatever amendments are necessary and then at the end of the day having His Excellency's assent and look

forward to the inspectorate coming into operation. Thank you

The Speaker: Thank you Honourable Member. Since we have reached the hour of adjournment if I could get the motion.

The Honourable Leader of Government Business.

ADJOURNMENT

Hon. W. McKeeva Bush: Mr. Speaker, we propose to adjourn at this time and to meet again tomorrow at 11:30am.

Members, I think we are invited to the groundbreaking ceremony for the school at Poindexter Road and I would ask Members to please, if they are coming, to be on time so that we can get started there on time to get back here for 11:30am. Mr. Speaker, I move the adjournment of this Honourable House until 11:30am Friday 3rd October 2003.

The Speaker: The question is that this Honourable House do now adjourn until 11:30am tomorrow Friday 3rd October 2003. All those in favour please say Aye. Those against No.

Ayes.

The Speaker: The Ayes have it.

At 4:39 pm the House stood adjourned until Friday, 3 October 2003, at 11:30 am.

OFFICIAL HANSARD REPORT
FRIDAY
3 OCTOBER 2003
11.51 AM

Tenth Sitting

[Deputy Speaker in the Chair]

The Deputy Speaker: I will invite the Second Elected Member for Cayman Brac and Little Cayman to grace us with prayers.

PRAYERS

Mr. Lyndon L. Martin: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together:

Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.

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

The Deputy Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Deputy Speaker: I have received notice for the late arrival of the Honourable Speaker and the Minister for Community Affairs.

PRESENTATION OF PAPERS AND OF REPORTS

Report of the Cayman Islands Electoral Boundary Commission (2003)

The Deputy Speaker: I recognise the Acting First Official Member.

Hon. Donovan W. F. Ebanks: Thank you, Mr. Speaker.

I beg to lay on the Table of the House a Report of the Cayman Islands Electoral Boundary Commission 2003.

The Deputy Speaker: So ordered.

Does the Honourable Minister wish to speak thereto?

Hon. Donovan W. F. Ebanks: Thank you, Mr. Speaker.

The Leader of Government Business spoke yesterday about the background to this report and acknowledged various individuals who had worked most diligently to see it to timely fruition. I simply would wish to speak a little as to the availability of the report.

The report is available on the Government web site in its entirety and I would urge the public who are able to avail themselves of that form of access to do so. It is a document that is supported by some maps as one would expect. The document itself contains in the schedule a detailed description of the proposed boundaries. Copies of the map of the Island showing the various proposed electoral boundaries will be made available for viewing at district post offices and major buildings here in George Town, which are, the Administration Building and the Tower Building.

Persons who wish to have their own personal copies of those maps can contact the Elections Office in the Tower Building and obtain a copy, perhaps for some charge. However, I would urge the public to avail themselves of the report and familiarise themselves with it.

The Deputy Speaker: I recognise the Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, we want to give Notice that I will move a Motion in the November meeting for the report to be debated.

The Speaker: Thank you.

Little Cayman Airport Master Plan
(Deferred)

Hon. W. McKeeva Bush: Mr. Speaker, the Honourable Minister for Health Services is absent and we would just ask that it be deferred until he arrives.

The Deputy Speaker: The question is that the tabling of a Report for the Little Cayman Airport be deferred until the arrival of the Minister. All those in favour, please say Aye. Those against, No.

Ayes.

The Deputy Speaker: The Ayes have it. The paper is deferred.

Agreed. Paper deferred in the absence of the Honourable Minister for Health.

The Deputy Speaker: I recognise the Honourable Minister of Planning, the Deputy Leader of Government Business.

Report and Recommendation of the Minister Responsible for Lands on the Vesting of Crown Land Block 14E, Parcel 329 to the National Housing Trust

Hon. Linford A. Pierson: Mr. Speaker, I beg to lay on the Table of this Honourable House a Report on the vesting of Crown Land Block 14E Parcel 329 to the National Housing Trust.

The Deputy Speaker: So ordered.

Does the Honourable Minister wish to speak thereto?

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

Mr. Speaker, just to say that I confirm that as required by the Law the details of this land matter have been published in the Cayman Islands Gazette Issue No. 15 of 2003 (dated 20 July 2003), and a local newspaper, namely, the *Cayman Net News,* dated 16 July 2003.

Further, as required by the Law, three valuations have been carried out on the subject property. Each valuation report forms part of the overall Report and provides a general indication of the value of the property that Government now proposes to vest.

The report deals with facilitating the vesting of Block 14E Parcel 329 to the National Housing and Community Development Trust. This property is located in Registration Section George Town South, off Morton Road in the Windsor Park subdivision. Therefore, Mr. Speaker, after careful analysis and consideration, on 20 May 2003 the Governor in Council (now Cabinet) determined that it would vest a parcel to the National Housing and Community Development Trust for nil consideration.

The open market value of the subject parcels is estimated to be in the region of $290,000 to $333,000.

Thank you, Mr. Speaker.

The Deputy Speaker: I recognise the Minister of Planning.

Report and Recommendation of the Minister Responsible for Lands on the Vesting of Crown Land Block 13E, Parcel 166 to the National Housing Trust

Hon. Linford A. Pierson: Mr. Speaker, I beg to lay on the Table of this Honourable House a Report for Lands on the vesting of Crown Land Block 13E Parcel 166 to the National Housing Trust.

The Deputy Speaker: So ordered.

Does the Honourable Minister wish to speak thereto?

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

I confirm that, as required by law, the details of this land matter have been published in the Cayman Islands Gazette Issue No. 15 of 2003 (dated 20 July 2003) and a local newspaper, namely, the *Cayman Net News* (dated 16 July 2003).

Further, as required by law, three valuations have been carried out on the subject property. Each valuation report forms part of the overall report and provides a general indication of the value of the property that Government now proposes to vest.

The report deals with facilitating the vesting of Block 13E Parcel 166 to the National Housing and Community Development Trust. This property is located in Registration Section George Town Central, off Courts Road. Therefore, after careful analysis and consideration, on 20 May 2003 the Governor in Council (now Cabinet) determined that it would vest the parcel to the National Housing and Community Development Trust for nil consideration.

Thank you, Mr. Speaker.

The Deputy Speaker: The Honourable Minister for Planning.

Report and Recommendation of the Minister Responsible for Lands on the Vesting of Crown Land Block 13D, Parcel 303 (Part) to Rosworth McLaughlin

Hon. Linford A. Pierson: Mr. Speaker, I beg to lay on the Table of this Honourable House a Report for lands on the vesting of Crown Land Block 13D Parcel 303 (Part) to Mr. Rosworth McLaughlin.

The Deputy Speaker: So ordered.

Does the Honourable Minister wish to speak thereto?

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

I confirm that as required by the Law the details of this land matter have been published in the Cayman Islands Gazette Issue No. 19 of 2003 (dated 22 September 2003) and a local newspaper, namely, the *Cayman Net News* (dated 16 July 2003).

Further, as required by law, three valuations have been carried out on the subject property. Each valuation report forms part of the overall report and provides a general indication of the value of the property that Government now proposes to vest.

The report deals with the disposition of a portion of Block 13D Parcel 303 to Mr. Rosworth McLaughlin. This property comprises the North Eastern Section of Block 13D Parcel 303, which is bisected by the Esterley Tibbetts Highway. The subject land is remainder lands from the Esterley Tibbetts Highway project for which compensation was paid.

The Governor in Council (now Cabinet) has determined that these lands are not required for any further road works or other public projects. Accordingly, Mr. Speaker, the property is to be sold to Mr. Rosworth McLaughlin who plans to use the property for the purposes of his existing business, Mac & Son Trucking, which is located on parcel 324 across Greenwood Drive from the subject parcel. Therefore, after careful analysis and consideration, on 20 May 2003 the Governor in Council (now Cabinet) determined it should sell this portion of the parcel to Mr. Rosworth McLaughlin for CI$30,000.

Thank you, Mr. Speaker.

STATEMENTS BY HONOURABLE MEMBERS AND MINISTERS OF THE CABINET

Response to statements made by the Leader of the Opposition, Leader of the People's Progressive Movement, regarding the United Democratic Party's decision not to support the implementation of single member constituencies and one man, one vote

The Deputy Speaker: I recognise the Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, I rise this morning in response to the grossly erroneous statements made by the Leader of the Opposition, Leader of the People's Progressive Movement, regarding the United Democratic Party's decision not to support the implementation of single member constituencies and one man, one vote at this time.

The Leader of the Opposition accuses me of taking it upon myself to act without consulting the people of these Islands on this matter. For him to say this, is to be nothing more than disingenuous and it is clearly an attempt by him to create political mischief. Here are the facts.

Mr. Speaker, we must remember that the matter of 17 single member constituencies and one man, one vote was a recommendation from the constitutional commissioners, some of whom that Member (when he was Leader of the Government) assisted the Governor at the time in appointing. The People's Progressive Movement insisted that this matter should be the subject of a referendum.

The United Democratic Party throughout its several consultative public meetings found that the recommendation of the constitutional commissioners did not enjoy the widespread support of the people, and on that basis the party did not originally support it. However, in the interest of a peaceful conclusion to the proposed changes to the constitution, we supported the Leader of the Opposition and the People's Progressive Movement on this issue of the bi-partisan meeting in London with the Foreign and Commonwealth Office last December.

It must also be remembered that when we did this the People's Progressive Movement no longer pressed for a people's referendum on the matter. If it was most important for the country to have a referendum in the first place, as the People's Progressive Movement had indicated, why accept the constitution with one man, one vote, without the referendum? Perhaps, in their hypocritical state, this was the way they choose to go.

The United Democratic Party has continued over the past several months to seek public feedback on the proposed constitutional changes and has received ongoing comments from its constituents reflecting grave reservations on the implementation of single member constituencies and one man, one vote.

We have just received the Report of the Boundary Commission, which was tabled in this Honourable House today. The Leader of the Opposition and I received this report at the same time. We recognised that there was missing information and asked for this to be corrected before being sent to Honourable Members of the Legislative Assembly. I am sure that when the Leader of the Opposition was writing his statement he must have remembered that discussion in the Governor's office—with his Excellency the Governor, with himself (the Leader of the Opposition) the Cabinet Secretary, and me—when the Governor gave us that report.

He must have remembered that. Why say different? What kind of people are we dealing with who are so blatantly economical with the truth? Why?

It is unjustified that the Honourable Leader of the Opposition now charges that the Government has not made the report public even when he knew that the corrections to the Report would have to be made before being tabled in the House.

The assertion by the Leader of the Opposition ,that the Government has determined that there will be no public consultation on the issue, is patently false. Yesterday, I requested a meeting with him—which should have been on Wednesday, not Thurs-

day—to which he agreed and we met following the adjournment of the House. This meeting included all elected Members with the exception of the Honourable Minister of Education and the Honourable Minister of Planning with whom we had discussed it as a Party, and the Second Elected Member for George Town who was absent for the Sitting. I then informed all Members of the decision by the United Democratic Party not to support one man, one vote and showed each Member a communiqué from His Excellency the Governor.

The reaction of the Leader of the Opposition was that he needed time to respond. That response has now turned out to be a statement filled with baseless accusations—as is usual—and personal attacks which ignore the year-long public and bipartisan consultations on matters regarding single member constituencies and, indeed, the entire constitutional debate.

While it is regrettable that the Leader of the Opposition has chosen to do this, it is not surprising. The Opposition has been caught in many lies before. Indeed, only at the last Sitting of the House, the facts presented by the Cabinet Secretary revealed their vicious lies and their consistent attempt to smear me. However, we are not prepared to be deterred from carrying out our duty to this country by his misrepresentation of the facts and his personal attacks.

The fact is that the United Democratic Party has had its own extensive consultations and the public feedback coming to us is that the introduction of single member constituencies is not being supported at this time. Just last week over 150 persons attended our meeting in Cayman Brac at the Administration Building where this issue was brought forward and vetoed.

Moreover, it is clear from the Report of the Boundary Commission that the Commissioners received very little public input and, although they asked for submissions on the matter, only eight were received. Meetings held by the Commission were also poorly attended.

In my district, where we have some 2,900 persons on the electoral roll and a population of about 9,000 people, 37 people attended that meeting. We must also remember that the People's Progressive Movement has had its own meetings following the receipt of the draft constitution and these were met with public apathy and lack of support. What has been clearly demonstrated, therefore, is that there is still no widespread support for bringing in single member constituencies at this time.

We believe (through our own public consultations) the findings of the Boundary Commission, and the overwhelming lack of support for the process, that we are duty-bound as a responsible Government to take into account the people's position and act accordingly. This is what we have done. This is not a decision taken by me as Leader of Government Business, or as Leader of the United Democratic Party; it is a considered position reached by the Members of the United Democratic Party based on public feedback and the Report of the Boundary Commission.

The United Democratic Party stands by this position and supports the wishes of the people of the Cayman Islands. We will not support one man, one vote at the next election.

Mr. Speaker, I must ask the Leader of the Opposition and the People's Progressive Movement to stop the vindictive, dirty, lying campaign. Furthermore, at the end of the statement made by the Leader of the Opposition he makes accusations about where the country is headed in regards to dictatorial rule. I am warning them that the first opportunity that I have publicly in regards to their accusations on this, they will answer in a court of law, because I am tired of the Leader of the Opposition reading somebody else's statement in regards to things attributed to me when they are, in fact, a pack of lies, and he knows it!

Thank you, Mr. Speaker.

The Deputy Speaker: Honourable Members, I have been given Notice of a Statement by the Honourable Minister of Health Services, and since he is not here, we would like to continue on and deal with the Statement some time after his arrival later on in the day.

GOVERNMENT BUSINESS

BILLS

SECOND READING

The Dangerous Substances Handling and Storage Bill, 2003

(Continuation of Second Reading Debate)

The Deputy Speaker: The Honourable Deputy Leader of Government Business.

Hon. Linford A. Pierson: Mr. Speaker, I should begin by thanking the Honourable Leader of the Opposition for his valuable contribution during this debate on the Dangerous Substances Handling and Storage Bill, 2003,. His wide-ranging debate covered most sections of the Bill, though it seemed that his greatest concern was in regard to the storage of dangerous substances at the workplace. This is a valid concern.

During my reply, Mr. Speaker, I will deal with what I regard as the most important and crucial points raised by that Honourable Member. As a general statement, I wish to point out that all dangerous substances, regardless of the quantity or measurement, are covered under the Cayman Islands Standard Fire Prevention Code. Some measurements are in imperial gallons, some in cubic feet and cubic inches, and others in pounds per square inch (psi), et cetera.

These are all comprehensively covered in the Standard Fire Prevention Code which, as can be seen from the Bill and committee stage amendments, are cross-referenced from the Bill to the Standard Fire Prevention Code. Therefore, where necessary, the Bill is complemented in comprehensive details by the Standard Fire Prevention Code.

The Dangerous Substances Handling and Storage Bill was prepared in full consultation with the relevant government agencies, including the Fire Department, the Department of Environment and the Water Authority.

During the committee stage of this Bill, I proposed to have Clause 2 of the Bill amended as follows: in the definition of "concession" by deleting the words "exclusively or."

Whilst Clause 3, which deals with the grant of concession by the Governor in Cabinet, does not contain the word "exclusively", it was contained within Clause 2, the interpretation and definition clause. I will, therefore, seek to have it removed and I wish to thank the Honourable Member for bringing this to my attention. Further, Mr. Speaker, the word "exclusive" should be removed from this and any other legislation, especially in this era of liberalization.

It is also proposed that Clause 2 be amended by deleting the definition of "flammable liquid gas" and substituting the following definition, "'flammable gas' has the meaning assigned by the Standard Fire Prevention Code."

Also, by deleting the definition of "highly volatile liquid" and substituting the following definition, "highly volatile liquid has the meaning assigned by the Standard Fire Prevention Code"; by deleting the definition of "workplace**"** and substituting the following definition, "'workplace' means any premises in which the following are stored (a) dangerous substances of an aggregate quantity of 250 gallons or more or (b) in the case where the dangerous substance is compressed gas, compressed gas of an aggregate quantity of 250 cubic feet or more stored at a pressure of 500 pounds per square inch or more and such premises shall include any storage terminal, retail outlet, commercial bulk storage facility, hospital or factory and a private residential home."

Mr. Speaker, as alluded to by the Honourable Leader of the Opposition during his debate, the Governor in Cabinet may make such regulations as are required for the effective implementation of this Law. These regulations deal with:

(a) Safety standards and precautions in relation to the handling, storage and transportation of dangerous substances;

(b) Safeguards against pollution by dangerous substances;

(c) Procedures to be followed in handling storage and transportation of dangerous substances;

(d) Further responsibilities, powers and administration of the Chief Petroleum Inspectors and Members of the Board;

(e) The minimum standards for containers, permitted vehicles and underground pipes;

(f) Rates of compensation for damage to third parties or the general public arising from the handling or transportation of dangerous substances;

(g) The establishment, management and payment of compensation for way leaves;

(h) A written guarantee to the Government or compulsory insurance cover to be taken out by persons engaged in the handling, storage or transportation of dangerous substances against claims for damages by third parties or the general public;

(i) The establishment of a comprehensive assessment tribunal for assessment of compensation claims arising from the handling, storage or transportation of dangerous substances;

(j) Provision for appeals against the decision of the Compensation Assessment Tribunal.

(k) Enabling of the Attorney-General on behalf of the public to claim damages for pollution or other injury to public amenities arising from the handling, storage or transportation of dangerous substances.

(l) Penalties for contravention of such regulations; and

(m) any other matters required by this Law to be prescribed.

I have taken the time to highlight the various issues that are contemplated for inclusion in the regulations and to point out that, where the Law that is primary legislation may be silent on any important issues relating to the handling and storage of dangerous substances, these may be provided for under secondary legislation.

In addition to the regulations, I have already pointed out that the Bill cross-references the Standard Fire Prevention Code.

Mr. Speaker, the Honourable Member also referred to certain of the general duties of the Chief Petroleum Inspector, but as these are all comprehensively outlined in Clause 15 of the Bill, I will not now read through this fairly long list of duties and powers. I would instead invite all Honourable Members to read

these, which can be found on pages 16 and 17 of the Bill. However, I am proposing a committee stage amendment to Section 15 sub-section 2 (d) as follows:

That Clause 15 2(d) be amended: (a) by deleting the words "condition of" where they appear for the second time; and (b) by deleting the word "annually" and substituting the words, "at regular intervals during the period of such permit."

Mr. Speaker, the Honourable Member also raised certain important observations relating to Clause 27 which deals with immunity under the Law. This Clause currently states that: **"No action for damages may be brought against –**

"(a) the Chief Petroleum Inspector;

"(b) any Inspector;

"(c) any member of the public acting at the request of the Chief Inspector or any Inspector;

"(d) any person or constable acting under the direction of the Chief Petroleum Inspector; and

"(e) the Crown,

"in respect of death, injury or loss incurred by any person occasioned in the course of carrying out duty under this Law relating to any fire or explosion or any release or spillage involving dangerous substances."

Mr. Speaker, in consultation with the Honourable Second Official Member (the Honourable Attorney General), it was agreed that the following committee stage amendments should be made to expand the scope of this Clause, so that Clause 27 would be amended by inserting before the word "duty" the word "any"; and by inserting at the end of the Clause the following words, "unless it can be established that there was negligence in carrying out such duty."

I wish to now go back to Clause 4 (9) and comment on the point raised by the Member. Clause 4 (9) reads as follows: **"The operator of a workplace which is in operation or is occupied without an operating permit and the operator of a permitted vehicle which is being operated without an operating permit at the date of the commencement of this Law shall apply for an operating permit within three months of the date of commencement of this Law."**

The concern of the Member of the dangers of the smaller type of operators not complying within the three month time frame was valid. However, it is the intention of the Ministry to launch a public relations programme or campaign to inform the public, including both the large and small operators, of this provision and the penalty for non-compliance.

Clause 21 of the Bill provides for the penalties in respect of an operator who engages in activities under this Law without an operating permit as follows: **"Clause 21(1) Where-**

"(a) the operator of a workplace operates or occupies or causes such workplace to be operated or occupied without a valid operating permit; or

"(b) the operator of a permitted vehicle operates or causes such vehicle to be operated without a valid operating permit,

"he commits an offence and shall be liable, on conviction on indictment, to a fine not exceeding $50,000 or to imprisonment for a term not exceeding 5 years or both and if the offence is a continuing one to a further fine not exceeding $10,000 for every day or part of a day during which the offence has continued."

Sub-section (2) reads: **"The Court may also on application-**

"(a) make an order for forfeiture of any equipment used for the commission of the offence; and

"(b) grant an order restraining the accused from continuing to engage in similar activities."

The seriousness and gravity of this offence where an operator engages in activities under this Law without an operating permit is adequately reflected in the very high fines contained in this section.

Mr. Speaker, the last point on which I wish to comment, which was raised by the Honourable Leader of the Opposition, deals with Clause 7 (4) of the Bill, which reads as follows: **"The Board shall reach its decision by a majority of the votes of members present and voting at any meeting. The chairman or presiding member shall have no original but only a casting vote. Three members of the Board present at any meeting shall form a quorum."**

Mr. Speaker, a three-member quorum will form a simple majority of our five-member board. There is nothing unusual about this provision. Such wording is fairly standard in legislation and in the complements of committees and boards. Regardless of the size of a committee or board where the simple majority forms the quorum, the chairman, where necessary, may have to exercise his casting vote if no provision is made for an original vote.

Again, in closing, I wish to thank the Honourable Member, the Leader of the Opposition, for the useful contribution which he made during his debate on the Bill and I trust that the Bill will receive the support of all Honourable Members of this House.

Thank you, Mr. Speaker.

The Deputy Speaker: The question is that a Bill shortly entitled the Dangerous Substances Handling and Storage Bill, 2003, be given a Second Reading.

All those in favour, please say Aye. Those against, No.

Ayes.

The Deputy Speaker: The Ayes have it.

Agreed. The Dangerous Substances Handling and Storage Bill, 2003, given a Second Reading.

The Deputy Speaker: I now recognise the Honourable Minister for Aviation for the tabling of his report.

PRESENTATION OF PAPERS AND REPORTS

(Recommitted)

Little Cayman Airport Master Plan

Hon. Gilbert A. McLean: Mr. Speaker, I beg to lay on the Table of this Honourable House the Little Cayman Airport - Airport Master Plan.

The Deputy Speaker: So ordered.

Would the Honourable Minister wish to speak thereto?

Hon. Gilbert A. McLean: Thank you, Mr. Speaker.

This Honourable House will recall that on March 19, 2003, in response to a Parliamentary Question by the Second Elected Member for Cayman Brac and Little Cayman, I expressed my intention to seek Cabinet approval of the Master Plan for a new airport facility in Little Cayman.

For quite some time it has been acknowledged that the Edward Bodden Airfield is inadequate and requires immediate attention. It is also known that the facility does not uphold the standards and recommended practices of the International Civil Aviation Organisation (ICAO).

In providing some background, please allow me to explain the Cayman Islands relationship with ICAO. The United Kingdom Government has the ultimate responsibility for ensuring that the aviation services in the overseas territories are provided in accordance with the standards set by the International Civil Aviation Organisation. Therefore, the Ministry of Aviation and the Civil Aviation Authority of the Cayman Islands (CAA) must ensure that civil aviation services on all three islands are compliant with the ICAO standards.

As a result, consultants Snyder & Associates were contracted by the CAA to draft a Master Plan for the construction of a new airport in Little Cayman. More importantly, these plans were drafted in accordance with ICAO standards. However, before I discuss the plans for the proposed facility, let me highlight some of the existing conditions at the Edward Bodden Airfield that are of great concern.

Edward Bodden Airfield is located on the southwest side of Little Cayman on land which is not owned by the Crown or the CAA, but owned by private individuals. The airport operates a single runway which is 3,000 feet in length and 100 feet in width, and consists of a combination of gravel and turf surface. More critically, the runway is not demarcated and is not equipped with edge lights and edge identifiers. This situation does not permit emergency medical evacuation at night.

Although the turf and gravel runway has been accommodated, the gravel component of the runway is not acceptable for aircraft operations. Loose gravel has a tendency to dislodge from propeller blasts causing foreign object damage, which is a safety hazard to aircraft and passengers. Another safety issue affecting the airport is the runway's close proximity to the main road, power lines south of the runway, vegetation growth north and west of the airport and, finally, development east of the airport. These obstructions are hazardous to aircraft operations.

The building used to process commercial passengers is small and inadequate. This building accommodates an office of sorts, occupied by Island Air (where commercial passengers are processed), the Fire Department personnel and operations, plus the Post Office. Edward Bodden Airfield also lacks facilities for aircraft storage and maintenance and it does not have fuel facilities for aircraft operations.

Improving the present facility was considered. However, due to the runway's proximity to the road and other noted obstructions, such as power lines and buildings, it was thought to be impractical and uneconomical to make upgrades to the existing airport. Furthermore, as I have stated before, the airport site is privately owned land and not owned by the Government orthe CAA.

I know this Honourable House will agree that the Edward Bodden Airfield facility is extremely deficient. The contracted consultants' assessment of the airport reaffirms the need for a new facility, as upgrading the Edward Bodden Airfield is not a viable option. A new facility is proposed for construction on Crown lands located at Little Cayman West Block 80A Parcels 88 and 98, and Block 82A Parcel 4. I will now briefly outline some of the improved features the proposed facility will have.

The proposed runway is to be 4,000 feet long by 100 feet wide for safe use by the types of aircraft to be expected. Currently, the Twin Otter, Britten-Norman Islander, and the Navajo Chieftain, are the only aircraft using the airport. Unlike the Edward Bodden Airfield turf and gravel runway, the new runway will have a paved surface. It will also have edge lights and identifiers which will ensure the runway could be used during periods of darkness and low visibility.

An automatic weather observing station will be installed at the new airport. Currently, the airport in Cayman Brac provides weather information for Edward Bodden Airfield. Airport terminal facilities will provide a lobby area, snack and retail space, check-in counters, departure baggage storage and security screening, restroom facilities, airport manager's office, and other related facilities. A separate building for the fire department will be constructed on site. Accommodation for fire department and civil aviation personnel will also be provided on site. A proper parking facility is also proposed to accommodate employees and visi-

tors and an access road to the terminal area will be developed.

This plan also ensures that the new airport will be constructed responsibly; mitigating any negative effect the development will have on the Red-footed Booby nesting site, nearby, which is also a Ramsar site of international importance. This is important as we must take an active role in protecting our environment even as we seek to improve our infrastructure as a natural consequence of our development.

As we all know, apart from our safety concerns, image is important and our airports are the first point of reference for many of our visitors to these Islands. It was estimated in 2001 that there were 3,990 aircraft movements in Little Cayman. This is a significant number and it may surprise many that over 37,000 passengers flew into Little Cayman last year. It was forecasted that aircraft movements will remain stable in the short term and will increase in the future, especially once airport facilities improve in Little Cayman.

These projections would seem accurate considering the Government's efforts towards promoting development and economic growth in Cayman Brac and Little Cayman. A proper airport facility on all Islands is a necessary component to facilitate these efforts. We must, therefore, make certain that our airports present the right image and support the future economic growth of these Islands.

Although improving the image of our airports is important, I believe safeguarding all passengers in the aircraft that use our facilities is imperative. We are now all aware that the present airport operation in Little Cayman compromises the safety of aircraft and passengers. The construction of a new airport in Little Cayman is necessary. The proposed airport will not only uphold the standards of the International Civil Aviation Organization to which the CAA is bound, but it will also offer a safe and efficient facility for all its users.

We have a responsibility to the people of the Cayman Islands to provide an airport facility that maintains the highest standards of safety and comfort, and I am confident that this plan will meet these objectives. The Cabinet has authorised the Civil Aviation Authority to investigate possible sources of funding for the recommended works and what works may be started in the immediate phase. Consideration is being given to this matter at present and preliminary works will commence in a few weeks.

I thank Honourable Members of this House for their attention and consideration and look forward to their support in this proposal.

I also have a statement. I would ask your directions as to when I should make it.

The Deputy Speaker: Honourable Member, you may go ahead and continue on and make your statement at this time as well.

STATEMENTS BY HONOURABLE MINISTERS / MEMBERS OF THE CABINET

Ongoing Litigation Between the Civil Aviation Authority and Island Air

Hon. Gilbert A. McLean: Thank you.

I wish to inform this Honourable House about the progress with regard to the ongoing litigation between the Civil Aviation Authority and Island Air. This Honourable House is undoubtedly aware of the outstanding debt of Island Air to the Civil Aviation Authority for landing and parking fees. This debt has gone uncollected since 23 January1995, and continues to accumulate until 1 October 2003.

It is acknowledged that Island Air has provided a well used for-profit domestic air service to these Islands since 1993. However, as of January 1995, their non-payment of parking and landing fees has put unquestionable strain on the financial operations of the Civil Aviation Authority and Government.

Although Civil Aviation has repeatedly requested payment of their dues, Island Air has refused payment. Island Air has contended that they had an agreement with the past Government allowing their landing and parking fees to be waived. However, it was determined by the Court that the issue of the debt to CAA is still outstanding and there is a triable issue.

I believe that it is imperative and simply good governance to resolve this outstanding issue. This Honourable House will recall on 21 March 2003, that I stated my intentions to resolve this matter within the year.

In keeping with my undertaking, the Ministry gave careful consideration to this matter, reviewed all the related documentation between the related parties, and decided to proceed with initial steps taken by the previous Government, which is to continue legal proceedings against Island Air to enforce payment of their debt to the Civil Aviation Authority— which up to August 30, stood at $1.134 million.

The preliminary Court hearing into the Civil Aviation Authority versus Island Air Ltd. concluded with the Chief Justice ruling in favour of the Civil Aviation Authority. This now clears the way for the matter to go to trial unless Island Air comes up with a settlement proposal acceptable to Government. In order to arrest the further accrual of the outstanding debt, Island Air Ltd. has been directed by the Director of the Civil Aviation Authority (DCA) to commence payment for all ongoing operations as of October 1, 2003. This means that Island Air is now required to pay on a daily basis all landing and parking fees. My information is that Island Air has been honouring this instruction from the DCA so far.

Should Island Air decide to cease operations, this Ministry has contingency plans in place to guarantee that local air services between Grand Cayman, Cay-

man Brac, and Little Cayman will remain available to the public. We are currently in discussions with Cayman Airways and the Air Transport Licensing Authority is in the process of reviewing proposals from companies who have expressed an interest in providing domestic air services.

It has come to my attention that Island Air has sent an e-mail to its industry partners and customers advising them of a letter from the DCA to the effect, and I quote, "effective immediately [going forward] Island Air must pay all Landing Fees within the Cayman Islands for the schedule service", and claims that, as a result, Island Air has had to increase their fees.

This Honourable House needs to note that not only does this e-mail convey a false impression, it is intended to deliberately mislead the public. The letter from the DCA is not requiring Island Air to pay any new fees, but, instead, is seeking to have Island Air honour its long outstanding obligation. Therefore to state that Government would slap yet another tax on the people of the Sister Islands is downright false and misleading.

I would like to inform this Honourable House that Island Air is not authorised to raise its airfare without seeking approval from the Air Transport Licensing Authority (ATLA). Section 14 of the Air Transport Licensing Authority (Licensing of Air Service) Regulations, 1977 states, "the holder of the license shall obtain permission from the Authority before introducing any charges, types of aircraft or frequency other than those in effect when the license was issued."

The Air Transport Licensing Authority will issue a letter to Island Air to notify them that the ATLA will make an application to the Grand Court restraining an unlawful increase if they do not retract their statement to raise the airfare and forward the appropriate application to ATLA for consideration.

Mr. Speaker, I wish to emphasise that any concern or anxiety caused to the people of Cayman Brac and Little Cayman is directly attributable to the false and misleading information issued by Island Air to the public at large.

I will continue to keep this Honourable House and the public informed about matters pertaining to this case.

Thank you, Mr. Speaker.

The Deputy Speaker: I will call on the Honourable Third Official Member.

Hon. George A. McCarthy: I beg to move the Second Reading of a Bill entitled the Loan (No. 2) Bill, 2003.

The Deputy Speaker: Honourable Member, I have been advised that we need to have Standing Order 46 (4) suspended, since I think it was done without the Gazetting of this Bill.

Suspension of Standing Order 46 (4)

Hon. George A. McCarthy: I so move, Mr. Speaker.

The Deputy Speaker: The question is that Standing Order 46 (4) be suspended. All those in favour, please say Aye. Those against, No.

Ayes.

The Deputy Speaker: The Ayes have it. Standing Order 46 (4) is thereby suspended.

Agreed. Standing Order 46(4) suspended.

The Deputy Speaker: If the Member would (out of an abundance of caution) do the movement again, please.

GOVERNMENT BUSINESS

(Recommitted)

BILLS

SECOND READING

The Loan (No. 2) Bill, 2003

Hon. George A. McCarthy: Mr. Speaker, I beg to move the Loan (No. 2) Bill, 2003.

The Deputy Speaker: The Bill has been duly moved. Does the Mover wish to speak thereto?

Hon. George A. McCarthy: Thank you, Mr. Speaker.

The Bill before this Honourable House seeks approval for Government to borrow $15 million. If that approval is granted the Government intends to use $10 million to build the Prospect Primary School and the remaining $5 million to carry out an extension to the National Archive.

The planned new Prospect Primary School is well known to Honourable Members of this House. In fact, yesterday morning I tabled the Report of Finance Committee discussion on this Bill. On 12 August, Finance Committee resolved that it supported the Financial Secretary seeking loan proposals for an amount not exceeding $10 million to build a new primary school in Prospect by September 2004.

Finance Committee further resolved that the requested Loan Bill should be forwarded to the Legislative Assembly during its current meeting. This explains the presence of the Bill in this Honourable House. Government is fulfilling the wishes of Finance Committee, and I should mention that this morning there was groundbreaking for the commencement of construction of that school.

Turning to the extension of the National Archive, I would like to outline why there is a need for an extension.

In 1988 the Government committed itself to records management and established a National Archive to carry out this programme. By 1994 the programme had proved itself and was sought after by departments who could see its benefits. As space at the Records Office at the National Archive ran out in 1997, the programme began to plateau. During the next six years, up to 2003, the programme declined. Currently, the record centre's main function is storage of some records belonging to some departments, but this is not what records management is meant to be.

The present difficulty has occurred because the record centre is full. The effects arising from this are numerous and could be unfavourable. Government does not know all the records it holds and it exposes Government to unacceptable and unnecessary liabilities. Files for more and more departments are now being stored in warehouses where they are exposed to heat, flooding and vermin, and are unprotected from hurricanes, flooding, fire or burglary.

The present lack of space at records management will become acute and more apparent when the proposed new Private Finance Initiative funded administration buildings are completed. The project architects for the new administration buildings have allocated office space on the correct assumption that departments should not need to keep records in their offices that are more than three years old. This means that ministries and departments moving into new buildings will be forced to surround themselves with records because they cannot be stored at the National Archive or have them stored in sub-standard or unacceptable locations.

It is abundantly clear that unless the National Archive extension is constructed soon, departments will be lumbered with the unwelcome task of moving their records into the proposed new administration building where space will be insufficient for that purpose or will continue with the unsuitable alternative arrangements involving the use of warehouses.

A third dimension to this situation (which is, sadly, all the more glaring as we celebrate the Cayman Quincentennial Year) is the long-term impact of records management on our history. When the new history of the Cayman Islands is launched shortly, it will demonstrate this truth.

The vast majority of historical data for the first 450 years after 1503 did not come from our local archives. They came from Jamaica and the United Kingdom, because those countries kept good records on Cayman's behalf. The National Archive has been able to copy these records and, as a consequence, Cayman has an authentic historical record for those years.

A century from now the picture will become completely different. When the grandchildren and great-grandchildren of today's Caymanians sit down to write the history of the Cayman Islands in the 21st Century they will not have Jamaican or English records to rely on. They will depend on records that the Cayman Islands have, or have not managed and secured. The Cayman Islands has now reached a point where it must decide if it truly wants a National Archive. It if does, then it must make a fresh investment in the physical resources required. This investment would enable the Archive to prepare Government for the move to the new buildings, to solve the current situation in records management and tackle complex challenges of electronic records which do not provide any magic solution for the problems described.

The present design plans for the extension to the National Archive will meet the needs of the Islands for the next 25 years and will probably do so for much longer. Significant preparation of the site has already been done so that work can begin almost immediately, provided this Honourable House approves this financing.

Honourable Members will quite rightly ask what impact this additional $15 million borrowing will have on Government's public debt ratio or the debt service ratio. The Government obtained approval from the Legislative Assembly earlier this year to borrow $8 million to finance most of the capital development expenditure outlined in the 2003/2004 Annual Planning Estimates. Even when we add the proposed $15 million borrowing now before this Honourable House to the $8 million borrowing already approved by the Legislative Assembly to the Government's existing public debt and financing loan obligations, the debt service ratio is only expected to be 6.4 percent as at 30 June 2004, which is well below the limit of 10 percent stated in the Public Management and Finance Law 2001.

Turning to the Memorandum of Objects and Reasons for the Bill, it is a Bill for a law to be entitled the Loan (No. 2) Law 2003 (which is now before this Honourable House). Its Memorandum of Objects and Reasons and three Clauses are consistent with the remarks that I have just made. I therefore invite Honourable Members to support this Bill.

Thank you.

The Deputy Speaker: Thank you, Honourable Member.

Does any other Member wish to speak? Does any other Member wish to speak?

The Honourable Minister of Education.

Hon. Roy Bodden: Thank you, kindly.

Since the Ministry for which I hold constitutional responsibility is the Ministry under which this loan, I suppose, proposes to serve, I should have some comments to offer to the Honourable House.

I wish to begin by saying that there is an acknowledged peculiarity in the dynamics of political relations because when I was more closely associated with some Members of the Opposition, it seemed that I was their darling. Now that there is the divide necessitated by the Westminster system, the efforts I put

forward are often open, not only to criticism—because I expect that that is par for the course—but derision and mockery to the point where, when the issue of temporary classrooms was introduced, the Opposition had no end of negative commentary to make. Yet, when I was associated with them they knew that we were facing this problem, and that was an acknowledged approach to the problem until we could find a more permanent solution. That notwithstanding, I am not necessarily adversarial. I only wish to say that there is a big difference between myself and the Members of the Opposition because I am a professional educator and so the decisions that I take are always taken with that in mind. The Opposition does not necessarily operate from such a vantage point, so I have to give and take.

I am happy to say that we were able this morning to have the ground-breaking for the proposed new school in Prospect which is the subject of this Bill. I am also happy to see that the Opposition turned out in numbers to support that ground-breaking, because I know that their minds are with education. I expressed my appreciation to them in the abbreviated ceremony that we held this morning.

Mr. Speaker, I hear some crosstalk across the road. We are not dealing with numbers; we are dealing with substance, so perhaps it would take all of them and still not necessitate all of us.

Education for the Cayman Islands must be as Napoleon said the conscript army was for France—the vitality of the nation. The UDP Government recognises this, hence the strides we are making. I believe these strides are constructive, but the needs that we are facing are not needs which suddenly came about in the tenure of the UDP Government. Many of them, regrettably, are needs which existed prior to the tenure of the UDP that were not addressed. I am not in the business of pointing fingers and laying blame as can be seen. I am an action man. I am in the business of addressing the needs as they exist and as I have the ability to address them. Hence, we are getting off to this start now.

I believe with all my heart that this is the correct move. This school is a long-awaited school. However, I want to offer some critical commentary on what happened in the past. It cannot be in the best interests of development that we could just build a school a few years ago and already the school is full to capacity. I am talking about the Red Bay School. When we embark on planning and development projects in this society, we have to be visionary and build them so that within three or four years they are not up to capacity and over capacity. There is no way (if the matter was done right) that that school should have been up to its capacity already. That should not have happened, probably for ten years. If it did, the school should have been constructed so that additional modules could have been easily added on. These are the things that we have tried to make contingencies for in the new Prospect Primary School, the contract which we have awarded to Hadsphaltic and for which the ground-breaking took place this morning.

I believe that all Honourable Members of this House are interested in the education and the provision of education to the Caymanian children, because they realise that is where the future lies, other philosophical differences notwithstanding. Therefore, I am sure that they will support the Bill. I am asking them to support the Bill for this school and the Bill for the extension of the Archive. I will talk about the Archive later, however, it is crucial that we get this school on line, and the other schools that we propose will come in time, I hope, as promised with respect to the UDP itinerary and programmes.

I want to say and caution that I hear plenty of unlicensed education ministers, on the radio and otherwise, trying to poke fun at huts and hovels —drawing reference to the temporary classrooms. Let me say something about those temporary classrooms.I visited the exact same model of temporary classrooms in Georgia on two occasions. I satisfied myself that these were aesthetically acceptable, safe and functional for our children. Not only that, before these classrooms landed here (and prior to the conclusion of the purchase), I sent up the Senior Assistant Secretary in the Ministry of Education to ensure that these were of the quality we had agreed to purchase. They were not purchased out of any crisis. It was planned.

Anyone who has seen them, and knows of the problems that confronted us in terms of numbers, knows that is the best methodology that we could adopt at this point. The Middle School is bursting to its seams, and there are other schools in a similar situation. Bodden Town School is growing beyond any means. We had to get these. It is not the end of the world, and I do not plan to fall on my sword because it is a situation of abject failure. I am not doing that at all because it was not any battle which I consider lost.

What is important is that within two years of its tenure, the United Democratic Party can come here debating a Loan Bill, offering a contract for the construction of a new school—one of three, which we need—a feat that was not achieved in a decade or more. Our children are certainly not disadvantaged by being temporarily housed in these classrooms. I resent what is trying to be done by unbridled and unlicensed mouths, Mr. Speaker. I am usually very civil, but anybody who knows me knows that I am a battler. I had to be! I tell people that I grew up on the streets.

Therefore, I have to say in defence of the Government (and, of course, my own defence) that the Caymanian children are not disadvantaged. The Opposition is irresponsible because they are spreading this too, and their supporters are even more irresponsible because the Leader of the Opposition knows that this is what we had to resort to. He and I were best buddies when we were in the Opposition. He knows that this is a situation which we are facing. I understand the politics of it. I am just telling them that they must be careful because I am a good counterpuncher.

Mr. Speaker, the Bill for the school is timely. It is not burdening the country any more. What could be more necessary? What could we borrow money for that would be a more meaningful and discrete project than for the construction of a new modern school for our children? I would just like to say something about the school for those Honourable Members who may not know: The location is at Pointdexter Road at Spotts. Access will be from Pointdexter Road, although plans are underway for a future east-west highway which will incorporate a proposed roundabout with an arm providing direct access to the school.

The acreage is 13.5 acres and the school will have a fenced compound which covers approximately seven acres. The size of the school is 33,530 square feet in a single-storey building with a total capacity of 300, with expansion up to 350 plus 25 staff. Planning approval has already been granted and the school is supposed to open for the 2004/2005 school year. I have been assured by the contractor (Hadsphaltic) that it will be open for that time. The number of classrooms will be 12, with 25 students per classroom plus two additional rooms to be used for art and science, which can, if circumstances necessitate, be adopted as standard classrooms. There will also be a room for special education needs.

Other facilities will be a combined auditorium/cafeteria/physical fitness area (which we labelled a “Cafetorium”); a music room; a learning resource centre; library; counselling room; computer room; medical room; sick bay (including dental facilities) in fully air-conditioned surroundings. Further, in keeping with our ITALIC project, the school will be completely wireless or wired, for our ongoing Information and Communications Technology project.

Therefore, with the granting of this Loan Bill, which I am asking all Honourable Members to support, we will then have two schools left to build. The most pressing one will be the proposed high school in Frank Sound and then there will be the school which we plan to build in West Bay to supplement the John A. Cumber Primary School.

Mr. Speaker, I have just returned from two weeks in Canada where I conducted some educational meetings with regard to the proposed project converting our Community College into a degree-granting university college. I am very familiar with the Canadian system of education because that is where I got my postgraduate training in educational administration. It is heartening for us also to learn that in Cayman we are not the worst off, because our population gives us the ability to service the needs of each one of our students to a more acute and specialised level than do jurisdictions like Canada. They are doing the same thing that we are doing in Information and Communications Technology.

Much of their curriculum and educational objectives are the same, except that one particular school district that I went in has 60,000 students in the state system. We have about 6,000. So it is much easier, even in these times of soft finance for us to do what we are doing than for them to do what they are doing. I am heartened by the fact that they hold no significant advantage over us in terms of achievement, in terms of school equipment, in terms of teacher training, in terms of the ability of our students. However, we have to continuously upgrade our facilities if we are to remain a jurisdiction of excellence; if we are to give our children the best that they deserve. It is all right for education to be political, but education cannot get bogged down in cheap politics because it serves no one any good when that happens. It certainly does not serve the constituency and the cohorts of our students any good when we talk nonsense, and the criticism is not constructive.

Mr. Speaker, I am confident that we are on the right path. I am sure the Opposition knows that and I am relying on them to support the Loan Bill.

With regard to the Archive, Mr. Speaker, the Archives also fall under the Ministry for which I hold constitutional responsibility. I have said from the time that I came in that we are running the risk of serious embarrassment because we have now to resort to storage of important documents—court documents, probate documents, important financial documents—in facilities other than specifically designed facilities. If these documents are needed, even after a short time of storage in other than custom built facilities, we are going to be embarrassed and may even be in legal trouble.

Many of them are stored in warehouses which are not temperature controlled, so the paper deteriorates; some of them are subject to vermin and natural predators on the papers. We have to do better than this. It is a question of contingencies. It is a question of what is important. I would hope that we can get these facilities because the Archive Director is frustrated, and he and his staff are doing an excellent job for which I, on behalf of the Government, commend them.

However, they are handcuffed and frustrated. I feel for them because now it is up to capacity. We are talking about building a new administrative centre for the Government already. The Ministry which I occupy would be a fire hazard if it were anywhere else but in the Cayman Islands, because I am surrounded by paper! It is an island which is surrounded by paper, and that is not a good safety and security issue. These documents should be stored in a purpose-built facility. That is not only common to the Ministry of Education, Human Resources and Culture, it is common to other ministries as well. I say this to impress upon Honourable Members that it is absolutely essential that we get this money so that we can have a more efficient, more effective and better run system.

I would like to say to the Opposition that I know they are charitable. I will leave it to their conscience and I ask them to be a little more responsible in their criticism, particularly in the criticism levelled at education. I know that the Education Ministry is so important that all five of the Opposition Members would like to

be education ministers, and that is all right. However, they must temper their criticism to what is real, true and fair. They know me. They know that I am quite capable of being an Oxford Scholar or being a raging, raving backwards Baptist preacher—the real old southern hand-clapper-chorus-singing type! I leave it to them to decide which Roy they would like to see come to the Legislative Assembly.

Thank you.

The Deputy Speaker: Thank you, Honourable Member.

At this time we will take the luncheon break and we will return at 2.30 pm.

Proceedings suspended at 1.28 pm

Proceedings resumed at 3.15 pm

[Hon. Speaker in the Chair]

The Speaker: Please be seated.

Proceedings are resumed. Does any other Member wish to speak? Does any other Member wish to speak?

Final call: Does any other Member wish to speak?

If not, I will recognise the Honourable Third Official Member to exercise his right of reply.

Hon. George A. McCarthy: Thank you.

I would like to say thanks to Honourable Members for their support of this Bill that is before this Honourable House. I have been made to understand that there are just a few questions that Members have got in regard to the likely flooding that could occur to the extension of the archive site. According to information provided by the Director, the extension to be constructed will be situated at about four feet above the normal land level as it now stands—that is four feet above the ground level of the present facility. In addition, within the first floor of the new facility the strong rooms will be raised an additional three feet. Therefore, when the four feet (which is the height of the foundation elevation) is added on to the three feet (which will be for the height at which the strong rooms will be raised) it would require water flooding to the extent of about seven feet in order to effect damage to the records that would be kept at the ground floor level.

In addition, the ground floor of the extension, and presumably the existing facility, will not be used for record storage, only for the management of records that will be processed by the Archive. All historical or valuable records will be stored or kept in storage on the second floor. Therefore, based on what I have just outlined in terms of the thoughts that have gone into the construction of this extension and also to avoid likely damage that could occur from flooding, every effort is being made to make sure that this facility will be a world-class facility.

I understand that even the top floor will be constructed out of concrete and there will be what appears to be a normal roof over that. This means that the facility will have the ability to stand up to hurricanes or strong wind damage. Therefore, for the monies that are being sought today, the Cayman Islands can be assured that the facility that will be provided is one which will guarantee safekeeping of records as best as possible.

Thank you.

The Speaker: The question is that a Bill shortly entitled the Loans (No. 2) Bill, 2003, be given a Second Reading and passed. All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it. Accordingly, the Loans (No. 2) Bill, 2003,, has been given a second reading.

Agreed. The Loan (No. 2) Bill, 2003, given a Second Reading.

The Speaker: The House will now go into Committee to consider the various Bills.

COMMITTEE ON BILLS

House in Committee at 3.20 pm

The Chairman: The House is now in Committee.

With the leave of the House, may I assume that as usual we will authorise the Honourable Second Official Member to correct minor printing errors and such like?

Will the Clerk state each Bill and read its respective Clauses.

The information and Communications Technology authority (Amendment) Bill, 2003

Clauses 1 to 14

The Clerk:

Clause 1. Short Title.
Clause 2. Amendment of the Information and Communications Technology Authority Law, 2002.
Clause 3. Amendment of section 2 - definitions.
Clause 4. Amendment of section 4 - board of directors.
Clause 5. Amendment of section 6 - managing director of the Authority.
Clause 6. Amendment of section 9 - powers and functions of the Authority.
Clause 7. Amendment of section 14 - financial procedure.
Clause 8. Amendment of section 17 - repayment of advances.
Clause 9. Amendment of section 18 - reserve fund.

Clause 10. Amendment of section 25 - shares of licensee not to be issued or transferred without approval of the Authority.
Clause 11. Amendment of section 26 - procedure for the grant of a licence.
Clause 12. Amendment of section 30 - licence fees.
Clause 13. Amendment of section 31 - modification of licence.
Clause 14. Amendment of section 32 - suspension of licence.

The Chairman: The question is that Clauses 1 to 14 stand part of the Bill. Is there a debate?

The Member for North Side.

Mrs. Edna M. Moyle: Thank you, Madam Chairman. Just a query on Clause 10 where it reads: **"the principal Law is amended in section 25 (6) by inserting after the word 'company' where it appears for the second time the words 'or registrar'."**

Madam Chairman, I wonder if we could get some clarity on this "registrar", as there is no definition in the Law of "registrar", and I do not know if it means the Registrar of Companies, or it is not a terminology that is used in the Cayman Islands.

The Chairman: Honourable Deputy Leader of Government Business.

Hon. Linford A. Pierson: Madam Chairman, I have taken the point raised by the Honourable Elected Member for North Side, and I would like this Section to read in the last line, "'company' where it appears for the second time the words 'secretary or registrar'."

Mrs. Edna M. Moyle: Madam Chairman, if I could help the Honourable Minister—without him thinking I am being rude— the original Law speaks of the secretary of the company, and this is where we are going to insert "or registrar". In the original Law it already speaks to the secretary of the company and then "or registrar" will be inserted after that company. My question is some clarification on "registrar" . . . or do we have a definition for "registrar"?

The Chairman: Honourable Deputy Leader of Government Business.

Hon. Linford A. Pierson: Madam Chairman, I take the suggestion by the Member, but what I am suggesting is that after the word "secretary" it should be followed by "or registrar". "Registrar" is an accepted and known title within the Company Law and therefore we would move that this remain.

The Chairman: Did you have a follow up, Member for North Side?

Mrs. Edna M. Moyle: Madam Chairman, just to get it clear in my mind, I have never seen this used, "registrar", "secretary" or "registrar of the company". It does not mean the Registrar of Companies. Does it mean the registered office of the company?

I have never heard "registrar" used in the Cayman Islands legislation of a company other than as the Registrar of Companies.

The Chairman: Honourable Deputy Leader of Government Business, do you care to respond?

Hon. LInford A. Pierson: Just to say that I am reliably informed legally that this word is quite commonly used in companies, not necessarily to apply to the Registrar of Companies, so I am prepared to leave it. If I find out later on that there is a problem, I can bring an amendment to this section.

The Chairman: I just wonder if we could have the indulgence of Honourable Members.

I do not see the recording chap at the back and I would ask the Serjeant to make sure that proceedings are being recorded.

Hon. Linford A. Pierson: Madam Chairman.

The Chairman: Please proceed, Honourable Deputy Leader of Government Business.

Hon. Linford A. Pierson: On Clause 10, I would like to move a motion that we correct the second line of this by it reading (and I will read the full clause): **"The principal Law is amended in section 25 (6) by inserting after the word 'secretary' the words 'or registrar.'"**

This was a printing error, so I would like to have this corrected.

The Chairman: The Amendment has been duly moved.

Does any other Member wish to add to it?

If not, I will put the question that the Amendment stands part of the Clause. All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it. The Amendment stands part of the Clause.

Agreed. Amendment to Clause 10 passed.

The Chairman: I will put the question that the Clause as amended stands part of the Bill. All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: Accordingly, Clause 10 as amended stands part of the Bill.

Agreed: Clause 10, as amended, passed.

The Chairman: The question is that Clauses 1 to 9 stand part of the Bill. If no debate, I will put the question. All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: Clauses 1 to 9 stand part of the Bill.

Agreed: Clauses 1 to 9 passed.

The Chairman: The question is that Clauses 11 to 14 stand part of the Bill. If no debate, I put the question. All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it. Clauses 11 to 14 now stand part of the Bill.

Agreed: Clauses 11 to 14 passed.

Clause 15

The Clerk: Clause 15. Insertion of Part IIIA – Anti-Competitive Practices.

The Chairman: Honourable Deputy Leader of Government Business, I believe you have an amendment.

Hon. Linford A. Pierson: Madam Chairman, in accordance with the provisions of Standing Order 52 (1) and (2) I give notice that I intend to move the following committee stage amendments to the Information and Communications Technology Authority (Amendment) Bill, 2003,: that Clause 15 be amended by inserting for the new Section 34Q a marginal note entitled, "Penalty for infringing Section 34B or 34F prohibitions."

The Chairman: Thank you.

The Amendment has been duly moved. Does any Member wish to speak to it?

If not I will put the question that the amendment stands part of the Clause. All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it. The Amendment stands part of the Clause.

Agreed: Amendment to Clause 15 passed.

The Chairman: I will put the question that the Clause as amended now stands part of the Bill. All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it. Clause 15 as amended stands part of the Bill.

Agreed: Clause 15, as amended, passed.

Clause 16

The Clerk: Clause 16. Insertion of a New Part 4 (a) Administrative Fines.

The Chairman: Honourable Deputy Leader of Government Business.

Hon. Linford A. Pierson: Madam Chairman, in accordance with the provisions of Standing Order 52 (1) and (2) I give notice that I intend to move the following Committee Stage Amendment to the Information and Communications Technology Authority (Amendment) Bill, 2003: that Clause 16 be amended in the new Section 37A proposed for insertion in the principal Law as follows:

(a) In subsection 7 by deleting the words "subsection (2)" and substituting the words "subsection (3)"; and

(b) In subsection 13 by deleting the words "subsection (11)" and substituting the words "subsection (12)".

The Chairman: The Amendment has been duly moved. Does anyone wish to speak to it?

I will put the question that the Amendment stands part of the Clause. All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it. The Amendment stands part of the Clause.

Agreed: Amendment to Clause 16 passed.

The Chairman: I will put the question that the Clause as amended stands part of the Bill. All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it. Clause 16 as amended now stands part of the Bill.

Agreed: Clause 16, as amended, passed.

Clauses 17 to 23

The Clerk:

Clause 17. Amendment of section 38 - universal service fund.

Clause 18. Amendment of section 45 - interconnection agreements.

Clause 19. Amendment of section 46 - pre-contract disputes.
Clause 20. Amendment of section 48 - infrastructure sharing.
Clause 21. Insertion of section 48A - licensee confidential information.
Clause 22. Amendment of section 49 – numbering.
Clause 23. Amendment of section 50 - quality of service.

The Chairman: Honourable Deputy Leader of Government Business, I think you have an amendment to Clause 23.

Hon. Linford A. Pierson: Madam Chairman, I move that the Bill be amended by inserting the following Clauses after Clause 23 . . . No, that will be at the end.

The Chairman: The question is that Clauses 17 to 23 stand part of the Bill.

If there is no debate, I will put the question that Clauses 17 to 23 stand part of the Bill. All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it. Clauses 17 to 23 stand part of the Bill.

Agreed: Clauses 17 to 23 passed.

Clauses 24 to 28

The Clerk:
Clause 24. Amendment of Section 55 - review of administrative decisions by the Authority.
Clause 25. Insertion of Section 55A - third party appeals under Part IIIA.
Clause 26. Amendment of Section 56 - appeals to the court.
Clause 27. Insertion of Section 68A to 68C.
Clause 28. Amendment of the First Schedule - procedure of the Board.

The Chairman: I put the question that Clauses 24 to 28 stand part of the Bill. All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: Clauses 24 to 28 stand part of the Bill.

Agreed: Clause 24 to 28 passed.

New Clause 24

The Clerk: New Clause 24. Amendment of Section 53 - Insertion of Messages Prohibited

The Chairman: The question is that this Clause has been deemed to have been read a second time. All those in favour, please say Aye. Those against, No.

Ayes.
The Chairman: The Ayes have it.

Agreed: New Clause 24 given a second reading.

The Chairman: The question is that this Clause be added to the Bill as Clause No. 24 and that the subsequent Clauses be renumbered accordingly. All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: New Clause 24 added to the Bill as Clause No. 24 and the subsequent Clauses be renumbered accordingly.

New Clause 25

The Clerk: New Clause 25. Insertion of section 53A - Lawful Interception of Messages.

The Chairman: The question is that this Clause has been deemed to have been read a second time. All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: New Clause 25 given a second reading.

The Chairman: The question is that this Clause be added to the Bill as Clause No. 25 and that the subsequent Clauses be renumbered accordingly. All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: New Clause 25 added to the Bill as Clause No. 25 and the subsequent Clauses be renumbered accordingly.

The Clerk: A Bill for a Law to Amend the Information and Communications Technology Authority Law, 2002; and for Incidental and Connected Purposes

The Chairman: The question is that the Title stands part of the Bill. All those in favour, please say, Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Title passed.

The Chairman: That concludes Committee stage on this particular Bill.

The Cayman Islands Development Bank (Amendment) Bill, 2003

Clauses 1 to 2

The Clerk:
Clause 1. Short Title.
Clause 2. Amendment of section 21 of the Cayman Islands Development Bank Law, 2001 – accounts.

The Chairman: The question is that Clauses 1 to 2 stand part of the Bill. All those in favour, please say, Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it. Clauses 1 through 2 stand part of the Bill.

Agreed: Clauses 1 and 2 passed.

The Chairman: I believe there is an amendment to Clause 3.

Honourable Leader of Government Business.

Clause 3

Hon. W. McKeeva Bush: Madam Chairman, I move that Clause 3 (c) be amended by deleting in the new paragraph (a) of section 24 (3) the words **"(ii) or".**

The Chairman: The amendment has been duly moved. Does any Member wish to speak to it? If not, I will put the question that the amendment stands part of the Clause. All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it. The amendment stands part of the Clause.

Agreed: Amendment to Clause 3 passed.

The Chairman: I will put the question that the Clause as amended stands part of the Bill. All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it. Clause 3 as amended now stands part of the Bill.

Agreed: Clause 3, as amended, passed.

Clauses 4 and 5

The Clerk:
Clause 4. Amendment of section 27 - restrictions on the disclosure of information.
Clause 5. Validation

The Chairman: The question is that Clauses 4 and 5 stand part of the Bill. If no debate, all those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it. Clauses 4 to 5 stand part of the Bill.
Agreed: Clauses 4 and 5 passed.

New Clause 2

The Clerk: New Clause 2. Amendment of the Cayman Islands Development Bank Law 2003

The Chairman: The question is that this Clause be given a Second Reading. All those in favour, please say, Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: New Clause 2 given a second reading.

The Chairman: The question is that Clause 2 be added to the Bill as the new Clause No. 2 and that the subsequent Clauses be renumbered accordingly. All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: New Clause 2 added to the Bill and the subsequent Clauses renumbered accordingly.

The Clerk: A Bill for a Law to amend the Cayman Islands Development Bank Law 2001; and for Incidental and Connected Purposes

The Chairman: The question is that the Title stands part of the Bill. All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Title passed.

The Chairman: That concludes the Committee stage on the Cayman Islands Development Bank (Amendment) Bill, 2003.

The Dangerous Substances Handling and Storage Bill, 2003

Clause 1

The Clerk: Clause 1. Short Title

The Chairman: The question is that Clause 1 stands part of the Bill. All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it. Clause 1 stands part of the Bill.

Agreed: Clause 1 passed.

Clause 2

The Clerk: Clause 2. Interpretation

The Chairman: Honourable Deputy Leader of Government Business.

Hon. Linford A. Pierson: Madam Chairman, I move that Clause 2 be amended as follows:

(a) in the definition of "concession" by deleting the words "exclusively or";

(b) by deleting the definition of "flammable liquid gas" and substituting the following definition: " 'flammable liquid gas' has the meaning assigned by the Standard Fire Prevention Code";

(c) by deleting the definition of "highly volatile liquid" and substituting the following definition: " 'highly volatile liquid' has the meaning assigned by the Standard Fire Prevention Code";

(d) by deleting the definition of "workplace" and substituting the following definition: " 'workplace' means any premises in which the following are stored -

(a) dangerous substances of an aggregate quantity of 250 gallons or more; or

(b) in the case where the dangerous substance is compressed gas, compressed gas of an aggregate quantity of 250 cubic feet or more stored at a pressure of 500 lbs per square inch or more,

and such premises shall include any storage terminal, retail outlet, commercial bulk storage facility, hospital or factory and a private residential home."

The Chairman: The amendment has been duly moved. Does any Member wish to speak? If not, I will put the question that as amended, it stands part of the Clause. All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it. The amendment stands part of the Clause.

Agreed: Amendment to Clause 2 passed.

The Chairman: I will put the question that the Clause as amended stands part of the Bill. All those in favour, please say, Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it. Clause 2 as amended stands part of the Bill.

Agreed: Clause 2, as amended, passed.

Clauses 3 to 12

The Clerk:

Clause 3.	Concessions
Clause 4.	Operating Permits
Clause 5.	The Dangerous Substances Handling and Storage Board
Clause 6.	Functions of the Board
Clause 7.	Meetings of the Board
Clause 8.	Duty of confidentiality
Clause 9.	Remuneration of Board
Clause 10.	Chief Petroleum Inspector
Clause 11.	Identification cards of inspectors
Clause 12.	Avoidance of pollution and safe conduct of activities

The Chairman: The question is that Clauses 3 to 12 stand part of the Bill. If no debate, all those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it. Clauses 3 to 12 stand part of the Bill.

Agreed: Clauses 3 through 12 passed.

Clause 13

The Clerk: Clause 13. Reporting of pollution to Chief Petroleum Inspector.

The Chairman: I believe there is an amendment, Honourable Deputy Leader of Government Business.

Hon. Linford A. Pierson: I move that Clause 13 (1) be amended by inserting after the word "after" the words "becoming aware of".

The Chairman: Thank you, the amendment has been moved. Does any Member wish to speak? If not, I will put the question that the amendment stands part of the Clause. All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it. The amendment stands part of the Clause.

Agreed: Amendment to Clause 13 passed.

The Chairman: I will put the question that the Clause as amended stands part of the Bill. All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it. Clause 13 as amended stands part of the Bill.

Agreed: Clause 13, as amended, passed.

Clause 14

The Clerk: Clause 14. Check of workplaces by Chief Petroleum Inspector.

The Chairman: The question is that Clause 14 stands part of the Bill. If no debate, I will put the question that Clause 14 stands part of the Bill. All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it. Clause 14 now stands part of the Bill.

Agreed: Clause 14 passed.

Clause 15

The Clerk: Clause 15. General duties and powers of the Chief Petroleum Inspector.

The Chairman: There is an amendment, Honourable Deputy Leader of Government Business.

Hon. Linford A. Pierson: I move that Clause 15(2)(d) be amended:

(a) by deleting the words "condition of" where they appear for the second time; and

(b) by deleting the word "annually" and substituting the words "at regular intervals during the period of such permit".

The Chairman: The amendment has been duly moved. Does any Member wish to speak?

If not, I will put the question that the amendment stands part of the Clause. All those in favour, please say Aye. Those against, No.

Ayes.

Agreed: Amendment to Clause 15 passed.

The Chairman: The amendment stands part of the Clause. I will put the question that the Clause as amended stands part of the Bill. All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it. Clause 15 as amended now stands part of the Bill.

Agreed: Clause 15, as amended, passed.

Clauses 16 to 20

The Clerk:

Clause 16. Remedial notices.
Clause 17. Appeal against remedial notice.
Clause 18. Officers of the police force or fire brigade may assist Chief Petroleum Inspector.
Clause 19. Liability for accident at workplace.
Clause 20. Alterations at a workplace.

The Chairman: I put the question that Clauses 16 to 20 stand part of the Bill. If no debate, all those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it. Clauses 16 to 20 now stand part of the Bill.

Agreed: Clauses 16 to 20 passed.

Clause 21

The Clerk: Clause 21. Engaging in activities without an operating permit.

The Chairman: Honourable Deputy, amendment.

Hon. Linford A. Pierson: Madam Chairman, I move that Clause 21 (1) of the Bill be amended by deleting the words "on conviction of indictment" and substituting the words "on summary conviction".

The Chairman: The amendment has been moved. Does any Member wish to speak?

If not, I will put the question that the amendment stands part of the Clause. All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it. The amendment stands part of the Clause.

Agreed: Amendment to Clause 21 passed.

The Chairman: I will put the question that the Clause as amended stands part of the Bill. All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it. Clause 21 as amended stands part of the Bill.

Agreed: Clause 21, as amended, passed.

Clauses 22 to 26

The Clerk:

Clause 22. Further offences.
Clause 23. Order for payment of compensation.
Clause 24. Regulations.
Clause 25. Costs under the Law.
Clause 26. Emergency powers of Chief Petroleum Inspector.

The Chairman: I put the question that Clauses 22 to 26 stand part of the Bill. If no debate, all those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it. Clauses 22 to 26 stand part of the Bill.

Agreed: Clauses 22 to 26 passed.

Clause 27

The Clerk: Clause 27. Immunity

The Chairman: Honourable Deputy Leader of Government Business.

Hon. Linford A. Pierson: Madam Chairman, I move that Clause 27 be amended as follows:

(a) by inserting before the word "duty" the word "any"; and
(b) by inserting after the end of the Clause the following words, "unless it can be established that there was negligence in carrying out such duty".

The Chairman: The amendment has been duly moved. Does any Member wish to speak?

If not, I will put the question that the amendment stands part of the Clause. All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The amendment stands part of the Clause.

Agreed: Amendment to Clause 27 passed.

The Chairman: I will put the question that the Clause as amended stands part of the Bill. All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: Clause 27 as amended stands part of the Bill.

Agreed: Clause 27, as amended, passed.

Clauses 28 to 30

The Clerk:

Clause 28. Repeal.
Clause 29. Saving of existing laws.
Clause 30. Transitional arrangements.

The Chairman: I put the question that Clauses 28 to 30 stand part of the Bill. If no debate, all those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: Clauses 28 to 30 now stand part of the Bill.

Agreed: Clauses 28 to 30 passed.

The Clerk: A Bill for a Law to Provide for the Handling, Storage and Transportation of Dangerous Substances; and for Incidental and Connected Purposes.

The Chairman: The question is that the Title stands part of the Bill. All those in favour, please say, Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Title passed.

The Chairman: The Title now stands part of the Bill and that concludes the Committee stage on this Bill.

The Loan (No. 2) Bill, 2003

Clauses 1 to 3

The Clerk:
Clause 1. Short Title
Clause 2. Power to borrow
Clause 3. Principal and interest of loan

The Chairman: The question is that Clauses 1 to 3 stand part of the Bill. All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: Member for North Side?

Mrs. Edna M. Moyle: Madam Chairman, just one quick question to the Third Official Member. In Clause 2, subsection (b): **"from any institution, and on such terms and conditions, as the Governor in Cabinet may approve."** Are these institutions to be within the Cayman Islands?

The Chairman: Honourable Third Official Member?

Hon. George A. McCarthy: Madam Chairman, it is normally institutions from within the Cayman Islands.

The Chairman: Member for North Side, do you have a follow up? If not, I will put the question that Clauses 1, 2 and 3 stand part of the Bill. All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it. Clauses 1 to 3 stand part of the Bill.

Agreed: Clauses 1 to 3 passed.

The Clerk: A Bill for a Law to Authorise the Borrowing of up to $15,000,000.

The Chairman: The question is that the Title stands part of the Bill. All those in favour, please say, Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Title passed.

The Chairman: That concludes the Committee Stage. The question is that these Bills be reported to the House. All those in favour, please say Aye, Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: That the Bills be reported to the House.

House Resumed at 4.00 pm

The Speaker: Please be seated. Proceedings are resumed.

REPORTS ON BILLS

The Information and Communications Technology Authority (Amendment) Bill, 2003

The Speaker: The Honourable Deputy Leader of Government Business.

Hon. Linford A. Pierson: Madam Speaker, I have to report that a Bill shortly entitled The Information and Communications Technology Authority (Amendment) Bill, 2003, was passed by the whole House with amendments.

The Speaker: The Bill has been duly reported and is set down for Third Reading.

The Cayman Islands Development Bank (Amendment) Bill, 2003

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Madam Speaker, I have to report that a Bill shortly entitled The Cayman Islands Development Bank (Amendment) Bill 2003 was considered by a Committee of the whole House and passed with amendments.

The Speaker: The Bill has been duly reported and is set down for Third Reading.

The Dangerous Substances Handling and Storage Bill, 2003

The Speaker: The Honourable Deputy Leader of Government Business.

Hon. Linford A. Pierson: Madam Speaker, I have to report that a Bill shortly entitled The Dangerous Substances Handling and Storage Bill, 2003, was considered by a committee of the whole House and passed with amendments.

The Speaker: The Bill has been duly reported and is set down for Third Reading.

The Loan (No. 2) Bill, 2003

The Speaker: The Honourable Third Official Member.

The Hon. George A. McCarthy: Madam Speaker, I am to report that a Bill shortly entitled The Loan (No. 2) Bill 2003 was considered by a Committee of the whole House and passed without amendment.

The Speaker: This Bill has been duly reported and is also now set down for Third Reading.

THIRD READINGS

The Information and Communications Technology Authority (Amendment) Bill, 2003

The Speaker: The Honourable Deputy Leader of Government Business.

Hon. Linford A. Pierson: Madam Speaker, I move that a Bill shortly entitled The Information and Communications Technology Authority (Amendment) Bill, 2003,, be given a third reading and passed.

The Speaker: The question is that a Bill shortly entitled The Information and Communications Technology Authority (Amendment) Bill, 2003, be given a third reading and passed. All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Information and Communications Technology Authority (Amendment) Bill, 2003, has been given a third reading and is now passed.

Agreed. The Information and Communications Technology Authority (Amendment) Bill, 2003, given a third reading and passed.

The Cayman Islands Development Bank (Amendment) Bill, 2003

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Madam Speaker, I move that a Bill shortly entitled The Cayman Islands Development Bank (Amendment) Bill, 2003, be given a third reading and passed.

The Speaker: Thank you. The question is that a Bill shortly entitled The Cayman Islands Development Bank (Amendment) Bill, 2003, be given a third reading and passed. All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: Accordingly, the Cayman Islands Development Bank (Amendment) Bill, 2003, has been given a third reading and is now passed.

Agreed. The Cayman Islands Development Bank (Amendment) Bill, 2003, given a third reading and passed.

The Dangerous Substances Handling and Storage Bill, 2003

The Speaker: The Honourable Deputy Leader.

Hon. Linford A. Pierson: Madam Speaker, I move that the Dangerous Substances Handling and Storage Bill, 2003, be given a third reading and passed.

The Speaker: The question is that a Bill shortly entitled The Dangerous Substances Handling and Storage Bill, 2003, be given a third reading and passed. All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: Accordingly, the Dangerous Substances Handling and Storage Bill, 2003, has been given a third reading and is now passed.

Agreed. The Dangerous Substances Handling and Storage Bill, 2003, given a third reading and passed.

The Loan (No. 2) Bill, 2003

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Madam Speaker, I beg to move that a Bill shortly entitled The Loan (No. 2) Bill, 2003, be given a Third Reading and passed.

The Speaker: The question is that the Loan (No. 2) Bill, 2003, be given a third reading and passed. All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: Accordingly, the Loan (No. 2) Bill, 2003, has been given a third reading and is passed.

Agreed. The Loan (No. 2) Bill, 2003, given a third reading and passed.

GOVERNMENT BUSINESS

MOTIONS

GOVERNMENT MOTIONS NO. 3 AND NO. 4 OF 2003

Amendments to the Development Plan 1997

The Speaker: I recognise the Honourable Deputy Leader of Government Business.

Hon. Linford A. Pierson: Madam Speaker, in accordance with section 13 of the Development and Planning Law (1999 Revision), I move Government Motion No. 3 of 2003, the Amendment to the Development Plan 1997.

The Speaker: Is it your desire to move Motion No. 4 at this time as well, Honourable Deputy?

Hon. Linford A. Pierson: Yes, Madam Speaker. In accordance with the same section 13 of the Development and Planning Law (1999 Revision) I beg to move Government Motion No. 4, Amendment to the Development Plan 1997.

The Speaker: Thank you. The Motions have been duly moved and are open for a debate. Does the Honourable Deputy wish to speak thereto?

Hon. Linford A. Pierson: No, Madam Speaker.

The Speaker: Does any other Member wish to speak?

Does the Honourable Deputy wish to exercise a right of reply to such a quick and tacit procedure?

Hon. Linford A. Pierson: Just to thank my good friends for their support of the Motions.

The Speaker: The question is that Government Motions numbers 3 and 4 of 2003 be passed. All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it. Accordingly, Motions 3 and 4 have been passed.

Agreed. Government Motions Numbers 3/2003 and 4/2003 passed.

The Speaker: Can I have a Motion for the adjournment? The Honourable Deputy Leader of Government Business.

ADJOURNMENT

Hon. Linford A. Pierson: Madam Speaker, I beg to move the adjournment of this Honourable House until a date to be fixed.

The Speaker: The question is that this Honourable House be adjourned until a date to be fixed. All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: Accordingly, this Honourable House now stands adjourned until a date to be fixed.

At 4.07 pm the House stood adjourned sine die.

OFFICIAL HANSARD REPORT
FRIDAY
10 OCTOBER 2003
10.20 AM

Eleventh Sitting

The Speaker: I will invite the Third Elected Member for the district of West Bay to now grace us with prayers.

PRAYERS

Capt. A. Eugene Ebanks: Let us pray.

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

Bless our Sovereign Lady Queen Elizabeth II, Philip Duke of Edinburgh, Charles Prince of Wales, and all the Royal family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of the Cayman Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Executive Council and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: *Our Father, who are in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 10.23 am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies from the Honourable Minister responsible for Education who is currently off the Island on official business.

Message from the Speaker

Honourable Members, in accordance with today's Order Paper, eleventh sitting, Friday 10 October 2003, and by virtue of Number 2, namely, Reading of Messages and Announcements, I now rise to read the following message from myself to this Honourable House, and to proceed to make a very important announcement.

Honourable Members, as I pondered and as I prayed about what message I would like to leave with you all here today, I decided to pose the following question: What is your purpose here on earth? In other words, ask yourself what on earth am I doing here on earth? I believe that God has a purpose for each one of us here. There is a purpose for each of our respective lives. Our job is to find that purpose, but it does not end there. When we find our divine purpose in life we must persevere and stand. The purpose for your life and for my life has all to do with what God has designed for us, and there is nothing, absolutely nothing, far greater than God's purpose. God's purpose is not limited to space or time. If you look for God, you will find him and he will show you what your purpose in life is.

Generally speaking, His purpose is for us to tell the world about Jesus. You are full of promise and potential. God has a process to accomplish his purpose in you. This purpose is not an easy one. Paul called it a fight, indeed he called it warfare; but we can and we will be victorious. Just remember that everyplace life takes us through, Jesus has gone there before. We will see this in Romans 12:1-2 that we must seek to find God's will.

Isaiah 52:1-2 also tells us you must also separate yourself. 2 Timothy 2:5 says you must study to show yourself approved. James 4:7-8 says you must submit to the process. Hebrews 12:3-6 says when you submit to God it will cause you to have patience. You will need patience to carry out and wait on God's will. In Romans 12:1-2 we see the will of God is originating in God. It is a perfect will. You will have to search to find His will.

I again say: when you begin, do not quit or back up. Keep God's will before your eyes. It is not a time thing. Some people find God's will in their lives sooner than others. Do not let the devil use this deferral to deter you; your job is still to find it.

John 3:30 says, **"He** [referring to Jesus] **must increase but I must decrease."** The same holds true for me today, Honourable Members. Jesus knows God's will because he sought it in Luke 22:42. He said: **"Father, if thou be willing, remove this cup from me: nevertheless not my will, but thine, be done".** This is the type of commitment God is still looking for even today. Is it easy? No. Is it possible? A resounding yes, Honourable Members. Remember how Moses said that he came from the back side of the desert? Well, it does not matter where you have come from or who your parents are or what colour you are, or what size you are. What really matters is if you are in the full will of God, what God has for you no man can take from you. What God has for your life is bigger than what any man or woman may say.

Some people are, by their very nature, interferers. Peter the Apostle was like that. Remember when John was leaning on Jesus and getting up real close to him? Peter asked, "What is John's purpose?" But Jesus said, "Mind your own purpose, John's purpose is John's purpose". Regardless of who goes, you go and find God's purpose for your life. When you start to find God's purpose stick with it, stay in the way of God, separate yourself to find the will of God, be still and know that God is God.

1 Samuel 7:3 tells us that there are, in my respectful submission, three important things that we must do here while we are on earth. We must put away; secondly, we must put off; thirdly, we must put on. That is, come out from among them and find God. I do not know who the "them" is in your lives, Honourable Members, only you and Almighty God know that. However, I know that if we are all honest here today I am sure that the Holy Spirit is telling you right here and now who the "them" is in your life that you must separate yourself from in order to find God's divine will for your life.

2 Corinthians 6:17-18 tell us that Jesus is still everything. You cannot hold on to anyone else but Him, and I can tell you He will not fail you. The words "separate yourself" are action words. That is, disconnect, go a different way, go forward, sever. You will never be satisfied until you find God's will away from this world. When you move out, you will find God's will. Mary moved out to find Jesus and we saw in Matthew 28:9 that she found Him and Jesus greeted her and I quote, "All hail". In other words, Jesus excitedly received and greeted her.

If you find God's purpose you will not wander around. If you do not find God's will you will end up in a spiritual graveyard. It is much better to be alive and resurrected, exercising discretion of choice. Mary went back to the tomb to see the grave and the tomb, but instead the angels told her, "He is not here. He is alive".

Do not go back, Honourable Members, to the tomb any more, that is, the tomb of unforgiveness, the tomb of bitterness, the tomb of hatred. You will get so poisoned in your hearts and your minds that it will sicken everything about you and everyone around you. Jesus is still saying "Come unto me". How do we find God's purpose? Study to show yourselves approved. There is nothing more embarrassing when we do not. Be prepared and study.

The Holy Spirit has been my guide and continues to be my guide. Likewise he will guide you and give you continued wisdom. Forget about ourselves and listen intently to hear for the heart of God, for a nation without a vision shall surely perish. Find the unadulterated word of God and take our beloved Cayman Islands forward. Spend more time before God. Trust me, we all need it.

What does this mean? Just that: separate yourselves, come up to the next level and find God. Separate yourself to find God's will, prepare your minds, prepare your intellect. Get ready for real genuine fellowship with God. Submit yourselves; do not be pompous and hard-headed or proud. Your soul still is the most important asset which you possess. Submit yourself to God. When you separate yourself, there will be pain; make no mistake, there will be pain. However, remember that Paul said, "It is not only I that lives but Christ lives in me". If they talk about you—and yes, they will—or if they pass you by, do not worry. Just look to Jesus.

Remember that our character is like a fence; it cannot be strengthened by whitewashing it. Isaiah 41:10 says, **"Fear not; for I am with you: be not dismayed; for I am your God: I will strengthen you; I will help you; I will uphold you with my victorious right hand".**

Honourable Members, I believe that there certainly is a process in accomplishing God's will. In this will be fear. You may say, *"Lord, I want to win this struggle,"* as I have said. *"I want the people to see Jesus in me,"* as I have also said. Lord help me to win the war but may you put the fear of the past behind all our people. Do not let our past now come to paralyse us. Your heart may be broken by a relationship gone bad; by disobedient children; by the death of a loved one, but those of you, Honourable Members, who have pledged to serve God, may I, in my departing message, implore you not to ever look back but to continue on with your fervent pledge. Release your problem to God, do not bring reproach to the name of God and He will take care of you.

When Mary got to the tomb there was an earthquake. Remember? Things were dark and uncertain. You too will have to go through such a process, but Jesus is able to take you through as He has taken me through over my now 42 years of life. The earthquake came before the Angel of the Lord came and rolled back the stone. Once you go through the process, the Angel of the Lord still remains encamped round about you and you will get your prize. When God sees fit He will place you exactly where He wants you to be. But in all your doing find God's purpose for

your life, if you do not find God's purpose, you will only be spinning wheels.

Learn to press against depressing issues; learn to be in the spirit of prayer and cultivate a prayerful attitude. When you get sick, your purpose will be challenged; when you do not have any money, again, your purpose will be challenged; when you are around carnal persons, your purpose will be challenged; when you have carnal children, your purpose will also be challenged. Satan will try to use your very children to bring you down, those closest to you, perhaps. Look at the story of Job. He did not give up; he held on to God and so will I. Your judgmental friends will challenge your purpose. The Psalmist said, "I was wounded in the House of my friends". When your community forsakes you, your purpose will once again be challenged.

How do you fulfil your purpose in all this? Persevere, persevere in prayer. Sometimes you feel that you cannot find God; sometimes you feel there is not one single friend to encourage you. Still stay in prayer and stick to God's purpose. In order to continue your purpose you must learn to forgive and you must expect deliverance. Do not allow your circumstances to change your purpose. Do not let a crisis in your life change your purpose. Having done all, stand!

What is the most precious thing to you? Does this thing stand between you and your God? It is a question I too had to ask myself. Is it the House? Is it the power? Is it the job? Is it the children? Whatever it is put God first. Our service to God and our people is a reasonable sacrifice.

In conclusion, I say, what on earth are we doing here on earth in the year 2003? Only you and God, Honourable Members, can answer that question. However, whether or not we answered it here today, there is coming a day—and I truly believe that—when we will be called upon by Almighty God himself to give an account of word, thought and deed. Until then, let us find God's purpose for all of our lives.

Announcement of Resignation of the Speaker Honourable Juliana Y. O'Connor-Connolly

Now for my announcement. First, in accordance with the Cayman Islands Constitution I, Juliana O'Connor-Connolly, Speaker of this Honourable House of the Cayman Islands Legislative Assembly, hereby now give verbal and written notice of my resignation as Speaker of this Legislative Assembly to the said Clerk and all Honourable Members present here today. I have chosen that my resignation as Speaker will take effect immediately upon my handing the said letter of resignation as Speaker to the Clerk of this House and instructing her to lay the said resignation letter on the Table of this Honourable House so that in the interest of transparency it may then be made available to any member of the press and any member of the public who may wish to have a copy of the same.

For the record, and out of the abundance of caution, I should also state that for any of the spin doctors that may or may not be around, I am resigning this morning because I, Julianna O'Connor-Connolly, want to resign as Speaker and yes, the UDP has never mentioned that they want to fire me. They have confidence in their Speaker. I truly believe that this is what God's purpose for my life is at this time.

I wish now to thank all Honourable Members in this Honourable House for the respect and the support that you have afforded me during my tenure as Speaker. I wish also to record my gratitude to Madam Clerk, the Serjeant, and all of the other most valuable staff here at the Legislative Assembly. I have had their full cooperation and their full assistance and they have become like family to me. My prayers and love will always be with you and yours.

To the people of the Cayman Islands, especially my people of Cayman Brac and Little Cayman, thank you for your prayers; thank you for your support; thank you for your confidence in me. I would also ask for your continued prayers and support for my family and me. Thanks also to His Excellency, the Governor, who, from very early on in his tenure, was willing to come out publicly and unsolicited to offer his support to me as Speaker. I would also like to thank the Royal Cayman Islands Police for whom I have the utmost respect and admiration for their professionalism and support throughout these past months. Thanks to the press for the role that they have played during my tenure in helping to shape my character.

Last, but by no means least, I wish to thank my children and other members of my family and close friends for their love and support. I wish to thank Almighty God for now showing me what His divine will is and for the obedience which will now follow.

I thank you all sincerely, Honourable Members. May God bless you and continue to bless my beloved Cayman Islands.

I now present my letter of resignation to Madam Clerk and would ask her to forthwith this morning place it on the Table of this House.

I now will take a short suspension and ask the Members of the House to stay here, but before doing so, as a last bit of in-housekeeping, I will call on my very good friend and my supporter in so many ways during the times of having the Chair, the Fourth Elected Member for West Bay, to deputise as the Deputy and new Acting Speaker.

Proceedings suspended at 10.45 am

Proceedings resumed at 10.52 am

[Deputy Speaker in the Chair]

The Speaker: Please be seated. Proceedings are resumed.

STATEMENTS BY HONOURABLE MINISTERS / MEMBERS OF THE GOVERNMENT

Resignation of the Minister of Cabinet for Planning, Communication, Works and Information Technology

The Speaker: I recognise the Honourable Deputy Leader of Government Business.

Hon. Linford A. Pierson: Mr. Speaker, I rise to announce my resignation as a Minister of Cabinet and with your permission to read into the record a letter which I wrote to His Excellency the Governor advising of this resignation and, with your permission, to lay this on the Table of the House.

The Speaker: So ordered.

Hon. Linford A. Pierson: Mr. Speaker, the letter was dated yesterday 9th October 2003 to His Excellency the Governor, Mr. Bruce Dinwiddy, CMG, Governor of the Cayman Islands, Government Administration Building, Grand Cayman.

"Your Excellency,

"Cabinet Reshuffle 2003

"Further to our meeting on Tuesday, 7th October 2003 regarding the above subject, at which the Honourable Juliana O'Connor-Connolly, Speaker of the Legislative Assembly and the Honourable Gilbert McLean, Minister for Health, Agriculture, Aviation and District Administration were present, this is to confirm my decision to resign as a Minister of Cabinet, effective Friday, 10th October 2003.

"As I indicated to you, after serious consideration and soul searching, I have decided that I will not be contesting the 2004 General Elections. Following this decision, I recommended to the Leader of Government Business and my other United Democratic Party colleagues that they consider a proposal from the Honourable Juliana O'Connor-Connolly, Speaker of the Legislative Assembly, and me that we be allowed to exchange official positions. It is proposed that, subject to the approval of the Legislative Assembly, that the Honourable Juliana O'Connor-Connolly would replace me as Minister and I would assume the Speakership of the Legislative Assembly. As further advised, this decision is being made with the best interest of the country and the United Democratic Party in mind as it will provide for an easier preparation for the Legislative Members of the Party who will be contesting the 2004 General Elections. All members of the United Democratic Party Legislative Caucus unanimously agreed to this proposal.

"It has been an honour to have served as a Minister of Executive Council/Cabinet, and I am particularly pleased to have served with you. Whilst I am saddened to be demitting the office of Minister of Cabinet prematurely, I am nonetheless looking forward to taking up my position as Speaker of the Legislative Assembly.

"Yours truly,
[signed] "**Hon. Linford A. Pierson, OBE, JP".**

Thank you, Mr. Speaker.

NOMINATIONS FOR THE ELECTION OF THE SPEAKER OF THE LEGISLATIVE ASSEMBLY

The Speaker: I now open the Floor for nominations for the Speaker. I recognise the First Elected Member for the district of Cayman Brac and Little Cayman.

Nominations

Mrs. Juliana O'Connor-Connolly: Thank you, Mr. Speaker. Indeed, it is my pleasure and distinct honour to move the nomination of my friend and colleague, the Honourable Linford Pierson, OBE, JP.

The Speaker: Is there a seconder for that nomination?

Hon. Gilbert A. McLean: Mr. Speaker, I beg to second the nomination.

The Speaker: Are there any further nominations?

I would like to ask the Fourth Elected Member for the district of George Town whether he would accept the nomination that was put forward.

Acceptance of Nomination

Hon. Linford A. Pierson: I do, Mr. Speaker.

The Speaker: I now ask for a motion for the closure of nominations. I recognise the Honourable Leader of Government Business.

Closure of Nominations

Hon. W. McKeeva Bush: Thank you, Mr. Speaker. I move the closure for nominations at this time.

The Speaker: The question is that nominations for the position of Speaker of the Legislative Assembly of the Cayman Islands now be closed. All those in favour, please say Aye. Those against, No

Ayes.

The Speaker: The Ayes have it.

Agreed that nominations be closed.

Declaration of Speaker

The Speaker: There being no further nominations at this time it gives me great pleasure in declaring the Honourable Linford A. Pierson, Fourth Elected Member for George Town, to be the Honourable Speaker of the House.

[Applause]

At this time we will take a short suspension so that the new Speaker can return. I also ask the Members that they stay in their seats for the short suspension.

Proceedings suspended at 10.59 am

Proceedings resumed at 11.21 am

[His Excellency, Mr. Bruce H. Dinwiddy, CMG, Governor of the Cayman Islands arrived in the VIP Gallery.]

[The Honourable Speaker entered the Chamber at 11.21 am (having taken the Oath of Allegiance in the Speaker's Office, administered by His Excellency, Mr. Bruce H. Dinwiddy, CMG, Governor of the Cayman Islands) and took the Chair.]

The Speaker: Proceedings are resumed. Please be seated.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

The Speaker: Honourable Members, I wish to take this opportunity to express my sincere thanks and gratitude to each one of you for electing me to the position of Speaker of this Honourable House. My grateful thanks are also extended to my constituents of George Town, whom I have had the honour and privilege to represent over the past 15 years. Next year will be 16 years of active service as a representative for the district of George Town and an aggregate of 24 years since I entered politics in 1980. This, in addition to my 16 years in the civil service, gives me a grand total of 30 plus years of active and dedicated service to the people of these Islands.

I have thus far had a very satisfying career in serving both in the civil service and as a political representative of my people. This dual service provided me with the distinct opportunity of having served on both sides of Executive Council, now Cabinet: firstly, as an Acting Official Member in the position of Acting Financial Secretary and secondly, for a total of seven years, as a Minister of Executive Council/Cabinet; the first term being from 1988 to 1992 and the second term which commenced following the 2000 General Elections.

My preferment today to the high office of Speaker of this Honourable House is but another example of God's blessing and guidance in my life. For this honour and all of my other accomplishments, I express my sincere gratitude to my Heavenly Father. I have always approached life in the knowledge and assurance that I can do all things through Christ who strengthens me.

Honourable Members, Your Excellency, my fellow Caymanians and all residents of these beautiful Islands, I accept the position of Speaker of this Honourable House with gratitude and humility. However, the responsibility that has been thrust upon me and entrusted to me is one that I approach with unapologetic dependence upon the spirit of God to give the heart of a servant wisdom for the difficult decisions I will face at times, the courage to stand by my convictions and the humility to recognise and acknowledge my shortcomings.

I have during my political career endeavoured to extend to my fellow political colleagues on both sides of this Honourable House due respect at all times, even in the occasional throes of adversarial politics. I have always felt that respect is essential in human relations and I will continue to exhibit this quality. I promise this Honourable House that I will carry out my duties as Speaker with fairness, honour and integrity. Also, as most of you are aware, I believe in the efficient use of time and, accordingly, I will expect each one of us to work together in using the time of this Honourable House as efficiently as possible.

Honourable Members, time is our most valuable asset, and how well we use it has a key bearing on our performance. We owe it to our people, our constituents, to be as productive as possible in the performance of our duties in this Honourable House. Only by so doing will each one of us provide the effective leadership expected from us, - whether in an official or elected position.

In assuming this high office, I am conscious of the complexities and potential difficult decisions that may have to be made from time to time. Whilst giving you the assurance that I will at all times endeavour to make my rulings fair, firmly and with impartiality, I am also calling upon each one of you to do your part in acting within the provisions of our Constitution and

Standing Orders, thus making my job as Speaker easier. For example, I would ask each Member to thoroughly acquaint themselves with the Standing Orders of this Honourable House. I would, in particular, respectfully request all Honourable Members to acquaint themselves with the section of Erskine May, *Parliamentary Practice*, which deals with "fraudulent points of order".

I will also expect all Honourable Members to maintain proper decorum during all meetings of the House and that we all discipline ourselves to comply with the time limits given for lunch breaks, coffee breaks, et cetera. The Serjeant-at-Arms should not have to beg and beseech Members to re-assemble in the House after the time limit has expired for such breaks. We owe the duty to this House and the people we serve to utilise our time as efficiently and as effectively as possible.

Honourable Members, my fellow Caymanians, and all residents of these Islands, I am committed by God's Grace to provide you with the best service possible in my role as Speaker of this Honourable House, and as I continue to represent my people as an MLA for the district of George Town.

For the record, I would repeat that it is not my intention to contest the 2004 General Elections, thus the reason for the changing roles between the former Speaker, the Honourable Juliana O'Connor-Connolly and myself. I had for some time indicated to my Cabinet and other colleagues that, for personal reasons, I was unsure as to whether or not I would contest the next elections. I have therefore effectively given 13 months advance notice before the November 2004 General Elections.

Following this decision, I recommended to the Leader of Government Business and my fellow party colleagues at our caucus meeting held on Sunday, 5 October 2003 that they consider a proposal from the former Speaker, Honourable Juliana O'Connor-Connolly, now First Elected Member for Cayman Brac and Little Cayman, and me, that we be allowed to exchange official positions, subject to the approval of the Legislative Assembly through the formal Constitutional process, whereby the former Speaker would replace me as a Minister of Cabinet, and I would assume the Speakership of this Honourable House.

All Members of the Party's Legislative Caucus present and the Executive Committee of the United Democratic Party agreed to this proposal. I have also given notice that effective today I am resigning as a Member of the Standing Business Committee.

I wish to take this opportunity to publicly, once more express my sincere thanks to my constituents for the confidence which they have reposed in me during the tenure of my political career to date, and for making it possible for me to serve in a Ministerial position for a second four-year term. Further, as mentioned earlier, I will continue to serve my constituents to the best of my ability as an MLA for George Town to the end of this term in November next year.

I also wish to thank my Permanent Secretary, Mr. Kearney Gomez, MBE, JP and the other hard-working staff within my former Ministry and the departments, units and sections thereunder for their support and loyalty over the years. Finally, my sincere thanks to my family as well as to the chairman and members of my George Town Committee who have given me their unwavering support throughout these years.

Before closing, I wish to express my sincere appreciation and thanks to the Hon. McKeeva Bush, OBE, JP, Leader of Government Business, for his effective leadership since he took over the reins on 8 November 2001. Whatever certain quarters may say about the leadership of the Honourable McKeeva Bush, no one can deny that he has accomplished much under his leadership.

I have given my undertaking to him and my legislative colleagues that I will assist the new Minister, who is about to take over my former Ministry, in any way that I can. However, I would quickly say that knowing her and her ability, I doubt that she will be needing much of my assistance in that regard.

Further, I wish to point out that the recent reshuffle within our Cabinet is not uncommon in a democracy. As a matter of fact, I saw on the news this morning where the UK is considering a reshuffling of their Cabinet very soon.

May God bless each one of us as we endeavour to provide our people with the best service possible.

I thank you, Honourable Members, for the confidence which you have shown in me by electing me to the high position as Speaker of this Honourable House, and by the grace of God, I will not disappoint you.

May God continue to bless these beautiful Islands we all have the privilege of calling home.

I thank you, Honourable Members.

[Applause]

Congratulatory remarks to the Honourable Speaker

The Speaker: I now call upon the Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, I thank you for the opportunity to give these few congratulatory remarks.

I take note and welcome His Excellency, the Governor who is here in the Legislative Assembly today; also a former Speaker, the first Speaker of the House and our National Hero, the Honourable Mrs. (Sybil) McLaughlin who is also here with us; and it is a privilege also to have with us so many civil servants

and other distinguished citizens of these Islands in the gallery.

It is a signal honour and a privilege to offer congratulations to you on being elected Speaker of this Honourable Legislative Assembly. You are the fourth as such being elected to this high post. This honour conferred upon you by your elected colleagues says much for the trust and confidence we have in your ability.

Your elevation to the high position of Honourable Speaker in these Islands crowns, as you said earlier, a good career of public service, first as a civil servant and then as the elected representative for the electoral district of George Town for four terms and member of Executive Council and Minister of the first Cabinet of the Cayman Islands. This means a total of 16 years involvement in the political life of these Islands.

I am sure, honourable colleague, that when you examine your service, you will find satisfaction in your labour and handiworks. I am sure too you would say there is work yet to be done. To both of these I concur.

I thank you for the comradeship we shared, the good will fostered and the advice given. Rest assured, work will continue and your work will be finalised, for all of us in the United Democratic Party are workers.

You will be missed, Mr. Speaker, from the cut and thrust of the political life we endure but only you can say, "I have done my part; it is time to lay down my plough in this part of the vineyard" and so you have.

Much can be said about projects and needs. You are aware that we can only do so much as a country in a short time and you, with your background as an accountant, understand well that a country can only spend what we have and when we trespass further, we endanger the present and posterity will not be kind to us for endangering its future.

Mr. Speaker, I look forward to the continued relationship. I look forward to your continued advice as we build up party politics in these Islands. We have much to do, but I pray that party politics will not so separate us that we lose our way. If that is the way, then I am prepared to walk away from party politics. However, it is a good tradition which I will speak to later on. At this time, I only wish to thank you and, as you move from the Front Bench as the Minister of Planning and the Deputy Leader of Government Business to the higher seat and as you move away from electoral politics, may the Divine Creator be with you and give you good health and good strength and may you live a long life with your good wife and your family.

I thank you.

[Members' applause]

The Speaker: Honourable Members, before calling on the Honourable Leader of the Opposition, I would like to take this opportunity to officially recognise His Excellency, the Governor who has taken time from his busy schedule to be here with us today.

Welcome, Your Excellency.

Also to our first Speaker and National Hero Mrs. McLaughlin. I have already told her that I will be visiting her to pull on her knowledge as a Speaker. It is good to see you, Honourable Mrs. McLaughlin.

The Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you for making the moment light, Mr. Speaker.

I, too, wish to recognise the presence of His Excellency the Governor and our only living National Hero, the Honourable Sybil McLaughlin and I think it is appropriate at this time for the Opposition to say a few words.

First of all, lest the Opposition be misunderstood and I be accused of speaking through both sides of my mouth again, while it is clear our position has been that we would wish to see a Speaker from outside of the Legislative Assembly, the constitutional arrangements and the Standing Orders under which we operate certainly allow for the Speaker to be appointed through an election process from within and that is exactly what took place this morning.

Although our position is that we would wish for future speakers to come from outside of the Legislative Assembly we nevertheless accept the process. I listened to you very keenly as you made your comments. I, too, remember us being on the same side and I, too, remember us being on opposite sides and I, too, remember that whichever side we found ourselves on we were able to conduct ourselves in a manner that even when tempers flared, we were able to reconcile. For that I personally am grateful because that is how it should be.

Speaking on behalf of the Opposition and hearing your timely intervention when you spoke to the efficient use of time in the House and other matters, I give you our assurance that the role that we have to play, we will do as we have done in the past, in a manner that will coincide with your desires.

As I listened and remembered the years being a representative of the district of George Town that you have represented, it is only fitting for me to say that throughout those years you have been a good representative of your people. I do not say that grudgingly, Mr. Speaker, because you know me; I take advice from many and I watch others and I try to learn how to better my productivity as a representative.

Speaking on behalf of the Opposition, let me congratulate you personally and collectively to the post that you have now taken over. I can assure you that, as long as you are in the post and we are here, we will conduct ourselves and do our job in such a manner that you perhaps will not have a desire to

leave the chair. As the Leader of Government Business said two minutes ago, if party politics as is coming to this Legislative Assembly gets to the point where we lose ourselves in the process, not only is it not worth it to us as individuals, but it is not worth it for the country and I, too, respect that fact. I give you my personal assurance that while we deal with the cut and thrust of the politics, as is normally said, my personal assurance to you is, as the former Speaker mentioned earlier, I go to my God. I have learnt patience—I know that you know that and you will find that we will be able to manage the process as representatives in a manner that we can move forward as a country.

Once again, congratulations. I look forward to working with you. Thank you.

[Applause]

The Speaker: Are there any other Members that wish to comment?

If not, I would like to thank everybody, those who spoke and those who did not, but in particular, the Leader of Government Business and the Leader of the Opposition for their very kind words and good wishes. As I said earlier, I will do my very best to be a fair, sometimes firm but impartial Speaker of this House. I am sure that with the assurances that I have heard from the Leader of Government Business and the Leader of the Opposition that my job as Speaker will be made that much easier.

ELECTION OF NEW MINISTER OF CABINET

The Speaker: The Second Elected Member for the district of Cayman Brac and Little Cayman.

Nomination

Mr. Lyndon L. Martin: Thank you, Mr. Speaker.

It is with great honour that for the second time in my three year political career, I have the privilege of nominating my friend, my relative and my colleague, the First Elected Member for Cayman Brac and Little Cayman, Mrs. Juliana Y. O'Connor-Connolly for the ministerial position now available.

The Speaker: Do we have a seconder?

Mr. Rolston M. Anglin: Mr. Speaker, it gives me great privilege to second the nomination.

The Speaker: Do we have any other nominations?

The First Elected Member for Cayman Brac and Little Cayman has been duly nominated and seconded. I would like to ask again, do we have any other nominations? Do we have any other nominations?

If not, I would ask the First Elected Member for Cayman Brac and Little Cayman if she accepts the nomination.

Acceptance of Nomination

Mrs. Juliana Y. O'Connor-Connolly: Mr. Speaker, on behalf of my people of Cayman Brac and Little Cayman, I am indeed humbled to accept such a nomination, may it please you.

The Speaker: I now ask for a motion for the closure of nominations. I recognise the Honourable Leader of Government Business.

Closure of Nominations

Hon. W. McKeeva Bush: Thank you, Mr. Speaker. I move the closure for nominations at this time.

The Speaker: The question is that nominations for the position of Speaker of the Legislative Assembly of the Cayman Islands now be closed. All those in favour, please say Aye. Those against, No

Ayes.

The Speaker: The Ayes have it.

Agreed that nominations be closed.

Declaration of Minister of Cabinet

The Speaker: Since there are no other nominations to this post, it is my pleasure to declare the First Elected Member for Cayman Brac and Little Cayman to be the new Minister of Cabinet.

[Applause]

Congratulatory remarks to new Minister of Cabinet

The Speaker: I now call upon the Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, thank you.

I wish to first offer congratulations to the First Elected Member for Cayman Brac and Little Cayman on being re-elected as a Member of the Cabinet.

Many challenges await her as we move forward in doing the country's business. I thank her for the stalwart service she has given as Speaker for the past two years. I recognise that it was taxing for her at times as Members tried her patience but I can say that she always ruled firmly, impartially and with dignity. I know that the good people of Cayman Brac and Little Cayman wish me to record their thanks, appreciation and hope for the Member.

I thank her for the gracious and powerful message she left. I thank her for her Christian fortitude and I welcome her as a full and working Member of the United Democratic Party. Her advice will be invaluable.

Mr. Speaker, the Member took no direct part in the political process of the United Democratic Party. She gave advice as her legal education allowed her and I thank her for her ability to remain above the cut and thrust of the debate even though at times it was said otherwise. However, I know that she believes in the good Lord above and the truth is the truth. Nothing can sway that and so we welcome her to the Cabinet.

Announcement of New Deputy Leader of Government Business

Hon. W. McKeeva Bush: Mr. Speaker, the new Deputy Leader of Government Business is the Honourable Minister of Health, the Second Elected Member for the district of Bodden Town, and I would invite him now to take his seat on the Front Bench.

[Applause]

Mr. Speaker, the Honourable Minister of Health, and now the Deputy Leader of Government Business, already knows that a great amount of work awaits us. He will be given added responsibility by His Excellency the Governor but too he is no novice in the work. I have long said that his administrative ability and background lends well to the running of our work and will prove invaluable. He will remain in the cut and thrust of political life and we expect him to do just that. I know that our colleague the elected Minister of Education is at a conference that he could not miss in Guyana but he wishes me to convey his best wishes to his long time colleague and I thought it fitting so to do. It is good for friends to remain friends.

These are challenging times; sometimes it tries our very souls. Each of us, Mr. Speaker, owes it to ourselves and to these Islands to continue to set an example of democratic decency and good will. We cannot afford to make any mistakes. The whole world is watching us, as I say so often, and our people need us to succeed.

Honourable Members, let us not forget that in a comparatively short time both sides—all of us—have worked together to build up the two party tradition in these Islands. It is a tradition of which we may be justly proud or we can regret.

I again entreat us all to endeavour, as much as lies in our power, to keep our deliberations free from hatred and malice; to tell the truth about one another at all times. It is the application of deep and sensible concentration, and most times including now, it has to be sensible concentration upon practical issues in this House that will continue as a flaming torch to lighten the pathway for our people whom we serve.

It cannot be forgotten that this great future to which we look with hope can only be of our own making and so, Mr. Speaker, I welcome you to the Chair and the Deputy Leader of Government Business to that post. I should say that it is not a constitutional position, but we intend to recommend to the Foreign and Commonwealth Office that the Deputy Leader of Government Business must be a constitutional position as much as the Deputy Leader of the Opposition. However, that is for another time.

I welcome the Member to the Cabinet and ask and pray that Almighty God continue to rest upon our Council.

Mr. Speaker, the song of the United Democratic Party is "Blessed be the tie that binds our hearts in Christian love; the fellowship of kindred hearts is like to that above". On now then, Honourable Members, to the work that is before us.

The Speaker: I now call on the Leader of the Opposition if he has any comments.

The Deputy Leader of Government Business.

Vote of thanks by the new Deputy Leader of Government Business

Hon. Gilbert A. McLean: Thank you, Mr. Speaker.

May I first congratulate you upon your assuming the office of Speaker of this Legislative Assembly? You are the fourth Speaker and I notice that it has gone in the sequence of a woman to a man, woman to a man and I wonder who will be the next woman along the line that may be taking up the position.

Mr. Speaker, you are someone who is more than capable of filling this high office and I am sure you will with ability and dignity.

I share your view and the words you have said about taking seriously the business of the Legislative Assembly, among which is paying serious attention to time. I would encourage you to insist upon that because we can all utilize time better in the Legislative Assembly and I think we will all agree to that particular view.

Mr. Speaker, all that I would ask and look forward to is for you to do as you have said, and I am sure that you will, to be firm and fair. I am sure that you will not hesitate to rule whether it be a Member of the United Democratic Party or a Member of the People's Progressive Movement when you have to, in a way that is firm, fair and unbiased.

Mr. Speaker, I have been approved by my colleagues in the United Democratic Party to fill the role of Deputy Leader of Government Business. Such a post does not exist constitutionally but it has always been the view of the United Democratic Party that there should be such a post. The new draft constitution provides for the post of Deputy Leader of Government Business and Deputy Leader of the Opposition, as in my opinion it should be and it seems to

have been an oversight that it was missed in terms of the Leader of Government Business. However, since 2000, following the General Elections, it was recognised by His Excellency the Governor and it has been embraced since that time until now. Therefore, I shall do what I understand a Deputy would do within an organisation - that is I shall support, advise, I suppose sometimes I shall disagree, and work towards the goals of the United Democratic Party.

Mr. Speaker, there is no doubt that this Party has undertaken challenges that no Government before has ever done and we have succeeded with many. There have never been the challenges before that this Government has had to face, so therefore no Government before could have done them.

I wish to say that in management the chief and most important part of managing is in decision making and I can truthfully say that the Leader of Government Business possesses that ability. I admire that and you can be assured that I shall support him as he goes forward on behalf of the Party in working towards our objectives.

I wish also to congratulate the new Minister of Cabinet in the person of the First Elected Member for Cayman Brac and Little Cayman, Mrs. Julianna Y. O'Connor-Connolly. I know she brings knowledge and experience to the job and I feel sure that she will carry on the many projects that you have left in place to be accomplished. May I also take this opportunity to say that I have always admired your ability as the Minister for Works on both occasions as Minister and the things which you have accomplished in that role? I think you will certainly be remembered by your works rather than your words. I think the former is the better way to be remembered.

I would like to thank my colleagues in the United Democratic Party for having the trust in me to approve my position as Deputy Leader of Government Business and I shall try to do no less than you did in this role and to carry on the work which is ahead of us.

Thank you very much.

The Speaker: I recognise the Honourable Member of Cabinet.

Vote of thanks by the new Minister of Cabinet

Hon. Juliana Y. O'Connor-Connolly: Thank you, Mr. Speaker.

Seeing that I have usurped most of the time of the Honourable House this morning with a message which I thought was important to have as a departing note, it would also be remiss of me not to make a few brief remarks.

I should first of all thank the Honourable Leader of Government Business, Mr. Speaker, and other Members of the United Democratic Party for the confidence which they have displayed in me once again. I pledge with the help of Almighty God to carry out my duties on behalf of all of the people of the Cayman Islands in the new ministerial capacity. I trust that at the end of the tenure it will be one in which it will be said, “Well done”.

I am also grateful that you had, and still have as a colleague, the Third Elected Member, the Honourable Minister of Community Affairs to be with you in George Town. Knowing the gentleman as I do, I am sure, as you would have already assessed in coming to your decision, that you have left a very able representative together with the two other colleagues from George Town to take care of the needs in the district of George Town.

Mr. Speaker, I believe that is further evidence of maturity that the United Democratic Party had manifested in this move. I trust now that we will move on with the business of the country, reconcile our differences and take as paramount consideration the need to move forward all elements of our Cayman stratification as it relates to our community.

Thank you. May God bless you.

The Speaker: Thank you very much.

Nominations for Member to Fill the Vacancy of the Standing Business Committee

The Speaker: Honourable Members, I call for nominations for the Member to fill the vacancy on the Standing Business Committee.

The Leader of the Opposition.

Hon. D. Kurt Tibbetts: Mr. Speaker, I would like to nominate the Elected Member for North Side to fill that vacant post.

The Speaker: We have heard the nomination of the Elected Member for North Side. Do we have a seconder?

Mr. V. Arden McLean: Mr. Speaker, I wish to second the nomination.

Hon. W. McKeeva Bush: Mr. Speaker.

The Speaker: Leader of Government Business.

Hon. W. McKeeva Bush: I move that the First Elected Member for Cayman Brac and Little Cayman and the Member of Cabinet be a Member of the Business Committee.

The Speaker: We have heard the nomination by the Leader of Government Business of the Honourable Minister of Cabinet. Do we have a seconder?

Hon. Gilbert A. McLean: Mr. Speaker, I beg to second the nomination.

Closure of Nominations

The Speaker: Do we have any other nominations? If not–

Hon. W. McKeeva Bush: Mr. Speaker, I move that nominations be closed.

The Speaker: It has been moved that nominations be closed. Do we have a seconder?

Mr. Lyndon L. Martin: Mr. Speaker, I am happy to second that motion.

The Speaker: All in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed that nominations be closed.

Acceptance of Nomination

The Speaker: I would now ask the Member for North Side if she would accept the nomination?

Ms. Edna M. Moyle: Mr. Speaker, I accept the nomination with pleasure.

The Speaker: I would also ask the new Minister of Cabinet, Ms. Juliana Y. O'Connor-Connolly if she would accept the nomination.

Mrs. Juliana Y. O'Connor-Connolly: Mr. Speaker, I will gladly accept the nomination.

The Speaker: Honourable Members, I will now suspend the House for a short period for the ballot papers to be prepared.

Proceedings suspended at 12.14 pm

Proceedings resumed at 12.24 pm

Secret Ballot

The Speaker: I now call on the Serjeant to distribute the means of ballot.

[Pause]

The Speaker: Have all Members voted as they so desire? If so, I would ask the Serjeant to collect the means of ballot.

[Brief pause]

The Speaker: I would also call upon the Temporary First Official Member and the Second Official Member to act as scrutineers.

[Pause]

Mr. V. Arden McLean: Mr. Speaker.

The Speaker: Elected Member for East End.

Mr. V. Arden McLean: Just to bring to your attention that there are two ballot papers with the Official Members who are not voting that should not have been distributed.

The Speaker: Thank you, Honourable Member for East End. I will ask the Serjeant or the Clerk to collect those papers.

Temporary First Official Member and Second Official Member, would you come forward and count the ballots please?

[Pause]

Results of the Ballot

The Speaker: My thanks to the scrutineers.

The results: Ms. Edna M Moyle, 5; Mrs. Juliana Y O' Connor Connolly, 8

Declaration of Member to the Standing Business Committee

The Speaker: It is my pleasure to declare the Honourable Lady Minister of Cabinet to be the new Member of the Standing Business Committee.

The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker. There are 14 Members of this Honourable House and there are only 13 ballots counted.

Mr. Rolston M. Anglin: Mr. Speaker, it was announced at the beginning of the Sitting that the Honourable Minister for Education is off the Island. You are an Elected Member and you are in the Chair. Two from 15 equals 13. There are eight for the Honourable new Minister and there are five for the Member for North Side. Thirteen plus two equals 15 Elected Members. Once again the United Democratic Party has the right math and the People's Progressive Movement has the wrong maths.

Mr. V. Arden McLean: Mr. Speaker.

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: The reason I brought it to your attention, Sir, is that it has to be recorded in the *Hansard* of the House that there is one absent.

The Speaker: Thank you very much. I think we will move ahead.

The new Minister of Cabinet, the Honourable Juliana Y. O'Connor-Connolly has been declared to be the new Member of the Standing Business Committee. I want to congratulate both Members for putting their names forward as candidates for this Committee.

The Leader of Government Business.

ADJOURNMENT

Hon. W. McKeeva Bush: Mr. Speaker, this has been another historical day for these Islands. We have a good country. What is left is for all of us to recognise that there is a Government and there is an Opposition and there cannot exist anything else except that we can live together to make the country work.

Having said that, I am pleased to move the adjournment of this Honourable House to a date to be fixed.

The Speaker: The question is that this Honourable House be adjourned to a date to be fixed.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 12.37 pm the House stood adjourned to a date to be fixed.

OFFICIAL HANSARD REPORT
MONDAY
17 NOVEMBER 2003
10.45 AM

First Sitting

The Speaker: I will invite the Elected Member for North Side to grace us with prayers.

PRAYERS

Ms. Edna M. Moyle: Let us pray.

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

Bless our Sovereign, Lady Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of the Cayman Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together. *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come. Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For thine is the Kingdom, the power and the glory, forever and ever, Amen.*

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

Proceedings resumed at 10.45 am

The Speaker: Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have an apology from Dr. the Honourable Frank McField, who is off the Island on official business.

Circulars

Honourable Members, since assuming the position of Speaker, I have sent out two circulars to all Members on the following subjects:

- Parliamentary points of order; and
- Parliamentary procedures relating to debates in this House.

In addition, I sent to each one of you a copy of a paper entitled, "Guidelines for a Code of Conduct for Members of the Legislative Assembly", which was tabled in this Honourable House on 27 September 1996. Any Member who has not received a copy of the two mentioned circulars or the "Guidelines for a Code of Conduct" may contact the Clerk accordingly.

Having spent a considerable period of time in this Honourable House myself, I am the first to admit how important it is to be reminded, periodically, of proper parliamentary rules and procedures. I therefore trust that all Honourable Members will take the time to read these circulars and to advise of any specific parliamentary or other relevant issues that they would wish to have addressed by me as Speaker. It is in our joint interest not only to maintain a disciplined Parliament, but more importantly, to make our legislature one of the best in the Commonwealth.

Since my election as Speaker, I have received several queries from interested members of the public, primarily on the question of discipline—or the lack thereof—in this House. Two of the major concerns raised by them are whether it is proper for a Member to interrupt another Member during his debate; and what rules apply to the contents of debates, and what constitutes proper debate.

Though the rules applying to debate are fairly complicated and involve the protection afforded to all Honourable Members under the Legislative Assembly (Immunities, Powers and Privileges) Law (1999 Revision), I have decided, at this time, to confine Circular 2, on debate, to the procedures required under our Legislative Assembly Standing Orders (1997 Revision).

The view was expressed by those members of the public who contacted me that, since the Legislative Assembly debates are broadcast primarily for the benefit of the listening public, something should be done to better educate the public, especially on: (1) the question of points of order; and (2) parliamentary procedures relating to debates. Accordingly, I now propose to read into the *Hansard*, and for the benefit of the listening public, the contents of the Circulars— 1 of 2003, and 2 of 2003—on the subject of points of order and debates, respectively.

Circular No. 1 of 2003—Points of Order

1. Most legislatures have always experienced great difficulty from the abuse of points of order for the interruption of a Member's speech, and a lack of a clear definition of the term.

2. Abraham and Hawtrey's Parliamentary Dictionary, in defining a point of order, says: "**A Member who wishes to raise a Point of Order, that is, to call the attention of the Speaker or Chairman to what he believes is a breach of order and, if necessary, to ask his opinion thereon, may interrupt another Member's speech, for the purpose; the other Member must sit down. It is undeniable that this right is often abused in order to raise matters that have nothing to do with order; such attempts are quickly repressed by the occupant of the Chair with the words, 'That is not a point of order'."**

3. A point of order must relate to the interpretation or enforcement of the rules that govern a Parliament, or provisions of the Constitution as regulate the business of the House, and shall raise a question that is within the cognisance of the Speaker.

4. A point of order may be raised in relation to the business before the House at the moment, but the Speaker may permit a Member to raise a point of order during the interval between the termination of one item of business and the commencement of another if it relates to the maintenance of order in, the arrangement of order in, or the arrangement of business before, the House. This is not a part of the Standing Orders of the Cayman Islands Legislature, but is normal practice in other Commonwealth Parliaments.

5. A Member may formulate a point of order, and the Speaker shall decide whether the point of order raised is a point of order, and if so, give decision thereon, which shall be final.

6. In an effort to maximise the usefulness of points of order, and because it forms the popular method whereby a Member in the full glow of delivery may be interrupted and harassed under the guise of legitimate procedure, abuse has attended the use to which points of order have been put. It is a particularly useful device ready to the hand of a Member who has already spoken on a topic, and thereby has exhausted his right to comment, particularly in what, for him, are compelling circumstances, while he sits and listens to his arguments being destroyed. In the heat, passion and the anxiety of such a personal catastrophe, it is understandable that a Member, human as he is, will recklessly cling to every straw.

These objections fall into two categories. On the one hand, there is the honest but very misguided objection raised by a Member who conscientiously believes that the Member on the floor is guilty of unbecoming conduct. He sees clearly his duty to champion the cause of rectitude by jumping to his feet—no matter how trivial the infraction, no matter how often his interruptions. On the other hand, there are the objections inspired by the motive to gain, deliberately, a debating advantage, either by destroying the concentration of the Member on the floor, or by surreptitiously proposing a new argument in rebuttal under the guise of a procedural objection, knowing full well that the sudden and well-calculated intervention can be rammed home before the Presiding Officer becomes aware of the impropriety and stops it.

7. Erskine May's *Parliamentary Practice*, Twenty-second Edition, page 397 describes examples of "fraudulent points of order" as follows: "**On 1st July 1952 the Deputy Speaker deprecated a growing practice of interruptions of debate by Members who, 'when the hon Member who is speaking refuses to give way, think that the only way that they can get their word in is by raising a point of order'. He stated that in his opinion such interruptions constituted fraudulent points of order and should be stopped**."

8. The Member rising on a point of order must prove one or more of the following:

(i) That the Member speaking was travelling outside the scope of the question;
(ii) That he was using unparliamentary language;
(iii) That he was transgressing some rule of society; or
(iv) That he was infringing the Standing Orders or acting contrary to the generally accepted parliamentary custom of debate.

A Member must be brief in putting a point of order. Brevity and directness are the soul of points of order. Speeches are tabooed.

9. A Member shall not raise a point of order:

a) to ask for information; or
b) to explain his position; or
c) when a question on any motion is being put to the House; or
d) that may be hypothetical.

10. a) It should be noted that a point of order is not a point of privilege (Standing Order 28 (1)).

b) Also, to elucidate some matter raised by a Member in the course of his speech is not a point of order and can only be done if the Member speaking is willing to give way and resumes his seat, and if the Member wishing to interrupt is called by the Presiding Officer.

11. The following are examples of points of order under our Standing Orders:

(v) Reference to matters sub judice—Standing Order 35 (1)
(vi) Attempting to revive in any debate a matter, or reconsider any specific question, upon which the House has come to a conclusion during the current session, except upon a substantive motion of rescission—Standing Order 35 (2)

(vii) Use of offensive or insulting language about other Members—Standing Order 35 (3)

(viii) Imputing improper motives to another Member—Standing Order 35 (4)

(ix) Not referring to Members by Electoral Districts—Standing Order 35 (5)

(x) Her Majesty's name not to be used to influence the House—Standing Order 35 (6)

(xi) The conduct of Her Majesty, Members of the Royal Family, the Governor, the Presiding Officer, Members, Judges, etc. may not be raised or impugned except upon a substantive motion—Standing Order 35 (7)

(xii) Debate shall be relevant to the last question proposed—Standing Order 36 (1)

(xiii) It is out of order to anticipate a bill or motion—Standing Order 37(1), (2)

(xiv) Rules for Members not speaking are contained in Standing Order 39: **"Members present in the Chamber during a debate shal**l -

(a) enter and leave with decorum;

(b) not read books, newspapers, letters or other documents unless they relate to the business before the House;

(c) maintain silence while other Members are speaking, and not interrupt except in accordance with Standing Orders;

(d) in all other respects conduct themselves in a seemly manner."

12. Although the foregoing may not be an exhaustive commentary on all the intricacies of parliamentary points of order, I do believe that if followed, the discipline and parliamentary procedures within the Legislative Assembly will be much enhanced.

That is Circular No. 1, which was sent out on 27 October 2003.

Circular No. 2 of 2003—Debates

Honourable Members, as you will recall, Circular No. 2 is on the subject of debates.

2. Generally speaking, there are two important debates by Members of the Legislative Assembly that take place during a Session of the House: 1) The debate on the Throne Speech delivered by His Excellency the Governor at the opening of each Session of the Assembly, a speech used primarily to set forth the Government's policy; and 2) The debate on the Budget Address delivered by the Honourable Financial Secretary on the occasion of the Budget Meeting.

3. There are a number of basic rules and principles that govern all debates in the Assembly and that have been adopted, in the main, by other Parliaments of the Commonwealth.

(i) A Member must address the Speaker and not direct his speech to the House or to any party on either side of the House.

(ii) A Member wishing to speak must rise in his place (unless he is prevented from doing so by some infirmity and/or incapacity). A Member may only speak when there is a question before the House, unless he is moving or seconding a motion, or making a personal explanation. This rule is relaxed in favour of the mover of a substantive motion who has the right to reply, and a Member in charge of a Bill under consideration. Leave to speak a second time is usually granted to a Member wishing to clarify a misconception, a Member wishing to answer a personal attack upon his conduct or character, or a Member of Cabinet wishing to sum up for the Government at the end of a debate. A Member who has spoken on a question may speak when a new question has been proposed by the Speaker; for instance, on a proposed amendment or on a motion for an adjournment of the debate.

(iii) A Member is not permitted to read his speech, but he may refresh his memory by reference to notes. He may, however, read extracts and quotations, which should be reasonably short. The purpose of this rule is to maintain the cut and thrust of debate. The rule against reading speeches is, in any case, relaxed for opening speeches or whenever there is special reason for precision, or in important ministerial statements. Where quotations are used, it is the duty of each Member to provide to the Clerk at the Table a copy of same.

(iv) A Member may only speak when called upon to do so by the Speaker. When two or more Members rise to speak, the Speaker calls upon the Member who, rising in his place, is first observed by him; hence, the term "catching the Speaker's eye". In actual fact, the choice lies within the discretion of the Speaker and his decision may not be challenged. Once in possession of the floor, a Member is entitled to be heard without interruption (except on a point of order), unless he is irrelevant, tediously repetitive, or out of order, in which case he is liable to be checked by the Speaker. He may consent to yield to an interruption for the purpose of explanation or elucidation, but he is entitled to refuse to give way.

(v) It is out of order for a Member to address another Member directly in the second person or to refer to him by name. If another Member is referred to in the course of a speech, it must be in the form of, for example, "the First Elected Member for George Town" or "the Honourable Minister of Health Services, Agriculture, Aviation and Works". Official Members are referred to as, for example, "the Honourable First Official Member". The Speaker is referred to as "Mr. Speaker", and when the House is in Committee, as "Mr. Chairman". No Member may remain on his feet if the Speaker rises to intervene or to give a ruling.

(vi) Members who are not speaking are required to remain in their seats unless they wish to leave the Chamber. They must enter and leave the Chamber in a

decorous manner and are expected to bow towards the Chair upon entering and leaving. They should not cross the floor between the Chair and the Member addressing the House, nor take another Member's seat. Reading, writing letters, and carrying on conversations are, strictly speaking, not allowed, but a certain latitude necessarily exists. A Member may, for instance, wish to read something bearing upon the debate, and where there might arise the need for a hurried consultation between a group of Members, there is provision for this in the lobby or in the Members' Common Room. Certain interjections, such as, "Hear, hear", are permissible, unless deliberately repeated for the purpose of distracting or obstructing a Member speaking. Clapping, hissing and cries of "shame" are not in order. Needless to say, any language normally considered improper would never be overlooked if used by a Member in this House.

(vii) All Members are responsible for keeping a strict accounting of the time utilised by them during their speeches, though the Speaker may periodically remind a Member of the time that he has remaining in which to speak.

(viii) Regarding the "scope of debate", except on a motion for the adjournment of the House, the debate shall be relevant to the matter of question before the House or Committee, and where more than one question has been proposed from the Chair, the debate shall be relevant to the last question so proposed until it has been disposed of. Members should refrain from irrelevance or constant or tedious repetition, either of their own arguments or of the arguments or points used by other Members in debate. If Members concur with the expression put forth by a Member, it would be so indicated when the time of voting arises. If, however, a Member has varying views and points to contribute to the debate, he may express them himself. The past habit of each Member continuing to rise and express agreement with previous speakers and repeating the same line of argument should be discouraged, as it does not lend itself to good debate.

(ix) It shall be out of order to reflect on any vote of the House in order to reconsider any specific matter on which the House has come to a conclusion during the current Session, except upon a substantive motion.

(x) It shall be in the discretion of the Speaker to order that any statements, which are required by him to be withdrawn by the Member making them, shall be expunged from the records of the House.

(xi) Members are also reminded to switch off their cellular telephones whilst in the Chamber during Meetings of the House, as well as in Committee meetings. Not only is the use of cellular telephones disruptive, but it also shows disrespect to the Chair and to other Members of the House.

I am sure that all Honourable Members can be relied upon to join with the Speaker in endeavouring to conduct meetings of the legislature in the best parliamentary manner possible. It must be borne in mind that the Speaker needs the support and goodwill of all Members. I know that I can count on your support in these matters.

Honourable Members, as I mentioned earlier, I wish now to read into the *Hansard* the contents of Circular No. 3 of 2003, which has not yet been circulated, but which I have prepared on parliamentary procedures and other general matters. Afterwards, I will invite the Serjeant-at-Arms to circulate Circular No. 3 to all Honourable Members.

Circular No. 3 of 2003—Parliamentary Procedures and Other General Matters

Circular No. 3 is a most important circular, and I would ask Members to pay close attention to it. For the information of all Members, I would like to set out the following points of procedure for guidance:

1. Absence of Members

1.1. In regard to the absence of Members, I would like to remind Members of the provision of Standing Order 6 of the Legislative Assembly Standing Orders (1997 Revision):**"It is the duty of a Member who is unable to attend a Meeting of which he has had due notice, or a meeting that is adjourned to a later date, to inform the Clerk as early as possible of his inability to attend and, where necessary, whether he has obtained written leave of absence from the Governor under section 20(3)(b) of the Constitution."** This also refers to Select and Standing Committees of the House.

1.2. Quite often, there are no indications from some Members that they find it impossible to attend Sittings of the House and of Committees. It would be appreciated if all Members could endeavour, in future, to notify the Clerk of any proposed absence. In the case of Honourable Members of Cabinet, a notification from their Permanent Secretaries or other responsible officer should be sufficient.

2. Respect for Parliament

The Speaker is not only impartial, but must be seen to be impartial. Each individual Member is entitled to expect the same consideration from him, but his overriding duty is to the House collectively. When the Speaker is called upon to make a ruling in the House, he speaks not because of his Office, but because of the confidence the Members have placed in him. It is important, therefore, that the very highest institutions of a territory, especially Parliament, should not only have the respect of their Members, but also the respect of the communities they serve and in which the institutions exist.

3. Hansard Production and Office Procedure

3.1 The Officers of the Legislative Assembly have always been anxious to produce, as accurately as possible, the transcript of the proceedings of the Legislative Assembly. Due to problems of limited staffing, there has been unavoidable delay in editing the Hansard. As a result of this delay, the most recent complete editing of the Hansard dates back to 2000. This problem is, however, now being actively addressed, with the hope that the editing will be brought up to date as soon as possible.

3.2 Hansard Terms of Reference: The Hansard Office of the Cayman Islands Legislative Assembly is guided by the following terms of reference set out in Erskine May's *Parliamentary Practice*, Twenty-second Edition: **"The Official Report is a full report, in the first person, of all speakers alike, a full report being defined as one 'which, though not strictly verbatim, is substantially the verbatim report, with repetitions and redundancies omitted and with obvious mistakes corrected, but which on the other hand leaves out nothing that adds to the meaning of the speech or illustrates the argument'."**

The primary value of the Official Report lies in its authentic reporting of the speeches made by Members in the Legislative Assembly and its Committees. Therefore, it is Hansard's policy that the edited transcript of any speech should remain an accurate, and, as far as possible, an exact account of what was said. Although editorial corrections are allowed, no words may be added or subtracted to change the sense of what has been spoken, and care is taken to preserve each Member's distinctive speaking style. This is referred to as 'the verbatim rule'.

The Official Record may be revised only as much as is necessary to create a readable written text. Therefore, Hansard must limit corrections by Members to instances of misreporting. Hansard may not allow a Member to make any insertion as an afterthought, to strike out a passage that he or she regrets having uttered, or to substantially rewrite or reword a speech that has been recorded in the Assembly or its Committees.

3.3 The efficiency of certain Officers of the Department is being compromised by the number of requests received from certain Members to have typing undertaken for them. As all Elected Members have available to them the provision of a "Constituency Office Allowance", typing in respect of personal letters and references; preparation of motions and "blue" questions by Members; and issues related to their constituents should properly be provided through their respective MLA offices, or otherwise as necessary. Those Members responsible are therefore requested to discontinue this practice. Similarly, Members are requested to channel all requests for unedited extracts of the Hansard through the Senior Hansard Editor.

4. Use of Offices and Computers

4.1 Whilst appreciating the cramped temporary office accommodation in which we are all now working, I would nonetheless request that all Members avoid using the Speaker's Chambers for conducting meetings. In this connection, I would suggest that, when the Common (or Committee) Room is not available, arrangements may be made to use the Conference Room facilities at various Government office accommodations, such as the Government Administration Building (the "Glass House"), GIS headquarters, MLA Offices, etcetera. Your cooperation in this regard would be most appreciated.

4.2 A computer is now available in the Common (or Committee) Room for the use of Members, and a facsimile machine is currently available in the Procedural Office. The use of Officers' desks by Members should be avoided at all times.

4.3 Two computers have also been set up in the Chamber behind the Government Bench for use by Legislative Drafting Officers, who will find it necessary during Meetings of the House to prepare Committee Stage Amendments to Bills. This is a temporary arrangement and therefore proper decorum in the Chamber should at all times be maintained.

5. Manner of Asking and Answering Questions

Members are reminded to pay special attention to the provision of Standing Order 23 in relation to the scope, the contents, and the manner of asking and answering parliamentary questions. In this connection, I wish specifically to draw Members' attention to:

- Standing Order 23(4), which states, "**A Member of the Government may decline to answer a question if an answer would, in the opinion of the Government, be contrary to the public interest."**
- Standing Order 23(8), which states (subject to the suspension of Standing Orders), "**Any question which has not received an oral answer by 11:00 am shall be postponed and placed upon the Order Paper for reply at some later sitting within the same meeting:**

Provided that if all other business for the meeting has been disposed of, such postponed questions and all other questions listed on a Business Paper but not placed on the Order Paper shall be answered in writing by the Member of Government to whom the question was addressed, and copies of the answer shall be sent immediately thereafter to the Clerk, who shall send a copy to the Member in whose name the question stood and to all other Members."

6. Hours of Sitting

6.1 All Members are reminded of the contents of standing order 10, which provide directions for the hours of sitting in the Legislative Assembly:

- Standing Order 10 (1) states, "Every sitting shall, unless the Presiding Officer otherwise directs, begin at 10 a.m."

- Standing Order 10 (2) states, inter alia, that "at 4.30 pm the proceedings of any business under consideration shall be interrupted". Circumstances may arise from time to time, however, when this Standing Order may have to be suspended to continue beyond the hour of 4.30 pm when the exigencies of the House so demand.

6.2 Members are therefore requested to assist in improving the discipline within the House in order to comply, where possible, with the directions under the above Standing Orders. For example, the following hours were spent in productive work during the first three Meetings of this 2003 session:

- During the First Meeting from the 7 through 27 March (nine days), the total productive time spent was 23.56 hours (on a simple average of 2.62 hours per day) with at least three days with less than two hours spent in the House.
- During the Second Meeting from 11 June through 25 July 2003 (19 days), the total number of hours spent in the House was 41.45 hours (on a simple average of 2.18 hours per day). Similarly there were a number of days with less than two hours spent in the House.
- The Third Meeting was held from 17 September through 10 October 2003, for a total of 11 days. The total time spent in the House during this period was 35.24 hours (on a simple average of 3.2 hours per day). This, on average, was a small improvement on the first two Meetings.

All Members are requested to make every effort to comply with Standing Order 10 in respect of the hours of sitting in the House, and to promptly reassemble in the House at the expiration of breaks taken for lunch, coffee, etcetera, in order that we may improve the productivity within the House.

I know that I can depend upon each one of you to assist in maintaining proper parliamentary procedure, and in other matters affecting the Legislative Assembly.

I thank you, Honourable Members.

STATEMENTS BY HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

Report on Meeting with the Foreign and Commonwealth Office on Monday 10 November 2003

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Thank you very much, Mr. Speaker. I wish to report to this Honourable House, and to the country in general, on my recent meeting with the Foreign and Commonwealth Office (FCO) on Monday 10 November 2003. At that time, I met with the Minister responsible for the Overseas Territories, Mr. Bill Rammell. We discussed various issues in relation to the Cayman Islands, including borrowing guidelines (about which we are already engaged in discussion), constitutional modernisation, and the European Union's Directive on Taxation of Savings.

In our discussions, I informed Mr. Rammell about recent local developments and the history of constitutional talks in the Cayman Islands, including the visit to London last year, about which he had been briefed. I also informed Mr. Rammell that the United Democratic Party's Government had initially conceded certain points in an effort to reach a consensus with the Opposition, in the hopes that they would also be guided by a spirit of cooperation when considering recommendations from the Government. Of course, they were not inclined to cooperate. Still, we agreed with them initially, in the hopes of reaching a consensus.

After reviewing developments in Government, however, and after further polling the public by talking to people throughout the country in various forums and on a personal basis, we found that (as we had initially believed) there was no broad support in the districts for the introduction of "one-man, one-vote" at the present time. However, the Opposition was adamant that this should be implemented.

We told the United Kingdom Government that we would like to see included in the draft Constitution a reference, or provision, for the Deputy Leader of Government, and that we were supportive of a similar provision for a Deputy Leader of the Opposition, which was already included in the draft. Also, in keeping with the practical approach needed for a small country, we supported the continuation of the appointment procedure, which allows for the Speaker of the House to be chosen either from within, or from outside of, the body of elected representatives.

In these discussions, Mr. Rammell urged me to try to reach a consensus. He said that the issues of having a Deputy Leader, term limits, and the appointment of the Speaker, as well as the issue of "one-man, one-vote", were local issues. He felt that these matters could be left for the local legislature to decide. In our discussions with Mr. Ian Hendry, the Constitutional Advisor, and Mr. Adam Huckle, who is the Deputy Head of the Overseas Territories Department, they also confirmed that these issues were local legislative matters and urged that we try to reach a consensus.

I told them that the Opposition had been informed that, while the Government intended to go along with the draft proposals otherwise, we had asked the Chamber of Commerce to appoint a bipartisan committee for the purpose of further investigating constitutional frameworks similar to that of Bermuda, which would serve the best interests of our Islands for many years to come.

In our discussions, however, Mr. Rammell informed me, in no uncertain terms, that the United Kingdom would never support another constitution that lim-

ited the powers of Her Majesty's representative, the Governor. He further undertook to write to me to confirm the Foreign and Commonwealth Office's position on this matter. Mr. Speaker, I have received this letter and will read it now for the information of all. This letter was written on the 12 November 2003. It reads:

"Dear Mr. McKeeva Bush,

"Overseas Territories: UN Decolonisation Committee

"I understand that the UK Government was criticised at the UN C24 Seminar on Anguilla in May (and has been since) for not informing Territory governments, as part of the constitutional review process, about the options for self-determination in UN General Assembly Resolution 1541 of 1960 i.e. independence, integration and free association.

"The UK did not vote for Resolution 1541 and is not bound by it. Nor does the UK Government accept that it exhausts all the options for de-listing. We intend to discuss such issues with the C24 when the new Chairman is appointed. In the meantime, I should set out where we stand in advance of the Overseas Territories Consultative Council (OTCC) scheduled for 8-10 December. As I explained in my letter and enclosure of early October, I envisage that a major part of this year's OTCC will be taken up with discussion of the constitutional relationship between the UK and the Territories and the role of Governors.

"The UK Government's position on self-determination is clear. It is for Territories to decide whether they want independence; if so, and provided that there is a broad majority in favour, we would not stand in the way. The exception to this is Gibraltar, given the terms of the Treaty of Utrecht. Integration, however, is not part of UK government policy and is not, therefore, on offer.

"At the Anguilla seminar, there was much interest in the concept of "free association". We welcome the fact that the Overseas Territories wish to retain their link with the UK and are proud that they remain British. We acknowledge too the aspirations in several territories for constitutional development, hence the various reviews currently under way. But the concept of free association as it is defined by the UN would cause us difficulty. This definition provides that a Territory "should have the right to determine its constitution free from outside interference." On the face of it, this would mean that Territories would be able to draw up their Constitutions without the involvement of the UK Government. This would leave us in an impossible position. The UK Government would be left with continuing responsibilities while being denied any ability to ensure good governance, fulfil our international obligations or protect the British government and taxpayer from significant contingent liabilities should things go wrong. You will understand why this is unacceptable. It is certainly not the partnership envisaged in the 1999 White Paper.

"The constitutional review discussions underway in several territories allow us to discuss the proper balance of responsibilities between us. Most territories already have considerable control over their domestic affairs: the issue really turns on the extent to which the UK Government needs to retain sufficient reserved powers to discharge its overall responsibility for the territories' good governance and compliance with international obligations (and to protect key values such as the independence of the judiciary, and the political impartiality of the public service, including the police). Different circumstances will apply to each territory: Constitutions will not necessarily be uniform. I shall look forward to talking these issues through with you at the OTCC Meeting in December.

"I am copying this letter for information to the Premier of Bermuda, the Chief Minister of Gibraltar and Councillors in the Falklands and St. Helena, and to the Secretariat of the C24 in New York.

"Yours sincerely, [signed] **Bill Rammel."**

Mr. Speaker, during our meeting last week, Mr. Rammel also discussed the European Union's Directive on Taxation of Savings. I had received a letter, while in London, from the PayMaster General in regards to new negotiations. I will read that letter, also, for the information of the House and that of the public. This letter was written on 31 October in regard to the European Union's Directive on Taxation of Savings.

"Dear McKeeva:

"EUROPEAN UNION: DIRECTIVE ON TAXATION OF SAVINGS

"I am conscious that our correspondence on the matter of the EU Savings Directive ended with your letter of 6 March 2003. In the light of recent renewed contacts at senior official level, I should like to reopen a dialogue on this issue.

"I am sure you would agree that it is in no one's interest that HMG should feel it necessary to use its reserved powers to legislate directly for the Cayman Islands in relation to this matter. It is not a decision that we would take lightly. But as the Chancellor of the Exchequer has made clear to our European partners, if we consider that we are left with no choice but to legislate then we will do so.

"But I hope that it will not come to that. Since our exchange at the end of 2002, and the beginning of this year, the EU Council of Ministers has discussed and adopted a final text of the Directive. An important new development arose from those discussions, in relation to the Crown Dependencies in the Caribbean Overseas Territories. The adopted

text makes clear that the Directive will apply in Member States provided that the Crown Dependencies and the Caribbean Overseas Territories apply either automatic exchange of information from the outset (on the same basis as 12 of the Member States), or a transitional withholding tax before moving to automatic information exchange (on the same basis as Austria, Belgium and Luxembourg).

"HM Government has made it clear that it believes exchange of information is the best way of tackling cross-border tax evasion. However, it will not stand in the way of any of the UK's Crown Dependencies and Caribbean Overseas Territories that decide to apply the transitional withholding tax. As you may know, Jersey, Guernsey and the Isle of Man have already decided to go down this route. At least one of the other four Caribbean Overseas Territories is seriously considering doing the same, as an alternative to the commitments that all four made to apply automatic exchange of information.

"I can confirm that our attitude will be the same for the Cayman Islands, and no doubt you will consider the opportunities presented by this alternative approach. I must stress however that there is no third way. The EU agreement is very clear that the Directive will only be applied if the relevant territories apply automatic exchange of information or a withholding tax on the same terms as Member States.

"I am aware that there are several issues of importance to the Cayman Islands that are unresolved—including the wish of the Cayman Islands Government to have its stock exchange formally recognised for tax purposes by the UK authorities, I hope that it will soon become possible for our respective governments also to resume a dialogue on these matters.

"I hope this letter is helpful to you, as you consider how best to proceed. I would be happy to discuss this matter with you in person the next time you are in London.

"I am copying this letter to Bill Rammell and to His Excellency the Governor of the Cayman Islands.

Yours ever, [signed] **Dawn Primarolo, MP"**

Mr. Speaker, thought having been given to that letter, a Meeting has been set in the interim between the Cayman Islands Government and the UK Treasury, on 1 December, to discuss this issue. I and the Honourable Financial Secretary will participate in a meeting with the Paymaster General.

Leading up to this Meeting, our technical professionals—both from the Cayman Islands Government and the UK Treasury—will meet and discuss certain proposals put forward by the Cayman Islands Government to the UK in May last year.

In the discussion with Mr. Rammel, I enforced the Government's firm position that we will not support anything that will destroy our financial services industry. The United Kingdom Government, Mr. Speaker, should be ever mindful of its responsibility for contingent liabilities. We will hold them accountable for any direct loss of revenue and for any negative impacts to our economy and our people that may result from their policy proposals.

The Cayman Islands has struggled for a level playing field. The UK can hardly expect to take away legitimate business from the Cayman Islands, and then to prevent us from conducting business in the European Union, for instance.

This is one of the concessions that are back on the Table. However, Mr. Speaker, the Cayman Islands position remains the same. There must be a level playing field. The Cayman Islands leadership at the time was at fault in not moving quickly (or at all, in the case of the Government up to November 2000) on the Fiera Accord, which gave rise to the European Union's Directive on Taxation of Savings. This Government is going to continue hard negotiations on this issue, to ensure that the best interests of the Cayman Islands are served.

Thank you very much, Mr. Speaker.

ADJOURNMENT

The Speaker: I will now call upon the Honourable Leader of Government Business to move the adjournment.

Hon. W. McKeeva Bush: Mr. Speaker, as intimated to Honourable Members and to you, we intend to adjourn at this time and to resume at 10.00 am on Wednesday, God willing. We will begin the debate on the Constitution at that time. I move the adjournment of this Honourable House until on next Wednesday at 10 am.

The Speaker: The question is that this Honourable House do now stand adjourned until Wednesday 19 November 2003 at 10 am. All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it. This Honourable House is now adjourned until Wednesday 19 November 2003 at 10 am.

At 11.42 am the House stood adjourned until Wednesday, 19 November 2003, at 10 am.

OFFICIAL HANSARD REPORT
WEDNESDAY
19 NOVEMBER 2003
10.30 AM

Second Sitting

The Speaker: I will call on the Honourable Minister of Planning, Communications, District Administration and Information Technology to say prayers.

PRAYERS

Hon. Juliana Y. O'Connor-Connolly: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Executive Council and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 10.30 am

ADMINISTRATION OF OATHS OR AFFIRMATIONS

Oath of Allegiance

By Mr. A. Joel Walton, JP, to be the Temporary Honourable Third Official Member responsible for the Portfolio of Finance and Economics

Mr. A. Joel Walton: I, A. Joel Walton, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, her heirs and successors, according to law so help me God.

The Speaker: Mr. Walton, on behalf of this Honourable House, I welcome you as the Temporary Honourable Third Official Member and invite you to take your seat. Please be seated.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies for the absence from the Islands of Dr. the Hon. Frank S. McField, Minister of Community Services, Youth, Sports and Gender Affairs; for the late arrival of Mr. Lyndon L. Martin, the Second Elected Member for Cayman Brac and Little Cayman; and also for the absence of the Honourable George A. McCarthy, the Third Official Member.

Suspension of Standing Order 24(5)

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, I move the suspension of Standing Order 24(5) in order to begin the debate on the proposed new draft Constitution.

The Speaker: The question is that Standing Order 24(5) be suspended in order to take the debate on the report of the proposed new draft Constitution. Those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it. Standing Order 24(5) is suspended.

Agreed. Standing Order 24(5) suspended.

GOVERNMENT BUSINESS

MOTIONS

GOVERNMENT MOTION NO. 5/03

Debate on the Report of the Proposed New Draft Constitution

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Thank you very much, Mr. Speaker. I beg to move the following Motion:

BE IT NOW THEREFORE RESOLVED THAT this Honourable House debates the proposed new draft Constitution laid on the Table of the Legislative Assembly on 2 October 2003;

AND BE IT FURTHER RESOLVED THAT, upon the completion of the debate, this Honourable House resolves itself into a Committee of the whole House to consider the proposed new draft Constitution and report to this House that the Committee has considered the paper;

AND BE IT FURTHER RESOLVED THAT this Honourable House approves any proposals and/or amendments arising out of consideration by the Committee.

The Speaker: The question is that, **BE IT NOW THEREFORE RESOLVED THAT this Honourable House debates the proposed new draft Constitution laid on the Table of the Legislative Assembly on 2 October 2003;**

AND BE IT FURTHER RESOLVED THAT, upon the completion of the debate, this Honourable House resolves itself into a Committee of the whole House to consider the proposed new draft Constitution and report to this House that the Committee has considered the paper;

AND BE IT FURTHER RESOLVED THAT this Honourable House approves any proposals and/or amendments arising out of consideration by the Committee.

The Motion is open for debate. Does the Honourable Leader of Government Business wish to speak?

Hon. W. McKeeva Bush: Thank you very much, Mr. Speaker. As the Honourable House knows, the Governor appointed three Constitutional Commissioners, in 2001, to review our current Constitution and to propose a new constitution based on public feedback. The Commissioners made their report public on 7 March 2002. The report was made after the Commissioners held extensive consultations with persons, groups and associations in all districts throughout the three Islands. The Commissioners received verbal and written submissions from a wide cross-section of the community, on all aspects related to constitutional advancement. The Government and the Opposition held discussions in all the districts, with various persons, groups and associations, after the report was presented to the Legislative Assembly by His Excellency, the Governor.

A delegation consisting of the Government and the Opposition held talks in London, with the Foreign and Commonwealth Office, from 9 – 11 December 2002. Prior to this trip to London, both sides held a summit on Friday 29 November 2002, to narrow our differences and create a united front on the many aspects related to our constitutional advancement that would subsequently be presented to the Foreign and Commonwealth Office. At the summit, the Government agreed to four of the major demands that the Opposition considered important. The four items were: single-member constituencies, that is, "one-man, one-vote"; term limits of two consecutive terms for the Chief Minister; the choice of the Speaker from outside the Legislative Assembly; and the definition of what constitutes a Caymanian.

Mr. Speaker, the United Democratic Party would like to reiterate our position on the draft Constitution that was sent from the Foreign and Commonwealth Office on 12 February 2003. Our position is based on feedback from the public through various means, such as public meetings, personal representations, feedback at constituency MLA offices, discussions on a one-to-one basis with people throughout the country, and of course, our own judgement as elected representatives of the people. What I propose to do is to point out the precise sections and subsections that we feel should be changed, and the logic behind our taking a particular position. Any sections or subsections that I do not mention, we believe to be adequate. To leave no doubt I will repeat that: I will point out the precise sections and subsections that we feel should be changed, and the logic behind our taking a particular position. Any sections or subsections in the draft before us that I do not mention, we believe, as a party, to be adequate.

Section 32. The Cabinet. Mr. Speaker, this section begins by saying: **"There shall be a Cabinet for the Cayman Islands, which shall consist of—"** six other Members, one of whom would be the Deputy Chief Minister, appointed by the Governor, acting in accordance with the advice of the Chief Minister, from among the Elected Members of the Legislative Assembly, along with the Deputy Governor and the Attorney General, ex officio. The United Democratic Party agreed on the basis of its being ex officio. We did not agree with subsection 4, and recommend the removal of that section.

Section 32 (6). **"If occasion arises for making an appointment of any Minister between a dissolution of the Legislative Assembly and the polling in the next following general election, a person who was an elected member of the Legislative Assembly immediately before the dissolution may be appointed as a Minister"** by the Governor, acting in accordance with the advice of the Chief Minister, as if he were still a Member of the Legislative Assembly.

Mr. Speaker, these are the changes that the United Democratic Party are suggesting in regard to the functioning of the Cabinet. We believe that it is crucial to the proper functioning of Cabinet that there is a named Deputy Chief Minister. We also feel that democracy would be threatened if the Constitution dictated the public's choice as to who the Chief Minister would be. The public, through their support of a particular party and the membership of that party, should decide how long a person would serve as the Chief Minister.

Section 35. Performance of functions of Ministers in certain events. **"If the Chief Minister is unable, due to illness or his absence from the Cayman Islands, to perform the functions of his office, the Governor may authorise—"** and we would add, "the Deputy Chief Minister to perform those functions," followed by, "If both the Chief Minister and the Deputy Chief Minister are unable to perform, for the aforesaid reasons, the Governor may authorise some other Minister to perform those functions".

Mr. Speaker, it is critical to the efficient functioning of Government that the Deputy Chief Minister be named by the Governor.

Section 38 (3). Proceedings in and quorum of Cabinet. **"No business shall be transacted at any meeting of the Cabinet if there are less than five members present, of whom four are voting members, in addition to the person presiding."** Mr. Speaker, we believe that it is important to make this amendment, as there should, at all times, be at least a majority of the seven elected Ministers of Cabinet at a meeting, to bind other Ministers.

Section 39. Submission of questions to Cabinet. **"No question shall be submitted to the Cabinet for its advice except by and with the approval of the Governor, acting in his discretion; but if the Governor declines to submit any question to the Cabinet when requested in writing by any Member of the Cabinet to do so, that member may require that there be recorded in the minutes his written application, together with the answer given thereto by the Governor**."

We do not agree with this provision, Mr. Speaker. We recommend that the Governor should not have the right to refuse a question by a Minister of Cabinet. It is imperative that each Minister has the ability to bring forward his business to the Cabinet.

If this were allowed, the Governor would effectively be able to dictate policy with relative ease, as he simply would not allow certain business to come forward, as he saw fit.

At that point, we believe the Governor should stop business. He should allow the Member to come forward, and allow it to be recorded that he brought that business. At that point, the Governor could say, "I do not accept that this should go forward." However, the Minister should, at all times, have that prerogative to carry his business—the people's business—to the Cabinet of the country.

Section 41. Secretary to the Cabinet. **"The Secretary of the Cabinet and the Cabinet Office shall also have general responsibility, under the authority of the Governor and the Chief Minister, for co-ordination and implementation of Government policy."**

Mr. Speaker, this, we believe, is what the case should be, as the development of government policy is the duty of elected Ministers. Once those policies are established, it is the Cabinet Secretary who co-ordinates and implements them, but the development of government policy should be left to the Ministers. The Cabinet Secretary will coordinate the implementation of Government's policies.

`Section 44. Qualifications for elected membership. We propose that we revert to section 18 of the current Constitution with one minor amendment. Section 18 would be amended, by the addition of a subsection 2, to read as follows: **"For the purposes of sub-subsection 1(d) of this section, a qualified citizen is a British Dependent Territory citizen and has British citizenship by virtue of a connection with the Islands"**.

It would go on to say, "who either…" but I end there. Mr Speaker, we believe that the present Constitution has adequate provisions for the qualification of persons who can stand for election.

We propose that the provisions of section 31 (1) be retained from the current Constitution. It is the view of the United Democratic Party (UDP) that there should be a choice, in any elected legislature, as to where the Speaker should come from. Increased flexibility can never be underestimated. We believe that this is the method used by a majority of Parliaments in the Commonwealth, and in particular, some areas in this region, for good reason.

Section 51. Leader of the Opposition. We recommend that provision be made for a Deputy Leader of the Opposition. Obviously, in a modernised form of governance, it is critical that we have the proper constitutional protocols. This will foster greater political maturity and organisation among any opposition party. That is what we all want.

Section 58. Voting. We recommend retaining the provisions of section 35 of the present Constitution. The Government believes that the Speaker should have the ability to exercise a casting vote in case of a tie on an issue

Section 58 (2) says: **"The Speaker shall not vote, and any other member presiding shall have an original but no casting vote."** We are recommending the provision of Section 35 of the current Constitution, believing that the Speaker should have that right to cast that vote.

Section 62 (1). Assent to Bills. **"A Bill shall not become a law until-**

a) the Governor has assented to it in Her Majesty's name and on Her Majesty's behalf and has signed it in token of his assent; or

b) Her Majesty has given Her assent to it through a Secretary of State and the Governor has signified Her assent by Proclamation.

(2) When a Bill is presented to the Governor for his assent—"

Mr. Speaker: If the Honourable Minister would pause, I notice that we have a recommendation that section 52 should be amended to comply with section 35, but perhaps the Honourable Minister would also look at section 58 (3), to see if there would be a subsequent amendment on that.

Hon. W. McKeeva Bush: Yes, Mr. Speaker. As I said, we did not mention it because we did not support it. However, we will deal with that at the Committee stage.

The Speaker: All right.

Hon. W. McKeeva Bush: It is proposed that it will be removed. For clarity, Mr. Speaker, section 58 (2) says that: **"The Speaker shall not vote and any other member presiding shall have an original but no casting vote."** Section 58 (3) says that, **"In the event of an equality of votes on any question the motion shall be lost.**"

We feel that this should not be the case. The Speaker should have a casting vote.

I think I was at section 62 (2): **"When a Bill is presented to the Governor for his assent, he shall, subject to the provisions of this Constitution and of any Instructions addressed to him under Her Majesty's Sign Manual and Signet or through a Secretary of State, declare that he assents or refuses to assent to it or that he reserves the Bill for the signification of Her Majesty's pleasure:**

Provided that, unless he has been authorised by a Secretary of State to assent thereto, the Governor shall reserve for the signification of Her Majesty's pleasure any Bill which appears to him, acting in his discretion-

(a) to be in any way repugnant to, or inconsistent with, the provisions of this Constitution;

(b) to determine or regulate the privileges, immunities or powers of the Legislative Assembly or of its members".

As we do not agree with section 62 (2) (c), we believe that it should be taken out. We do agree with section 62 (2) (d):

(d) "to be likely to prejudice the Royal prerogative;

(e) to affect any matter for which he is responsible under section 24(1)(c) of this Constitution".

We believe that clarity is needed as to why such provisions are needed in the Constitution.

Section 70. Electoral Constituencies. We propose that the provision for 17 Members be maintained and that the two additional seats be assigned: one to George Town and one to West Bay. We also believe that there should be a phased implementation towards single-member constituencies. There seems to have been a clamour for single-member constituencies, which give rise to "one-person, one-vote", in the district of George Town. We therefore recommend that, in the spirit of cooperation, the phasing-in of single-member constituencies and the resultant "one-person, one-vote" should begin in the district of George Town. The result would be that, at the polls in the 2004 General Elections, seven of the 17 seats would be contested on the basis of single-member constituencies, or "one-person, one-vote". This compares favourably to the present situation, where only two of 15 seats are single-member constituencies, or "one-person, one-vote". This demonstrates the UDP Government's commitment to being fair and reasonable in trying to work along with the Opposition.

Mr. Speaker, please permit me to add that under such a phasing-in process, there would be a commitment by the UDP Government to implement single-member constituencies, or "one-person, one-vote", across the entire Islands by the 2008 General Elections. We feel that, if implemented, this proposal will be a pragmatic, logical approach to such a change.

Mr. Speaker, please also permit me to make special mention of the first schedule to the Constitution, which deals with the forms of Oaths and Affirmations—in particular Number 2: the Oath for due execution of office. Please permit me to read it into the record: **"I . . .do swear that I will well and truly serve Her Majesty Queen Elizabeth the Second, Her Heirs and Successors, and the people of the Cayman Islands in the office of (here insert the description of the office). So help me God."**

Mr. Speaker, we are thrilled to have the people of the Cayman Islands mentioned now, in this important oath. This is an important point of principle for Caymanians. This represents the proposed suggestions of the UDP Government in regard to the draft Constitution, as prepared by Her Majesty's Government. We have no authority to change this draft Constitution, but as elected representatives of the people, we are duty-bound to make our feelings and opinions known at this particular point. Our reviews have been shaped by representation from all our people, by arguments we have heard articulated in the public domain over the past 28 months in particular, and of course, by our own judgement.

Mr. Speaker, we will cover the entire draft Constitution, section by section, once we go into

Committee, and we will provide detailed comments, as all Members will have the opportunity to do, on the entire draft Constitution.

I would like to air one important aspect, and that is the issue of the Bill of Rights. We agreed that that would come into force in 2006—which is the same as what the United Kingdom intends to do—for various reasons, one being that people must be trained in the various sections. Also, sections of the Law will have to be changed because of that Bill of Rights. I would ask Members to give it careful consideration. Should the Bill of Rights be an Act separate and apart? Should we have a Bill of Rights Act, the way the United Kingdom does, or should we keep it in the Constitution?

I prefer to have it as a separate Act. That way, if changes have to be made over the years, we will not have to constantly go back to the Constitution to amend it in any shape or form.

I believe that the public would appreciate that from us, as I have had much representation on that aspect of the Bill. However, I will leave that up to Members when we get into Committee, and of course, Members who rise after me can make their opinions known.

Mr. Speaker, I thank you for your indulgence.

The Speaker: Does any other Member wish to speak?

The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. It is an honour and a privilege to finally debate the draft Constitution of these Islands this morning. This is a matter that has been mooted for quite some time, and a lot of water has gone under the bridge. Much acrimony, anxiety and debate has ensued since the report of the Commissioners was delivered to the former governor, Mr. Peter Smith, on 7 March 2002.

Mr. Speaker, I intend to spend some time discussing how we have managed to get where we are today. I am delivering the main presentation on behalf of the Opposition. We were hoping that we would have been able to avoid delving again, this morning, into some of those bitter memories of the past year and a half. Having attended what has been termed, 'The Summit', back on 29 November 2002, and having reached significant agreement on the contentious issues arising from the Commissioners' Report and the positions taken by the United Democratic Party Government in relation to that Report, and having then gone on to Lancaster House, in London, to meet for three long and arduous days to discuss the Report and the provisions of the draft Constitution, we believed that we had reached a significant level of agreement on the majority of the issues. Then, finally having received the draft Constitution from Her Majesty's Government in February of this year, which largely reflected the agreements reached both in Cayman with the United Democratic Party Government and the positions that were reaffirmed at the meeting in London in December, we felt that there was a significant degree of acceptance of—if not enthusiasm for—the draft Constitution, given the feedback we got from the public when the Report was returned.

We held further meetings in relation to the draft Constitution in every electoral district. For good measure, we held a meeting in Savannah as well, so that Bodden Town had the benefit of two meetings, at which we went through the draft Constitution.

There were a number of issues, which still remain. We had hoped that this opportunity today, when it ultimately came, would provide the basis for both sides of this Honourable House to make presentations and submissions on these few outstanding issues, and that we could have gone forward, in unison, to the United Kingdom, with the hope and expectation of there being ultimately created a Constitution for these Islands that reflected the wishes and aspirations—the hopes and dreams—of the nation.

However, as I stand here this morning, Mr. Speaker, we are back to square one. We are back to where we were before we met on 29 November 2002, because the United Democratic Party Government has gone back on virtually everything they agreed to, on 29 November last year, and subsequently in London over the period of 9 - 11 December 2002. Therefore, we begin again the whole debate—all the argument, acrimony and controversy about our Constitution.

It seems to us, on this side, that self-interest and the preservation of power have again overridden the national interest, as far as the United Democratic Party is concerned. As I pondered that idea over the course of this last week, Mr. Speaker, and as I contemplated what I would say here this morning, a quote from Edmund Burke, from whom the Minister of Education is so fond of quoting, resonated in my memory. I felt compelled to seek it out and remind myself again what that celebrated speaker and parliamentarian said, and to remind this Honourable House what our collective duty is in matters such as these. I fear that the Government has forgotten what the ultimate objective should be. They have forgotten what our principal function is; they have forgotten what it is we are sworn in to do, which is to further the national interest, and not the individual interest of ourselves and our respective parties.

We are seeking to create a national document, a Constitution that will govern this country. The positions we take in this important debate ought not to be based on what is best for us individually, or what we believe is going to result in our return to office. The position of the Opposition, and certainly my personal position, is that this seems to be the overriding consideration, the factor that determines most what position the Government takes in this critical debate.

Mr. Speaker, in his celebrated speech to the electors of Bristol in 1774, Edmund Burke said: **"Parliament is not a *congress* of ambassadors from different hostile interests; which interests each must maintain, as an agent and advocate, against the other agents and advocates; Parliament is a *deliberative* assembly of one nation, with *one* interest, that of the whole, where, not local purposes, not local prejudices ought to guide, but the general good, resulting from the general reason of the whole."**

The Speaker: Second Elected Member for George Town, would you have a copy of that quotation so that we could have it tabled for the benefit of the House?

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I am quite happy to make this available to the Serjeant-at-Arms, from which to make copies. It is from a book.

The Speaker: Thank you very much.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. I wish to proceed with what I hope will be a brief but insightful oversight into this whole process, including how we have arrived where we have.

There was an important consideration to which the Honourable Leader of Government Business did not allude when he spoke. None of us in this Honourable House has a mandate for constitutional change. None of us is entitled to say, as we stand here today, or during the course of this debate, that that authority has been conferred upon us. We have the ability to speak on behalf of the people as to what it is that they want, if they want anything at all, in terms of constitutional modernisation. That is a critically important consideration, one that has been overlooked time and time again, in our respectful view, by the Government as they have proceeded with this process.

Indeed, Mr. Speaker, it is a factor that we feel was overlooked by the former Governor, Mr. Peter Smith, in his handling of the process after having received the report. However, it is a factor that has been at the heart of the Opposition's position from the very beginning. Whatever changes there are, they must have the support of the majority of the electorate. They must have the support of the population. The Constitution that we seek to craft must be a document of national consensus. Every position we have taken, and every step we have taken, has been with that idea in the forefront of our minds. Indeed, from the outset, the United Kingdom itself indicated that that was the sort of approach it wished us to take in relation to the constitutional review process. I will speak about that in more detail as I go through my submissions.

If one looks at the Constitutional Modernisation Checklist that was provided to the Overseas Territories Governments, this is a very important item on that list. Do the changes proposed have the approval of the majority of the population? If so, where is the evidence of that approval?

I have learnt clause 18 of the Constitutional Modernisation Checklist by heart. We have repeated it as a mantra for the better part of two years. Had the Government been paying attention, Mr. Speaker, we would not be here again today in this confrontational environment, discussing this matter. All we have ever asked for, on behalf of the people, was to give them the opportunity to say what it is they wanted; to give them, even now, the opportunity to say what it is they want to see in their Constitution.

Mr. Speaker, I come back to the process. This whole process of constitutional modernisation, or reform (whatever we wish to term it), was heralded by the United Kingdom in their White Paper—somewhat euphemistically entitled, "Partnership for Progress and Prosperity", which was first promulgated, I believe, in March 1999. In it, the United Kingdom Government spoke about the need for a modernisation of the relationship between the Overseas Territories and the mother country, if I can say that these days. Part of that involved the modernisation of the structures and institutions of government. Principal among those attempts was a modernisation of the Territories' constitutions, to ensure that they met modern standards and were able to meet the modern challenges of government; that they had modern provisions for the protection of human rights; and that they permitted the United Kingdom to be satisfied that it was complying with its international obligations in relation to various treaties, particularly those in relation to financial regulation and probity, and in relation to human rights.

The White Paper says time and time again that whether or not they want to remain British is a matter for the Overseas Territories to decide: self-determination is available. However, it appears to those of us on this side that, when it speaks of self-determination in the context of the White Paper, and in subsequent utterings, the UK is speaking about whether you maintain your current constitutional status or whether you move into independence. There does not appear to be any of the "middle ground" that has been the subject of much discussion in recent times. I am speaking particularly about the initiative of the Chamber of Commerce, in which the Leader of Government Business has participated, discussing the issue of self-determination, and the resolution of the United Nations, in the 1960s, dealing with the right of Dependent Territories—or colonies as they were then called—to self-determination.

Mr. Speaker, I will digress a little to say that I was surprised that the Leader of Government Business said nothing at all about that process in his presentation this morning. I am aware that he travelled to Anguilla in May of this year with the Chamber of Commerce, to attend meetings with representatives from the United Kingdom and other Overseas Territories in regard to this whole question of self-

determination and the decolonisation process. Upon his return, he called publicly upon the United Kingdom to go back to the drawing board in relation to this draft Constitution, for it did not propose to confer upon the Cayman Islands a sufficient degree of autonomy.

Also, the agreements in relation to the draft constitution were reached in London, without the knowledge of the various options that Mr. Huntley, the UN Ambassador who visited these Islands and who has been the main proponent of these discussions in these parts, had made known to us. Therefore, we, on this side, are hoping that, when some of the other members of the Government get up to speak, they are going to tell us, and the country, what their position is now in relation to those important matters. It seems that the Government has now retreated from their earlier position that the United Kingdom should go back to the drawing board in relation to this draft Constitution.

Mr. Speaker, I would not want anyone to be left with the mistaken impression that we on this side do not believe that—if indeed those options are available to us—we should not seek to find out what is available, to explore the possibilities, to educate the population and ultimately to find out what it is our people want in terms of self-determination—not at all. My comment is in relation to the conspicuous absence of that issue from the presentation of the Honourable Leader of Government Business this morning. In light of his rather trenchant statements earlier in the course of this year, particularly, one is left to wonder what has happened to the initiative, and to Government's resolve to pursue it, and, indeed, to cause the United Kingdom to go back to the drawing board.

Mr. Speaker, I come back to the sequence of events leading up to the presentation this morning of this Motion to debate the draft Constitution. The first thing I would like to do, even though we have done it many times before, is to publicly commend the efforts of the Constitutional Commissioners. The Commission was ably chaired by Mr. Benson Ebanks, OBE, JP. He had with him, as Commissioners, two very able individuals in the persons of Mr. Arthur Hunter, OBE, and Mr. Leonard Ebanks, JP. They certainly made a tremendous effort both to educate, and to ascertain, from members of the populace, what their views were on the current Constitution, and what they viewed as necessary amendments or modernisation. I have not heard anyone publicly fault them for anything that they did, or did not do, in seeking to carry out their commission.

However, at the end of it, we came to the conclusion, having had attendance from approximately 600 registered voters out of a possible 11,500, that the participation by the population in the exercise was generally disappointing. This was mitigated, to a certain extent, by the level of participation by the Chamber of Commerce, which boasts some 700 corporate members, all of whom employ a significant number of persons. Even with that, Mr. Speaker, I do not think that anyone could conclude that the Commissioners had not done everything they possibly could do, and that, by and large, the population was fully aware of the process and what the ultimate objective would be—that is, a new Constitution.

The process went off the rails when the Commissioners' Report was delivered to the former Governor on 7 March. He proceeded to take the decision that the Report would not be made available to the population, generally, until the debate in the Legislative Assembly commenced. Honourable Members would not have had access to it until a week before that debate. That decision triggered such a public reaction that I do not know if the country has ever seen, in my lifetime, people so galvanised into opposition on any matter.

We did our very best, on this side, to persuade His Excellency, as he then was, to grant more time. At this stage, I am not going to go through each and every extension that was obtained, because I do not think that would further the discussion or my point. However, as a result of all of that, we eventually were given, at the postponement of the debate on the Report, until 19 June 2002. In the meantime, we, on this side, had done everything we could to get into the community, to ascertain what people's views were, and to do our part as best as we could to assist with the educational process. Wherever we went, however, we were met with a similar response: "There is not enough time; we need to have more time to understand and consider these important matters."

It was pointed out to us by more than one person along the way that none of us had a mandate for major constitutional change. None of us had been elected on the basis that we were going to propose, or support, significant changes to our Constitution. We all, I believe—certainly those of us on this side—made clear during the campaigns that the United Kingdom Government had mandated a course of constitutional modernisation. Therefore, the population at large was aware that that was going to transpire. However, precisely what form that was going to take—precisely what the final Constitution would look like—was not something for which any of us had, or have, a mandate.

The result of all this was that a cry for a referendum arose, which got stronger and stronger as the days went on. As we approached 19 June, which was the date set for the debate on the Report, that cry became a national clamour. As a result of the impressions we gained, and the recommendations we received, from the broadest possible cross-section of this community, the Opposition felt compelled to seek to move a private member's motion in this Honourable House for a referendum law to be passed calling for:

1) six of the controversial issues which we had distilled from the many submissions made to us to be matters of national importance;

2) a referendum to be held in relation to them to determine whether or not the country wanted these matters;

3) debate on the report be deferred pending the holding and outcome of that referendum.

For me, Mr Speaker, that is a particularly poignant situation, for ultimately that Motion, which was moved by the current Honourable Leader of the Opposition and Elected Member for North Side, was rejected by the then Speaker, on the basis that it was likely to impose a charge on the revenues or other funds of the country, in contravention of both the Standing Orders and the Constitution. Therefore, the Motion never did get before this Honourable House for debate.

As a result of the criticism that both I and the Honourable Leader of the Opposition made of that ruling, publicly, and because of our principled stand not to withdraw that criticism, we were both suspended from this Honourable Legislative Assembly for two weeks—from 5 June to 19 June 2002.

Therefore, Mr Speaker, things became even more heated. In the context of those suspensions, the House was cleared of all strangers, as a result of applause, or a seeming demonstration, in support of the position taken by the Honourable Leader of the Opposition. As the tension grew, and as members of the public—many of whom were stalwarts of this society—became increasingly concerned, frustrated and upset, a spontaneous march on the Government Administration Building, the "Glass House", took place. A small delegation of the demonstrators was allowed to see his Excellency, the Governor, to voice their concerns and their grievances.

The former Governor advised them as to what they should do in relation to their wish for a referendum, which was to write to the Government, setting it out, or to present a petition. Thus, the 'People for Referendum' was born.

Mr Speaker, what then transpired is nothing short of astounding, for over the course of the ensuing 10 days, a petition was formulated setting out the same controversial issues that had been set out in the Referendum Motion filed by the Honourable Leader of the Opposition and the Elected Member for North Side. Over the course of those 10 days, as I said, more than 7000 signatures were obtained.

I will come to what the controversial issues were in due course, Mr. Speaker.

The Speaker: Is this a convenient time for the Member to take the morning break?

Mr Alden M McLaughlin, Jr.: I am in your hands.

The Speaker: If so, proceedings will be suspended for 15 minutes. I would ask that all Honourable Members be back here at 11:55 am.

Proceedings suspended at 11:42 am

Proceedings resumed at 11:58 am

The Speaker: Proceedings are resumed. The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker.

When we took the suspension, I was dealing with the People for Referendum, and I had pointed out that the position papers that they ultimately delivered to the Leader of Government Business and his colleagues in Executive Council on 18 June 2002 sought a referendum on six issues. These six issues were those identified by the Leader of the Opposition and the Elected Member for North Side in the Referendum Motion, which was ultimately rejected on 4 June.

Those issues were:

1. Should the Cayman Islands adopt the proposal contained in the Report with respect to the concept of "one man, one vote" and the creation of 17 single-member constituencies?

2. Should the Speaker of the Legislative Assembly be chosen from outside of the elected membership of the Legislative Assembly?

3. Should the proposed changes to the Cayman Islands Constitution be implemented between the dissolution of the current Legislative Assembly and the next general election in 2004, as is proposed in the Report, or should the changes be made as soon as possible?

4. Should the Cayman Islands Constitution contain provisions to permit the electorate to initiate a referendum?

5. Should term limits be placed on the holder of the office of Chief Minister?

6. Should a person who holds a nationality in addition to British Overseas Territories Citizenship by virtue of a connection to the Cayman Islands, and British Citizenship, be permitted to be elected as a Member of the Legislative Assembly?

I have already stated, roughly, the number of persons who signed that petition—just over 7000. For the sake of completeness, I will say that that did not include the roughly 4500 persons who work for Government, in one capacity or another, and who were, and are, prevented by the provisions of the General Orders from participating in the process.

I am reminded that I should indicate the number of persons who were ultimately determined to be registered voters who signed that petition. On 27 June 2002, the Governor's office announced that 3879 persons (or 55.22% of those who had signed the petition) had been determined to be registered voters. That figure represented 33.67% of all registered voters in the Cayman Islands. I repeat, Mr. Speaker: that figure represented 33.67% of all registered voters in the Cayman Islands.

I should also say that the Civil Service Association conducted a poll in relation to the following question: Prior to the submission of the Constitutional

Commissioners' Report to Her Majesty's Government, should there be a referendum held to consider the proposed major changes to the Constitution? This poll was conducted over the course of four days, and despite that short period of time, 507 responses were received. Of these, 81.9 per cent, or 415 persons, said, "Yes"; 6.1 per cent, or 31 persons, said, "No'; 12 per cent, or 61 persons, said, "I do not know" and 77.7 per cent, or 394 persons, were registered voters.

Mr. Speaker, I am quite happy to lay a copy of the document issued by the Civil Service Association upon the Table of this Honourable House.

The Speaker: Thank you very much. So ordered.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, for the record, it is a release dated 9 July 2000 under the hand of the Cayman Islands Civil Service Association Management Council.

Mr. Speaker, I return now to the sequence of events following the presentation of the petition. The following day, 19 June 2002, debate commenced in the Legislative Assembly on the Report, but the debate was in the form of an amended Motion. It was not in the form of the Motion that is currently before this Honourable House, which seeks to approve a form of the draft Constitution that will ultimately be sent to London. It was in the form of a "Take Note Motion".

The Honourable Members of the Opposition did not participate in the actual debate, although we were there initially to state for the record why we took the position that we should not participate. Again, to remind all Honourable Members: the reason was that more than 7000 persons had said, by way of petition to the Government, that they wanted—

Point of Order

Hon. Gilbert A. McLean: Mr. Speaker, on a point of order.

The Speaker: Would the Honourable Member state his point of order?

Hon. Gilbert A. McLean: Mr. Speaker, under Standing Orders 36(1) we find the question of relevance which states: **"Except on a motion for the adjournment of the House the debate shall be relevant to the matter of question before the House".**

Mr. Speaker, all of us in the House know about the situation that occurred, about which the Member is now speaking—it is now history. I would suggest that it has nothing to do with the draft Constitution that is now before the House, which we are debating.

The Speaker: Thank you very much, Honourable Minister. I have been keeping very close notes of the debates thus far and I believe that the Honourable Second Elected Member for George Town was giving background information on the circumstances leading to the Motion before the House now, though he strayed somewhat away from the subject before us.

However, I would ask that he address his comments more closely to the Motion before the House: that is, the resolutions before us. As rightly said by the Minister, the "Take Note Motion" and other issues have already been considered by this House—they are history. Nonetheless, they do give a background leading to the Motion before the House.

I would accordingly ask that the Honourable Second Elected Member for George Town take note of these comments that I have made and continue along those lines.

Thank you very much.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. I will not test your patience in regard to that. I am going to leave that right where it was.

For the purposes of some of the more fundamental points that I wish to make, the history is important. The next matter that happened in the sequence of events, relevant to where we are today, was the invitation to London which was extended to the Opposition, before we took advantage of the 'summit', as it is termed, that was held at the Hyatt Hotel on 29 November 2002.

That is of critical importance because the correspondence that emanated from that meeting set out the position between the parties and the agreements that had been reached. Mr. Speaker, the positions now adopted by the Government are really not very new positions, by and large. They are the original positions taken in their Position Paper, which was laid upon the Table of this Honourable House 20 June 2002. I will not go through the entire Position Paper, but with your permission, Mr. Speaker, I am going to refer to those aspects of it that deal with the issues that have now emerged.

The Speaker: Second Elected Member for George Town, would you state which of the position papers you are specifically referring to?

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, it is "The Position Paper of the United Democratic Party on the Report of the Constitutional Modernisation Review, Commissioners' 2002, and Draft Constitution for the Cayman Islands", signed on 12 June 2002.

The Speaker: Yes, I know which one you are talking about. You may continue.

Mr. Alden M. McLaughlin, Jr.: On the question of the qualifications for the Speaker, on page 5 of that Position Paper, item 9 is titled, **"The Speaker and Deputy Speaker be chosen from outside the membership of the Legislative Assembly.**

It reads: **"We do not support this recommendation and propose that we retain the provi-**

sions of the current Constitution which state that the elected members of the Assembly should elect

a) **a Speaker from among elected members of the Assembly, or persons qualified to be elected members of the Assembly, other than members of Executive Council.**

b) **a Deputy Speaker from among the elected members of the Assembly, other than members of Executive Council;"**

That is the position that the Honourable Leader of Government Business reiterated this morning.

Item 10, page 6, is the recommendation of the Commissioners, entitled, "The introduction of 17 single-member constituencies for the Islands." It reads: **"Although we support the concept of modernising this area of the electoral system, we believe that the full introduction of single-member constituencies and the "one man one vote" which proposes to divide the Cayman Islands into 17 constituencies is, at this point in our development, premature. We believe that a better system would be to gradually phase in this concept."**

This was also the situation with the definition of 'Caymanian'. Item 14, page 7 is entitled, **"The Commissioners have given a narrow definition to 'Caymanian' in the Constitution which is separate and apart from 'Caymanian Status' ".**

Then there is a fairly long explanation of what that said, and the Party then make their conclusions and recommendations on the following definition of 'Caymanian'. I quote: **"A person who possesses British Overseas Territories Citizenship, British Citizenship, or citizenship by virtue of birth outside the Islands and who:**

a) **at the date of his birth had at least one of his parents or grandparents who was Caymanian as herein defined and who was domiciled in the Islands at the date of such birth, or**

b) **has Caymanian status."**

The question of term limits was not one that was recommended by the Commissioners in their Report. Therefore, that is not dealt with in the Position Paper of the United Democratic Party. However, Mr. Speaker, those were the positions on which we went to the summit.

As I suggested earlier, both parties were encouraged by the Foreign and Commonwealth Office to meet, and to seek to narrow the issues between us in advance of the meeting in London scheduled for 9–11 December 2002. May I refer, Mr. Speaker, to a letter to the Governor's staff officer, Mr. Kevin Mowbray, dated 22 November 2002, from Mr. Alan Huckle of the Overseas Territories Department?

The Speaker: Yes. Also, would the Honourable Member table the letter for the interest of all Members?

Mr. Alden M. McLaughlin, Jr.: The letter reads:

"Dear Kevin,

CAYMAN ISLANDS: CONSTITUTIONAL REVIEW

1. I understand that there may be a meeting between the parties in Cayman on 29 November to consider their approach to the meeting in London that we have called for the 9 – 11 December to discuss the recommendations of the Constitutional Review Commissioners and associated submissions. We intend to write towards the end of next week to suggest ways in which we might proceed during these discussions – and my colleague, Colin Glass, is also in touch over the administrative details."

This is the important bit, Mr. Speaker.

2. It may help, however, to set out some of the issues on which there would be advantage in parties coming to some form of agreement, if that were possible, in Cayman before coming to London. My purpose in doing so is not be presumptuous nor to interfere but to try to assist discussion so that our meeting in London can be as productive as possible.

3. Such issues include:

- **the Review Commissioners' recommendations for a Ministerial form of Government with a Chief Minister and six other Ministers (leaving aside the Attorney Generalship) in a legislature of 17 members;**
- **The office of Chief Minister: votes of no confidence, number of terms;**
- **The Review Commissioners' recommendation for 17 single-member constituencies (and the need or not for a Boundaries Commission review);**
- **The offices of Speaker and Deputy Speaker (elected/appointed) and the impact on the size of the legislature if both are elected;**
- **the issue of who is a 'Caymanian' in terms of s. 42, 70(1)(b) and s. 107 of the Review Commissioners' draft Constitution; and**
- **the timetable for implementation including the need or not for a referendum.**

4. From HMG's perspective, there are a few instances when we shall wish to see amendments to the Review Commissioners' draft Constitution to preserve:

- **HMG's overall responsibility for the good governance of the territory;**
- **the impartiality of the public service; and**
- **the independence of the judiciary.**

5. I should be grateful if you would pass copies of this letter to the Hon McKeeva Bush and the Hon Kurt Tibbetts. I am also sending a copy to Jennifer Dilbert here."

Mr. Speaker, what is probably the most important document of all, in the context of my debate on this particular issue, is a letter dated 2 December 2002, on the letterhead of the United Democratic Party. It is addressed to Mr. Kurt Tibbetts, MLA, Leader of the Opposition, signed by the Honourable W. McKeeva Bush, OBE, JP, Party Leader. May I refer to that letter, Mr. Speaker?

The Speaker: Yes.

Mr. Alden M. McLaughlin, Jr.: The letter reads:

"Dear Mr. Tibbetts,

Re: Constitutional Modernization

On behalf of the United Democratic Party (UDP), I write to express our appreciation for your attendance and participation, and that of the other members of the People's Progressive Movement (PPM) at the meeting held on Friday, 29th November at the Hyatt Regency Hotel.

Our intention in arranging this meeting was to forge consensus on our differences, prior to attending the meeting in London on 9th – 11th December, which the Foreign & Commonwealth Office (FCO) has arranged and invited the UDP to bring five delegates, and an equal number from the PPM to attend.

The United Democratic Party is pleased at the very productive outcome of last Friday's meeting and at the progress that we have made in addressing those issues over which the public has expressed concern.

We now confirm the issues we discussed and the agreement reached at Friday's meeting.

1. Full Ministerial Form of Government

In keeping with the Constitutional Commissioners recommendation for a full ministerial form of government, with a Chief Minister and six other ministers (leaving aside the Attorney General) the meeting endorsed this recommendation.

It was further agreed that the nomenclature of Executive Council would be changed to Cabinet.

The following provisions for the office of Attorney General were also discussed and agreed:

- **There shall be an Attorney General who shall be the Principal Legal Advisor to Government.**
- **The Attorney General shall be a person entitled to practise as an Attorney-at-Law in the Cayman Islands.**
- **The Attorney General shall be appointed by His Excellency, The Governor, in accordance with the advice of the Chief Minister."**

That is important, Mr. Speaker. It goes on:

- **"The Attorney General shall not be either an elected member of the Legislative Assembly or a public officer.**
- **Provision shall be made for a temporary appointment of an Attorney General (e.g. to act in his absence).**
- **Prosecutorial functions should cease and should be vested in the officer of the Solicitor General.**

2. Term Limits

It is agreed to place a limit of two consecutive terms on the post of Chief Minister, with a minimum break of one full term of office.

3. Vote of No Confidence

A vote of no confidence can only be brought against the entire government and shall require 11 votes (under the proposed membership of 17 elected members).

4. Office of the Speaker of the House

It was agreed that the Speaker of the House would be a non-elected member and the Deputy would be an elected Member.

5. Definition of Caymanian

There was an agreement on the definition of a Caymanian".

I might pause here, Mr. Speaker, to say that the definition of a 'Caymanian', that was agreed upon word for word, is that which appears in the draft Constitution.

The Speaker: I would ask the Honourable Second Elected Member for George Town if he had, in fact, passed on to the Serjeant-at-Arms, for tabling, the copy of the letter he read, sent from Mr. Alan Huckle to Kevin Mowbray. Any other letter from which he reads could be passed on to the Serjeant-at-Arms for tabling, so that all Honourable Members will have copies for ease of reference when they are debating this Motion.

Mr. Alden M. McLaughlin, Jr.: I am happy to do so, Mr. Speaker.

Point of Elucidation

Hon. Juliana Y. O'Connor-Connolly: Mr. Speaker, on a point of elucidation. Would the Member give way, Sir?

The Speaker: The Honourable Minister of Communications.

Hon. Juliana Y. O'Connor-Connolly: Mr. Speaker, I wonder if the Member would be so kind as to repeat the last statement, because I would not wish to have him mislead the House. As I understood it, he said that the definition of a Caymanian was adopted as it was put forward. What I did not hear, Sir, which would be of importance for a reply, was, *put forward by whom*? Thank you, Sir.

The Speaker: Thank you. The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, the Honourable Minister can deal with that when she rises to debate. She can get a copy of the *Hansard*. I do not have a written speech, and for me to attempt to repeat exactly what I said would be impossible. If I am misleading the House, she can rise on a point of order. If not, she can deal with it in her debate.

The Speaker: I would say that I would ask all Honourable Members to bear in mind whatever you say, in the event that you are stopped on a point of order. I would hate to have to disturb the proceedings in the House to check the *Hansard* every time something arises. Again, I would ask that in your debate, you make a note and remember precisely what you say in the event you are stopped—any Member, that is—on a point of order. This would enable us to deal with it promptly and we would not have to waste the time of the House to suspend just to check the records. Thank you.

The Minister of Communications.

Hon. Juliana Y. O'Connor-Connolly: Mr. Speaker, I am cognisant of the expediency with which you wish the House to proceed, but I wish simply to state, for clarity, that I was not saying he was misleading. He actually made a statement which I was not able to hear completely because of some murmurings. I just wanted him to repeat it, if he was in a position to do so, as I would like to have it accurately recorded. I know I can go to the *Hansard,* Sir*,* but it is such a waste of proceedings – if he would be so kind. I specifically said that, as it related to the definition, I understood him as saying it was a recommendation, but I did not understand by whom. That is what I was seeking clarification for. Thank you for your indulgence.

The Speaker: The Second Elected Member for George Town did in fact say that he was not speaking from written notes at the time and cannot recall what he said. However, as I said earlier, it is very important that we do recall. We can check the *Hansard* to see what was said. I would ask that we look into this matter when we take the break, since it seems to be one of importance. We would hate to have any misquotation given in the House that would require clarification, where that clarification is not available. I do not know if, at this point in time, the Honourable Second Elected Member may have recalled the statement he made, to which the Honourable Minister is referring.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I am at the point now where I am starting to regret having given way. The Honourable Minister had a point of order, but I am being placed in a position now where I am being asked to recall precisely what I said. I do not have a written speech and I am not going to traverse that ground, Sir.

The Speaker: All right, would the Second Elected Member for George Town continue.

Mr. Alden M. McLaughlin, Jr.:

"6. Single-member constituencies

Agreement was reached for the introduction of 17 Single-member constituencies within the six electoral districts for the 2004 elections, which conforms to the universal concept of one-man, one-vote.

Having reached consensus on all the above issues, which represented our few differences in the Constitutional Commissioners Report, we are well on our way to full consensus on the modernized Constitution, prior to the meeting that the FCO has arranged in London.

We believe that we have addressed and agreed on HMG's perspectives, which are:

1. **HMG's overall responsibility for the good governance of the territory**
2. **The impartiality of the public service, and**
3. **The independence of the judiciary**

In discussion with HMG over the arranging of the upcoming meeting, it has been clear that HMG would like us to narrow our differences prior to the meeting, and that they are keen to have a modernized Cayman Islands constitution without delay.

Having eliminated our differences, we now invite you and your group to accept the only remaining issue – the implementation schedule – with the hope of reaching agreement on this issue prior to the meeting in London.

The United Democratic Party believes there are good reasons to support HMG's desire for early implementation of some sections of the modernized Constitution.

Some of these reasons are:

1. To ensure that political constitutional modernization keeps pace with the several administrative reforms already in place within the Civil Service.
2. To have a modern political framework to effectively address all external initiatives that will have a negative impact on our economy.
3. The need for a constitutionally authorized political leader (Chief Minister) to deal with the various external initiatives facing the Cayman Islands.
4. Everyone recognizes and agrees that the Cayman Islands needs a modernized constitution, and since we agree that a full ministerial form of government is essential for good governance, we must have an accountable, recognized political leader who is accountable to his/her party, the Legislative Assembly and the people of these Islands.
5. To allow the Boundaries Commission to prepare for the 17 single-member constituencies for the 2004 elections.
6. The urgent need for a Bill of Rights for the Caymanian people, which will require changes to existing legislation. Such changes are to be completed by 2005.

In order to reach consensus on this remaining issue, we propose a phased implementation of the modernized constitution, as follows:

Early 2003 (by 31st March, 2003)
- **Full Ministerial system of government with Chief Minister**
- **One additional Minister in Executive Council**
- **Commence amending legislation for the Bill of Rights to come into effect by 2005**
- **Boundaries Commission**

For 2004 Election
- **Single-member constituencies**

After 2004 Election
- **Second additional Minister to Cabinet**
- **Speaker to be non-elected member"**

To complete the process, I will give you the assurance that the modernized constitution will be the subject of a special meeting of the Legislative Assembly to allow full debate by all elected representatives.

Once again, we thank you and the People's Progressive Movement for attending last Friday's meeting and accepting the FCO's invitation to participate in the upcoming meeting in London.

The United Democratic Party has asked me to extend to you and your members our admiration for your commitment to this modernization process.

We trust that in continuing to work together, we can achieve the best results for the people we represent.

Yours in service,
Hon. W. McKeeva Bush, OBE JP
Party Leader".

Then there is a manuscript: "**Please note: we agreed on the position that referenda be included in the modernized constitution."**

Mr. Speaker, it would be incomplete if I did not also read for the record the response of the Honourable Leader of the Opposition.

The Speaker: Honourable Minister, not to stop you unnecessarily, but I remind you: as you complete the reading of a letter, make it available to the Sergeant-at-Arms, so that it can be distributed. Please continue.

Mr Alden M McLaughlin, Jr: Thank you, Mr Speaker.

The following day, the Honourable Leader of the Opposition and the First Elected Member for George Town, Mr Kurt Tibbetts, responded to that letter in this way:

"Dear Sir,

<u>Re: Constitutional Modernisation</u>

Thank you for your letter of 2nd December, 2002.

While your letter accurately sets out our agreement on most of the points of contention between us, there are other fundamental issues which you have failed to mention. The omission of these mat-

ters from your letter, which you have now made public, is potentially misleading. The purpose of this letter is to address the misconceptions under which you appear to be labouring and the erroneous impression which your letter gives.

The People's Progressive Movement remains steadfast in its position that there should be no significant change to the Cayman Islands Constitution unless the people of these Islands, voting on a referendum or in General Elections, approve the proposed changes. This, of course, extends to the question of when the proposed new Constitution should be implemented. We have made this point repeatedly, both in the public forum and in discussions with you. We made it at the start of last Friday's meeting and had, we thought, made it clear that the position taken by us in the discussions on the proposed constitutional changes was subject to this critically important caveat. Regrettably your letter fails to acknowledge this fundamental premise upon which Friday's talks proceeded.

On the matter of implementation, you note that "*The United Democratic Party believes there are good reasons to support HMG's desire for early implementation of some sections of the modernized Constitution.*" We are astounded by this statement as throughout the entire review process neither we nor the general public have been made aware by your government or Her Majesty's Government ("HMG") of *"HMG's" desire for early implementation of some sections of the modernised Constitution*." In fact, to the contrary, the Governor's Staff Officer has publicly stated that HMG has fixed no timeline for the completion of the process.

If in fact your assertion is correct, we are gravely concerned to learn at this late stage that HMG has fixed a timetable for the implementation of the proposed new Constitution and that this critical piece of information has been kept from the people of the Cayman Islands. This is a matter which we will immediately take up with His Excellency, the Governor and pursue with Mr Alan Huckle, Head of the Overseas Territories Department, prior to our meeting with the Foreign and Commonwealth Office in London on Monday of next week.

Notwithstanding your views, or indeed that of HMG, in relation to implementation of the proposed new Constitution, let me reiterate for the record the position of the People's Progressive Movement on this most fundamental of issues.

The Constitutional Review Commissioners have recommended that the proposed new Constitution should come into effect following the dissolution of the current Legislative Assembly and that the next General Elections should be conducted under the proposed new Constitution. From the outset we have endorsed this approach because we believe it would be undemocratic to do otherwise. It follows, therefore, that we cannot agree to your proposed timetable for implementation. We believe that to bring into effect the key elements of the proposed new Constitution prior to General Elections would be undemocratic in the extreme and will not have the support of the majority of the population.

Your proposal to add another minister to Executive Council and to create the office of Chief Minister without the benefit of General Elections are major changes which will radically alter the way ministers are appointed to Executive Council and the way government is administered. The creation of the office of Chief Minister is not merely a change in nomenclature. It is not simply a question of converting the title of Leader of Government Business to Chief Minister. What is contemplated is a fundamental change which will invest the holder of the office of Chief Minister with a role, authority and functions which no member of Executive Council currently enjoys. The Chief Minister will have tremendous authority to appoint and fire ministers as well as significant individual authority and autonomy under the proposed new Constitution. The holder of that Office will be an authoritative leader in a sense that is not currently the case.

Such a fundamental role and authority change cannot democratically occur without the benefit of General Elections in which the country as a whole is able to demonstrate their support for the Chief Minister by supporting the Party or team which he leads.

The current members of the Legislative Assembly were elected under the present Constitution in which no provision is made for a Chief Minister. Indeed, there were no parties in existence during the last elections and the electorate did not vote on any basis for a leader. There cannot, therefore, be any proper democratic basis for the appointment of a Chief Minister who will have significant powers which no member of Executive Council, including the Leader of Government Business, enjoys under the current Constitution.

I note that you have scribbled at the foot of your letter, as an apparent after thought, your agreement to the inclusion of provisions for referenda in the proposed new Constitution. You are no doubt quite aware that there is provision in the current Constitution for referenda to be held on questions of national importance. You are also

aware that we have sought to have this important issue of constitutional change made the subject of a referendum but have thus far not succeeded in doing so because of your opposition and the subsequent refusal of the Speaker to approve the Referendum Motion filed by me.

I wish to remind you that your letter also fails to mention that we have insisted that the proposed new Constitution makes provision for people initiated referendum. Our position is consistent with Strategy 8 of Vision 2008 which, you are no doubt aware, is the Cayman Islands Country Plan, prepared by the people of these Islands and unanimously accepted by all members of the Legislative Assembly, including you.

It remains our position that there needs to be national consensus on the proposed changes to the Constitution. This position is reinforced if, as you have proposed, key elements of the proposed changes are to be implemented prior to the next General Elections.

We therefore renew our previous entreaties to you as Leader of Government Business and the United Democratic Party to agree to hold a referendum on the key elements of the proposed changes to the Cayman Islands Constitution. If the people of these Islands agree those changes, including early implementation, then the People's Progressive Movement will be content. In the absence of such evidence of public support, we will continue to vigorously oppose the early implementation of a proposed new Constitution or any section thereof, including the proposed undemocratic appointment of a Chief Minister."

Mr. Speaker, this is the final letter in the sequence and that was less than a week before we commenced the meetings at Lancaster House in London.

When we got to London, the United Kingdom Government was very much aware of what agreements had been reached. I believe that they were quite pleased that we had made such statesman-like progress; indeed, they said so.

The whole of those discussions proceeded on that premise, so that we were able to ventilate our concerns on some of the more fundamental issues in relation to the way the country is administered, leaving aside what the UK termed, in some of their correspondence, "the local issues". Mr. Speaker, there are really two sets of issues in relation to the constitutional debate, as far as the United Kingdom is concerned: (1) The local issues with which, whatever we want to decide as a people, they are quite happy to go along with, within reason (the question of whether the Speaker should be from inside the House or outside is one of those); and (2) The question of single-member constituencies.

However, there are other issues they regard as affecting their ability to administer the affairs of the country properly and, ultimately, to make whatever decisions they feel are necessary, if the local legislature and the Executive do not do as they wish—although until recent times, they have been slow to exercise that reserve power.

A tremendous amount of time was taken up in London in dealing with some of these other issues because, by and large, we felt we had sorted out the contentious local issues.

Mr. Speaker, when one considers the huge sums of money that have been spent in an effort to give effect to the agreement to implement single-member constituencies in time for the 2004 elections, it causes one to shudder. The Government paid for the following contingent: on this side of this Honourable House, there were four of us in London for one week; on the Government side, there were five Elected Members plus support staff, in addition to the Attorney General and His Excellency, the Governor. The Constitutional Advisor to the Foreign Commonwealth Office was there as well, but I am not sure who paid for him.

However, Mr. Speaker, because the draft Constitution has made provision for single-member constituencies on the basis that there was agreement between the parties, a whole new train of events was put in place. There is an Order in Council, which is the Fifth Amendment to the current Constitution, and which, among other things, created an Electoral Boundary Commission. The Chairman of that Commission was brought, I am sure, at some expense, because he is a specialist in that area.

From our side, we appointed a lawyer of more than 20 years standing, who spent the better part of two months working on this. On the Government side, they appointed a senior member of a major corporation in these Islands—a very able individual. We add to that all of those involved from the Elections Office and from the Lands and Survey Department, who have produced a magnificent set of maps, and on the part of the Electoral Boundary Commission, a very able and clear report.

Now, almost exactly a year after agreement was reached on this issue, on the eve of the debate on the draft Constitution, the Government changes its mind. What is this, Mr. Speaker? This is a leadership that is boasted of, and talked about, until I am sick of hearing about it. This is "decisive" leadership. Before my tenure is out—unless the good Lord calls me home earlier—I am going to ask a parliamentary question about what that whole exercise has cost this country, because it cannot be much under $1 million. What is the rationale now (for none has been proffered by the Honourable Leader of Government Business) as to why single-member constituencies can work in George Town, but nowhere else? Why has it

taken a year to determine that it is not something the people of the Islands want? Where is the evidence of that?

Following the return of the draft Constitution here in February 2003, the People's Progressive Movement, led by the members of the Opposition, held a public meeting in every single electoral district—and for good measure, in Bodden Town too, to make sure we got Savannah—to get feedback on the draft Constitution and its provisions, particularly the whole question of single-member constituencies and how that sat with the people. Mr. Speaker, I would never try to say that the attendance of those meetings was overwhelming. I am not pretending that that gives us clear—and to use the Honourable Minister of Education's words—unequivocal or empirical— evidence about this. However, over the course of the debate on the Constitutional Commissioners' Report, the 12 or so public meetings we had about that, and the six additional meetings we had about this report, the impression we gained was that the country generally supported single-member constituencies. The notable exception was Cayman Brac. At all four meetings that we held in Cayman Brac, there were reservations about it, and indeed, even objections to it in some instances. Therefore, I am unsure, Mr. Speaker.

The Constitutional Commissioners have said in their Report of 7 March that: **"Apart from the inclusion of a Bill of Rights if there is any other issue that received as much widespread support in our review process it is the introduction of single-member constituencies with each elector having one vote only."**

That is the finding of the Commissioners, which is entirely consistent with our finding.

Mr. Speaker, the Report of the Cayman Islands Electoral Boundary Commission is somewhat different, although they acknowledge right up front—as did the Constitutional Commissioners—that the attendance at their meetings was meagre. They have dealt with single-member constituencies in this way, and I quote from page 14 of their Report: **"The Commission's mandate requires it to divide the Cayman Islands into seventeen electoral constituencies, each of which will elect a member of the Legislative Assembly. This issue was clearly a controversial one at the public meetings held by the Commission. It appeared to cause unease to some who attended the public meetings of the Commission in Cayman Brac and West Bay, while George Town, North Side and East End were supportive of the single-member constituencies; Bodden Town audience had mixed views on the issue. The former Chairman of the Constitutional Review Commission told this Commission that the "one man one vote" issue was the most frequent one raised with his Commission, which felt that the best way of giving effect to that aspiration was the single member constituency system, and hence that Commission recommended that system."**

Mr. Speaker, at the meeting here on 29 November between the United Democratic Party Elected Members and the People's Progressive Movement Members—the so-called "summit"—the Government changed their position, or made concessions, not only in relation to this issue but on the question of term limits for the Chief Minister.

Again, the position that we put forward on that was that it was a controversial issue, one worthy of being determined by way of a referendum. Therefore, it formed one of the six questions I read earlier, in the ill-fated Private Member's Motion brought by the Leader of the Opposition and the Honourable Member for North Side.

We received significant representation. Caymanians, being the cautious and conservative people they are by nature, have resisted until now the move to a full ministerial government and the creation of the office of Chief Minister. I do not think there is that much resistance, but there is still concern. In the present tense, they fear the creation of an autocratic and dynastic creature such as the one they already know haunts the corridors of power in most of the Overseas Territories and former Overseas Territories, where it is incarnated as a Prime Minister. To avoid the creation of this sort of dynasty, we came forward with the recommendation for term limits on that high office.

The Government agreed to that on 29 November and subsequently at the meeting from 9-11 December 2002. Why has it taken them until now, almost one year hence, to have felt the public pulse—and by what means I know not, for they have not said—and to decide to resile from that agreement?

As for the question of the Speaker, and whether we should continue to permit the Speaker to be someone who is an Elected Member, there was a huge controversy that raged over the course of last year about the ability of an Elected Member to be impartial in the kind of environment that has now evolved in this Honourable House. I am not going to rehash all of that, because everyone knows about it. However, that was a highly contentious issue. Therefore, it appeared in the Private Member's Motion to which I earlier referred, and ultimately, in the petition for referendum, which was signed by more than 7000 persons, as an issue suitable to be resolved by referendum.

The Government agreed that the Speaker should not be an Elected Member on the 29 November, and they agreed on the 9-11 December. It is in the draft Constitution. What has happened to change that position?

The issue of qualifications for Elected Members is one that, above all, I find surprising. In fact, we did not learn about that issue until this morning. The definition of "Caymanian" was also a point of major contention—one that we felt required determination by referendum. That is also one of the questions raised in the petition for referendum, and in the ill-fated Mo-

tion brought by the Leader of the Opposition and the Elected Member for North Side.

Mr. Speaker, the point we have made almost from the outset—and we have said it so many times that I believe people must be sick of us saying it—is that none of us has a mandate for constitutional change. When the draft Constitution came back, we took it around, and I have to concede, Mr. Speaker, that then, the clamour for referendum seemed to have abated. We were specifically asked in London whether or not, with the agreements that had been reached, we were prepared to abandon our position that a referendum needed to be held.

We told those goodly gentlemen that we could not do that, because it was not our decision. The wish for referendum is not a wish that was born in the hearts of the members of the Opposition. It is a wish that has been articulated to us by countless persons who wanted to have a say in the creation, the crafting, and the moulding of this critically important document.

Now we have gone right back to where we started, and the issues that were issues prior to the 29 November 2002 are issues again. It must logically follow that the People's Progressive Movement must renew the cry and the call for a referendum to be held before this country accepts any proposed constitution.

That is our position on that. I am going to come back–

The Speaker: Honourable Member, is this a convenient time for us to take the lunch break?

Mr. Alden M. McLaughlin, Jr.: Yes, Mr. Speaker.

The Speaker: I would let you know that you have 27 minutes remaining.

Honourable Members, as had been advised to you previously, we intend to go on beyond the hour of 4.30 pm so that we can finish the business before the House as expeditiously as possible. Today and tomorrow we will be going until 6 pm and on Friday we intend to go until 8 pm.

The House is suspended until 2.30 pm for lunch break.

Proceedings suspended at 1.00 pm

Proceedings resumed at 2.35 pm

The Speaker: Proceedings are resumed. The Second Elected Member for George Town is speaking.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, when we took the luncheon adjournment, I was concluding my comments on the question of single-member constituencies, and the change of the position of Government that was recently announced. I need to clarify something, because the Honourable Leader of Government Business—and I am sad he is not in the Chamber at the moment—has said to me that I and the Leader of the Opposition have been advocating the position of single-member constituencies from the beginning, and that now that the Government is prepared to give it to us, we do not want it. I need to make something absolutely clear, because he said I would not win. Mr. Speaker, let me tell that Honourable Member, and everybody else within the sound of my voice, this: the position that the Opposition take, and in particular the position that I take, in relation to matters such as this, has nothing whatsoever to do with the pursuit of my own interest. We cannot come to decisions and take positions in relation to the draft Constitution based on what we think is going to promote us during the course of the next election.

What we are seeking to achieve is the best possible constitutional document that the country can muster—something about which we can all be proud, and something we can hold up in the national community and say, "On this document rests the sound administration and democratic enterprise called the Cayman Islands".

If single- or multi-member constituencies mean that I am not elected, so be it. For all who may not know it, I have an office I can go back to, from whence I came. I will not prostitute my principles based on my desire to retain my seat. How, Mr. Speaker, can any
competent and caring Government make such a ridiculous proposition: that the largest, most populous electoral district in these Islands should be the guinea pig for single-member constituencies, while the electoral district of West Bay (which is the stomping ground of the Leader of Government Business) retains the multi-member constituency, and he, in my view, is able to exercise his considerable influence and popularity and, by means of the coattail effect, bring into victory those who choose to run with him?

That is a matter of principle; we cannot craft our Constitution based on those sorts of considerations.

Mr. Speaker, I am conscious of the fact that I have limited time left and I really would like to deal with the whole issue of how the Attorney General is chosen.

From the very beginning, we have had concerns about this important office—long before the Euro Bank debacle and the revelations and ensuing controversy that, ultimately, resulted in the former holder of the office of Attorney General, Mr. David Ballantyne, demitting office and returning to Scotland. We indicated concerns about how that office was constituted, about the fact that it had so many functions, and about the fact that the holder of the office exercised far too much authority.

The way the situation stood, and still stands, in the Constitution under which we are operating, is that the Attorney General is the Government's principal legal advisor. He is also advisor to the Governor in a separate capacity. He is head of the Legal Department, the Chief Prosecutor, and also the individual

with the ultimate responsibility for the operations of the Law School. Because of those concerns, the position we took from the very beginning was that some of those functions needed to be divested, and the office of the Solicitor General should have been constitutionally established. The holder of that office should be invested with the responsibility for public prosecutions.

That proposal was accepted by the United Democratic Party Government during the summit on the 29 November 2002. That was the position put forward in London by me, on behalf of the Opposition, and since the Government committed to it in writing, and did not demur, one can be satisfied that that was their position also, at that time. I believe that that is still their position. That is the position that has found itself into the draft Constitution, and for that we are grateful and happy.

Probably the more important aspects of the discussion about the Attorney General's office are the way in which that individual is chosen and to whom he owes ultimate responsibility. Varying positions have been taken, by both sides, over the course of this rather long discussion and debate, but at the meeting of 29 November 2002, consensus was reached. That consensus involved some aspects of the proposal that had been put forward by the People's Progressive Movement, and some aspects of what the United Democratic Party Government wished to see. It is outlined in the letter from the Honourable McKeeva Bush to the Honourable Kurt Tibbetts, dated 2 September, which I read at some length.

Essentially, what was proposed was that the Attorney General should not be a public officer or an Elected Member, but that he should be appointed by the Governor on the advice of Cabinet. In layman's terms, Mr. Speaker, that means that the Chief Minister essentially chooses who the Government's principal legal advisor will be. That is one of the main reasons why we proposed that the prosecutorial functions that are currently held by that office should be handed off to the Solicitor General. We cannot have someone who has a political appointment being ultimately responsible for prosecutions. That goes without saying, particularly in these troubled times when there are bound to be questions about loyalties. The situation with Mr. Ballantyne is a prime example.

I hasten to add that the fact that the current holder of the office of Attorney General is who he is—my good friend Mr. Samuel Bulgin—mitigates this problem, for the moment. That is why he is there.

One concern, held not only the members of the Opposition, but by the community at large, has to do with how the holder of this important office is appointed, and to whom he ultimately owes responsibility and loyalty. We are creating a constitution, and that constitution must not be personal to the holders of the various offices. It must be capable of standing on its own. Henceforth and hereafter, it must be that, because of the mechanism involved in his appointment, the country as a whole can put confidence in the holder of that office, knowing full well that his loyalty is to the Government, which appointed him in the first place.

That is a fundamental point, Mr. Speaker. It is one to which, I regret, the Honourable Leader of Government Business did not even allude in his presentation this morning. He has not said that his Government has now decided to resile from the agreement made back on 29 November in Cayman, and then in December in London. Therefore, I am not quite certain.

The point is, Mr. Speaker, that although they did not say much about it, the Government continued to agree with us on the position we put forward: that is, about the manner of appointment of the holder of this office. It was not accepted by London and does not appear in the draft Constitution. What is in the draft Constitution is that the Attorney General would be appointed by the Governor, in consultation with the Chief Minister, which is a far cry from ". . .on the advice of. . .".

We maintain that if we are going to move to something approaching full ministerial government (and subject to what the people say about it, we on this side believe that the country needs to move towards it), Government must have the ability to appoint their principal legal advisor. I hasten to add that what is being proposed here is not full ministerial government—not as long as the Governor is responsible for the appointment of a Member of Cabinet.

In these times, when our interests and those of the United Kingdom Government no longer converge all of the time, we cannot continue to have a situation where we are debating, when we make any decisions, whether the advice we are receiving is the advice we should be receiving, or whether it is advice that is influenced by the position of the United Kingdom Government.

I say again, that concern is mitigated to a large extent because of the current holder of the office. However, I also say again that we cannot craft the Constitution based on who the holder of the office may be.

The other aspect I wish to discuss briefly, Mr. Speaker, is the whole question of whether, in fact, the document we are seeking to create really advances the cause of democracy—whether it really allows more participation by the average person in the affairs of Government, and whether it creates better lines of communication, accountability and transparency. All of these are wonderful words that everybody trots out during every debate; glibly they roll off the tongue.

Our view, Mr. Speaker, is that by and large, the draft Constitution falls far short of making those sorts of advances in the cause of democracy.

Mr. Speaker, may I have one moment?

The Speaker: I would remind the Honourable Member that he has 12 minutes left.

[Pause]

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, many concerns have been expressed about the continued role that the Governor plays in the affairs of the Government under the Constitution, and we share them. Much effort has been (and continues to be) devoted to seeking to take some of that control away from the Governor, and investing it in the hands of the Elected Members of Government.

We have no great argument with that. Most of the points made by the Honourable Leader of Government Business, in relation to things like the agenda of Cabinet and lessening the control of the Governor in relation to that, are concerns that we share. We believe, as he does, that the Cabinet should be able to decide what matters go on the agenda, and should not be subject to the whims of the Governor in that regard.

Equally, however, there have been concerns expressed to us over and over again about ensuring that the appropriate checks and balances are in place to restrain the Executive, principally in the person of the Chief Minister under this proposed system, and the need to make Parliament a little more than it currently is in relation to the affairs of Government. We need to create better accountability of the Executive to Parliament. Parliament is becoming increasingly irrelevant, not just in these Islands but in the Westminster system generally.

If we are going to ensure that the Cayman Islands become the kind of democratic model that all of us would like to see, we need to ensure that Parliament plays an important role in the affairs and administration of the country. It needs to be more than a rubber stamp. It needs to be paid more regard. It needs to have more functions. Things such as appointments to government boards and statutory authorities should be subjected to debate and ratification in this Legislative Assembly. Awards of substantial contracts should be subject to similar scrutiny by Parliament; that is one issue that resonates substantially through the community.

Particularly in terms of accountability and the involvement of the people in the decision-making process, we need to ensure that our Constitution makes provision for referendums initiated by the people. That is part and parcel of Vision 2008; it is strategy 8 of 2008, which was approved by this Legislative Assembly as the country's plan. It is the work of over 3000 persons in this community. We need to carry through what this House agreed to those short years ago, and ensure that referendums initiated by the people are permitted under our proposed new draft Constitution.

We said that in London; we have said it countless times. People-initiated referendums provide an important check and restraint on executive power and authority, and the excesses that are often inherent in that. It has received the approval of this House in the past. We said so to London, and London's Checklist actually seems to suggest that they would welcome mechanisms such as referendums.

In relation to this draft constitutional review process, they have said they want to know whether what is being proposed has widespread support. What more effective way of determining whether or not this Constitution and the proposed changes to it have the agreement of the people of these Islands than by way of a referendum?

Mr. Speaker, there is much more that I could say, and in much more detail. However, I am constrained by the time allotted, which is two hours. The other members of the Opposition will continue to carry the torch on this critically important matter. I do not want us to forget, as we are debating this matter, that we have an overriding duty and responsibility to ensure that the document on which we put our stamp of approval here is one that has the support of the majority of the people in this country. In the view of the Opposition, what is being proposed now, by way of reversions by the Government, does not have that support. The Government has failed the critical test set out in clause 18 of the Constitutional Modernisation Checklist; they do not have the support of the majority of persons in these Islands.

We urge upon the Government, again, the need for a referendum on the Constitution. If Government is relying on the members of the Opposition to support what they put forward as the basis on which to say to London, "This is what we want the Constitution to look like", they will not get it.

Mr. Speaker, if we have to make another trip to London, accompanied or unaccompanied by the Government, it will be done, for we will not stand quietly and idly by and allow the Government to revert to the position they took at this time last year—a position that was vehemently opposed by a large sector of this community—and sneak it in under the wire in this manner. It will not be done with the approval of the Opposition. It will not get our blessing.

I regret very much having to say that, for we had hoped that, given all that has transpired, and given the draft Constitution in the formal form in which it arrived in Cayman, we could have made significant progress. Instead of debating and arguing these points, we would have been able to go forward as a Legislative Assembly from the Cayman Islands. We would have been able to go to London to say, "These are the aspects of the draft Constitution that we do not like. We want to have the ability to appoint our own Attorney General; we want the Bill of Rights to contain a provision for freedom of information and we want special protection in the Bill of Rights for the freedom of the press".

Those are the sorts of issues we could have been debating, and about which we could have put forward, to London, a unified position. Now we are back to where we were more than a year ago, arguing over what are essentially local issues, but critically

important ones to the exercise of democracy and to the exercise of our various functions in this Parliament. That is regrettable, Mr. Speaker, but that is the position.

The Government has said what they have to say. I have said what the position of the Opposition is, and other Members on this side will say more. However, the Government should not labour under the misconception that we are going to agree to this Motion. Thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak?

The Minister of Health Services.

[Pause]

Hon. Gilbert A. McLean: Thank you, Mr. Speaker. I apologise for the slight delay in rising, but as you know, the space here is excruciatingly limited.

Mr. Speaker, as was said by Shakespeare many years ago:

> "*Friends, Romans, countrymen lend me your ears;*
> *I come to bury Caesar not to praise him.*
> *The evil that men do lives after them,*
> *The good is oft interrèd with their bones*."

Mr. Speaker, I will not be long in what I have to say today.

The Speaker: Honourable Member, I know that most of us are acquainted with that quotation, so I do not suppose you would wish to lay it upon the Table, but if anyone would like to, I would be happy to have it done.

Hon. Gilbert A. McLean: Thank you, Mr. Speaker. It is certainly here in the text I just read.

Mr. Speaker, I rise to support the positions that have already been articulated by the Leader of Government Business, the Chairman, and the Leader of the United Democratic Party. However, before I go further, there are a few things that were raised by the last speaker on which I would like to comment. I will not go into the details of things that happened last year, or leading up to when we went to London to discuss the draft Constitution, because I want to bury that Caesar, not to praise it. The demonstrations, and everything else that happened, are history. We cannot relive that time ever again in our lives. We can reflect on it, but the truth is that we are here today to debate the draft Constitution, which was sent from the United Kingdom in February of this year.

If there is one thing that I wish were different, it would be that I wish this had been debated long before now. Mr. Speaker, I think time has slipped by. We are now in the month of November, in the last Session of this Honourable House. Many things have taken place; there have been numerous challenges from the outside via the European Union, the UK Government and the OECD, and all the opposing forces that we know so well. Many things have happened to hinder this debate's taking place, but I am glad that it is finally happening.

The last speaker, the Second Elected Member for George Town, raised a number of questions, among which was this: Where do we get the authority to be dealing with the constitutional issue, and taking a position on it? That can be simply responded to by the fact that the United Kingdom Government appointed Commissioners to look at our existing Constitution and to make recommendations for its modernisation. This was done by the Governor. The Report was given to the Governor, and to all Elected Members of the Legislative Assembly. We took it into the various districts and debated it. That is where the authority for the commencement of the whole process comes from.

The record shows that the United Democratic Party took a position from day one on the issue, and indeed, we gave that position to the Caymanian public, so they could see what we had said and why we had said it. It was actually tabled in this Honourable House, and it was voted upon. A process took place in this House that also gave significance and authority to the ongoing process.

Mr. Speaker, we discovered that the points made by the United Democratic Party were very similar to those taken up by the People's Progressive Movement (PPM). We had agreement in most areas. The one difference was this: we made our position clear by means of our Position Paper, which we tabled in the House, and which was voted on. We did not know the position of the PPM until we received copies of it in London in December 2002—so you would recall, Mr. Speaker, as you were then a Minister of Government, and part of the team that went to the United Kingdom.

Mr. Speaker, I was not at the meeting between the leaders of the United Democratic Party and the People's Progressive Movement. I was actually in the United States for two days. When I came back, I learned that there had been a meeting, and that certain things had been agreed. When I learned of this, I stated to my colleagues that I certainly had differing views about some of the agreements that had been made. To the best of my understanding, the United Democratic Party had agreed with almost every single position put forward by the PPM. If we take them side by side and compare them, this will be found to be the case.

At least I did not go on television to disagree with my party. I made it known within that party that I thought we were wrong on certain issues and that we should not have agreed to them—one of these being the idea of the single-member constituencies. We had taken the position originally that this should be phased in, as is shown in the document. We accepted the

concept, but thought it should be phased in. One of the things that was discussed, and apparently generally agreed to, was that there were going to be single-member constituencies. As has been stated by the Honourable Leader of Government Business, this position was taken because there was a wish to reach a consensus or an understanding, which was what the United Kingdom Government was asking be done. This is what I was told on my return.

Mr. Speaker, this is also history. When I truly believe in something, I take the position that I have a right to my opinion, and another person has the right to oppose my opinion. We can both be respectful, while taking opposing views. Therefore, it was not necessary that we reach agreement on all issues before we went to the United Kingdom to discuss them. When we went there, there were certain differing views that were held, and we had differing views when we left there.

Mr. Speaker, I would like to prove that by reading a statement, and I would ask your indulgence in tabling this after so doing.

The Speaker: So ordered.

Hon Gilbert A McLean: I have in my hand the draft press statement headed, "Cayman Constitutional Review Talks". This was drafted by the Foreign and Commonwealth Office (FCO) at Lancaster House—or rather, by the people there—namely, Mr Ian Hendry and the others. This is what it says:

"CAYMAN CONSTITUTIONAL REVIEW TALKS

Representatives from the Foreign and Commonwealth Office met representatives from the Cayman Islands at Lancaster House 9 - 11 December to review proposals for amendments to the Cayman Islands Constitution. Cayman Islands delegates included the Leader of Government Business, Mr McKeeva Bush and Leader of the Opposition, Mr Kurt Tibbetts.

The review covered all chapters of the proposed Constitution: namely the Fundamental Rights and Freedoms of the Individual, the Governor, the Executive, the Legislature, the Judicature, the Public Service, Finance and provisions for a Complaints Commissioner and a Register of Interests."

This is the key sentence, Mr Speaker, on which I want to focus right now. It says: **"A broad measure of agreement was reached, although some issues remain to be resolved.**

The FCO will now produce a revised draft Constitution early in 2003 to send to the Cayman Islands for further public discussion and debate."

There ends the release, Mr. Speaker.

I read that document to make the point that it is never possible—not that I have ever heard about—for any Constitution in the world to be designed or devised so that there is total agreement on it. In a democracy, the majority is what stands.

That being said, the British Government was true to its word and they sent a draft Constitution to the Cayman Islands in February of this year. It has been here, and it has been discussed by both parties at various public meetings. Personally, I believe that the public is a bit tired of those of us who are elected as their representatives playing and fooling around and not bringing it to its ultimate conclusion.

Mr. Speaker, another question raised by the Second Elected Member for George Town was whether the Government had taken a different position as to what could be included in a new constitution—new for us, at least. I heard a lot of talk about that. I heard talk from the Chamber of Commerce to the effect that it was possible to get a constitution like Bermuda's. I know there were various groups that went to the United Nations to discuss the matter of our Constitution with the Special Committee of 24 on Decolonization, or C24 (The United Nations Special Committee on the Situation with Regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples). At least it was so reported.

Personally, I am very glad that such discussions took place, because as far as I am concerned (and in my own defence), I think history has absolved me. I have long held the position that the one friend we can have in any kind of evolution towards greater self-reliance and more responsibility is the United Nations. Most of us should know that, but seemingly the majority of people in the Cayman Islands are not aware of it. I would like to believe that I have always been aware of it.

There are few colonial powers in the world that have ever gone to the people they governed under colonial rule and said, "Well, hey, now it is time. We are going to give you independence and we are give greater self-reliance". It always comes through some sort of struggle, or disagreement, to whatever extent. History is filled with such examples.

I have never believed that we could move from childhood to adulthood in one step. Successive governments, and people in government, have kept these Islands in a state where, even now, we have very limited responsibility for our own affairs. I have railed against it for years, and because of that I have been accused of everything in the world besides being a good person. I have been "radical"; I want "independence". This type of foolishness has plagued me over the decades–close to three now.

Mr. Speaker, I am a father several times over, and I use, as an example, the act of teaching children how to sit at the table and eat. You teach them how to use a knife and fork because you want them to grow up and get beyond the point where you cut the food up for them and feed them. The same process takes place in a country, if that country is smart. If that coun-

try does not want to stay in an infantile state, then it has to grow beyond that.

I have always seen us as being a sensible people. Indeed the peculiar thing is that some of our forefathers, who were elected in the 50s and 60s, had a greater desire for being themselves, and having the right to run these Cayman Islands the way they should, than some of the modern-day persons have had, who have claimed over the years that we were doing so well.

Mr. Speaker, I am one who believes that we have got to do well, and not only financially. There is something called a "political economy". If we do not grow the political economy, then we are not growing mentally ourselves, or understanding that each person's greatest achievement in life is becoming a full and complete person who is responsible for his actions: what one does and what one says.

Mr. Speaker, I did not believe that the United Kingdom, the Master of Colonial Rule, was going to say, "Yes. All this generation past, since 1972, you folks told me you wanted to sit there and play dummies. You told me you did not want any responsibility. You told me that was a bad thing for you. How is it that you woke up last night and say you want to be Bermuda?" I had my doubts about that but, as I said, I am glad that the Chamber of Commerce made representations to the United Nations. I think it should be something that they continue to do, but I also believe that the most definite thing I have ever seen in writing is what has been sent by the Minister within the FCO who is responsible for Overseas Territories—a Mr. Bill Rammell—and which the Honourable Leader of Government Business read on Monday into the record.

The Second Elected Member for George Town asks what is being done about the position that we would seek to get as far as we possibly could constitutionally. Have we backed away from that? I do not think that the Government has backed away from it, Mr Speaker. The Government has been told just how far they may go.

We all have this letter, but I would like to quote a few sentences from it. Mr. Bill Rammell says: **"I understand that the UK Government was criticised at the UN C24 seminar on Anguilla in May (and has been since) for not informing Territory governments, as part of the constitutional review process, about the options for self-determination in UN General Assembly Resolution 1541 of 1960".**

He is admitting that there are options; he cites them, and I will quote: **"independence, integration and free association."** He is admitting them now that the United Nations Special Committee of 24 on Decolonization has exposed them. I do not think any of us knew there were options. I would like now to quote what Mr. Rammell says: **"The UK did not vote for Resolution 1541 and is not bound by it."** That is very clear, Mr. Speaker.

He goes on to say: **"Nor does the UK Government accept that it exhausts all the options for de-listing."** He goes on to say that he will be discussing constitutional matters with Ministers of the Overseas Territories at the Overseas Territories Consultative Council (OTCC) from 8-10 December 2003. He further says: **"As I explained in my letter and enclosure of early October, I envisage that a major part of this year's OTCC will be taken up with discussion of the constitutional relationship between the UK and the Territories and the role of Governors."**

Again, he says: **"The UK Government's position on self-determination is clear. It is for Territories to decide whether they want independence; if so, and provided there is a board majority in favour, we would not stand in the way."**

I would point out, Mr. Speaker, that he does not say anything about the other options in between. In other words, the way I read this—and I think any sensible person would—is that the United Kingdom Government is not agreeing to any other option. He makes that statement, and I quote:

"Integration, however, is not part of UK government policy and is not, therefore, on offer".

Mr. Speaker, does that make it clear where this Government, or for that matter the Opposition and the Chamber of Commerce, must stand? I think it does. That does not mean that this Government, the Opposition party or the Chamber of Commerce cannot continue agitation where the other three options are concerned. Do we stay in an infantile position with the existing Constitution for the next 30 years, trying to discuss the other three options, which England says are not on the table? Mr. Speaker, I think that would be very infantile.

Mr. Speaker, another quote from this letter is: **"We acknowledge too the aspirations in several territories for constitutional development, hence the various reviews currently under way. But the concept of free association as it is defined by the UN would cause us difficulty. This definition provides that a territory "should have the right to determine its constitution free from outside interference." On the face of it, this would mean that Territories would be able to draw up their Constitutions without the involvement of the UK Government."**

Here is the clincher: **"This would leave us in an impossible position."**

Mr. Speaker, I think that if the Opposition read this letter again, they would understand exactly where the Government of the day must stand in terms of the present draft Constitution that is before this House. As I have said, I have never seen it committed to paper as explicitly as this letter does, on the matter of Constitution. Of course, it goes on to speak further about the reserve powers of the Governor, and so on.

This is my opinion: were some territories in this Caribbean not doing so well as financial centres, the United Kingdom would have no burning desire to retain us, or indeed, to retain the power to decide what happens within these Islands. However, as some

of these Islands do play a significant role on the financial world scene—the Cayman Islands, for example—they are not going to allow us any latitude that they do not have. I think it is clear to everyone now that the G8 nations, and the Organisation for Economic Co-operation and Development (OECD) nations, really want to see us out of the game, period. If they devolve too much authority and autonomy to us, it is more difficult to put us out of business, or to hinder us developing to the extent that we might.

In the world as it presently stands, whenever the authority of a state wishes to fix your business, they claim that you are in a position to be sponsoring or financing terrorism or money laundering. Those are the blanket statements that nations use as clubs against other nations and, in many instances, against their own people now. They do not have to prove it. It can be as simple as this: Earlier this year, there was a claim that a scientist in the United States might have been making anthrax. All it took to *cook his goose* was to say, "He is a person of interest". We read it in the world press and saw it on television. We have to weigh and understand our position on the big world stage.

If, tomorrow, everyone in Cayman said they wanted to have independence (and I do not think it would happen), have we thought about the fact that it is the United Kingdom that would have to agree as to which constitution we had?

Mr. Speaker, I am grateful to the great Jehovah that I have some knowledge of history. I particularly like it, and I know that for every nation in the Caribbean, negotiating its final, independent Constitution was a major affair. Before the British gives a nation up, they want to see this or that in its Constitution. I can say that back in those days, islands such as Jamaica and Trinidad were not worrying about having any Bill of Rights in their constitutions, either. There were other things that they wanted—to make sure that British interest and investments in those countries were taken care of, for example. I live in a world of reality and I am aware of these things. In the same way, I do my best to stay in a world of reality here in the Cayman Islands. I understand that for us to accept the present draft Constitution is a major uplifting from the infantile position.

Mr. Speaker, we *doodle,* and talk about waiting to find out if it is what the people want. What else do the people have to tell us—the Elected Members? What else do they have to do? Do they have to chase us through the streets with whips, telling us we must come to the Legislative Assembly and deal with matter? I do not know, but for myself, I believe that the people of this country want us to get on with the business relating to the Constitution.

The last speaker asked if it has been authorised by the people. What kind of authorisation did he mean? What is it we are talking about? It is in Parliament. It came here; it was allowed by the Speaker; it was agreed by the Governor. It was requested by the United Kingdom. What else do we have to do? What we have to do is to get on with the debate on the matter, and send it back to them and get a change in the Constitution.

Mr. Speaker, the question as to holding a referendum, to find out whether this draft Constitution should come here for debate, is nothing short of ludicrous. The average citizen has no idea of what is in our present Constitution, to say nothing about this one. We came here, into this Legislative Assembly, as persons elected to speak on behalf of the people. We, ourselves, had to learn much about it, to have an understanding of its true workings. How can we accuse the average person of being in a better position than we are in to authorise it, notwithstanding that there is an unquestionable right to have an opinion. They have vested their opinion in us for four years.

Mr. Speaker, I will not try to answer, point for point, the issues raised by the Second Elected Member for George Town about the past history—about our getting to where we are not. We are here now, so we have to deal with the here and now.

We know that Mr. Benson Ebanks and the other Commissioners did a good job. They did as good a job as anyone could do in the Cayman Islands that we live in and love. People did not go out to listen to them—of course not. Make it be some other issue, and they have people turning out. What do the people know about the Constitution? They expect that someone of Mr. Ebanks' stature would know, and indeed he does, and has made his recommendations. It has reached, now, to this point in time.

Mr. Speaker, as I said earlier, the Government of the United Democratic Party have agreed almost every single point with the People's Progressive Movement, except for a few. I would like to refer to the points raised by the Honourable Leader of Government Business, and to offer a few comments on the point of disagreement. I would emphasise that, as was said in the release by the Foreign and Commonwealth Office in December, there were matters that were not resolved after that meeting at Lancaster House. We are still in disagreement on certain of them. That is the way it is supposed to be. If we agreed on everything, then there could not be a Government or an Opposition. I prefer to know that we have the two sides, rather than, as my cousin in opposition in St. Kitts told me today, that everyone is the Government— so much so that they had to go out and shop for an Attorney General. Everyone was returned to the government party; there is no opposition. I prefer to know that there is one.

Mr. Speaker, we have published our position. What we are saying at this time is that, after coming back and having the opportunity to look at some of the situations, to take feedback, and hear what the people say on certain issues, we believe that it is right for us to revert to the position we originally took on these matters. It is in the best interests of the country and the people we represent.

This has been stated long before now, and indeed, Mr. Speaker, if I were to refer to section 32 of the Constitution which deals with Cabinet—

The Speaker: Honourable Minister, is this a convenient time for an afternoon break?

Hon. Gilbert A. McLean: Yes, Mr. Speaker.

The Speaker: I would ask all Honourable Members to please be back in 15 minutes.

Proceedings suspended at 3.44 pm

Proceedings resumed at 4.07 pm

Hon. Gilbert A. McLean: Mr. Speaker, when we took the evening suspension, I was about to refer to the few areas of disagreement that the United Democratic Party has with the People's Progressive Movement, in regard to the Constitution, and to refer to section 32. This is really not a disagreement, but it is a recommendation that, where a provision is made in Cabinet for a Chief Minister, a provision also be made for a Deputy Chief Minister.

In a way, such is the present arrangement, and it has been since the year 2000, when there was a Leader of Government Business and a Deputy Leader of Government Business—the latter, of course, having no constitutional bearing whatsoever. It is a logical thing to do, and it is something that has been talked about long before now. In recent times, in the reshuffle, there has been a change of Minister in regard to the former Deputy Leader of Government Business and me. It is not as though something is being advocated here that is not in practice now.

From a historical point of view, it has been the practice in the United Kingdom's Parliament. If I remember correctly, Mr. Michael Heseltine, in the Thatcher era, was made Deputy Prime Minister—something that had never happened before, but which now seems to be followed in the United Kingdom as well.

I think it should be noted that one thing the two parties in Cayman did agree on was that there would be a change to having a Deputy Governor and an Attorney General, and that while these persons would sit in Cabinet, they would be ex officio, and would not have a vote. The British Government has sent that issue, and it is contained in the Constitution. It is something that both parties have agreed to and indeed, it has been done.

One of the things I have disagreed with from day one is the idea that one has to limit the term of a Chief Minister. Mr. Speaker, under our Westminster system, as it is practised in all of the various Commonwealth countries, it is no different from limiting the term of a Prime Minister, or a Premier, or whoever might be holding the head office.

I have a fundamental belief that one right that should not be taken away from the people—and I know that the Opposition like to speak about the people, and the peoples' right to vote and to choose and so forth—is the right of the people to elect any party that it may choose. If they elect that party forty times, the head of that party has a right to be head of that party, in the Cabinet, and in the Parliament.

Therefore, I certainly do not subscribe to the business that having a person heading a party is such a fearsome thing that you have to limit the term of that person to only two terms. That was a point that was discussed at Lancaster House at great length and, again, it was not a matter fully agreed.

The United Democratic Party put forward its position. The delegates of the People's Progressive Movement, and the representatives from the Chamber of Commerce and other associations, also put forward their views. If the Opposition is speaking about the people having their rights, then the people must have the right to elect any party they want, as often as they want, and to get rid of them—or not elect them—as they choose. They are the best judges.

We are attempting to take an American type of system and put it into our British one, and they are two different things. In the United States, they have varying intervals at which they vote for Governors, Senators, and Congressmen—the whole bit—and they vote for the President as a separate individual.

Perhaps they have the right—and they do, since that is the way that it is—but nobody votes for a Prime Minister under the British system. You vote for a party and the head of that party takes up whatever office or post may be designated. I have no compunction whatsoever in saying that I think that the insertion of that part about the limitations was outside of what was real, necessary or democratic. Therefore, I have no problem subscribing to the view that it should be removed, Mr. Speaker. That has been done in our position, at this time.

Section 32. The Cabinet. The current draft Constitution speaks, in section 32(6), of the appointment of a Minister **"between a dissolution of the Legislative Assembly and the polling in the next following general election"**.

We believe that there should be the insertion of a phrase here, so that the Governor may appoint a Minister, but should have the advice of the Chief Minister. Under the British system, a Minister is appointed under a full ministerial system on the advice of the Chief Minister, whichever government is in power. If the Governor found it necessary to appoint someone as Minister, it would follow logically that he would ask for, and get, the advice of the Chief Minister.

Section 35. Performance of Functions of Ministers in certain events. Mr. Speaker, under section 35 of the draft Constitution, the following provision is made: **"If the Chief Minister is unable, due to illness or his absence from the Cayman Islands, to**

perform the functions of his office, the Governor may authorise some other Minister to perform those functions."

If it is accepted by the British Government that there should be a position of Deputy Chief Minister, then the Deputy Chief Minister would automatically be the one authorised to do so. If both the Chief Minister and Deputy Chief Minister were, for whatever reason, unable to perform their duties, then the Governor would appoint another Minister to carry out the duties of that office.

I can see nothing offensive in that. I think it follows proper organisational structure and I do not believe it should cause any problem where the Foreign and Commonwealth Office is concerned.

Section 38. Proceedings in and Quorum of Cabinet. Section 38(3) deals with proceedings in and the quorum of the Cabinet, which is very important in carrying out the day-to-day business of Government. When going through the Constitution, we thought that the insertion of a few words there would make it more explicit.

As you are aware, Mr. Speaker, having been a Minister of Cabinet, Cabinet functions on the basis that the presence of a certain number of Elected Members is required. Everyone feels more comfortable in that regard, and we have suggested the insertion of the phrase, "of which four are voting" where it says, **"No business shall be transacted at any meeting of the Cabinet if there are less than five members present"**. Having taken note of the fact that the draft Constitution provides for a Deputy Governor and an Attorney General, who do not vote, we suggest that it would be necessary to have four voting Members, which would be a simple majority of seven, to bind the other elected Ministers.

Mr. Speaker, another matter that was discussed at length in the United Kingdom, when the two delegations were there, was the question of the submission of questions to Cabinet. By questions, I simply mean business. It should not be at the sole discretion of the Governor, as it is now, whether you can bring a paper to Cabinet or not.

Mr. Speaker, this country is seriously hampered, and the Ministers and Elected Members of this country are seriously limited, by the fact that, with the best intentions in the world, a Minister—any Minister, at whatever point in time, no matter how burning an issue it is or how strongly that Minister feels about a matter that he or she believes should be taken to Cabinet—cannot bring an issue if the Governor says it does not go. If the Governor says it does not go, then it does not go. You do not even have the opportunity of deliberating it in the Cabinet.

What the United Democratic Party Government have suggested, and recommended, is that a Minister be given the right to bring a paper to the Cabinet. It still leaves the authority with the Governor as to whether he takes the advice of Cabinet, or whether the Minister can get support for the paper. He has the right not to take that advice, on that particular subject, but at least it would in some way balance the authority and play in the affair.

The Governor does not have to accept the advice of his Executive Council, but it would give a Minister the right to get something there, to discuss and hear it. Mr. Speaker, as we know, everything that goes to the Cabinet ultimately goes to the United Kingdom for them to see, so it would not be any great secret.

Section 41. Secretary to the Cabinet. We have just had the appointment of a Cabinet Officer, which, personally, I believe is very important and needs to be in the country. I dare say it should have been, for some time. The section dealing with this issue, section 41(4), says that: "**The Secretary to the Cabinet and the Cabinet Office shall also have general responsibility, under the authority of the Governor and the Chief Minister, for the development and co-ordination of Government policy."**

It was our belief that the Government should develop the policy, and that the Cabinet Officer should coordinate it, from all of the different Ministries, and indeed, implement it. Therefore, we recommend that particular change: to put in, instead, that the Cabinet Secretary would coordinate and implement the policy.

Section 44. Qualifications for Elected Membership. Mr. Speaker, what has always been very important to these Islands is who qualifies to stand or sit in this Honourable House.

It has been something that I have heard talked about for as long as I can remember, from the days of Mr. Ormond Panton, Mr. Willie Farrington, and others. You always got the impression that these were people of standing, in terms of the respect and support they got from the populace. Indeed, that is what majority support is all about.

There is provided, in section 44 of the draft Constitution, a provision for qualifications for people who are eligible to be elected in the Legislative Assembly. We believe that what presently exists in our Constitution is sufficient and more desirable than what has been put into the draft Constitution. We have made such recommendations except that—and this refers to the existing Constitution, which refers to the question of eligibility in section 18—it would be slightly amended to say that for the purposes of subsection 1(d) of this section, "a qualified citizen is a British Dependent Territories Citizen, and has British Citizenship, by virtue of a connection with the Island".

Simply, the United Kingdom has made it possible that we, as British Overseas Territories Citizens, can acquire British Citizenship, and many have. To add that (perhaps I should say, "British Citizenship") would simply make sense.

Section 48. Speaker and Deputy Speaker. Mr. Speaker, as you will know, when we met for discussions in the United Kingdom, I, for one, made it very clear that I thought that this idea of having a Speaker only from outside the Assembly was imprac-

ticable, and did not make sense. I continue to feel that way, because the Cayman Islands are small islands. Out of 42,000 people, there are only 15,000 of us who have the honour and privilege of becoming Elected Members—15,000 out of 42,000. None of us, coming here—no matter how brilliant—knew what the processes and practices of this Honourable House were about, and it matters not, as far as I am concerned. The most learned jurist, who comes into Parliament to take up the seat of Speaker, cannot know the practices and processes of Parliament without having some knowledge or experience of it. That is not to say that he or she could not learn it quickly, but the practice and process in a court of law is a different affair from that of the Legislative Assembly. We cannot sensibly forget the fact that it is this body that makes the law, while the courts interpret it and carry it out.

Mr. Speaker, as clearly thinking elected representatives of the people, I do not think we would want to create the fourth highest job in the country, in precedence, and have someone who has never come near this Legislative Assembly take the office of Speaker—someone who has never faced the challenges at the polls or in an election campaign, and who has never been elected by the people. It is ridiculous.

If you want to be Speaker, if you want to be a Member of the House, pay your thousand dollars, go out and take the blows, kicks and *licks* as all of us in here have done. I do not support the creation of the fourth highest job in the Land for Mr. Somebody out in the public to come in here, who would be a pretender to such a position.

We have a provision now, in the Constitution, that it can be one or the other. We have had persons who have not been in the Legislative Assembly, who have been excellent Speakers, but guess what—they were here before and knew the rules, regulations, practices, traditions and procedures.

Suspension of Standing Order 10(2)

Hon. W. McKeeva Bush: Mr. Speaker, under Standing Order 83, I move the suspension of Standing Order 10(2) in order for business to continue after 4.30 pm.

The Speaker: The question is that we suspend Standing Order 10(2) so that we can continue after the hour of 4.30, until 6 pm.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it. The House will continue proceedings until 6 pm.

Agreed: Standing Order 10(2) suspended to allow proceedings to continue until 6pm.

The Speaker: Please continue, Honourable Minister of Health Services.

Hon. Gilbert A. McLean: Thank you, Mr Speaker. The United Democratic Party and the Government of the day have recommended that we leave the situation of the Speaker-ship as it presently is, in that it can be someone from within or someone from without. It gives us a choice; we can have the forbidden fruit or we can leave it alone. I believe we should have a choice in that regard, simply because there may be those persons whose feelings may be hurt because the Speaker made a certain ruling, or who believe that the Speaker should have done it otherwise—tough stuff: that is what a Speaker is about. The referee blows the whistle and, whether or not you argue, if he gives you a yellow card or a red card, you have got that card. That is the same way it plays here.

Each Speaker's way will be different. Each may view a situation in a particular way, such as another one might not have done.

However, to have a situation where we are going to create a strange constitution by saying we have to have a Speaker from the outside, under the pretext that Speakers are biased, and so on, is not a very good or supportable argument. Therefore, Mr Speaker, I support the requirement for Speaker remaining the same as it presently is, in our Constitution.

Section 51. Leader of the Opposition. In this section there is a provision for the Leader of the Opposition. I absolutely agree with it. We know that it is now a position that has been created by an Order in Council, as is the position of the Leader of Government Business. We have also recommended that there should be a Deputy Leader of the Opposition, for the same reasons that it makes sense to have a Deputy Chief Minister. I would add to this part of it that the Deputy Leader of the Opposition should be someone appointed by the Governor on the advice of the Leader of the Opposition, in the same way that is recommended otherwise for the Deputy Chief Minister.

The fact is that what is envisaged in the Constitution is a stronger discipline and control. It should not be left to the Governor to choose who would be the Deputy Leader of the Opposition. That is the Opposition Members' business and it should be based on advice from the Leader of the Opposition, whoever that may be.

Section 58. Voting. In this section, we think that the provisions in our existing Constitution are in the better interests of the Cayman Islands than those which have been recommended in the draft Constitution.

It was suggested that the Speaker should be from outside the Legislative Assembly. If we look at Section 58(2), it says the Speaker, **". . . shall not vote, and any other member presiding will have an original but no casting vote"**. The drafters of this draft Constitution had to take into account a very basic

principle of parliamentary practice and procedure. We know that if a matter comes to a division that is equally divided, a Speaker has the right to have a casting vote. Normally, the Speaker would vote for the status quo; however, if it is the case that a Bill of serious significance is before the House, the Speaker should be empowered.

If, for example, it was something dealing with our security, then the Speaker, as the ultimate judge, and having heard all the deliberations and debate, could cast his vote to see the passage of such a Bill if he thought it would be in the best interests of the country. That is a principle that has existed for ages in the British form of parliamentary democracy. If, from the outset, a Speaker is so far-fetched that you cannot even give him, or her, a casting vote, this in turn highlights another situation of which we need to be mindful.

Anyone else who would go in the Chair would be able to vote, but then that person would not have any casting vote. If we look at the situation, this is requiring a person who is a Member to go there to vote. When the Speaker calls the vote, he would have to call a vote for himself. The Clerk would have to call the Speaker to vote. I do not see that as right or acceptable. This is the reason the Government made the recommendation it made about the Speaker, changing the situation to the way it is presently, where you may have a Speaker from within or without and that the Speaker has a casting vote—not an original vote. Why would we want a Speaker who was exercising an original vote, so that if it went to a division, the Clerk would have to say, "Mr Speaker." and the Speaker would vote? It does not follow, so we have recommended otherwise.

Section 62. Assent to Bills. We know that there are two Bills to which the Governor has not assented, which have been passed by this Honourable House. Both relate to who will have the power to tap our telephones, and who will intercept calls. The Government, and every Member of the House, have unanimously voted to give such authority to the courts, whereas the British Government have taken the position that they want the Governor to be the one to decide whether phones can be tapped. Therefore, the Governor has not given his assent to these Bills.

I would suggest to all Members, including Opposition Members, that we need to look carefully at Section 62, which deals with the Assent to Bills, because of the way it is written in section 62 (2) which states: **"When a bill is presented to the Governor for his assent, he shall, subject to the provisions of this Constitution and of any Instructions addressed to him under Her Majesty's Sign Manual and Signet or through a Secretary of State, declare that he assents or refuses to assent to it or that he reserves for the Bill for the signification of Her Majesty's pleasure:**

Provided that, unless he has been authorised by a Secretary of State to assent thereto, the Governor shall reserve for the signification of Her Majesty's pleasure any Bill which appears to him, acting in his discretion—

"(c) to be inconsistent with any obligation of Her Majesty or Her Majesty's Government in the United Kingdom towards any other state or international organisation"."

That, Mr Speaker, could mean the OECD or the European Union. Together with the other Members of the Government of the day, I am concerned that a piece of legislation, which might be good for us, might not be passed, simply because it did not suit the United Kingdom. Therefore, we believe that some of these clauses are not necessarily in the best interests of the Cayman Islands, and we have a recommendation on these as well. We, of course, absolutely agree with sub-subsection (2)(f): **"to affect the integrity or independence of the public service or of the administration of justice".** Such a clause should definitely remain, but there are others we feel are not in our best interests. There are about two different instances in which we have made recommendations. We think that in sub-subsection (2) (e), clarity is needed as to why such a provision is needed in the Constitution. We were requested to consider this draft Constitution, and we have made recommendations in that regard.

***Section 70. Electoral Constituencies*.** Now, we come to section 70, which deals with electoral constituencies and franchises. In setting the stage to make clear the reason for one of the things the Government has taken into consideration, I would go to page 14 of the Report of the Cayman Islands Electoral Boundary Commission 2003. Section 15 says:

"The Commission's mandate requires it to divide the Cayman Islands into seventeen electoral constituencies, each of which will elect a member of the Legislative Assembly. This issue was clearly a controversial one at the public meetings held by the Commission."

Mr. Speaker, I will read that again. **"This issue was clearly a controversial one at the public meetings held by the Commission."** This is of great significance. **"It appeared to cause unease to some who attended the public meetings of the Commission in Cayman Brac and West Bay, while George Town, North Side and East End were supportive of the single-member constituencies; Bodden Town audience had mixed views on the issue."** That is a fact; I was there for all of the Meetings. **"The former Chairman of the Constitutional Review Commission told this Commission that the "one man one vote" issue was the most frequent one raised with his Commission, which felt that the best way of giving effect to that aspiration was the single**

member constituency system, and hence that Commission recommended that system."

Mr. Speaker, I do not think it could be put any clearer than what the Commissioners said: the districts that were supportive were George Town, North Side and East End. From the point of view of "one person, one vote", we know that North Side and East End are districts: they each return one person. Therefore, it naturally follows that they would go that way; they understand that way and it is what they are comfortable with.

However, the area presently called George Town has the largest concentration of votes in any single district—a very significant number. Mr. Speaker, one has to understand that when you go to single-member constituencies, it is like we are setting up mini-districts. The person who runs in this one is held responsible for what happens in that one, and so on and so forth. With George Town unquestionably having the largest concentration of votes in the area, there would be no George Town district, as such, after single-member constituencies were set up. There would be individual electoral districts.

It is on that basis and for that reason that we are looking into this. The fact is that there are persons within the George Town district who have an interest in seeing George Town remain as the "big" cosmopolitan centre—big to us, anyway.

Mr. Speaker, if we look at the numbers there, and add the other two present single-member districts, we see that 50 per cent of the three Islands would then be in single-member constituencies. Although the British Government say that they do not really want, or are not mindful of, this issue, I would add here, from my dealings with them, that that is exactly what they want. There cannot be any doubt that the British Government wants to see two things in the Cayman Islands: (1) the Bill of Rights; and (2) single-member constituencies. From day one, the Government of the day took the position that we accept it, but feel we should phase it in instead of changing every one of them in one shot. That is the position we originally took, and that is the position to which we have reverted.

Mr. Speaker, the Leader of Government Business has set out, and I have commented on, some of the areas that, from my personal position, I feel strongly about, and for which I believe there are logical reasons.

[Inaudible interjections]

The Speaker: Order!

Hon. Gilbert A. McLean: I have shown a basis for such views. Let us also remember another thing: When we left the United Kingdom, after having discussed at length every item in the Commissioners' Report from Mr. Benson Ebanks and the others, we left there not having agreement on every item. There is no difference now. However, if the public looks at what is in this draft Constitution, there are very few areas—three or four—on which we do not have agreement. In regard to "referendum", it is in our present Constitution. If one wants to bring a Bill to have a referendum, it can be done.

Again, there was a ruling, to which the speaker for the Opposition referred when he spoke. The Opposition had brought a Bill to hold a referendum, and the former Speaker ruled that it had financial impact and did not allow it. At the request of the Opposition—and that good Member there is a lawyer; I am sure he has looked at that section and seen this— the British Government has indeed acceded to their requests, and by so doing, proved that the then speaker was right, by inserting **Section 60, Introduction of Bills.** In section 60(3)(b), it says that—

[Inaudible interjection]

Hon. Gilbert A. McLean: Yes, I am grateful that the Leader of the Opposition is assisting me. I appreciate that.

Section 60(3)(b) says, **" . . . except in the case of a motion proposing a resolution under section 52(2) of this Constitution, proceed upon any motion (including any amendment to a motion) the effect of which, in the opinion of the person presiding in the Assembly, is that provision would be made for any of the purposes aforesaid".** It is speaking here of a referendum.

In this draft Constitution—at least in my interpretation, and we have legal persons here—if the Motion is brought, it would be allowed, because the presumption would be that money would be made available for it, and it could not be excluded or refused on that basis. I think it is important to take note of that.

Mr. Speaker, we have looked carefully at this draft Constitution, and I think the Opposition would have to strike against themselves, if they did not accept this, because the British Government has lifted major parts of their submission out to put into this draft Constitution. If they have looked at it carefully, they will see that. However, it would not be good to see in the Constitution everything that the Opposition put in their submission.

[Laughter]

Hon. Gilbert A. McLean: There has to be a little to balance it on the other side.

Therefore, Mr. Speaker, I support this draft Constitution with the amendments that have been cited by the Leader of Government Business, some of which I have spoken on, to some degree and in some detail.

If we do not accept this draft Constitution, if we keep playing around and playing games and asking, "Did the people authorise us? Did the Chamber of Commerce authorise us? Did this or that entity author-

ise us?" then we are going to continue the 30 years of infantile practice. I, personally, do not want to be a part of that. I never did, and certainly, having reached this stage in my life, I do not have any wish to begin at this time. However, Mr. Speaker, each person will have the opportunity to speak further, and in detail, when it goes to a Committee stage, as requested.

The last point that I wish to make is that we cannot change anything in this; this is the draft Constitution prepared by the British Government. We can only make recommendations for changes, and I think we should. Otherwise, in my opinion, there are things here that would not be in our best interests.

Thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Last call. Does any other Member wish to speak? The Elected Member for East End caught my eye.

[Laughter]

Mr. V Arden McLean: Mr, Speaker, I was just easing out of my chair—just easing my legs.

Mr. Speaker: Does any other Member wish to speak?

The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker. Perhaps I should start my contribution to this constitutional debate by reminding us all—and in particular, the Minister of Health—that when he says we should forget about what has transpired so far in regard to the Constitution, we should remember that those who forget history are doomed to repeat it. In his conclusion, he states that we can only make recommendations because it is not our Constitution. I think we all recognise that it is for Her Majesty's Government to write the Constitution of this country and then pass it on to Her Majesty for assent thereto.

However, I must also remind us all that we play an important role in making recommendations. If the people of this country do not want something, that has to be taken into consideration by Her Majesty's Government. I think that was made clear in the letter from which the Minister of Health quoted Mr. Rammell as saying that England would want the Territories to decide what they want. We do play an important role in it.

If we did not, we would not be at the stage the Second Elected Member for George Town explained in the history of this modernisation of our Constitution. If England did not see us playing a role in it, we would not have been involved in it, and we would have had a Constitution a long time ago. It is about the wishes and aspirations of the people of the Overseas Territories, and in particular, the people of the Cayman Islands.

Although I hope not to go over all that has been said about the history of our constitutional modernisation, I am sure I will touch on ground that has been covered before; I beg your indulgence before this happens.

One of my greatest concerns, at this stage of this constitutional debate, is the way the United Democratic Government has vacillated over the last year and a half. One minute we are saying one thing and the next minute we are saying another. At the eleventh hour, they are changing again.

The modernisation of our Constitution is neither about the United Democratic Party (UDP) nor the People's Progressive Movement (PPM); we are mere servants of the people, acting on their behalf. This is about ensuring that the people of this country get a Constitution that works; it governs their country, and in particular, it governs them. It is not about 15 Elected Members of Parliament. Although we are members of this community, we are also, at this time, representatives of the people, here to ensure that we act in their best interests. Yes, Mr. Speaker, we are elected by them to act and conduct ourselves in their best interests. It is not about what we can do to maintain our status as Elected Members of Parliament.

In 2002, when all the controversy over the Constitution started in the Cayman Islands, we heard that there were marches, that over 7,000 people signed a referendum petition and that many of those were registered voters. We also heard of the call to the Government to hold a referendum about certain issues relating to the Constitution—six issues in particular.

The Government then decided that instead of honouring that petition from the people of the Cayman Islands, they were going to hold a summit. At this late stage, we know that, as far as we were all concerned, we had resolved all the issues with the exception of the implementation of the Constitution and its timeframe. Therefore, I was satisfied that this was the way to go, or somewhere close to it, depending on what England wanted to put in their Constitution—as it is England's Constitution. We could certainly make some recommendations.

I, too, travelled to England with the hope that we were making these recommendations together on behalf of the people of this country. Little did I know, at the time, that from the UDP's perspective (in my opinion), I was merely a pawn at these meetings, and in particular, at the summit.

It appears that the UDP's reason for being there was to "trade horses". I say that because on 17 November 2003, the Leader of Government Business made a statement in this Honourable House, in which he said, and I quote: **"I also informed Mr. Rammell that the United Democratic Party's Government had initially conceded certain points in an effort to reach a consensus with the Opposition, in the hopes that they would also be guided by a spirit of**

cooperation when considering recommendations from the Government."

That is playing a serious, dangerous game with the constitution of any country; it makes no difference to me which constitution it is. On 17 November 2003, The Honourable Leader of Government Business went on to say, and I quote; **"Of course, they were not inclined to cooperate. Still, we agreed with them initially, in the hopes of reaching consensus".**

I really thought we had reached consensus on those issues. In the minds of the UDP, there was evidently no consensus, because we are now back where we were then on at least four of these six or seven issues.

Mr. Speaker, like the people of this country, I feel betrayed, in that I went into those discussions with the good intentions of discussing the issues with the UDP Government and its Members, and came away feeling quite good about it. The last speaker on this issue talked about the press statement from England regarding the talks at Lancaster House between 9–11 December 2002. He said that even then, there were unresolved issues. I agree. However, I believe that these were, by and large, issues between the Cayman Islands and the Foreign and Commonwealth Office.

The only issues that I recall being unresolved were, firstly, that of the Attorney General (between the UDP and the PPM) and, secondly, implementation. We had agreed in Cayman about how we would propose that the Attorney General be appointed, and there was a little back-peddling in England from the UDP on that issue. Therefore, we came away with some understanding that there was not consensus on it, as a result of their changing their position somewhat.

When the draft Constitution came back to this country in February 2003, I believe it was the clear intent of England that prior to today's debate starting, both parties would have met again and tried to iron out any differences that they had seen in the draft Constitution. That was not to be. Whoever is to blame, let it be. I shall leave it up to the Leader of the Opposition to explain his understanding of how it was to be done.

Mr. Speaker, one moment please, if you will. *[Pause]* Thank you, Mr. Speaker. I will deal with that at a later time, as I do not have a copy of that letter with me at present. I do know, however, that the intent was that talks would ensue between the leadership of the UDP and the leadership of the PPM. I understand that we have all been busy, and many other things have to be done, but certainly it was of great importance to have discussions on the Constitution. However, we went on and had talks throughout the country.

I am not here to say that we, the PPM—the Opposition—have full authority to say what the people of this country want in the form of a constitution. However, as a result of all the public consultations we have had, I can say that we can speak with a little more authority than the UDP government. I have no recollection of them having any particular meetings specifically to discuss the Constitution, throughout the country.

Point of Order

Hon. W. McKeeva Bush: On a point of order, Mr. Speaker.

The Speaker: State your point of order.

Hon. W. McKeeva Bush: I think the Member is somewhat misleading, because Members have had meetings in various districts throughout the country, specifically dealing with these constitutions and the various matters connected to them.

The Speaker: Honourable Members, the point of order was this: the correction was being made that the UDP Government did have various meetings following receipt of the draft Constitution in various districts. I know that the Member for East End did say that that was his opinion. I would ask him to move away from that point, at this stage, and to continue his speech, since there is no indication that there is any factual basis for this view. I think he was saying, "…throughout the Islands". We will move away from that particular point, since we have no factual basis as to which districts were visited or not. Therefore, I would request that he continue with his speech.

Mr V. Arden McLean: Thank you, Mr. Speaker. I respect your ruling. However, I do know that this is factual. Since the draft Constitution arrived on 12 February 2003, I have not heard of any public meeting in the district of East End specifically on the Constitution, other than that which the PPM had. That is my position, Mr. Speaker, and that is fact.

I submit that in the absence of wide-spread consultation on the constitutional draft, there is no evidence anywhere to prove that the changes being proposed are those wanted by the people of this country—as per the Checklist that was sent to the Overseas Territories, including the Cayman Islands, by the UK, when they instructed their Overseas Territories to commence constitutional modernisation discussions.

In the absence of what would be considered reasonable education of the people, particularly on a constitution, I am laying blame at the feet of the country. Mr. Speaker, we are all to blame; however, the Opposition do not have the resources—though we did what we could. I contend that it is the responsibility of a government to educate the populace on any of its country's constitutional changes.

Now, Mr. Speaker, I can prove that by saying that in the last few months, we have been inundated

with a media blitz—an education programme on the Immigration Law and what it contains. Now if the Immigration Law is that important—

Hon. W. McKeeva Bush: It surely is.

Mr V. Arden McLean: I totally agree with the Leader of Government Business, Mr. Speaker; it is important, but I submit that it is not more important than our Constitution. If we could spend monies educating our people about how to live with immigrants, about movement in their country, and about entry and exit, then we should have educated our people on what our draft Constitution contains. It is a small price to pay. Mr. Speaker, I have even seen an eight- to ten-page insert in the newspaper, the *Caymanian Compass*, on Immigration.

The time is going to come in this country when the people are going to understand and recognise how they are being treated. I fear that day. We are so fortunate; we all live in a country where the people are passive and, unfortunately, very few are concerned about what laws are passed in their country because they trust their politicians that much. I beg us not to become complacent with that trust; I beg us.

Mr. Speaker, as I have said many times, the Constitution is the most sacred document in this country: of that there is absolutely no doubt. I would like to turn briefly to some of the provisions in the draft Constitution that the UDP seem to have decided they are no longer supporting.

The first one I would like to turn to is the one on term limits. The UDP Government enjoys talking about the wishes of the people, as does the PPM. As a matter of fact, that is the basis upon which they are proposing these changes: their 180 degree turnabout.

I recognise that there are people who can, through their own charisma, control the electorate, and that should not be taken away from the people. If the people in any country decide they want that individual to run their country and that individual is doing a good job then, certainly.

When we proposed the term limits, it was not necessarily what I believed in; it was what the people said they wanted. I firmly believe that any person who has served eight years in that environment needs some rest.

[Laughter]

Mr. V. Arden McLean: You, yourself, Mr. Speaker, have served two or three years as Deputy Leader of Government Business. It is not a walk in the park. It is not a walk in the park! No one should be fooled about that. Anyone who has served eight years in that position should gracefully go home. If they can maintain the confidence of their people for eight years in a Chief Minister's position, they have served their country well.

The people in this country were concerned that we could have someone in that position for more than eight years who could become dogmatic. Not all people may have agreed with that person's going there, but that person is so charismatic that he or she can, at all times and on many occasions, find something to offer the Members to get back into that position. It might not necessarily be that this person is running the country that well. It could mean anything, and people were concerned with the possibility that we could get someone entrenched in the position of Chief Minister in this country, and the person could stay there forever because they might be able to manipulate the system. That was the big concern that I heard.

Another concern I heard was the possibility of corruption; they were afraid of it. I am not pointing my finger at anybody, but we are talking about our current Constitution, which has been in place for about 30 years. Therefore, when we look at this one, we have to make provisions for another 30 years. Hopefully, we should not have to be changing constitutions every five years, or every year, as we do with other laws. There are mitigating circumstances with other laws; for example, changing times, and omissions, which will require laws to be changed.

In the case of our Constitution, we must ensure that our country reaches consensus—not only between the two or three parties. The country must respect and understand how they are expected to be governed for another 30 years—or as long as the people want. Hopefully, there will only be a need for minor amendments. Alternatively, it may be that in the next five years, the people get up and want further modernisation of their Constitution, as we heard the Minister of Health say about self-determination. It is not for me to say; that is for them to say.

In the interests of trying to ensure that the people of this country do not fear the corruption of a leader, or a dictatorship—in the sense that it could be dictatorship in this country—I believe it is necessary that we put term limits on the position of Chief Minister. I am not adverse to three terms. If we move to three, then we move to three; however, I do believe there should be term limits.

Section 32. The Cabinet. Another area that the UDP have some concerns with is 32(6): **"If occasion arises for making an appointment of any Minister between a dissolution of the Legislative Assembly and the polling in the next following general election, a person who was an elected member of the Legislative Assembly immediately before the dissolution may be appointed as a Minister as if he were still a member of the Legislative Assembly."**

I believe the provisions exist so that the Governor has the power to appoint Ministers, because the Chief Minister is still around between dissolution and the general election. Therefore, the Governor has advice available to him, and new Ministers are appointed

based on that advice anyway. I do not have a problem with seeing a provision put in there that says, "the Governor".

Section 35. Performance of functions of Ministers in certain events.

"(1) If the Chief Minister is unable, due to illness or his absence from the Cayman Islands, to perform the functions of his office, the Governor may authorise some other Minister to perform those functions."

Further on, the UDP has proposed a Deputy Chief Minister of Government and a Deputy Leader of the Opposition. In that regard, this certainly will be amended. I have always supported the Deputy Chief Minister and I believe that in any democratic country, parliament, or government, you cannot have the Chief Minister alone. There is a need for a Deputy, and in Parliament, there is a need for a Deputy Leader of the Opposition as well. Therefore, the advent of a Deputy in both places would certainly require that 35(1) be amended. It would be the Deputy acting in the absence of the Chief Minister, which would have to be an automatic provision. I do not have any problem with that.

***Section 39. Submission of questions to Cabinet*.** I do not have a problem, either, with section 39. If England is concerned about the Overseas Territories, and in particular, the Cayman Islands, having more autonomy, why is it that the Governor has to control the agenda of Cabinet? Why is it that the Elected Members of Cabinet, the people's representatives, cannot put on the agenda, providing that the time for Cabinet will allow all the business of Cabinet? It is only fair that authority be given to the Elected Cabinet.

I would go on to Official Members of Cabinet too, under this new Constitution—and I will get to that later—to where the Government is proposing that we maintain the additional two Members to the Legislative Assembly. I agree that the Governor should not have the right to refuse an Elected Member putting a question, or any matter, on the agenda of Cabinet.

Contrary to what some of the UDP may believe, I am not conceding hope they will change back to where they were originally—as they did.

I recognise the need for the modernisation of our Constitution. In the last general election, when the Chamber of Commerce had their forums, I participated in the one in East End. I was one of those two candidates who supported the modernisation of the Constitution. I would venture to say that all of the Honourable Members in this House supported modernisation, including your good self, Mr. Speaker. I have no facts on that, but I would venture to say it, because we saw the need for it. I support anything that modernises our Constitution and makes us more accountable and more responsible for our own affairs.

Section 41: Secretary to Cabinet. Mr. Speaker, I also understand the reason why the UDP is proposing, under 41(4), that the Secretary to the Cabinet be responsible for the implementation, coordination and development of government policy. I always thought policy was to be proposed and developed by the Ministers, and then coordinated and implemented. I think the words need to be changed around. "Coordination" needs to be before "implementation".

Mr. Speaker, I do not have a problem with that. The only other areas in contention need to be debated. If we agreed with the other areas, why should we want to debate them? I am not prepared to go through this whole thing word for word, so I am only going to address the areas where I have a problem that the UDP have done a 180º turn in this draft Constitution.

Section 48. Speaker and Deputy Speaker. Mr. Speaker, if there was anything in this draft Constitution that had a mandate from the people, it is the point of Speaker and Deputy Speaker—that the Speaker comes from outside the Legislative Assembly. I hear the argument that we have a small community and do not have that many members in our community who have the expertise and the qualifications—that is, who have been Members in here. I wish to object to that. I wish to differ. There are many people in our community who are former Members, and without doubt, in the future, there will be other former Members of the Legislative Assembly, through the process of attrition. Mr. Speaker, you, your good self, will no longer be running in the upcoming general election, so that adds one more to that qualified group that is out there.

Mr. Speaker, I speak of what I know. I have no way of reading your good mind, to say that you may change your mind, Sir, or what the future may hold. All I am trying to show is that there are qualified people in this community. None of us can make that transition today, from sitting here and debating in this Honourable House, and going to that Chair and immediately being the best Speaker the Commonwealth has ever seen. There is a learning curve for us all to get there. There is a learning curve for those who have been out of politics or who otherwise come into this Honourable Chamber and become Presiding Officer. I never supported a Deputy coming from the outside.

Hon. W. McKeeva Bush: You all put it up, though.

Mr. V. Arden McLean: I have always supported a Deputy from the inside. In short order, when we need the Presiding Officer to be in the Chair, we do not need to have someone on a part-time basis; we need someone from the inside the legislature.

I support the Speaker coming from the outside.

Section 58. Voting. If I may turn to the provisions for voting, I would like to tie this in with the provisions for Speaker and Deputy Speaker. Section 58 says:

1) "Save as otherwise provided in this Constitution, all questions proposed for decision in the Legislative Assembly shall be determined by a majority of votes of the members present and voting.

2) The Speaker shall not vote and any other member presiding shall have an original but no casting vote."

Mr. Speaker, if I may proffer my position on that, this is making provisions for a Speaker coming from outside the Legislative Assembly, and if he comes from the outside, he should not be able to vote in here. It is impossible. You cannot have a Speaker coming from the outside and voting on the provisions of a Bill. You cannot.

Now: **". . . and any other Member presiding shall have an original but no casting vote."** This draft Constitution makes provisions for the Deputy Speaker coming from inside the Legislative Assembly, and in the absence of the Deputy Speaker, any other Member. That is exactly what that is saying. If any Member takes the Chair, he has just left a position of original vote; therefore, he should take it to the Chair. If that Member was on the Floor, he or she was going to vote on that Motion anyway, so why is it that that Member cannot have his or her original vote in the Chair?

Right now, we have a Deputy Speaker in the person of the Fourth Elected Member for West Bay. He is one quarter of the representation from the district of West Bay, and if we extrapolate on that basis, we say one quarter of West Bay. That Member sits in the Chair in your absence, Mr. Speaker, and he loses an original vote for the people of West Bay on issues. My concern is: Why is it that that vote cannot be extended to the Chair? We have to ensure that Members maintain their original vote.

Mr. Speaker, this would be good time, if you are so mindful, to adjourn.

The Speaker: Thank you very much.

Mr. V. Arden McLean: Thank you.

The Speaker: Honourable Members, we have now reached the hour of 6 pm. May I call on the Leader of Government Business for a motion for the adjournment?

ADJOURNMENT

Hon. W. McKeeva Bush: Mr. Speaker, I move the adjournment of this Honourable House until Thursday, 20 November 2003 at 10 am. We are proposing to work until 6 pm.

The Speaker: The question is that this House do now adjourn until Thursday 20 November 2003 at 10 am.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 6 pm the House stood adjourned until Thursday, 20 November 2003, at 10 am.

OFFICIAL HANSARD REPORT
THURSDAY
20 NOVEMBER 2003
10.40 AM

Third Sitting

The Speaker: I invite the Elected Member for East End to grace us with prayers.

PRAYERS

Mr. V. Arden McLean: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 10.43 am

The Speaker: Proceedings are now resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies for Late Start of Sitting

The Speaker: Firstly, I would like to extend sincere apologies to the House for the late start this morning. This was occasioned by the tremendous traffic on the Eastern district roads, which delayed some Members, who were not able to get here on time. However, as I said in recent circulars, we would like to begin as near as possible to the hour of starting, which is 10 am.

I would also like all Members present in the precincts of the Parliament to try to come in to form a quorum whenever they are present, and called upon by the Sergeant to do so. For certain Members to sit and wait until the Government Members arrive, is really not in the best interests of proper parliamentary procedures. Therefore, I would ask them to try to co-operate with the Sergeant-at-Arms, so that we can start as soon as possible, especially when they are sitting in the Common Room waiting on other Members to arrive before they are prepared to come in to form a quorum.

Apologies

The Speaker: I have apologies from the Honourable Third Official Member and also from the Honourable Minister of Community Services, Youth, Sports and Gender Affairs.

STATEMENTS BY HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

The Speaker: I have had no notice of statements from any Honourable Members of Cabinet.

GOVERNMENT BUSINESS

MOTIONS

GOVERNMENT MOTION NO. 5/03

Debate on the Report of the Proposed New Draft of the Constitution

(Continuation of debate thereon)

The Speaker: I call on the Elected Member for East End for the continuation of his debate. I would like to remind the Honourable Member that he has one hour and three minutes remaining in his speech.

Mr. V. Arden McLean: Thank you, Mr. Speaker. Let me be the first to apologise for my late arrival this morning, because of the traffic, as you mentioned earlier.

Mr. Speaker, when we adjourned yesterday, I was at a point in my contribution to the debate on the draft Constitution where I had reached that area concerning the Speaker and the Deputy Speaker, and the provisions for voting under section 58. I would like to move on from there and on to the section concerning the Attorney General.

Section 92. Attorney General. Prior to the debacle with Mr. Ballantyne, the People's Progressive Movement advocated that the Attorney General be appointed on advice from the Chief Minister. From the talks in London in December 2002, and the subsequent draft Constitution which we are debating now, it appears that England does not feel comfortable with a Chief Minister appointing the Attorney General. They want that responsibility and that authority to be left with them.

Now, Mr. Speaker, it is simple. I want to make it abundantly clear that it is not about the individuals who occupy the position; rather, it is about the position. Whatever I may say here is not intended to be an aspersion against the current or former holders of this office. It is simply that if I were going to have a legal advisor, there is no way I would get a lawyer who has been appointed by someone else. That is simple. That is the basis for our argument. If the Attorney General is the principal legal advisor to Government, then it should be someone that the Chief Minister has appointed. We cannot, in my humble submission, afford to have England appointing an Attorney General.

That same Attorney General needs to be a legal advisor to the Governor. There is absolutely nothing wrong for the Governor to have his own legal advice, but not in the person of the Attorney General. England must appoint a legal advisor to the Governor. The Attorney General is the legal advisor to the Government of the Cayman Islands. That is how it must be. In so doing, it must be made clear that the Attorney General is appointed by the Governor, but on the advice of the Chief Minister—not 'consultation'. Mr. Speaker, consultation is a far cry from advice. I am sure that no one in this country would kick against paying for a legal advisor to the Governor other than the Attorney General.

My good friend, the Second Elected Member for George Town, in his submission, reminded us of full ministerial government. A full ministerial system cannot be said to be a full ministerial system if the Governor is appointing a Minister. I agree that that is not a full ministerial system. For us to have a full ministerial system, the Attorney General must be appointed by the Chief Minister as a Minister to be in Cabinet. We argued this, and we continue to hold that position; I trust that England takes note of it.

Now, there is some deafening silence from the Government Bench as to what their position is on this particular subject. The Leader of Government Business, in his presentation, did not make any mention of the position of Attorney General. However, the United Democratic Party did agree with us that it should be on advice, and not consultation. England changed our recommendation to "consultation". That is another example of England holding on and having control over the people that they want to have control over—in particular, the Attorney General and other appointments.

Mr. Speaker, the UDP is proposing a Deputy Leader of the Opposition and a Deputy Chief Minister. We, on this side, have no problem with that. As I said, in any democracy, in any country, you need to have a Deputy Leader of the Opposition and a Deputy Chief Minister. We have no problems with that; we are in concert with them.

Section 62. Assent to Bills. Mr. Speaker, we also understand that under "Assent to Bills", the Government have some problems with section 62 (2) (c), where it says that the Governor shall not assent to the Bill if he finds it, acting in his own discretion, **"to be inconsistent with any obligation of…Her Majesty's Government in the United Kingdom towards any other state or any international organization".**

Although I share their concerns and fears about what this can do to this country, Mr. Speaker, the intent of the United Kingdom in this regard is obvious. In recent times, the United Kingdom had problems with us, in asking us to adhere to international obligations to implement certain laws, particularly the Organization for Economic Co-operation and Development (OECD) and Financial Action Task Force (FATF).

We all know how that has gone. However, Mr. Speaker, we know, as I have said before, that this country is England's. Until we make that bold step and are in a position where we can write our own Constitution, they are going to control it. There is no "perhaps". Mr. Speaker, in the interests of the people of this country, I would also like to see it deleted, in that over the years, we the people—and those before us—have always acted in the best interests of the people of this country, or I would like to think so.

However, it has always been approved (and it will always be approved) by England, until we make that bold step—yes, the Attorney General too. However, the Attorney General may be that much easier to negotiate with England, and to get, than this one. I would like to see it removed, or reworded, because I recall recently—sometime last year—when the Minister for the Overseas Territories came here. We talked about England forcing upon us conditions good for England, but that does not necessarily mean they are good for us. Also, the distance between us seems to be the factor that creates these differences. Many legislators in England have no knowledge of what our livelihood is, other than a few tidbits that they read. It is our responsibility as legislators to ensure that we make the necessary representation to England on behalf of the people in this country.

Another issue that we need to address with England on this Constitution is the one of referendums. Mr. Speaker, the Second Elected Member for George Town read the letter of 2 December 2002, to Mr. Kurt Tibbetts, MLA, from the Hon. McKeeva Bush, OBE, JP, which has been tabled. The footnote was: ***"Please note we agreed on the position that referendums be included in the modernized constitution."***

Now, I know that will probably be twisted somehow to say it is included, and we have provisions for referendums in the draft Constitution.

Although the provisions that have been put in the draft Constitution are an improvement on what is in the current Constitution, they are not provisions for a people-initiated referendum. This still requires that a law be made on a question declared by resolution in this Honourable House and adopted by a majority of the Elected Members of the Assembly. That prevents Speakers from rejecting a motion for a referendum law.

Mr. Speaker in any new, modern, civilized democracy, the people must have some kind of checks and balances on their elected representatives. Many of us in this country do not agree—in particular members of the UDP—that the people should become involved after they have elected them as their representatives. They believe—

The Speaker: I would ask the Honourable Member if that is his opinion, or does he have facts to back that up?

Mr. V. Arden McLean: Mr. Speaker, the facts that I have are from merely from hearing certain Members say so. We cannot expect that once we are elected, we have been given a mandate to do as we please. We campaign on a platform of issues, be it as a party or as individuals, as a group or team—whatever we want to call it. Once the people of this country vote for us based on that platform, they expect that platform to be fulfilled. In instances when that platform is not being fulfilled, or when the Members of this Honourable House (and in particular, the Executive) have moved away, and are in the process of doing something that does not conform to the wishes of a particular percentage of the population, they should have the right to poll the entire country, to see if the country wishes for that particular thing to be done on their behalf.

The only reason one would be afraid of a referendum—which is the check and balance on an executive of a country—is if they are not doing what they are supposed to do. Then it also serves the purpose of letting the Executive know how their stewardship is, whether the people agree with what they are doing or not. Why are we afraid of it? England cannot say that they do not support referendum law. They have had referendums; they had one recently, about whether or not they should join the ECU (the Euro currency)—whether they should have the one currency for England and Europe. Therefore, it is not new to England. I do not understand why they did not include it in the draft Constitution. We called again for it to be included.

The Speaker: For clarity, I wonder if the Honourable Member could explain whether he is talking about a people-initiated referendum, or provision for a referendum law in the Constitution.

Mr. V. Arden McLean: It is for a provision for a people-initiated referendum to be included in the Constitution. When I say we called for it, Mr. Speaker, I am referring to the Opposition, and the People's Progressive Movement. I cannot speak for the Members of the United Democratic Party, because, as I said before, many people in this country do not believe in it. They see a few individuals who believe in it and they are afraid that perhaps they will become the recipient of a referendum in short order. There is no need to worry about that. This draft Constitution is not going to come in place, if it does, until after the next General Election. Therefore, those of us who are afraid of it now need not fear for this tenure; they may have to worry about it in a different arena, but not this one.

Mr. Speaker, many have said that people-initiated referendums will be used for frivolous matters; I do not think so. There is no evidence to indicate that. Last year, over 7000 people signed a petition for a referendum on the Constitutional Commissioners' Report. If there was ever reason for holding a referendum, that was it.

Mr. Speaker, in most countries, the rule of thumb is 10, 15, or 20 per cent of the population calling for a referendum. In our case, in 2002, we had 33 per cent of the electors in this country calling for a referendum—one third of the electors in this country. That was without civil servants, and they carry a big number in this country.

Mr. Speaker, the civil service received 507 responses, over a four-day period, when they did their poll on the issue. Their question was: "Prior to the submission of the Constitutional Commissioners' Report to Her Majesty's Government, should there be a referendum held to consider the proposed major changes to the Constitution?" There was a response of 81.9 per cent who said, "Yes".

We may say that the response from 507 civil servants is a small number, compared with the two to three thousand people of which the civil service is made up. However, Mr. Speaker, we also have to look at the fact that it was a four-day period and we can fairly extrapolate from that.

I do not know how to do that. Someone else has that expertise. I do not know how to calculate and extrapolate based on the population of the civil service or the country. Twelve per cent said they did not know. 6.1 per cent said, "No". Seventy-seven per cent were registered voters in the country.

Mr. Speaker, if that could be ignored by the United Democratic Party Government of the day, as it has been, it does not show a lot of respect for the wishes of the people. We understand why the Government is not supporting people-initiated referendums. We will one day give account for our stewardship.

I recall, prior to my being elected to this Honourable House, listening to many Members saying those same words on the radio: *'We will be held accountable for our stewardship'*. Now those Members sit on the other side. Perhaps I am only reminding them of what they told others. We all will—all of us. The people of this country may not get involved between elections, but they do, in force, at elections. I am comforted by that.

Section 70. Electoral constituencies. I would like to move on to "Electoral constituencies and franchise". I recognise that I will have another shot at this one when the Boundary Commissioners' Report is debated. However, the Minister of Health raised certain things that are within that Report, and since it is already a public document, I shall refer to it for the purposes of debating this draft Constitution.

The United Democratic Party is proposing an additional Member for George Town, an additional Member for West Bay, and single-member constituencies for George Town. The rest of the country would stay as it is. Mr. Speaker, I cannot think that anyone would expect me to support such rubbish—because it is nothing but absolute rubbish. It questions the leadership of this country; it questions the type of leadership this country is currently operating under.

Since time began, with our current Constitution and before that, the people of East End and North Side have operated under the single-member constituency—the concept of "one man, one vote". I have always been against the two-tier system: East End, one vote; North Side, one vote; Cayman Brac, two; Bodden Town three; George Town four; and West Bay, four.

We talk about the leadership of our people and ensuring that democracy prevails. I would like to know where democracy is prevailing with this kind of proposal. What is the basis for using George Town as a guinea pig for single-member constituencies?

Mr. Speaker, the only reason I have heard from the United Democratic Party Government is on page 14 of the Boundary Commissioners' Report, when they say (and this is the same section the Minister of Health read): **"It appeared to cause unease to some who attended the public meetings of the Commission in Cayman Brac and West Bay, while George Town, North Side and East End were supportive of the single member constituencies; Bodden Town audience had mixed views on the issue."**

Is that the reason the United Democratic Party is giving for having single-member constituencies in George Town?

Mr. Speaker, what kind of leadership is this? I notice that there are some people saying, "They are the same people who wanted it". What about those same people, the representatives for Bodden Town, who spoke so passionately about the values of single-member constituencies in previous times?

I cannot believe that the Government, knowing the expense that this whole process has cost, would now want five Members in George Town. That means that we would have to go back to divide George Town into five. If we intend to go to full single-member constituencies in 2008, then we are going to divide up the rest of the country, and West Bay will be five constituencies. You can give to the people, but you cannot take away from them.

I want to know where the parity is in that, with West Bay, in 2003, having 2922 electors and then being divided into four. That is what is now being proposed. That will be close to 700 members, which falls in line with the rest of the country, up to Bodden Town. We always knew that North Side and East End would be an exception, and Cayman Brac and Little Cayman as well.

Now, Mr. Speaker, if we are going to put five in West Bay, there will be no parity amongst these three districts. Bodden Town is the fastest-growing one, so it is always going to be out of whack.

George Town, as of 2003, has 4490 electors: there again we are going to throw the whole system out of whack. All of the Boundary Commissioners' work will have been for nought.

There is no such thing as phasing in this thing. Either we go to single-member constituencies or we do not. Putting another seat, or representative, in West Bay, is akin, to me, to asking for an additional one in East End.

It is not fair to the people of this country. Why? I understand the UDP making some little electioneering tactic by saying, "Go and do it in George Town". However, is it an additional electioneering tactic to say, "Let us put an additional one in West Bay?" Why is it that we are putting another Member in West Bay? It is uncalled for. Split West Bay up into four, and then we will have accountability by our representatives. Split George Town up into the six, as the Boundary Commissioners said. Split Bodden Town up; split Cayman Brac up.

For too long, the people in East End and North Side have felt less than anybody else in the country, when it comes to their vote, and the power of their vote. The time has come to give them equality.

As I said yesterday, we have to stop thinking about ourselves; let the chips fall where they may. Let us see, who, in this Honourable House, is prepared to be a statesman. Let us see. All we ever think about is re-election. Let us do something for our people. Let us simply do one thing, so that if it costs us our political

career, we can stand back and say it was well done. What is the basis for going outside this again? I cannot believe that the basis is that the people in George Town supported it at the Commissioners' meetings. That is no basis. Any democratic society requires some kind of parity. The time has come for us to show what we are made of. It is my humble submission that this is an attempt to manipulate the whole process and all the people of this country.

It is wrong. It started wrong and it is going to end wrong. I trust that England knows, and this country knows, that there will not be consensus on this one. Even if I am the lone wolf, out there in the desert, I will not support anything other than single-member constituencies. I will not, and if it costs me my political career, so be it. In this country I have grown up; in this country I will die and this country, I will defend.

Mr. Speaker, according to the way I feel, I am going to be around here a long time. I might not be in here but I am going to be a thorn for someone for a long time. If anyone does not believe that I will be around, tell them that they had better stick around, because I come from a family with a long, long lifespan. I am depending on that, too. The same way the UDP is depending on putting one more seat in West Bay to maintain their power, I am depending on my long life, from my ancestors and God Almighty.

This is wrong. There is no excuse, and no reason that can be proffered from the other side is going to make it anything other than wrong. I know the Leader of Government Business; everybody knows him. He has had an extensive political career. If this were really as good as they say it is, we know that he would be on every soap box in this country talking about how good it was. We know that. Why is it that he, as the leader of that party—as the Leader of the Executive of this country—does not come out and explain to the people the reason, the real reason, for putting an additional seat in West Bay and using George Town as a guinea pig? There can be no reason for such rubbish. No, I submit that it is for the UDP to maintain their power.

Mr. Speaker, this is not how it is done. At the evening of our political lives, we will look back and understand that our stewardship was not as we hoped—or they will, because it is an absolute, deliberate manipulation of the process. I have no apologies to make—none. We must stop—the UDP must stop—fooling the people of this country and manipulating the process simply for their own benefits. Our country depends upon this.

We hear the excuse that if we split the country up into single-member constituencies, then Bodden Town, George Town, and West Bay will not be as we knew them. That is not true. The electoral boundaries have been considered as they are now, and are manifest in the proposals of the Commissioners: West Bay North, West Bay Central, West Bay East, West Bay South, George Town North, George Town Central, George Town West, George Town South, George Town East, and Prospect. When was the last time we heard of Prospect being called George Town? As I recall, it is a part of George Town and has always been, but we have always called it Prospect. No one has ever said, "You are going to George Town, Prospect".

Now when we say we are going to George Town, it means Central George Town. When have we ever heard that Savannah was called Bodden Town, Savannah? It has always been Savannah and Newlands, Bodden Town West, Bodden Town East, North Side, East End, Cayman Brac West, Cayman Brac East and Little Cayman. Tell me, have we lost the identity of the districts? We have not. It is a simple process of being more accountable to the people.

I submit that we cannot afford to have our people dragged along at our whim and fancy. We cannot do that. It is highly unfair to the people of this country. Mr. Speaker, I believe that one of the main reasons for the Government's not doing an educational programme on single-member constituencies, and the like, is that they were afraid of what the result would be. I submit that more people in this country—many more—understand what single-member constituencies will bring for them, and what the benefits are, than we think. The people in East End know exactly who their representative is; the people in North Side know exactly who theirs is. I know that you—your good self—have always advocated single-member constituencies.

It is the right thing to do, but using George Town as a guinea pig is the wrong thing to do. If we wanted to phase it in, I could understand the UDP proposing something like three constituencies in George Town with two representatives per constituency, and two in West Bay, with two representatives per constituency. Bodden Town would be left with three. Cayman Brac would be left with two and, in 2004, we could split it off again. There would be five constituencies in George Town, and one in West Bay, with five members. Bodden Town and Cayman Brac would remain as they are.

It is absolutely ridiculous. It is a farce, and if anyone wants to get up and say otherwise, that is going to be their business. It is a farce. I am reminded by the Second Elected Member for George Town of the word "gerrymandering." It must be the Jerry in Germany we are talking about. It is not the one in America, who created this 'gerrymandering'. It is worse. It must be called *'Russia-mandering'* or *'Communism-mandering'*, although it may be closer to dictatorship.

The Speaker: I would remind the Honourable Member that he has five minutes remaining.

Mr. V. Arden McLean: Thank you, Mr. Speaker.

Other Members will come after me, from this side, and I am sure that we will hear more debate from the other side. In closing, I call on England to

ensure that this Constitution is not put into place without the proper democratic processes in it.

Mr. Speaker, I call on England to ensure that the people of this country have a say on the final Constitution by having a referendum. We cannot say that there is not enough time, because the Government are proposing single-member constituencies in George Town. They may tell us that they want another four years, and that is an excuse, but I do not want to hear that there is not enough time, when we can do the biggest, most populated district in this country with single-member constituencies.

I call upon this country to get involved, to come out and tell the representatives what they want in order that it is communicated to England. It is our fault also. We have not gone out there with enough representation and taken the views of the people sufficiently. I call on the United Democratic Party Government, and the Opposition, to go out and poll the people of this country. First of all, we need to let those who do not understand single-member constituencies, learn the benefits thereof, in order that they can make an informed decision.

If they are saying that the people do not want it, it cannot be that they all understand it and do not want it. That is my position. Thank you, Mr. Speaker.

READING BY HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

The Speaker: Honourable Members, before calling on the next speaker, I would like to apologise for not mentioning apologies for late arrival when I did the apologies for absence. I had earlier received apologies from the Honourable Leader of Government Business; I notice that he is here now, but he did send apologies earlier. I also received apologies from the Honourable Minister of Health Services, Agriculture, Aviation and Works and from the Honourable Minister of Planning, Communication, District Administration and Information Technology.

This is perhaps a suitable time for us to take a 15-minute break. I would like us to be back here by 12 noon.

Proceedings suspended at 11.47 am

Proceedings are resumed at 12.06 pm

The Speaker: Proceedings are resumed. Does any other Member wish to speak? The Second Elected Member for West Bay.

Mr. Rolston M. Anglin: Thank you, Mr. Speaker.

These are indeed new times in the Cayman Islands. Although the country believes, now, that it is legitimate and good for us as a people to have constitutional modernisation, we, in here, still seem to have a number of issues on which we do not fully agree. However, I would like to first set the stage by reminding the country, and the Opposition, that there are many important issues within this constitutional debate on which we all agree.

The Members who have spoken thus far, together with the Opposition Bench, need to take cognisance of the fact that, in this life and in this world, there will be differing views and differing perspectives. They also have to understand that, ultimately, there will probably not be a situation where everyone is going to agree on every single thing, unanimously.

I would like to touch on two issues briefly—firstly, the whole issue of a mandate for constitutional change. The Second Elected Member for George Town always jumps up and takes great pride in thumping his chest and claiming that there is no mandate for constitutional change. At the same time, his colleague, the Elected Member for East End, has told this House before that he ran in the district of East End and told the people that constitutional modernisation was needed, and that the 1992 draft Constitution was needed; however, we do not have a mandate, and none of us has run on the basis of constitutional change.

Mr. Speaker, if you look in the manifesto of the Honourable Deputy Leader of Government and the Minister of Education, you will see that they ran on the basis that there must be a Chief Minister. They ran on the basis that there should be fundamental change and, in fact, if you look at the bullet summary in their manifesto, you will see that it looks very similar to the 1992 proposed Constitution. They were elected. We have gone through constitutional debate after constitutional debate—two in a row now.

The Speaker: The Second Elected Member for George Town, is it a point of order?

Mr. Alden M McLaughlin, Jr.: A clarification, Mr. Speaker. I would like the Honourable Member to lay a copy of the manifesto upon the Table, because he put that forward as a statement of fact. I am not disputing what he said, but we would like to see the manifesto.

The Speaker: We had ruled earlier that any quotations made from any document would be laid upon the Table, so if the Honourable Second Elected Member for West Bay has a copy, or could provide it, in due course, during the sitting, I would certainly appreciate that.

Mr. Rolston M. Anglin: Thank you Mr. Speaker. I think the Second Elected Member for George Town knows me well enough to know that when I state something, I know what I am talking about—unlike the behaviour they employ, such as wondering and rumours and, "I wonder this; I wonder that". Mr. Speaker, it will be provided to the House.

It is quite unfortunate that this process was started when the current Leader of the Opposition was the Leader of Government Business, and yet now we hear his colleague, the Second Elected Member for George Town, get up to say that the process was erroneous, and was bad from the time it was started. It was very unfortunate that it was started under the former Governor. I wonder why that is the case, and yet his colleague, the Leader of the Opposition, was the Leader of Government Business when this whole process was started?

Point of Order

Mr. Alden M. McLaughlin, Jr: On a point of order, Mr. Speaker.

The Speaker: Would you state your point of order, please?

Mr. Alden M McLaughlin, Jr: The Honourable Second Elected Member for West Bay is misleading this House. It is quite clear, and always has been very clear, that the Elected Members of Government had nothing to do with the process of constitutional modernisation. It is something that is mandated by the United Kingdom's Government, and the Governor has been firmly in charge of the process from the beginning.

Therefore, to infer that the Leader of the Opposition had something to do with the process that he said I described as erroneous—which I did not—is misleading in the extreme.

The Speaker: Honourable Second Elected Member for George Town, my knowledge of the process leads me to conclude also that both sides of the House were somewhat involved with the process, to a certain extent. We do not want to split hairs here as to who might have been more involved than the other, or whether, indeed, the draft Constitution of the Cayman Islands is a Caymanian Constitution or a UK Constitution. I think we want to get away from playing semantics with this whole thing. I do take the point made by the Second Elected Member for George Town, but I would not rule that it is a legitimate point of order. I would invite the Second Elected Member for West Bay to continue.

Mr. Rolston M. Anglin: Thank you, Mr. Speaker.

They talk about leadership. The Opposition can talk, and talk, but when we get up and legitimately show the country their sins, they jump up on points of order. They are like little children; they cannot take it.

We start the process. I hear nothing from these esteemed leaders in the community about the need for a referendum to complete the process. I hear nothing from this political leadership to indicate how they see this moving forward. Nonetheless, they proffer themselves as legitimate leadership.

When you are the Opposition, and you have all that time on your hands simply to criticise, to attempt to stall what the Government are doing and to be regressive, rather than try to cooperate and move the country forward in the way that all of us know is in the best interests of the country, it is quite easy to get up on those soap boxes and offer all the theories that there are. However, I do not know where the theory was when the practice should have been there.

We start off a constitutional modernisation process, and this country cannot be given the way forward. Nevertheless, after the process starts, we get all the answers, because they are now the Opposition. Mr. Speaker, I clearly remember the meeting with all the current non-ministers—as part of the Commissioners' process. In that meeting, the issue of referendums came up. In fact, it was mentioned by the Second Elected Member for George Town, at that time, well into the process. He, too, will remember, and acknowledge, that the Commissioners—and particularly the Chairman of the Commissioners, Mr. Benson Ebanks—proffered the view that an issue as complex as a Constitution (especially the type we have, which goes into great detail to spell out all of the rights, duties and obligations of citizens), was an issue that was incapable of being settled by way of a referendum. A referendum should simply be a 'yes' or 'no' answer.

When we look at this draft Constitution, there will be a myriad of points to which the public will say "Yes" or "No". Some may say, "Yes, we want a Chief Minister, two additional seats, and two additional Members". Some may say, "No, we do not want single-member constituencies". Some may say, "Yes, we agree with the method by which the Attorney General is going to be selected, under this proposed new draft Constitution".

Therefore, Mr. Speaker, in regard to this issue of people-initiated referendums, this is a debate. The Opposition Members need to offer such strong arguments that we, on this side, will have to review our position and ask, is this particular point so credible, so impressive, that we should take it on board, in terms of how we feel. I would like to hear someone from the Opposition get up and explain to us how it is that people-initiated referendums are going to work, in practice. Can they tell us what percentage is going to be required, for the referendum to pass, and to be binding? Can they tell us whether the referendum initiated by the people will be binding on the Government? Can they tell us what will qualify an item to be brought to the attention—and how it will be brought to the attention—of the Government, so that a referendum would be called?

The other thing about this whole issue that needs to be clearly brought out to the public is that, at the end of the day, people-initiated referendums still require the Government to issue, cause and enact the procedures to hold the referendum. The Government have to provide polling officers, go through the register of electors, and go through the process as though

it were an election. It is the same thing as an election, except you are going into the polls to say, "Yes" or "No" to a specific question. Therefore, what mechanisms are they proposing? How is this people-initiated referendum going to work? Do you need five people to say they want a people-initiated referendum? Do you need the five to be from all the districts? Do you need 10 people to come from all the districts? They get up and they argue these points, but they do not bring the solutions.

I return to another fundamental question that we had in London, December 2002, during the constitutional talks. Although I cannot include the Third Elected Member for Bodden Town, his four elected colleagues could not tell us whether it was going to be a binding resolution on the Government, or an issue that the Government should take note of, based on the results

In looking back at the detailed notes that we took from those meetings, we see that when asked the fundamental question by the Foreign and Commonwealth Office as to what it was going to be called and whether it would be binding or absolute, the Opposition provided no tangible response.

We see once again how the Opposition—as was admitted by the Elected Member for East End, who said he is going to be the lone wolf crying in the desert over certain points—come forward with all their scare tactics, talking about corruption, and the leader being so charismatic that it would be, effectively, a dictatorship if the Chief Minister were allowed to serve more than two terms. What is it that these people, the Opposition, are telling Caymanians about themselves? Think carefully about this. The Elected Member for East End has the audacity to get up in this Legislative Assembly and say, on the one hand, that we need consensus on the Constitution. I wonder if he understands what the word "consensus" means. On the other hand, he says that if we had a charismatic leader, this person would be so charismatic, so God-like, that the people of this country would simply re-elect the party that he is in year after year. His party members are going to be so scared of this person that they are going to sit back and say he will be the Chief Minister, whilst the country is run poorly. Is he saying that Caymanians do not have enough good sense, enough decency, to elect the Government they want?

Democracy is under threat in the Cayman Islands, and it is under threat in the name of the People's Progressive Movement. They refuse to leave the choice to the people. The people of this country have enough decency and good sense to elect a government that they think is doing a good job. If they decide that for ten terms, they want the same Chief Minister, let the people have it. Let the people have the choice.

[Inaudible interjections]

The Speaker: Order! Order!

Mr. Rolston M. Anglin: The people of this country should have the choice as to who their party is and who is going to lead the party. Let us think about this in practice. For two terms, a particular party wins the majority and one member, who is the acknowledged party leader, is the Leader of Government Business. That person continues to do a good job, and Caymanians go back to the polls on the third term and elect him again. However, that person is supposed to now pretend, "*I am not really the party leader; I am not the one people have hope or belief in. Let me choose another Minister; let me prop him up and be Chief Minister. I am going to sit in the Cabinet and he is going to be the Chief Minister. I am not going to be the one who still has the influence and respect that is required to be the leader".* That is what is going to happen to this person. This person is going to be in the Cabinet, but he is not going to be the leader.

Now that sounds like another smart proposal by the People's Progressive Movement. What progressive thinking we have on the Opposition Bench—just as progressive as it was when, in 2001, the process was started. Their leader could not get out and say, "Before anything else happens, we are going to have a referendum on this issue, because referendums are important". He is the same leader who played a critical role in the passage of a Private Member's Motion calling for a referendum law. He is the same leader who, for one year, forgot–

Point of Order

Hon. D. Kurt Tibbetts: Mr. Speaker, on a point of order.

The Speaker: Please state your point of order.

Hon. D. Kurt Tibbetts: Mr. Speaker, the Member for West Bay is misleading the House when he intimates that I had a critical role in the process, when the Governor announced the constitutional modernisation. The fact of the matter is that the then Governor, Peter James Smith, simply advised me of the process, and did not ask me for any advice at any time.

I also hear him saying that I had something to do with the appointment of the members of the Commission; I was only advised by the Governor when he had decided on the three members, and who they were. I had nothing to do with who they were.

The Speaker: The Second Elected Member for West Bay, would you respond to that point of order?

Mr. Rolston M. Anglin: Mr. Speaker, at the end of the day, they always jump when the truth hits them, because truth hurts. All I said was that it was at that time that the current Leader of the Opposition should have shone, and informed the public how he saw, from a political perspective, the process moving forward, in terms of this whole issue of a referendum. I did not

say that he was in cahoots with the Governor as to who the Commissioners were going to be.

Mr. Speaker, let me clarify this, since it is clearly not reaching the other side. I said that the Leader of the Opposition, who was Leader of Government Business at the time, should have come to the public and said, "We are going through a constitutional modernisation process, but as long as I am Leader of this country, it is not going to be final until you, the public, have your say, and until you vote on it in a referendum".

The Speaker: I believe that the clarification given by the Second Elected Member for West Bay clears up the point raised by the Leader of the Opposition. If it has not, perhaps the Leader of the Opposition would wish to comment further. I think he is satisfied with that, so, Second Elected Member for West Bay, would you continue, please?

Mr. Rolston M. Anglin: Thank you, Mr. Speaker. One thing that I have learnt, having been a father for approximately two years and five months now, is that children have toys for certain seasons. They like something one day, and not the next. You see, the flavour of the month, with the Opposition, is 'referendum'. The Opposition remember June last year, when they could go out and misled the public, the way they did, into believing that the Constitution was going to be rammed down their throats—that the Government were basically going to get on the phone, call up the Foreign and Commonwealth Office, and we were going to have a Constitution. Some people were concerned about that, and they held a public demonstration in the streets. That is good politics if you are the Opposition. Therefore, we get this call and cry again about a referendum.

Let me say categorically, here and now, that we are not proposing that the Constitution be brought in by force. The people are going to the polls. If the people do not like our constitutional stance, if they do not like our performance and our position on the Constitution, we will not be elected in November 2004. The Opposition, then, will have the majority, and they will be able to dictate what is in the Constitution.

Now, Mr. Speaker, that sounds like a good democratic process to me. The people are going to have their choice; the people are going to the polls next November, God willing, and they are going to say, "United Democratic Party, we like your position on the Constitution. We like the leadership you have shown the country; we are going to vote you in again". That will be our mandate, to which the Second Elected Member for George Town keeps referring, to change the Constitution.

That sounds to me, Mr. Speaker, as though we have a situation in which the public will have their say. Ultimately, that is who we answer to.

Mr. Speaker, the Constitutional Commissioners have said in their Report that in the districts of East End, North Side and George Town, there seemed to have been support for single-member constituencies. They then went on to say that in the district of—

The Speaker: Honourable Member, did you say the Constitutional Commissioners? It is the Electoral Boundary Commissioners. Thank you.

Mr. Rolston M. Anglin: There was the support, but there was uneasiness in the district of West Bay, which I represent. I can attest to that. When we held our meetings, we actually had a straw poll, and the people of West Bay overwhelmingly said, "No, no, no—no single-member constituencies". They did not want it.

Then we went to Cayman Brac, and, if I remember correctly, 69 people were at the meeting, and it was 69 to nothing—"No" to single-member constituencies. We have observed the same type of response that the Commissioners received, in their moving around the district.

I do not think this is a coincidence, yet the Opposition are saying that if that is our basis for suggesting that George Town be the first district to implement single-member constituencies, they are not going to support it. Mr. Speaker, it would seem to me as though we are listening to the people, yet the Opposition are saying, "No, do not listen to the people in this case—not in this format. Listen to the people the way we tell you to listen to them".

It is dictatorship from the Back Bench. It scares me to think what would happen to this country if those five individuals were able to form any part of a government, come November 2004. Democracy is under threat; people's rights are under threat by the People's Progressive Movement. They refuse to acknowledge the people's wishes if they do not jive with what they see as their political agenda.

This is shameless behaviour, and they have the audacity to get up here and talk passionately as though they are the only ones who have support out there. I might remind my good friend, the Second Elected Member for George Town, when he talks about coming in on coattails, that the Leader of the Opposition had the biggest coattail in the November 2000 election; he had more than 80 per cent of the popular vote in the district of George Town. Therefore, I might remind him that, boy, he had a big coattail to bob and weave behind as he got elected. He seems always to believe, somehow, that the Leader of Government Business has this big coattail that brought in three other Members.

He is talking about percentages. I think that Member knows full well how the district of West Bay's votes were split. We had 22 strong, legitimate candidates. I say no more; the Member knows. My good friend, the Second Elected Member for George Town, knows.

I might also tell the Member that I saw a nice constituency with my name written on it. I saw one with the name of the Third Elected Member for West Bay written on it, and I saw one with the name of the Fourth Elected Member for West Bay written on it. The Member knows that wherever the Leader of Government Business runs in West Bay, he is going to win. Now, there is a fifth constituency, and I have a name for that too. I can tell that Member that if he wants to talk about dividing West Bay, when that time comes, I will feel very comfortable; however, I am not going against the wishes of my people. I am here to represent the people of the district of West Bay. I am here to represent their views and I am also here to represent the views of other districts.

If the Commissioners could go through their meetings and say that they found support in the district of George Town for single-member constituencies, what support are the Opposition going to put forward if there is no support for "one man, one vote" in George Town? That is now the question, Mr. Speaker.

[Inaudible interjection]

Mr. Rolston M. Anglin: Yes, they said that the job was done professionally, in terms of the Commissioners moving around. I do not know. It sounds as though we have some games being played. I am not going to accuse anyone, but it sounds like the *"—mandering"* has struck again, Mr. Speaker.

I would like to make a number of points on this whole issue of single-member constituencies and then I will be finished. I felt compelled to respond to some of the notions that were put forward by the Elected Member for East End when it comes to single-member constituencies. He seems to take issue with the size of West Bay, versus the size of George Town, and talks about how West Bay should not get a fifth seat. He also then started talking about paritive constituencies. I think you can search every country that has "one man, one vote", and it is fair to say that constituencies in the more populated areas will inevitably be larger than the less densely populated areas. People congregate around certain towns, and certain cities. Usually this is based on economic opportunities, and it is logical that the constituencies in the capital would be larger than the constituency in East End, because East End is further out. It is a less densely populated district.

One of the things that I think the public of this country will want, once we get to full "one man, one vote", is for their district boundaries to be honoured. People are going to want what is now West Bay to remain West Bay, and what is now George Town to remain George Town. They are going to want those established boundaries. You take the United States for example: Florida is Florida. It is split up into its single member constituencies for voting into the lower house. They do not take in a piece of Georgia, to try to make the constituencies in Florida equal with the constituencies in Georgia. District boundaries must be honoured.

The Elected Member for East End also asked, "Since when was Prospect, George Town?" I would like to proffer to him that if you are going to go along that thought process, there are many other areas of this country that have been distinct, and spoken of distinctively, over the years. There is Breakers, Pedro, Savannah, Newlands, Gun Bay, Red Bay, South Sound, but they are all in some district. It is the same thing in West Bay. We have North West Point, Boatswain Bay, Birch Tree Hill, Mount Pleasant—those are distinct areas.

At the end of the day, I know the point that the Member was making. Whatever the district boundaries are, those are what people are going to expect as their district boundaries. I think that is proper. I think that is the right thing to do. The current districts should remain, and you should divide along the lines of the number of seats that you need within that geographical area that is currently the voting district of George Town, of Bodden Town, etcetera.

I would like to quote the Elected Member for East End from the *Hansard* of 22 February, 2002: "The Governor spoke on constitutional review. I would like, publicly, to congratulate the Commissioners. I look forward to their Report. I think that most of the country is looking forward to a modernised Constitution."

The arguments from the Opposition are the arguments that suit them today, and suit their political agenda, in my humble submission. You see, they talk about there not being a mandate on the one hand, yet another Member could get up in this Honourable House and say that he thinks most of the country is looking forward to a modernised Constitution. If most of the country is looking forward to a modernised Constitution, why are we not giving them one?

They know everything about everything. There are four provisions here, which are logical provisions, very defendable provisions—and in my humble submission, provisions that they have not been able, through their debate, to prove any less worthy than their views. Because of those four provisions that the United Democratic Party (UDP) have, and our feelings on those provisions, they feel as though the country should not have this Constitution, because they are right about those issues. They know what is best for the country; we do not know what is best.

Those who are truly interested in constitutional debates and issues, those who sit down and listen to the arguments on both sides of these issues (on which we have differences), would, in the majority, agree with the position of the UDP Government.

Section 92. Attorney General. The last issue I would like to touch on is the whole issue of the Attorney General. I agree we should have as much autonomy as we can—not simply in selecting the Attorney Gen-

eral. The Elected Member for East End said that the provisions in the current draft Constitution call for the appointment of the Attorney General to be made after consultation with the Chief Minister, which is a far cry from their position that it should be made on the 'advice' of the Chief Minister.

It is debatable how far apart those two provisions are. However, I think we can all agree that, if we get a Constitution in this country that calls for the appointment of the Attorney General to be made on consultation with the Chief Minister, then that indeed is a far cry above what we currently have, and therefore it is modernising—it is moving forward in the right direction: giving us more autonomy.

However, Mr. Speaker, the United Kingdom Government are going to have a position on some of these points and I do not believe that we need to destroy the whole process because of small differences in certain areas. I fully believe that what is there now is a major concession. The Opposition may say—and I certainly would like the position to be—that we would go and tell the Governor who the Attorney General should be. At the end of the day, however, if we are at least going to get to the stage where he has to consult with us constitutionally, that is significant progress for the people of the Cayman Islands.

Mr. Speaker, when we look at the constitutional position that has been put forward by the Government, it is the right one. Unless we hear evidence to the contrary from the Opposition, it is one that is much more beneficial to the people of this country than the Opposition's view. All the other issues have been touched upon, and I am cognisant of your circulars; therefore, I am not going to touch on all the other areas, which have been adequately dealt with by other Members on the Government Bench. In summary, I believe that there is a justifiable position for the view of the United Democratic Party regarding the implementation of single-member constituencies and the concept of "one man, one vote". We believe that there is support in the district of George Town for it, and we believe, Mr. Speaker, that we should move forward with this in a phased process.

I draw the Members' attention to the fact that Bermuda took more than 30 years to implement theirs fully. That was a long, phased implementation. We believe that we should be able to sit down in Committee and go through this Constitution, section by section, and be able to do what is necessary to move forward.

The Speaker: I would simply remind the Honourable Member that he had undertaken to table a paper to which he had referred. I think it was the Manifesto of the Members for Bodden Town.

Mr. Rolston M. Anglin: It is extremely important for all of Government and Opposition Members here to remember that we, on this side, have listened to the people, the Commissioners, and the representatives. At the end of the day, we have always maintained that there was distinct disquiet in our district, and there was significant resistance to the concept of "one man, one vote". Where that is the case, as in Cayman Brac, Little Cayman, and Bodden Town, we do need to take a little more time to inform the public and to give a working example, which they can then say has worked. However, we cannot use East End and North Side as an example, because the people of West Bay will simply say that is how it has always been.

They want to see it change, to see it move from multi-member to single-member and see it work. That, Mr. Speaker, is the way to go. I hear the Opposition saying, "Let us do it in West Bay". The Commissioners said in their Report that there was uneasiness in the district of West Bay. We have found the same thing, through the representation we have received from our people, at our public meetings, through personal contact and in our MLA office. Accordingly, we are not going to listen to the Opposition and do it in West Bay. We refuse to listen to the Opposition; we are not going to give the people of West Bay something with which they are not currently comfortable.

That is what good elected representatives do. We have a representative form of government, and we are supposed to represent the views of our people, not simply play politics to suit our own agenda. I thank you, Mr. Speaker.

The Speaker: Honourable Members, I propose to take the luncheon break at this time, and would ask you to return at 2.30 pm.

Proceedings suspended at 12.53 pm

Proceedings resumed at 2.38 pm

The Speaker: Proceedings are resumed. Does any other Member wish to speak? The Third Elected Member for Bodden Town.

Mr. Anthony S. Eden: Thank you, Mr. Speaker. I rise to make my contribution to this Motion. I was hoping that this would not have taken the amount of time that it has. I was under the impression that what came back in the draft Constitution, and was tabled here was, to a certain degree, the consensus that was shared. This was alluded to by a number of speakers at the summit, as certain agreements have been supported here and also at Lancaster House, in London.

Interestingly enough, Mr. Speaker, when the mover of the Motion, introduced, on Monday, a number of other areas that the Government would not be supporting, I was surprised. However, it is a democratic place, and this is their right. The Minister of Health gave justifications for these decisions, but I sometimes wonder how the outside world looks at us when we take certain positions, and then change them.

Earlier speakers asked how we could bring in the 7000 'People for Referendum' signatures, which were gathered in a matter of days, but this is the very issue on which this whole debate on the draft Constitution hinges.

It is my opinion that we have not heard any huge cry of concern out there since the draft Constitution came back in February. Most of the concerns they had had been addressed, and were included in the draft Constitution. As was said earlier, by the last speaker, there are four basic provisions on which the two sides here do not agree. Here lies the crux of the whole matter. *I say, you say, they say, we say*: this can easily be resolved with a simple 'yes' or 'no' regarding those four provisions that we cannot seem to finalise. This can be put to the public, by referendum or another process, and it will be beyond the shadow of a doubt what the public wants to do in these specific areas. I have no problem doing that, and I would urge this be considered. As a matter of my own conviction, I cannot support this Motion's going on to a Committee stage, and being changed, without the public having their final say.

In the meetings that I have attended in the last year and a half, the understanding that I have gathered from the majority of the audiences was that they supported what was there, especially "one man, one vote".

If we are concerned, and are so sure that the people do not want this, let us find out once and for all; this is their right. We, as their representatives, can make decisions in here, broadly speaking, but when it comes to decisions on matters involved in the Constitution, we should have no fear of going back to the public, and seeing what they want done—what they want enshrined in their Constitution, which, historically, looks as though it could last for three decades.

The debate on the Report of the Cayman Islands Boundary Commission 2003 will come later, and this is another area that emanates from the single-member constituencies. It is my opinion that Her Majesty's Government will not support doing this piecemeal, giving one district the ability to have "one man, one vote" whilst the other districts maintain their status quo.

Another question that I had, regarding the negotiations, is why 10 to 12 people originally went to London, and the last time, it was only the Leader of Government Business who was negotiating in this area?

One of the areas into which we have not gone into detail—and a number of people have raised their concerns about—is human rights. I know the Leader of Government Business suggested this could be dealt with through the Human Rights Act.

A number of people, not necessarily from within the party, or our groups, have expressed grave concern about this going ahead, without the people—the judiciary and the prosecutors—having the training, as well as the far-reaching effect that this is going to have on the functions of the judiciary, and anything else that may happen in these Islands. I think we need to be sure of what we are getting into. I know that it is suggested that this will not come into force until 2006, but I would urge that we deal with this as promptly as possible, ensuring that whatever we need to deal with it is put into place, and that, whoever needs to be trained and brought up to date, this be done.

Most of the other areas on which I would talk have already been dealt with, but my feeling—and the feedback from the public—is that they want their final say on what goes into this. For once and for all, it is a very simple matter to put it behind us, so that we do not wonder what they want, but know, through a referendum.

Thank you.

The Speaker: Does any other Member wish to speak? The Honourable Minister of Education, Human Resources and Culture.

Hon. Roy Bodden: Mr. Speaker, I wish to make a contribution to the matter that is before the House at this time. It is my understanding that, in the Westminster—or Whitehall—model, under which we operate, it was never the expectation that, on issues such as this, there would be complete agreement between Government and Opposition. Indeed, Mr. Speaker, the system is predicated upon a difference. That is why, in order to be the Government, the entity passing itself off as the Government must be in command, or control, of a majority at all times. Accordingly, while there is debate and difference, the Government must be able to exert its will, not only by commanding, but by producing its majority. That is especially the case when it comes to issues as fundamental as the Constitution.

Consequently, for anyone to purport that there should be total and complete agreement between Government and Opposition, on a matter like the Constitution, I think denotes a lack of understanding of the system under which we operate.

The Constitution, or the 'machinery', as it sometimes euphemistically referred to—is the instrument that denotes how the country, or the jurisdiction, is going to be run. Primarily, it is supposed to provide a basic understanding of how the Government functions, and guarantee that those functions are carried out, within certain moral lines: that is, freedom from corruption, freedom from unnecessary interference, a certain amount of transparency—but with the ability of the Government to perform effectively and authoritatively. That is basically the instrument about which we are talking.

We have arrived, in these Islands, at a position where we have had several attempts, over the years, to arrive at a fitting Constitution. From my recollection and experience; from my reading, delving and research, there has never been, on one of those occasions, any complete unanimity on every point.

There have been, from day one, fundamental differences. There have always been differences, and perhaps there will always be. I want to take it from the point of view of these differences: what the differences are, why they exist and why it is necessary and healthy to keep these differences, in debate, in context, in focus and in existence.

I first want to talk about the most fundamental of the differences, in my mind: this call for "one man, one vote"—for single-member constituencies. We have had, at least to a certain extent, two single-member constituencies in the Cayman Islands for many years, although under our system, we took it for granted, and no one saw fit to emphasise it. Now the United Kingdom wishes to have them on a broader perspective—applied throughout the whole jurisdiction.

People will have their fundamental differences. In truth, at the beginning, I thought it was a good idea. More recently, however, in researching, discoursing and discussing it, I have come to change my mind that it would be the most effective system—which is not to say that I am not supporting it. If my party goes along with it, then clearly, if I wish to stay in the party, I have to go along with it. I think that, like everything else, it has its positives and its negatives.

My concern is that, in a jurisdiction of this nature, to bring it in suddenly, when people have become accustomed to voting personalities, it would be rather difficult. We (meaning everyone involved, including the Constitutional Commissioners), did not do a good enough job of educating the people as to the merits and demerits of this. Therein lies the crux of this matter.

What we have proposed, by the Constitutional Commissioners, in this new Constitution, is a bit much to expect the electorate to digest and dissolve, in my mind—bringing in all of these sweeping changes at one time, rather suddenly. I remain to be convinced, judging by the numbers who attended the meetings, that there was a vast enough majority of the population for the understanding to have trickled down to all levels.

I will tell you something, Mr. Speaker, and I am not talking out of the top of my head: I went back to the archives and studied this whole business of constitutional development in the Cayman Islands, from the time we got the first Constitution in 1959. Traditionally, Caymanian people have never turned out in significant numbers. It seems they are not interested in constitutional developments. Why are they not interested in constitutional developments, Mr. Speaker? I put it to you that when people elect their representatives, they do not expect those representatives to come back to them, at the end of every day, to ask them what they should do the next day.

The election is made on the basis of the ability of the representatives to perform certain functions, and make certain decisions, without having to ask the constituents every time they need to blink their eye—which is not to say that the representatives should not keep in contact with their constituents. However, it certainly would be an inconvenience if, every time a decision was to be made, someone had to go back to his constituency, hold a public meeting, take a poll, find out the majority and then come back. As bad as our hours are here now, they would be worse in that occasion.

Therefore, there is, Mr. Speaker, a presupposed faith in ability on the part of the representatives, and their constituents, for them (the representatives) to carry out certain fundamental decisions, and then report back to the constituents as to why these decisions were taken. That is how I understand the Westminster, or Whitehall, system works. This is a good point to interject on the whole question of referendums.

Once, we went to the United Kingdom, and were discussing with them, and they told us that the instrument of a referendum is, strictly speaking, not a Westminster or Whitehall instrument. The Americans like that. This is not to say that we do not support referendums, but on certain occasions. What we consider to be the ultimate test is at the end of a person's tenure in Parliament, in the General Elections: whether someone is returned, or not returned. That is the ultimate test. Therefore, Mr. Speaker, the question of referendums, while important, is not of seminal importance in this regard.

I have always supported referendums but I would not support for 'referendum' to be entrenched and implanted in the Constitution as an instrument. We should have a referendum law. There are questions we have to answer for ourselves, such as: Are the results of the referendum going to be binding? Who can call a referendum? Will it be called by a certain proportion of the population? When the referendum is called, who is going to pay for it? That is a significant element to consider. Referendums, as I understand it, are as expensive as elections. If you have a referendum, and there are two sides, the Government will naturally be defending their position—but what about the other people? Who will fund, subscribe, support and give them monies to carry on their campaign? Before we enter this whole question of referendum, we have to come to these kinds of decisions.

As to what we put in the Constitution, and what we accept as a final draft, I believe that that is the prerogative and responsibility of the Government to decide. If the people do not like that, then in November of 2004, they will promptly turn the Government out of office. Then it will be clear and unequivocal. The successors can then listen and apply what the people want, and they can get the kind of Constitution they wish.

I am not misleading anyone, because the British position is clear. I do not like it, but it is clear. They are saying, "We are giving you a document; these are the parameters of the document. We want you to de-

bate this course and decide what you will accept." Mr. Speaker, we have a certain time limit in which to do that. If it is not done, it can be interpreted to mean that (a) we are not interested; (b) we are not capable; or (c) we are downright contemptuous, in which case, they will then impose upon us what they see fit. Let us not delude and detract ourselves.

Within those parameters, they will offer a certain amount of leeway. They will say, "You can have this as against that", or whatever the case may be—and I will come to some of those things.

However, Mr. Speaker, I believe that it is of critical importance that we get this debate over, and get this document decided by majority, because they are going to look at that. They will probably read the *Hansard* verbatim to see who said what. Above all, they are going to look at how the votes went on the critical issues and areas, and make their decision as to what the final document is going to say. They already know what the areas of major significance are, and the areas of little or no importance. Indeed, I would like to say that their minds are probably already made up. It is crystal clear that they are not going to give us a Constitution close to what Bermuda had. We have to take what we get. If not, we know what we have to do—and since we do not want to do that, we had better get on with our business.

I want to make a fundamental point. I believe it is the responsibility of the Government, and equally the responsibility of the Opposition, to be sensible, fair and reasonable; and to educate, inform, and illuminate the understanding of the general populace, as to what we are doing. I do not believe that this is the time to be irresponsible. I do not believe that this is the time to castigate people, to pass innuendos, to throw slurs or to make accusations, because it suits all of us to approach this conscientiously and assiduously. That is the responsibility.

I want to say something else. Many things can be said about me: I like to read and inform and educate myself. Edmund Burke, who was himself a Member of Parliament—probably a quintessential Member of Parliament—during his time, said: **"Your representative owes you, not his industry only, but his judgment; and he betrays, instead of serving you, if he sacrifices it to your opinion."**

Let me paraphrase that, Mr. Speaker. Edmund Burke is saying, "I do not only owe you my efforts in working, but I also owe you my advice—my guidance".

Therefore, it is incumbent upon me to tell you what I think should be in the Constitution, and to inform you how it is going to work, and how it will affect you. It could not work any other way. I could not go to 3000 constituents, with each of them saying a different thing. I could not even go to 300, because in Bodden Town, 300 did not come out. I do not know if 300 came out at anytime, anywhere. Many of them say, "That is why we put you there: you make the decision, and come and tell us. Then if we do not like it, we will know what to do."

We have to go and educate the people, give them the pros and cons and say, "Here is the direction we took, and this is why we took it." I do not want to fall into any guilt trip laid on by the Opposition. They are saying that the United Democratic Party (UDP) have a plan. Of course, the UDP have a plan: it would not be a UDP, if we did not have a plan. Our plan is for the best system for the vast majority. If the Opposition do not have that, it is not my responsibility.

Therefore, Mr. Speaker, this is the position in which we find ourselves. No one, from either side, can lay blame on the other, because each is equally responsible to educate and inform the people. However, that is not what the Opposition were doing. I listened carefully to them; I see their pattern of behaviour. They are playing to the gallery: that is what we call it in football. When they get the ball, because they can *dribble* well, they *dribble* instead of passing it to the team-mate so that the team can score a goal. They are playing to the gallery. They have a couple of people saying, "Yeah! Yeah! That is what we need to hear. Tell us!" Instead of saying, "Ladies and gentlemen, here it is black and white—clear cut; if we go this way, this is going to be the result", they are castigating the Government. They are personalising.

I want to read a little bit from a book entitled, *Winner Takes All: The Westminster Experience in the Caribbean,* by a Trinidadian Sociologist called Selwyn Douglas Ryan. This is what Selwyn Douglas Ryan says about this kind of system.

On page 14, he is talking about the Westminster Party System, saying, specifically, that it has not served Jamaica as well as was initially hoped, because, he says: **"Jamaican political parties, as are other parties in the Caribbean, are hardly ever the same when in power as they are in opposition. There seems to be a cycle, an inexorable law which regulates their behaviour. When in opposition, they comprehensively stigmatise and demonise those in power. They tell their supporters, and those whom they seek to convert that their rivals are venal, corrupt, and in the pay or control of the highest bidder, whether foreign or local. They also promise to bring affluence, efficiency, order, and transparency to the business of governance when they achieve office and to restore pride and dignity to a demoralised, pauperised and alienated people or sections thereof. When in opposition, parties also invariably seek to outbid their rivals. Some do it consciously and cynically, while others do it without making clear how difficult it is to effect the policy changes which they espouse."**

Does that sound familiar, Mr. Speaker? Does it sound familiar? It sounds eerily, eerily, familiar. No responsibility—I know the system well. It is characteristic of what is going on. Instead of facing up to the challenges and the difficulty of the task, too much time is spent on castigating, stigmatising and demoralising,

in the hope of getting enough people to form a majority.

What the Opposition are trying to do is to usher in a 'false dawn', because they know that it is not as easily done as that. It is of critical importance that we get this right, because this Constitution, this document, this machinery, is going to be the guarantor of how smoothly and effectively our system works. I believe that it is important, if the people wish to have "one man, one vote", to introduce it on a timely basis. I believe it is logical; I believe it is fair and I believe it is reasonable.

After all, we like to talk about Bermuda—*'that is what they did in Bermuda'*. Bermuda was at one stage for centuries, and when they wanted to broaden the enfranchisement to "one man, one vote"—single-member constituencies—they did it selectively, at first. I believe it is time that we let these things grow gradually upon our people, because remember, now—

Point of Order

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, on a point of order.

The Speaker: Would the Honourable Member state his point of order?

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I am sure it is not intentional, but I do believe the Honourable Minister is misleading this House. He has stated as a fact that Bermuda brought in the single-member constituencies—"one man, one vote"—selectively. If he is making that as a statement or fact, I would ask him to back it up, because my reading of the most recent Report of the Constituency Boundaries Commission for Bermuda tells me that they moved to double-member constituencies, rather than a selective single-member constituency exercise as their transitional process—and then, from double-member constituencies, to single-member constituencies.

The Speaker: Thank you, Honourable Member. Honourable Minister would you just expand on what you meant by—

Hon. Roy Bodden: **T**hat is exactly what I meant by "selectively". For years, Bermuda had double-member constituencies, and they kept these until they went to single-member constituencies in some areas. Therefore, I do not see how I am factually incorrect. It is a matter of semantics. That is why I said they did it selectively.

The Speaker: Thank you, Honourable Minister. I am satisfied that it was not an intentional attempt to mislead the House. Would you continue please?

Hon. Roy Bodden: Mr. Speaker, I believe that it will be in our best interests; it will be a way of guaranteeing the elimination of any misunderstanding. I too, listen to what the people are saying. The Opposition do not have any monopoly on the opinions of the people. I know that many of them—and particularly the elderly, who vote conscientiously, and who are interested in their enfranchisement—have expressed dissatisfaction with the system. Mr. Speaker, I believe that it was not properly explained to them. I am not blaming anyone. The Constitutional Commissioners came: they listened to those who had opinions to offer—whether verbally or in writing or over e-mail—but there was no organised attempt. There was no one here doing what Eric Williams did in Trinidad with the University of Woodford Square, where for years, the people were prepared as to their responsibilities—as to the pros and cons of the system. We simply thrust it upon them every time—every one of us—at our convenience.

No attempt was made, save during political campaign time, to inform, or enlighten, as to the pros or cons. Now we give them this decision of exigency to make, as to whether it should be single-member constituencies or not. Some of the people are saying, "We don't understand." Some people have told me, "If I can't vote for the person I want to vote for, I am not going to vote." That is another matter we have to consider.

It is wise to introduce it, in this jurisdiction, in a timely manner. That happens to be the position of the UDP. However, I am surprised at the Opposition, because I thought they were some of the foremost proponents of the single-member constituency. I am also surprised at them now, with their disagreements, because *Hansard* shows that they got up in this House, after they returned from the UK, and said they had gotten everything they wanted, in the Constitution—so much so that I asked my people, "So you gave away the store? What did we get?" I am hearing them—the Opposition, the minority—saying that they got everything they wanted. *'What did you bring back for me?'*

Now they are accusing the United Democratic Party (UDP) of running with the cake, when they had no mandate. They were just included out of decorum and good conscience.

[Inaudible interjections]

Hon. Roy Bodden: Mr. Speaker, I am going to pretend that I do not hear that cross-talk.

I say we are going about it the correct way, and that the people understand that they have representatives, that they have a government. They understand that the Government are going to take decisions, and that they are going to be informed as to how those decisions affect them—many of them already know. I saw, in one of the Caymanian newspapers today, that the next election date is already set. The people know that, and they know that that is when they are going to have their referendum. I heard some people out there making some remarks about people *'having a date with their destiny'*.

If there is anything wrong with me, it is the fact that I have always been a realist. My father, tragically, passed away when I was 17 years old. I remember that day as vividly as I am standing before you now. No one over there has to remind me about any day of reckoning. I faced *plenty* days of reckoning to get here, and to build up the miles. I am looking forward to a good fight; there is nothing I love better, trust me. Trust me. If that is said with the intention of scaring me, perhaps the energies would be better spent on some other strategy. They can say many things about Roy Bodden, but no one can say he is a *'flash in the pan'*. When I am ready to fight, I am going to put my record on the line. Many people wish that I would just fade away. I know there is a day of reckoning, but I wonder how many other people are ready.

Mr. Speaker, the Opposition Members are wasting their energies, because they are concentrating on McKeeva. They can kill the messenger, but they cannot kill the message. They had better pray that it is not like the seven-headed hydra in the Greek legends: for every one cut off, seven more spring up.

I simply want to say (and I want it clearly noted) that from the outset, we put out a guide as to what we were going to do in 2000. Number 12, on what we call our 'Manifesto'—if I could be so ambitious—said that we would support a review of the Cayman Islands Constitution, along the lines as stated by His Excellency, the Governor, in April, on the Talk Today Show on Radio Cayman, to modernise legislation and formalise the positions of Ministers, whereby they are held responsible and answerable for the management of the subjects they are assigned, including the appointment of one of the Ministers as a Chief Minister, if this is found, through consultation with the public, to be their wishes.

Nobody can say that I did not support the constitutional review, leading up to the full ministerial system. I was elected, and so was my colleague, so we had our mandate to do this, to bring in this kind of Constitution, from the Bodden Town people. I do not know how many on the Opposition were as clear as this, but this is my legitimacy to do what I am doing. I am sure that the audiences to whom we spoke understood what they meant, so I have a clear mandate to go the route that I am going.

Now as for Bill of Rights: I have been one of the foremost advocates of a Bill of Rights. I am disappointed that the Bill of Rights is some way behind the Constitution. I understand the quandary that our Courts would face, if we had a Bill of Rights enshrined in the Constitution. I know what that would mean, Mr. Speaker. I know the significance of that. I only wish to state that I hope, when we get the Constitution, that the Bill of Rights is not too far removed—that it does not follow too far behind the Constitution. A Bill of Rights is an instrument that protects the citizens from the State, and this is particularly important, when we get sophisticated and far-reaching constitutions. I see a lot of areas now in which I sometimes wish we had a greater knowledge of our Bill of Rights—a more fundamental understanding—because I believe that many advantages are taken.

I would hope that, one of these days, we could get not only a Bill of Rights, but also a Human Rights Commission, with investigative powers. I believe that can only strengthen the democracy, so that even the greatest decisions can be challenged. As I walk the streets, I come across many Caymanians—some with limited enfranchisement—who do not have access to having wrongs righted, and who are being taken advantage of almost daily, because there is no organised system for them to access their rights. Therefore, I see this as being of extreme importance, as crucial to the functioning of our representative democracy. I believe that it is our responsibility, as representatives of the people, to ensure that that happens.

I want to comment on this: I do not like alarmists. I do not like those persons who go around threatening to summon masses, to bring mass demonstrations, and to put people in the street. In any democracy, dissent is healthy, but I do not think our system necessitates that kind of show. Above all, I want to say that I am not frightened by that; in the end, that might not mean as much as people think it might mean.

From time to time—and all too frequently, I might add—I hear members of the Opposition talking about 7,000 signatures on the petition. I suspect they are referring to a wheelbarrow full of petitions that were delivered, one day, up at the Government Administration Building, which had to do with some satellite issue to the one we are debating now. Mr. Speaker, that is not the first large petition in these Islands, and I am sure it will not be the last. What would be interesting is to see if there are still 7,000 people as committed as the Opposition claimed those people were—at this time. In spite of what we may think, and in spite of the grandiosity we may attach to ourselves, the fundamental interest of many of our people is day to day existence: the ability to hold a decent job, earn a decent wage and get along with their lives. I do not believe that we have a bunch of professional protestors in this country, and people's interests vary. I would suspect that if the Government wanted to, they could bring out a couple thousand people also. The last thing we want, in the Cayman Islands, is that kind of politics.

We do not want our differences to degenerate into that kind of political show of force, where the Government have their numbers, and the Opposition have their numbers, and they call them out. Our streets are not built for that. We can settle our differences in more 'civilised' ways, for want of a better word.

I want to say to the Opposition that I do not know who they are trying to intimidate, or if they are trying to intimidate anyone, but I certainly am not intimidated by that. To add a little humour to it, Mr.

Speaker, I remember one occasion when the Honourable Leader of Government Business and I were involved in a little passive resistance, when Mr. Peter Lloyd was the Governor here, and we gave him a petition with one thousand signatures. When we presented it, he said, "Listen, and understand this, gentlemen: a march? Ten thousand people march in Hyde Park every day." Then he said, "How do I know that the two of you did not stay up all night writing down these names that you have here on this petition?"

It is a democratic right of people to protest, and to protest in those ways, if they think it effective and possible. However, for the Opposition to suggest that, every time they do not like something, they can run around the corner and bring out 7,000 signatures is doing a disservice to this whole notion of responsible Opposition. I have to say, again, that it is a disservice, more than it is something constructive.

I suspect that we would have to deal with The Report of the Cayman Islands Electoral Boundary Commission 2003. As to how we disperse the suggested numbers, school is still out. However, I am sure that when that time comes, there will be healthy debate, and probably some disagreement. Again, we must approach it responsibly.

Mr. Speaker, the Opposition, as I understand it under the Westminster system, is a government-in-waiting. The Opposition should demonstrate that they are responsible, worthy and capable of becoming the Government.

[Inaudible interjection]

Hon. Roy Bodden: No, no. I have already told you: if that happened, it would be a one-party state, and this is not Africa. Mr. Speaker, what is necessary is that they do their job: educating, informing and elevating the understanding of the people they want to follow them.

An Honourable Member: The Government will have to do the same.

Hon. Roy Bodden: The Government will have to do the same. Mr. Speaker, it is not a matter of how many meetings you have held. Since they have me at the stage now where I have to answer their cross-talk, holding meetings might not necessarily be the most effective way of informing and educating the people. Who comes out to public meetings, Mr. Speaker? Who comes out? According to what I heard about the Opposition, sometimes only seven people come out. If you call 100 meetings—

Point of Order

Mr. Alden M McLaughlin, Jr.: Mr. Speaker**.**

The Speaker: Are you rising on a point of order, Second Elected Member for George Town?

Mr. Alden M McLaughlin, Jr.: On a point of order, Sir. The Honourable Minister is misleading the House, and this time I believe he is doing it deliberately. He has stated as a fact that, from what he hears, the Opposition have meetings where seven people come out. The Honourable Minister knows full well that at the last meeting we had, there were roughly 1000 persons present. Unless he can say that what he has just said is a matter of his opinion, then he must withdraw his remark, because it is misleading in the extreme.

The Speaker: Honourable Minister, do you wish to comment on that?

Hon. Roy Bodden: Mr. Speaker, could the Honourable Member explain why he had to cancel a meeting in one district?

The Speaker: Honourable Members, I believe that we are all getting a little weary. I do not really want to carry on the House simply by raising points of order for every matter that is said. Could the Minister of Education substantiate his statement that, at some meetings, there were as few as seven people attending?

Hon. Roy Bodden: Mr. Speaker, I most respectfully heed what you say, Sir. However, in the future—so that I do not get challenged on this—I am going to ensure that the people I have available at my service hold a referendum when next they have a meeting, so I will know the numbers.

The Speaker: Honourable Minister of Education, please continue.

Hon. Roy Bodden: Mr. Speaker, I was about to move off the whole business of the Boundary Commission—

[Inaudible interjections]

The Speaker: Order!

Hon. Roy Bodden: . . . of what the decision might be regarding the boundaries.

I want to turn now to the position of Speaker. I have long held the view that the Speaker of the House should be someone from inside the House, because I believe there is a certain advantage in that. Certainly, when we started, we got a Speaker from outside the House. In most Whitehall models, the Speaker is from inside. The Speaker does not necessarily have to be biased towards the party from which he or she came. Indeed, when they are appointed, they all but cut their party affiliations. I am not so sure that the best interests of the House can be served by recruiting some-

one from outside, whether that person is electable or not.

I also believe that we should have some say in the appointment of the Attorney General. I believe that the Attorney General should be the advisor to the Government.

Mr. Speaker, if the experience of the recent past is an indication—and I am not making any suggestions or casting any aspersions on any holder, present, past or future, of the post—we should ensure that the Attorney General's loyalties are in no way compromised or divided. That being the case, if the Leader of Government Business has—or some Government Members have—not only a consultative voice, but a decisive voice in his appointment, there would be a certain extrication of responsibility on the part of the Governor, when this person is appointed and runs afoul of the system, which would be quite unlike what transpired in the recent past. However, I understand, too, that there are certain advantages that Whitehall is going to be reluctant to give up, which is not to say that we should not ask for them.

We should try to refrain from, if not completely avoid, emotive or suggestive language when we are making these contributions and submissions. These matters with which we are attempting to come to grips are sobering matters, indeed. We need to approach the system with the greatest of maturity and sincerity.

With all due respect to the non-governmental organisations (NGOs), they have their place, but we have to exercise logic and good common sense. I was talking to some people who purport to be representatives of these organisations. Were we to follow them, it would mean getting into a protracted debate, and I do not know when finality would come to this whole business of the Constitution. Clearly, we have a deadline: this must be finished by April.

I think that credence has to be given to the dissenting and differing views. However, if you read Mr. Rammell's letter, which I have heard quoted here often, it is clear that there is not an unlimited time. We need to take decisions of exigency. Perhaps it is characteristic of the Opposition to dither, and they have a plan that calls for dithering, but I do not believe that the Government is of that mind, because we have a country to run. Therefore, I am happy that the UDP have a clear direction in which to go.

I am even happier to know that there is no total agreement. If there were total agreement on everything, I would be suspicious. We are the Government. It should come to a vote. If the Opposition have their way, and they get everything they want, then it would mean that the Government have capitulated, and have no opinion.

The Position Paper of the UDP is correct in this instance. I stand by it and I support it. Here is something else: I hear the members of the Opposition talk about transparency, but I wonder when their Position Paper was made public?

Mr. Alden M. McLaughlin: Instantly.

Hon. Roy Bodden: Instantly? I have not seen it to this day.

Mr. Alden M. McLaughlin: You were given a copy.

Hon. Roy Bodden: Given a copy? I suppose the Honourable Member is going to say that he gave me a copy.

[Inaudible interjection]

Hon. Roy Bodden: I have not received it. Mr. Speaker, trust me: I have not.

The Speaker: Order, order. Stop the cross-talk. Just a minute, please. Would you all please sit for a minute? It does not help very much when we have a lot of cross-talk. The person speaking is hardly able to hear what he is saying, himself. It is not only a show of bad manners, but it is not fair to the listening public. Therefore, may I ask you again, let us maintain proper decorum in the House, and desist from the cross-talk. I have given a lot of latitude on this, but it is not only for the Speaker. It is for the people of these Islands that we try to provide the best representation we can. Gentlemen, and Ladies, Honourable Members, let us please desist from this cross-talk. Continue, Honourable Minister of Education.

Hon. Roy Bodden: Mr. Speaker, I am happy that you made that point, because while the Opposition were speaking, I never attempted to interrupt them, or try to belittle them, let alone challenge the veracity of what they were saying. I repeat, Mr. Speaker: I have concerns about when they made their Position Paper public. I saw my colleague, the Minister of Planning, with a copy, and my other colleague, the Minister of Health, told me that he has a copy. I never asked them where they got it from. I did not see any. I am led to believe that it was distributed in the UK.

Therefore, Mr. Speaker—

Point of Order

Mr. Alden M. McLaughlin: Mr. Speaker.

Hon. Roy Bodden I hope this is a genuine point of order now, because I have the floor to make a point.

Mr. Alden M. McLaughlin Jr.: It is a point of order, Mr. Speaker.

The Speaker: Please state your point of order, Second Elected Member for George Town.

Mr. Alden M. McLaughlin Jr.: He is misleading the House, Mr. Speaker. I cannot say when the Honourable Minister got it himself, but I can say this: At the

meeting that we held on 29 November, we made copies of our Position Paper available. Indeed, they had to be photocopied by the Government. We had to adjourn the meeting while the Honourable Leader of Government Business made arrangements to have copies made. That is a fact.

The Speaker: Honourable Minister, would you comment on that? It seems that the People's Progressive Movement (PPM) did, in fact, distribute their Position Paper, but I think the point, as I understood it, that you made, was that you were not in receipt of that Position Paper.

Hon. Roy Bodden: Thank you, Sir. Mr. Speaker, may I request, through you, that a copy be laid upon the Table now, because I still do not have my own copy.

The Speaker: If I may, I will comment, please. I know that the decision taken in the UK was based on the Position Papers from both the United Democratic Party (UDP) and the PPM, so this was also a publicly documented paper. Please, one at a time. I am in receipt of copies of the Position Papers from both sides, and I will be very pleased to make these available to the House, if this will help us to continue our proceedings here today in an orderly manner. Continue, Honourable Minister of Education.

Hon. Roy Bodden: Thank you, Mr. Speaker. I drive this point home because I read of the PPM, when they think they have a captive audience, saying they are going to bring back transparency and morality, and this thing, and the next thing. Mr. Speaker, I did not know it was lost. When I have a document, and I want it passed to Members of the House, I lay it upon the Table—a document as important as that. The point that I was making, you, in your wisdom, succinctly brought out. I did not receive a copy, and I would have thought it proper not to give it to the Leader, but rather to lay it upon the Table. That is what the UDP do. I would have gotten my copy myself; I would not have had to wait until the Leader delivered a copy to me. That is what I am talking about.

What I am doing is making two points. I am saying that I did not receive the document and that there is doubletalk about bringing back transparency. It looks to me as though the physician needs to heal himself. I would still like a copy, and I will have to try to get one.

These are indeed serious times, and I reiterate that it is not the time for one-upmanship. It is time to be responsible, because we cannot expect to abrogate our responsibility, and think that things are going to work in the best interests of everyone.

I believe I have addressed the most important positions. All that is left to say is that I do not support a referendum to decide what kind of Constitution we should have at this point. It has no place, bearing, significance, finality or importance in this matter—we *know*. The Government of which I am part would be most ill-advised if they cajoled any one individual, or entity, into doing that. They would deserve to be flogged. Mr. Speaker, we know what we have to do. The Government have to move on. It is a democracy. The Opposition put their positions forward. They should be allowed to debate, to exercise their democratic right, to disagree and to record those disagreements, but the Government are the Government. They should exercise their majority, and their mandate, to move on with the business. I thank you.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? This is my last call. Does any other Member wish to speak?

Hon. D. Kurt Tibbetts: I certainly am going to speak. It might sound like a joke; however, I am asking (for a valid reason), whether it is possible to take the afternoon break, because of the timing. I have to do something for just a few minutes.

The Speaker: If it is the wish of the Members that we take the afternoon break now, I will be happy to comply with that.

Hon. W. McKeeva Bush: Some of our Members have to go. We have been having trouble getting quorums from the Opposition side and we have to continue. Members have to leave. Mr. Speaker, two Members have to leave. If you do not want a quorum—

The Speaker: It seems, then, that the consensus is that we continue. I was intending to go until 4.15 anyway, and then take a break at that point. Hence, it is really a matter of 20 minutes. If there is consensus that we should continue until 4.15, then I would ask the Honourable Leader of the Opposition to continue for 20 minutes, if possible.

Hon. D. Kurt Tibbetts: Thank you, Mr. Speaker. Let me start with the Motion itself. After looking through it and speaking to my colleagues about it on several occasions, I am still not absolutely clear what the last resolution is seeking. If it is as obvious as it seems to read, then it is fine, but I do not know if there is some other objective that it is seeking. It says: **AND BE IT FURTHER RESOLVED THAT this Honourable House approves any proposals and/or amendments arising out of consideration by the Committee.**

My colleagues who have already spoken have stated that the Opposition will not be able to support the Motion. The obvious reason for that is that, as I read it, the last resolution in the Motion means that there are differences between the Government and the Opposition on certain positions. Hence, for the Opposition to vote for the Motion would mean that, even if there were differences, the Opposition would

support whatever the Government's position is. That is the only conclusion I can come to, from the way the Motion itself reads, in that section.

As has been said from both sides, there is much that we have in agreement, and there are some disagreements with certain areas. The vast majority of the disagreement is with positions that have changed since the two meetings, one in November, and the visit to London in December. I would like to spend a few minutes, without trying to fall into the trap of repetition, to make very clear some of the areas about which others have already spoken, and to make our position very clear.

I want to start with the Bill of Rights. I listened carefully to the Leader of Government Business speaking about the Government's position on the Bill of Rights. I do not wish to misquote, but if I remember what the Leader of Government Business stated, it was not quite a position. It was as though we needed to discuss whether we should go to a Bill of Rights Act, or whether we leave the Bill of Rights enshrined in the Constitution—bearing in mind that the agreement that has been put forward thus far, between London and ourselves, is that the Bill of Rights would actually come into force in early 2006. The Leader of Government Business also mentioned—and perhaps there has been mention by others—that the legislation has to be changed to marry the Bill of Rights to the necessary training that would be involved. That type of training would involve the Judiciary and other areas. I think we are familiar with that.

However, there is a thought is being expressed from some quarters—and I do not have documentation to say that it is a fact, but I want to air it here today, because I think that it would certainly behove us all to ascertain what is factual and, if certain decisions are taken, what the ramifications are. There is a thought that if a Bill of Rights is enshrined in our Constitution, a court or a judge could rule against any of our domestic legislation, which might be at variance to what is enshrined in the Constitution. Accordingly, it could mean that there is a Constitution with a Bill of Rights and, years afterwards, a piece of legislation could be put in place that is deemed, by the representatives and by the Government of the day, to be valid and worthwhile. If it is tested against what is in the Constitution, a court of law could strike that legislation down. If that could happen, then we need to give it very serious consideration. We need to do whatever research has to be done. We need to find out what is factual, what is ascertainable, so that there is no speculation on the matter. Regardless of where we stand on the position of a Bill of Rights, however, we need to get that matter crystal clear before we move forward in that regard.

I grant that the Constitution would not be sent back to us today. I am not suggesting that the whole world must stop until we find that out. Nevertheless, I want this recorded in *Hansard,* so that not only are we aware of it, but London is apprised of it. That way, when next we discuss it, it will not be forgotten. We will make sure that we know where we stand.

I raise that point, first of all, to get it out of the way, Mr. Speaker, because I believe that if there is veracity, then certainly we must pay attention to it. We must be able to ascertain what the best way forward is, in regard to this. That is something of which non-governmental organisations are aware, and they would wish to ensure that we, at this level, are also aware of it. The point is raised, and we will have to see exactly what transpires from that.

My colleagues have discussed several of the points raised by the Government within the Constitution itself. I do not propose, immediately, to go through all of those points over again, but there are some that, I believe, require a bit more discussion.

Section 39. Submission of questions to Cabinet. I listened to the Leader of Government Business, and his Deputy, when they were speaking on section 39 of the proposed new draft Constitution, regarding submission of questions to Cabinet. The Government is saying that His Excellency, the Governor should not have the right to prevent a question. We are going to keep the word 'question' in context; we will not call it a 'paper'. That is how the Constitution reads.

As it is now—and what is proposed in the draft Constitution—is that, whatever a Minister wishes to bring to Cabinet, His Excellency, the Governor, can decide, once the papers hit his desk, whether it goes on an agenda or not. What the Government are saying is that this should not be the case, but that, if a Minister is adamant that a matter be discussed in Cabinet, the Governor should not prevent that from happening, and should not prevent discussion from being ventilated. At the end of the day, however, the Governor still does not have to accept the advice of Cabinet.

I have difficulty understanding the process; we need to think it through very carefully. I can follow the argument up to a certain point, but if the Governor does not have to accept the advice of Cabinet, then I am not so sure how it works when it comes to the position of collective responsibility, and all of the ancillary matters that accompany one in Cabinet. This is not to say that I cannot follow the line of argument, when it comes to the Governor not having the ability, constitutionally, to prevent a paper from going to Council. However, what happens after that—what makes sense—is that perhaps in Committee, we might well have the ability to discuss the matter further. I air this now so that we can begin to think about it, to see if there is a way forward. Perhaps, constitutionally, this is a position for His Excellency, the Governor to retain the ability to decide which matters should be considered and which should not. I do not know if there is any middle road, or whether it is a situation in which London, through his Excellency, the Governor, might be satisfied with a certain way forward, but at the same time, the Government would not

be encumbered in their ability to function within Cabinet.

The Government have stated their new position—or rather, the position to which they have reverted, in regard to the appointment of the Speaker. They have said that they are going back to their original position, which is what is contained in the present Constitution.

My colleagues have aired their views, and I listened especially to the Deputy Leader of Government Business, in regard to his position on the appointment or election of a Speaker. He said that, from his perspective, a Speaker—regardless of educational qualifications or experience—from outside of the Legislative Assembly, who had no experience whatsoever, might learn fairly quickly, but could not do the job of Speaker properly. Examples were brought: we had a Speaker who was from outside the Legislative Assembly, but was a former Clerk, so although not an elected representative, that Speaker had experience. The other example was a Speaker who was a former legislator, but who had also served in the Legislature at some point in time, and had that experience.

In all of the People's Progressive Movement's (PPM) public discussions, forums and meetings, we got a very clear message from the public that their preference was for a Speaker from outside. The arguments that have been put forward by the Government are not arguments that I can take on board personally, or as Leader of the PPM—or say that we agree with. Those arguments, although they may satisfy the beliefs of some individuals, certainly do not serve to change the position we have taken—not only because that was what we heard from almost all of the people to whom we talked. One of the reasons given is that it is a small country, and a small pool from which one might be able to choose a qualified and capable Speaker from outside of the Legislative Assembly. It is for the same reason—of it being such a small country—that we say the opposite.

It is not because of an inability to find a qualified and capable speaker, but what is in the proposed Constitution, bearing in mind certain other changes that would occur in the system of governance. If we are going to move to the ministerial system, if we are going to have parties and have the Government and the Opposition, as we do now, then the safest way is for the Speaker not to have any elected attachments within the Legislative Assembly. Then the Opposition, or those in the minority, would at no point feel that a decision or ruling that has been made by the Speaker was based on the fact that he or she is attached to the ruling party.

The other point, Mr. Speaker, that held us to the belief that a Speaker should be from outside the Legislative Assembly, is based on the premise that we are moving to single-member constituencies. In moving to single-member constituencies, we speak about the accountability of one Elected Member for a certain constituency. To have as the Speaker any one of those Elected Members who represent single constituencies would deprive his or her constituents of the day-to-day representation they should expect.

We want to make it absolutely clear why we stay with that position. We accept the position of Deputy Speaker. It is not a position that is used very often due to the absence of the Speaker; therefore it is practical to have a Deputy Speaker elected from within. We do not have any significant arguments with that.

There was some debate yesterday afternoon with regard to the way the Speaker would be able to vote.

The Speaker: Honourable Member, we have reached the time of 4.15 pm. If the Members are so inclined, I would like to take a 15-minute break. We will return at 4.30 pm promptly.

Proceedings suspended at 4:15 pm

Proceedings resumed at 4.35 pm

The Speaker: Please be seated. Proceedings are resumed. The Honourable Leader of the Opposition is continuing.

Hon. D. Kurt Tibbetts: Thank you, Mr. Speaker. When we took the break, I was dealing with our position on the issue of the Speaker being elected from within or without. I have already stated that position, as have my colleagues. However, attached to that, in Section 58 of the proposed Constitution, is a position that the Government have taken with regard to how the Speaker should be elected, and voting.

Section 58. Voting. Section 58(2) of the proposed Constitution reads: "**The Speaker shall not vote, and any other member presiding shall have an original but no casting vote."**

Subsection 58(3) reads: **"In the event of an equality of vote on any question the motion shall be lost."**

These two subsections are based on a Speaker being elected from outside, and a Deputy Speaker being elected from within the elected membership.

Subsection 2, which hinges on subsection 3, says that the Speaker shall not vote. This does not make for a situation where a non-elected member sitting in the Chair would be able to vote, by casting vote or otherwise, on matters dealt with by Elected and Official Members. This is fair, so it does not cloud the issue. **"Any other member presiding"** is the Deputy Speaker, who would normally be able to vote, in any case. He **"…shall have an original vote but no casting vote."** Assuming that this Deputy Speaker is a member of the ruling party, this means that a vote needed to assist the Government with the passage of a Bill or a Motion—or anything else requiring a vote—

would not deny that individual who might be sitting in the Chair.

In Subsection 58(3) it says**, "In the event of an equality of vote on any question the motion shall be lost."**

This means that if it is the Speaker—who is elected from outside—sitting in the Chair, and the Government cannot muster from within themselves the majority, then the Speaker cannot assist, either way, to prevent or to make it happen. Perhaps the Government takes that position because they are saying the Speaker may be elected from inside. If the Speaker were elected from inside, then these two subsections would not run sensibly.

However, the fact is that our position has not changed from the original position. We have to agree that Section 58(2) and (3) must remain. That is the position that we will have taken.

[Pause]

The Speaker: Honourable Member, if you would allow me. The Honourable Leader of Government Business, if you would, suspend Standing Order 10(2) so that we can continue beyond the hour of 4.30 pm.

Suspension of Standing Order 10(2)

Hon. W. McKeeva Bush: Thank you, Mr. Speaker. I move for the relevant suspension, to allow us to do business after 4.30 pm, until 6 pm.

The Speaker: The question is that Standing Order 10(2) be suspended to allow us to continue until 6 pm. All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 10(2) suspended to allow proceedings to continue until 6 pm.

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

Moving away from that topic, I simply want to summarise: the Opposition remain the same. The Speaker should be elected from outside, the Deputy Speaker should be elected from within, and Section 58 (2) and (3) will remain the same.

Section 38. Proceedings in and quorum of Cabinet. I want to move back to section 38. The Government have suggested a slight amendment to what is proposed; we see all the sense in that amendment. Section 38(3) reads: **"No Business shall be transacted at any meeting of the Cabinet if there are less than five members present, in addition to the person presiding."**

We are all working on the presumption that there will be seven Elected Members of Cabinet, and what the Government have suggested is: "No business shall be transacted at any meeting of the Cabinet if there are less than five Members present . . .", and they want to add to that, "…of which four are voting members, in addition to the person presiding."

To us, that would make all the sense in the world, to ensure that the majority of the Elected Cabinet forms part of the quorum. Therefore, if a vote is taken, it is taken by the majority of that Elected Cabinet. All else would work on the principle of collective responsibility, by way of a majority, not only of the Official Members, but of the Elected Members. Although one may say that that may not be necessary, the fact is that if it is done in this manner, no question can be raised on an issue, when voting takes place, with regard to the elected government.

Section 52. Power to make laws. The next issue on which I wish to speak is section 52. We have heard differing views offered on the issue of referendums. From the very beginning, we have taken the position (and we espoused that position in London) that, while the Constitution we have now, and the one that is proposed, allows for a law to be made via a resolution of the House for a referendum to be held, we wish to have added to that the ability for a people-initiated referendum to take place.

The Second Elected Member for West Bay asked the question. He referred to his copious notes when we spoke in London about people-initiated referendums. He asked the question, "How will it work?" He also asked, "Is it binding, or simply for Government to take note of?" He has said that we, the Opposition, are saying we want a people-initiated referendum, but that we have not been able to explain how it will work. Let me go through what we did say.

We said that we anticipated a provision, enshrined in the Constitution, that a law would be made outlining all the terms and conditions under which a people-initiated referendum could be held. However, if it were enshrined in the Constitution, the law would have to be made once the Constitution was in force. You would not load the Constitution down with one-liners and subsections, which should be in the legislation. The Constitution itself would simply say that there should be a law outlining terms and conditions under which a people-initiated referendum could be held.

He asked whether it would be binding. He can take that line, and say that we have not figured it all out, but still we want it to happen. Our position is quite clear. We are satisfied with the legislature's sitting down and working that out, in whatever manner the majority would wish for it to happen.

He also asks what percentage there would have to be, from each constituency, or each district—and what percentage of the voting population, which we could say is 20 per cent. I do not believe that we

need to argue that point right now. It is a principle of which we speak. Those ancillary matters can be sorted out long afterwards. We either agree to the principle of having enshrined in our Constitution the ability for a people-initiated referendum to be triggered, or not. Our position is the people should have that right.

As for how stringent the terms and conditions should be, everybody can have their suggestion as to what is sensible. We could look at existing legislation from other jurisdictions and craft our own.

In regard to whether it should be binding or not, I have a pretty good idea of what London's thoughts are on the matter. However, if we as a people so desire, then perhaps it would leave a lot of room for us to have that discussion. That position is clear, regardless of what anyone might say and how much strength they apply to the specifics of how it would work. As far as we are concerned at the present time, Mr. Speaker, the specifics are not the important aspect. It is whether or not we want it in the Constitution.

Therefore, the decision is not to argue whether it is 20 percent of the voting population, or 15, or 30; or whether it is binding or simply to be taken note of. It is whether we think that, in our Constitution, the people who can vote for us—the people who elect us—should have that right. That is the point at hand. We hold fast to the position that they should have that right. When we go through Committee—and in any future discussions we may have with representatives from the Foreign and Commonwealth Office—that will be our position again.

I know that after this, we will have an opportunity to deal with the Report of the Cayman Islands Electoral Boundary Commission 2003 and the question of "one-person, one-vote" and single-member constituencies. However, there have been some arguments brought forward regarding the position. Originally, after discussions, we had agreed on single-member constituencies being the way forward—17 single-member constituencies to elect 17 representatives in the Legislative Assembly. The group that commanded the majority would form the Government, from which would emanate a Chief Minister and six other Ministers. That whole system is predicated on 17 Members being elected. Again, the way this proposed Constitution is crafted, that stems from single-member constituencies.

It would appear from what we have heard that the Government are still content to say that there should be 17 Elected Members, but not from 17 single-member constituencies. The proposal that I heard is that an additional Member be placed in the district of George Town, and another in the district of West Bay. I am making every attempt not to be repetitious, but there are some points that need to be clarified.

Mr. Speaker, we will get into the longer debate on single-member constituencies with the next Motion, but in our view, they are based on the accountability of the representative. That is one thing.

The second argument is based on equality within the voting population of the country. We have evolved, as time has gone on, to having 15 Elected Members within the six electoral districts. North Side and East End return one each; Cayman Brac and Little Cayman return two; Bodden Town returns three; George Town returns four; and West Bay returns four. Every time we have increased the membership, we have simply stuck them into various places. At one time, Cayman Brac and Little Cayman had one representative—they now have two. George Town had three, when you were first elected, Mr. Speaker. It was when they added the fourth one, in 1992, that I was allowed to squeeze in. I say this to simply make the point that as it has been deemed necessary to increase the number of representatives in our Legislative Assembly, we have simply looked at the larger populations and stuck them in.

Mr. Speaker, can we take ourselves away from the argument of the people, which districts want single-member constituencies and which do not—according to the small numbers with which we have all had to deal—and simply look at accountability? It is easy to convince voters that they are better off being able to elect four or five representatives than only one. However, as the Minister of Education said, the voting public of this country needs to be educated that the difference in that whole process is that, as you increase the numbers of representatives in your district, you have that many more individuals who can pass the buck. Accountability lessens as the number of representatives grows.

Mr. Speaker, I speak to a principle; it is about accountability. When we speak to the principle of "one person, one vote" and single-member constituencies, it is not specifically about having it in this district and not in that district—or in that district, and not in this one. It is about a system of governance, and it would have to be throughout the entire Cayman Islands. We seem to have gotten to agreement at one point in time, but now that has shifted back to the way it was originally. If there is division, as there obviously is right now, then the question cannot arise sensibly as to starting it, and shoving it into this district.

Mr. Speaker, I heard your parting words, but let us pretend that you were going to seek to be elected again, as you have been, in the district of George Town. You are trying to explain to your constituents the good sense of moving to single-member constituencies, and at the end of the day, the result is that other districts will not only vote for at least the same number of people they used to vote for, but what is proposed is that one of them (namely West Bay) will have another one that they can vote for. You have convinced your constituents, however, that they should only be able to vote for one, because of the good sense of going into the system—you come and you propose a bastardised system. How could you go

back to your people and explain to them the good sense of the single-member constituency principle when their friend in West Bay is now voting for five—not only four, again, but one more!

I know you understand the point I am making, but you need not make any expressions—I do not expect that, and it is not your job. I raise that point because it is simply logical.

Now they can throw arguments about. I have heard the Leader of Government Business say, on several occasions, "Be careful what you wish for because you might get it". This is not about wishing for the district of George Town—and solely the district of George Town—to have single-member constituencies. The argument is about the principle of moving forward to the ministerial system, in the manner in which we said we were going to, and about the principle of "one person, one vote"—single-member constituencies—applying as part and parcel of that process, to bring about accountability on the part of the representative and equality on the part of the voting public. That is what it is all about.

I spoke earlier about the evolution of the numbers in the House, and their just being stuck here and there. People have become used to voting for certain numbers: the people in East End and North Side only voting for one; Cayman Brac and Little Cayman only voting for two; Bodden Town having increased, in 1992, from two to three; and George Town and West Bay each increasing from three to four in 1992. Mr. Speaker, it is not about how many more representatives you get in your districts. I hear the arguments; I do not refute those arguments about trying to retain your district boundaries to the best of your ability. That is not something I wish to argue about. However, the principle of equality says simply that as far as is possible—understanding that in no situation will it be exact—each person who is elected as a representative can be voted in by close to the same number of persons as the next. That is a roundabout way of saying it, but each constituency should have, as close as possible, the same number of voters. That is the principle on which the Electoral Boundary Commission conducted its work.

However, we find ourselves in a situation between the two largest districts, when it comes to how many end up in this district, and how many end up in that. We all know that, inevitably, this is going to raise concern on both sides as to how it works. If we can step away from that for a minute, and simply look to the principle, then it should not be difficult for us to conclude (and again, I agree with the Minister of Education) that our job is to educate the people as to why this is the way forward, as we believe it should be. I do believe that others had the job and did not really perform as well as they should have, but that does not give any excuse on our part.

We get into the argument, right after that—back and forth—as to what the wish of the people is. If we want to be fair to ourselves, and to the people, we can argue about it without having to beat one another. As is natural, many people who may have reservations about moving to the single-member constituency situation have not founded those reservations on any facts that they have. Those reservations are founded on fear, apprehension and the natural human instinct to resist change. If at the end of the day, you are satisfied that your population understands what is being proposed, and they say to you, "We do not want it," then your job is done.

We have what we have today because we have gone one route. We have now reverted and we have differed again. The real truth of the matter is—and I am being as fair as I can—the members of the Opposition have tried hard, in our meetings, to speak to it—not ramming it down anyone's throat, but explaining why that position was taken. It was based, all this time, on the premise that the Government were taking the same position. You keep moving that way because you think it is the right thing to do—to educate the people—and then all of a sudden, we have two different positions again. How can any of us, singly or collectively, truly say, right now, that we know what the people want? I raise that point to say this, Mr. Speaker: What we cannot do is to subject districts to the principle and expect the whole system to work. It physically cannot work like that.

Mr. Speaker, I have not had the chance to sit down and try to figure out how it would actually work. However, I venture to say that if, by some miracle, London agrees to it—and they are going to read *Hansard,* so they will not misunderstand—then I am certain that no one will have thought through how practical it is to work it. In short order, I know I will have the chance to ask enough questions to get to understand that, but I cannot figure that one out myself. I do not suspect that it is going to be something that you fix just like that, but that is a matter of logistics; that is not a question of whether it should or should not be.

Mr. Speaker, from the position of principle, I say this once more: Regardless of whether there are indications from people who attend meetings, within certain districts, that they are willing to move to single-member constituencies, they cannot be expected to do so while the rest of country stays as it is. If there are changes, you cannot expect to simply add numbers in the manner in which it exists. It cannot work like that.

I have to actually laugh when I hear the statement that, '*in the spirit of cooperation',* this is what is being suggested. Mr. Speaker, that had to be a joke. I offer that point to explain our position, which is not that single-member constituencies should be in certain districts. Our position is that it should be in all the districts.

When we spoke to Cayman Brac, we tried to accommodate that situation, leaving the same principle of "one man, one vote". What we said then was that, (even if it was attempted to accommodate that), if Cayman Brac and Little Cayman were to return two

elected representatives, the voters would still be able to vote for only one person. Then it would be first and second past the post. That is what we suggested. Some people might think that that is not the most sensible of propositions. I brought that forward to say that it was consistent with the principle of "one man, one vote".

Mr. Speaker, we will have to see what London says when they hear about the debate. I simply wanted to raise those points. There are several others, as I have said, that we will deal with when we go to Committee, but most of the other speakers have already spoken to those points. There are a few other suggestions that have come from the Government side that are new, and those we are in agreement with also. As we go through each section, we will have to see exactly how we all agree, and on what issues.

Mr. Speaker, there is something that I believe that this debate needs to have in it. While the Government and the Opposition will disagree on certain points, there is another external situation with which I do not know whether anyone is going to deal. I certainly am, however. I crave your indulgence, because I have a little time left to quickly read a letter that was written to the editor of the *Caymanian Compass*, if you would allow me, Sir. It will not be difficult for you to see the relevance.

The Speaker: Please continue.

Hon. D. Kurt Tibbetts: It is in today's paper, Thursday 20 November 2003, with the headline, "Parties can divide people". It reads:

"The Cayman Islands social, economic and political structure developed to great heights with teams and independent MLAs until recently.

"The MLAs represented Caymanians, not a political party and its members.

"Power struggles between political parties in Caribbean Islands have been violent at times. Parties can divide nations and its people as is becoming evident in the Cayman Islands since parties have been formed.

"Sufficient proper checks and balances do not exist in political parties in power to prevent wrong decisions which are promoted by the Leader of Government Business or a Chief Minister. Cayman's parties were formed after the general election without public input.

"Can you imagine what damage could be done to the Cayman Islands if the Constitution is changed to give a Chief Minister near-absolute power?

"The best way for the Cayman Islands people to get an experienced, well-educated, professional Leader of Government Business or Chief Minister with integrity is for an all-islands popular vote by all the people to appoint the Leader of Government Business or Chief Minister. However, the Chief Minister should not be given power to remove his Ministers; that power should remain with the Legislative Assembly.

"Under the party system the party, not the electorate, chooses the Leader of Government Business or Chief Minister and the deputy.

"Remember, as recently happened in Bermuda, the leader and deputy leader were changed by the party within weeks of the election. A new Premier and Deputy were put in to run the Government.

"A party system may be so powerful it can go against the wishes of the people.

"This cannot happen if the people in a general election vote in the people's Chief Minister or Leader of Government Business.

"This is a variation to the party-nominated Chief Minister but is more democratic because the people get the Chief Minister they vote for and not the one the party wants, who may not be the best person to lead the Government where integrity, professionalism and hard work, not a lot of talk, are necessary.

"There is a saying, "There is nothing more frightening than ignorance in action". Making the right decision is what is important, not just making any decision, and worse than that, making quick decisions which are wrong.

"Tom Jefferson
"John McLean
"Truman Bodden"

Mr. Speaker, I read this letter because its obvious intent is to revive from the grave certain individuals. The reason I have taken the time to deal with it is that all of us, in here, must feel accountable for our actions. We all know the history of politics, and we all know when and how these individuals were not re-elected in the last election. When they were not re-elected, one or two things happened: either the sensible voting public realised that they should elect other people, or, from their point of view, they are saying the voting public does not have any sense, because they did not vote them back in. It is one of two things that they are saying. Either way, it is not good for them.

When it comes to this argument, they draw this entire Legislative Assembly into it. There are some things in here that perhaps are factual: I am not going to deny that, but the principle that they are trying to tell John Public is to go back to how it was, to leave everything, and everything will be wonderful. It cannot work. We are dealing with this Constitution now, regardless of any disagreements we may have. Somehow or the other, after we are finished, there will be a little bit of acrimony and we will get over that. Thank God I have been around long enough that it rubs off quickly now. It does not stay long.

Regardless of the mistakes that are being made now—because I am not going to stand here and say that we are handling this perfectly; not only would

it not be the truth, but it would be unfair to tell the public that—what I can say, with every ounce of conviction and belief in my being, is that while we make these mistakes, it must get better than what it was. I live that, Mr. Speaker.

Somewhere along the line, we are going to develop the accountability that we should. What was there had no accountability whatsoever—none. For that reason alone, I cannot say that we should do that. It made life easier, and if I speak personally, truthfully, life was easy for me as a representative. I felt good about myself, because I did all that I could do and genuinely felt that I was doing the best I could, but there was no shared vision. There was no one Government, and whether I was alone on the Opposition, whether there were two or three of us on the Opposition, or whether they were playing cat-and-mouse with each other in the Legislative Assembly, there were no clear objectives. There was no straight path that said, "This is what we are going to do". I can say this with regard to policy: It was what you woke up the next morning to decide.

Mr. Speaker, we are still evolving. I can say that, having been in the middle of all kinds of things. What I am talking about today is not about going anywhere there. I do not want any of that, because that does not help any of us.

I want to say, however, that with the demands that are on the Cayman Islands today, for its Government to function in the best interests of the people calls for structured organisation, with clear vision, and policies that are articulated so that John Public can fairly decide which policies they want—which type of representation they want. They know when they make their choice that, if that choice becomes part of a majority, that is what they will get, and vice versa. That is what we need.

One might say that we had that before, up until election day, and there was no accountability. I always make this joke, and I have to laugh at it. It is not meant personally, or to castigate, but that was my eye-opener. When it was the 'good' budget, it was the Government's budget. The one time they knew they were going to get a *pound-up* for it—and I must admit that I was part and parcel of the *pound-up* that was coming—it was quickly, "*Oh, this is not our budget; this is the Financial Secretary's budget."* We cannot have that. As representatives, we must be held accountable for our actions.

If we are going to be held accountable for our actions as the representatives of the people, there must be structure. We can argue about what we on the Opposition are doing right; the Government can speak to whatever they wish to say that we are doing wrong, and vice versa. That is the job. Mr. Speaker, deep down, if we are to be truly responsible, we know our jobs. The Government know that the Opposition have to keep riding them to death, as long as we do not cross the line and begin saying what is not factual. At the same time, the Government want to be returned, so they try to make us look as though we are not capable of replacing them. That is how life is.

However, if we act responsibly within those parameters, then there is nothing wrong with the structure of which I speak. As much as they can find wrong with what is happening now—and I defend no action in here by saying what I am saying, Mr. Speaker—the fact is that it cannot be said, as a matter of principle, that what we are evolving to, at this point in time, is the wrong way to go, and we must go back to the way it was, because the *animal* alone that is involved caused that not to work.

It is simple, and I do not mean that any other way than how it is; it is a fact. The days are long gone when you could expect a few people to be elected and get together while the rest sat back, already knowing who was supposed to sit up in Cabinet—argument done. It is not going to happen again, Mr. Speaker. It is not going to happen again. We can get into arguing with one another about it until the good Lord comes, as to who did this right and who did this wrong, but I say with a firm belief that it is not going to happen.

Mr. Speaker, I took the time out to say that what this letter is offering is no answer. It is absolutely no answer, because I have had my own experiences, too many of them, with the lack of accountability in this process. People tell you that they did not know when they signed the letter. No, Mr. Speaker, if at any point in time, the people in the district I represent wish to change me, then that is their right and their privilege—at any point in time. It is not going to be for me to try to tell them that how this is—or rather, how this was—is right. No, Sir.

Even today, by nature I am conservative. Even now, some would wish that I would say, "Yea" or "Nay" quicker than I do. Everybody has his own nature, Mr. Speaker, and I want to make sure that I understand something and that I think it through. I tell you what: I have thought this one through—what is being proposed in this letter. I have thought it through; I have lived it through; I have helped to kill it; and it must stay where it is. I am not saying that to declare any position about anything. I am not speaking to jump at the individuals, either. I am saying, of that way of governance, Mr. Speaker: never, ever again.

What we have to do, if we are going to be responsible with this Constitution and we are going to—

[Laughter]

Hon. D. Kurt Tibbetts: I want to laugh, too, Mr. Speaker. If we are going to end up with what is best for the country, as we all say, then understanding clearly whatever we are offering as changes to what is being proposed must be in that best interest. Just as any member of the Government could, I can stand here today and say that the positions we have taken (on which we will expand when we go through to the Committee stage with this and with the other Motion), are positions that were derived from our gathering as

much knowledge as we could about these various situations; discussing them with as many people as we could; and as far as possible, avoiding the temptation of looking to see where one or all of us might end up because of them.

Mr. Speaker, the truth is that, whatever might seem to obtain today, none of us, in any political circumstance in this country, can truthfully say that that position will still obtain tomorrow, or whenever we have a new Constitution. People are like that. That is why the safest thing to do, with this, is to do what is right—what we know is right. Things have a funny way of backfiring.

In this letter, there is a proposal for the national election of a Chief Minister, and that is something that a lot of the people might grab at initially. Let us put it into perspective. Before I put it into perspective, and while I have taken my position, let me make it absolutely clear that I am not with the intention of denying anyone the right to seek to be elected, under whatever guise. That is someone's right. I want to make it clear that in this proposed Constitution, under the definition section, the word "party", **"as it appears in sections 32 and 51 of this Constitution shall mean a group of persons who have united to contest election for membership of the Legislative Assembly".** That is what the word party means, in this Constitution, as proposed. Therefore, the National Team was a party, for the purposes of this Constitution.

Any group that runs on the same ticket in a national election (for want of a better explanation) is a party, for the purposes of this Constitution. I say that to make it clear that this business about separating 'parties' from 'teams' is different. Whatever your terminology may be—for instance, the People's Progressive Movement—is simply to differentiate us. We explain who we are, and what our structure is. I can do that any day of the week. For the purposes of this Constitution, and when we get a new Constitution, I do not think anyone is going to change that part, at least. Anyone who runs as a group is considered a party.

I want to make that very clear. They will speak about the party system, and that teams are not the party system. They try to bring about these subtle distinctions between the two. Mr. Speaker, I do not care what time has dictated. What I know to be a fact, that will never change, is that some system, under which accountability is obvious, has to be better than where there is none.

Therefore, it is for us, as much as we will differ, to ensure that what we end up with allows for any present or future government to function properly, to be held accountable, and to have a Constitution, a framework under which the entire population of the country lives, which is not only user-friendly, but which protects the citizens of the country, at every level, including (if I have to say it like this) protecting them from us—not protecting us from them, because they never jump up and say that they want to be elected. We tell them we want to be elected. We have to make sure, as part of our duty, that what we end up with as a Constitution causes us, and our actions, as their representatives—at whatever level—to be such that they can always call for us to be accountable. The system allows us to survive within that process of accountability, also. That is not that difficult to do, and that is what we have to achieve, Mr. Speaker.

The varying views on the issues about which the Government have changed their mind are views that are going to have to be looked at very seriously. Where I differ from the Minister of Education is, perhaps, when he says that, when the vote is taken on the various sections, the majority will carry in the Legislative Assembly, and that that, by inference, is how the Constitution will be. I do not agree with him on that. There are some basic positions that have been taken by the Government that I do not think are practical. That is my view. Obviously, they do not think the same; otherwise, they would not have brought their positions. We will see what happens after that. Our job is to state the positions with clarity and explain why we take them.

The matter from which I got sidetracked was about national elections for a Chief Minister. I have heard several people with this argument, because once one tells the other that it sounds good, it will gain traction, as one of my good friends would say. Apparently, that would seem to be something that would work well and be in the interest of the people. On the face of it, that would seem to be something that would work well, and would be in the interests of the people.

Practically, here is why you are not, with any reasoned thought behind it, able to safely say that it can work: You may have an individual seeking to be elected with a few more people in his or her team, group or party. You might have two more groups, or parties, seeking to be elected. You may have your elections for the individual representatives, whether or not you have a two-tier system where people vote for representatives and then for the Chief Minister. You may end up with a Chief Minister in that manner—not that his election would not be fair; there is no argument there. If the majority of the people did it, that is fine. The fact of the matter is, however, that he might end up with a very small minority of his group in there, and the majority of the individuals who are elected otherwise, by the people, may be of a wholly different perspective, a wholly different philosophy—a wholly different vision for the country. The mandate, at that point in time, is to get your Chief Minister to form a government and be able to articulate policies. How is that going to work? I simply ask the question to say that there is great difficulty in that.

It is much cleaner if people know that, if they elect this group, this is who will be their Leader of Government Business, this is who is going to be their Minister of So-and-So, and this is who will make up their Cabinet—and they have their choices otherwise.

Mr. Speaker, I am reminded that in the Report of the Constitutional Modernisation Review Commissioners 2002, under the Executive Council, they said:

"**There is widespread support for the Chief Minister to be chosen by the entire electorate in a separate ballot from the General Election from among those persons who have been elected to the Legislative Assembly. There are practical considerations why we do not recommend this method. The most obvious is that it could well result in the choice of an individual who does not enjoy the support of the majority of the elected members of the Legislative Assembly thereby immediately precipitating a vote of no confidence. The result would be that the wishes of the majority would immediately be frustrated by the actions of a small group of legislatures. The end result would be another general election."** That is another point.

The Speaker: Honourable Member that letter that you have—

Hon. D. Kurt Tibbetts: It is a section from the Report of the Constitutional Modernisation Review Commissioners. It is page 7 of the Report. If you need me to table a copy, that is not a problem. Perhaps it might be easier for the Clerk.

The Speaker: If you would.

Hon. D. Kurt Tibbetts: I read that because it is another logical argument that has been put forward. They too accept that, on the surface, it looks fine, and it is democratic but, practically, it is not something that can work. That was part of the argument in this letter.

You do not want to deny anybody their views in this process, and I say that very seriously. At the same time, we also have a responsibility. If we understand them better, we cannot leave the issues to cloud the minds of the electorate any more than their minds are already clouded. It is going to be a difficult process, Mr. Speaker. When we have finished this debate, as far as memory serves me, London is expecting us to sit and talk again. They will also, at some point in time, wish for us to narrow down our positions as closely as we can. We will have to work at that the best way we know how. Whatever we end up with, London will certainly have to make some decisions.

There is an argument that has been put forward by our Members about a referendum, and the Government have certainly not supported that argument. I am confident that London is going to require, as they have said in their Checklist, some sort of evidence that whatever is put forward reflects the wishes of the majority of the people. I do not know yet how we are going to be able to provide that evidence, if they are going to move forward with the Constitution with the timelines that we anticipated initially.

In general, we cannot support '*piece-mealing'* the proposed Constitution as the way forward. If we are going to move to single-member constituencies, so be it. The Government have said that, in the spirit of cooperation, they are suggesting that the district of George Town get one additional Member and be divided into five single-member constituencies. They have said that this could be a pilot project for the rest of the country, to see how well it works. Then there is a commitment that, by the year 2008, we will have single-member constituencies throughout the Cayman Islands. For the love of me, I do not know what difference they are going to make between now and then. If it means that the Government consider that the people need a lot more time to get comfortable with it, then (while we do not offer that position), our answer would have to be, "If that is the way you want to go, then everybody will have to wait". If it is equality we speak of, as part of the principle, then equality must happen at one time. That is the position that we will have to take.

[Inaudible interjection]

Hon. D. Kurt Tibbetts: Sometimes a little cross-talk is all right. I know. I heard what was said, and I can assure the Minister of Education that what I say is no dodge. He and others, including the Leader of Government Business, do not like the way I speak. They call it "out of both sides of your mouth" because I do not like to speak in a manner like, for example, the Leader of Government Business. He has his own style, and so do I. I do not like to jump at you or go all over you. It does not mean that I do not make my point. I am sure, Mr. Speaker, that if you did not understand anything I said today, you would ask me to clarify it, so I am absolutely sure that you did.

Therefore, the position that we have in regard to single-member constituencies is that if we are going to have them as part of the whole process that we envisage, then let us look for the whole situation. We cannot piece-meal it. We cannot come and say that we want the two extra Members so that we can have a Chief Minister and a ministerial system, stick one in George Town and one in West Bay, and then turn around and say you are going to have single-member constituencies in George Town. That is obviously the Government's position, from what we have heard—although they did not spell it out in that manner. We cannot and will not support that position, because it cannot be the right way forward in the modernisation of our Constitution.

If there is fear, trepidation and apprehension in the minds of the Government Members about how the people think, and they are not confident that the people have knowledge of what is being proposed, then let us ask them. I have no problem with that. Some of them have said our job is to educate them, and I could not agree more. We have tried, and made every attempt we know how to make. His Excellency,

the Governor cannot deny this fact. I spoke to him on two occasions, after we came back from London, and before the draft Constitution came in February. I said, "Your Excellency—" In fact, he does not mind my calling him H.E., so I said, and I was very honest with him, "H.E., if we had them, we would pump all kinds of resources into this situation, but one of the things that has to happen is that the people of this country have to be educated and understand clearly the system of "one man, one vote". On two occasions, I said that to him. I asked him to find out how Government could do it and to get it done. Nothing happened.

We were conscious of it from the very beginning. We have done what we could do, with our limited resources. However, there is a lot of water under the bridge. A lot of time has passed, when that education process could really have been pumped up well. Then, you would have been able to say, with clear conviction, that the answers you got from the people were answers that were given from an informed position. Now, we cannot be absolutely sure of it. Even members of the Government admit that many people do not quite understand it.

Our position will be that if there are differences— and we have a few—then they must be listed and there must be more discussion with London. There is also that position I spoke about regarding the Bill of Rights: we need to find out what, as the old person would say, the "*true po'ition is"*. We should not ask London to make a judgement call because there is divergence in opinions here. They thought they had smooth sailing after December, but I know they are not thinking that now. They must have in recent times that we are miles apart on some of it. The majority of it can be dealt with, and there are probably no questions about that. Wherever we end up, however, we have to ensure that we are truly satisfied that the majority of the people wish for a certain position. We have to go further than simply for them to wish it. We have to ensure that what they wish for, or do not wish for, they understand.

We would not wish for all the work and effort that has been put in by so many to go down the tubes. However, we are not going to participate in the process to the bitter end if it obvious that there is no guarantee that the end result will reflect the wishes and aspirations of the people. It is as simple as that. We would like the whole country to move on. We would like to get this behind us, and get on to all the other important matters, but not at the risk that, when it is all over, we have to live everyday with someone else telling you, "We should not have done it like this; we should not have done it like that". I say that without reference to any specific part of the Constitution.

That is our position. In closing, when we get into Committee, we will articulate specifically on each issue, so that *Hansard* will reflect both positions very clearly for London to inspect and to see where the differences are.

I want to repeat again, for the record: the Opposition expect more dialogue with the Foreign and Commonwealth Office—not by ourselves; that is not what we are saying, but we expect that there will be more dialogue before any final draft is completed. We will see what that entails, and how far we have to go with that. Certainly, though, we expect it.

During any interim, we also expect that we will all, on our own, try to ensure that we play our role in public education on the various issues that we have to deal with. Ultimately, the public is going to have to live with it too, not just us. We cannot create a Constitution that is a framework only for those of us who are here, or those who are to follow in our footsteps, in this Legislative Assembly.

I am certain more will be said but as we move into Committee, and on to Government Motion No. 6/03, we will all have our opportunity at that. The Opposition will continue to be responsible in our contributions. Thank you.

The Speaker: Honourable Members, we have reached eight minutes before the time of adjournment. I do not know if any other Member would wish to speak at this time, or whether it is the will of the House that we should take the adjournment at this time? Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? If not, I will call on the Leader of Government Business to commence his winding-up.

Hon. W McKeeva Bush: Mr. Speaker, I would have liked to have had tonight to go over some matters. Be that as it may. I will try to finish in 10 minutes.

Members have had their say on this important subject, and I do not propose to be long. As for the debate of the Opposition, their problem, since becoming the Opposition, is that it must be their way or none at all. They have forgotten that they are not the Government anymore. They were never prepared to work with us, unless it was in their way. One thing I give them credit for is that they can come up with some excuses as to why we should go their way. Even when we are giving them what they have asked for, to keep the peace with them, they are still trying to start a war with us. You cannot satisfy the Opposition.

I listened to them and, as usual, one says one thing and the next says another. The Second Member for George Town, who is the General Secretary from that party says, "We do not have a mandate to do these things". Then, the Elected Member for East End says, "Everyone campaigned on modernisation". That is the problem, after the heady days of the end of 2001, when they tried to make people believe that the whole world was falling apart because poor old Kurt had been moved from Executive Council. Those two statements have caused people to really look at them, over the past two years, and judge them accordingly. The Elected Member for East End is right. They cam-

paigned for modernisation, and they won the election under his watch—the Leader of the Opposition. When he was the Leader of Government, the Commissioners were appointed.

I asked the Governor why they had appointed three people—one who had just lost the election, another who sat on campaign parade party of the Leader of the Opposition, and another who was a known objector to McKeeva Bush, after I beat them so often at the polls. The Governor said that, at all material times, the Leader of the Government, at the time, knew who he was appointing. I know this. I did not make any choice, so we shall see.

I hear about this Report, which has come out so well. Simply look at it, Mr. Speaker, to see if they did what the people asked them to do. Look at the Report. I will probably take the time; if I am challenged a little more, I will do that.

I did not make any choices, but at that time, everything was still all right. Even when the Commissioners were talking to the people, the Leader of the Opposition did not say anything about referendums. They had made their Report. By that time, he was out of Council, and they took a different direction. They went on the warpath. All you could hear from them was, "McKeeva this and McKeeva that". I know what was said when the forces against me railed, simply because I had beat them so often at the polls. They did their best to make this matter as difficult as possible, for our Government, while I was Leader of Government Business.

Since I was challenged, I am going to wait until tomorrow morning, because I can prove that the Commissioners did not go anywhere near where some of the people wanted to go, even when they had a majority of the people telling them to go in a certain direction.

Therefore, let them not grumble, over there, about what the process was. The process was good when they were in charge of Executive Council, but when the time came that the Backbenchers said, "You are not doing any good; you have to go", everything was wrong. I listened to them, with their hypocrisy, speaking out of both corners of their mouths.

ADJOURNMENT

The Speaker: Honourable Leader of Government Business, we have now reached the hour of 6 pm. If this is a convenient spot for you to break, I would now call on you to move the Motion for adjournment

Hon. W McKeeva Bush: Thank you very much, Mr. Speaker. I move the adjournment of this Honourable House until Friday, 21 November 2003 at 10 am.

The Speaker: The question is that this Honourable House do now adjourn until Friday 21 November 2003 at 10 am. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 6 pm the House stood adjourned until Friday, 21 November 2003, at 10 am.

OFFICIAL HANSARD REPORT
FRIDAY
21 NOVEMBER 2003
10.14 AM

Fourth Sitting

The Speaker: I will invite the Fourth Elected Member for West Bay to grace us with prayers.

PRAYERS

Hon. Cline A. Glidden, Jr.: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together:

Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.

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

Proceedings resumed at 10.17 am

The Speaker: Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies for Absence and Late Attendance

The Speaker: I have apologies for absence from the Honourable Minister of Planning, Communications, District Administration and Information Technology, as well as the Honourable Minister of Community Services, Youth, Sports and Gender Affairs. Also, I have apologies for the late arrivals of the Elected Member for East End, the Honourable Second Official Member, the Honourable Minister of Education, Human Resources and Culture, and the Third Elected Member for West Bay.

STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE CABINET

The Speaker: I have received no statements from Honourable Ministers or Members of the Cabinet.

GOVERNMENT BUSINESS

MOTIONS

GOVERNMENT MOTION NO. 5/03

Debate on the Report of the Proposed New Draft Constitution

(Continuation of debate thereon)

The Speaker: The Honourable Minister of Tourism, Environment, Development and Commerce, and the Leader of Government Business continuing.

Hon. W. McKeeva Bush: Thank you very much, Mr. Speaker.

Yesterday afternoon, when we took the break, I had begun to deal with the bid that the Opposition proffered.

Mr. Speaker, the Second Elected Member for George Town, who seems most riled up about having to stand by himself now (or that is the proposal), said that this whole constitutional issue is a matter of self-interest for the United Democratic Party. I have to ask the question: what self-interest?

None of us in the United Democratic Party would have any more advantage in the end results with the current process—none of us. We go to the polls next year, God willing. The people of these Islands will make their choice and there will be a new government. What advantage will the United Democratic Party have over the Opposition Members, or anyone else, constitutionally? The Constitution will apply to the United Democratic Party; it will apply to

independents; it will apply to any group—and it will apply to the People's Progressive Movement. There is no advantage, though they are trying to make people believe that we are doing something greatly wrong here.

The only advantage we will have is that people will judge the United Democratic Party according to our record, and others on theirs. The opposite party has done nothing but to waste time in this country.

In the debate yesterday, the Leader of the Opposition and his secretary general, the Second Elected Member for George Town, asked us where our mandate is. Well, Mr. Speaker, where is theirs? By what means, he asked, should we change our minds and make these proposals, after a year? Mr. Speaker, he has wondered why we took a year to decide. The members of the Opposition have said, "You have not informed the people". They would like the United Kingdom to believe that—that is why they are repeating it so often here. Mr. Speaker, we had to get to our people to find out what their views were. That is why it is taking this long. We have done that, and we know where we stand with the majority of the people in these Islands. According to them, they saw nothing to change in the draft Constitution. According to the Opposition, they have no mandate to change the Constitution, either. Why waste the time of this country and this legislature in this way?

They have no mandate to change the Constitution. Mr. Speaker, what were they going to do with the draft Constitution? I ask the Leader of the Opposition: What were they going to do with the draft Constitution if they had no mandate to change the Constitution? If they have no mandate, why are they making so many recommendations? Why are they supporting the idea that the Honourable Attorney General and the Honourable Chief Secretary be removed from the Legislative Assembly? Why are the Opposition Members supporting changes to the system—such as a Chief Minister—if they have no mandate?

Mr. Speaker, these changes——that the Attorney General and the Chief Secretary be removed from the Legislative Assembly—are fundamental. If they have no mandate, I ask again: What are they doing supporting these many changes to the present system? Why? They should stop being hypocrites, and stop wasting the time of this Honourable House and the people of this country.

Either we have a mandate and are genuinely making these changes, because the present system is not working in the modern day Cayman, or we are only making changes hoping we will be in those positions one day—next year, in fact. It can only be one of two things. The members of the Opposition have played politics with every aspect of business that comes to this Honourable House, not stopping to think of the consequences of what they say and do. As long as they say it, is right: that is their belief. The Second Elected Member for George Town is so unwilling to cooperate that he refuses, at times, to make up quorum in this Honourable House. He is so full of hate that it is more aggravating at times than a leaking radiator, and I am very much afraid he is going to self-destruct.

What they are doing is of no help to these Islands, and no help to the people they represent. They are only bickering and fault-finding when you try to do what they ask you to do—half-truth, untruth, and this thing of, '*Let us beat upon McKeeva. He does not have any sense; he should not be Leader of Government Business. The Leader of the Opposition should be Leader of Government Business.*' Of what good to these Islands has their tenure in these hallowed halls been, but to walk out on Budgets and try to disrupt every piece of business the Government brings—even when they ask the Government to bring it?

Mr. Speaker, the original proposal, from all of us, on both sides, was that the draft Constitution would go back to London as it stands. London would put it in place to come into effect at the time of the general elections in 2004. There was not going to be any referendum—not after they had gotten their way. After they got their way with everything they wanted (although they say now they had no mandate) the word referendum ran from them and you never heard *quehey about* it.

Mr. Speaker, the General Election will be the referendum: that is what we all say. The matter goes back to the people. That is still the position: nothing is going to be put into place until after the next general elections in November 2004.

The Opposition Members have complained. They say we cannot do this, because there has been no widespread consultation. We told as many people, and as many groups, in various ways, as they did—perhaps more. We had public meetings, and the Chamber discussed the constitutional provisions. The newspaper, and in particular the *Caymanian Compass*, published every aspect of the draft Constitution, for the education of the public. Every aspect was in the Caymanian Compass every day for many weeks.

What did they do, that they can say they had such great consultation? They knew nothing about West Bay before. They had one meeting in my district, when they brought in their friends and close supporters in a bus. They only had 52 people, after bringing in their busload. That did not leave room for many West Bayers, out of those 52 people. What they had down there was what they usually have, and what they will always have, as long as I am a representative and doing what is right. There are people down there who will always be against me. I know and accept that; that is democracy. No matter how much good I do, I will not please them—simply because they do not believe that someone from where I came from should be here. That is the problem, Mr. Speaker.

When we hold our meetings, there are 200 people, or three to four times that many, in the worst

attendance. I know I do not bring people from other districts in a bus.

Mr. Speaker, there was consultation. They can make as many complaints as they want to dream up, and try to make the people believe them, and *polish up.* I am not saying that as many people took the opportunity to learn more about what was being proposed as should have, but I cannot let anyone say that we did not do our part as representatives, or that the media did not do their part in getting out there and educating the public. I go to people's homes, and I sit and talk to them about what Government is proposing. I cannot sit down in my office in West Bay, as I used to, but I see people at my house; I see people at my office. I talk to people everywhere I go. I make time to go to people's yards and talk to them about what is happening. The Opposition Members believe that they are the only ones who are out there. They can go ahead and believe that, but I have always done my job and I will continue to do it.

Mr. Speaker, they talked about the Immigration Law. The fact is that we have had to go on an all-out educational campaign on the Immigration Law. I was not going to allow, in the first stages of this Immigration Law, what took place in the first stages of the Constitution.

The Constitution is important, and that has had its airing. Since they raised it, I want to speak briefly about this campaign on the Immigration Law. The Immigration Law is important. They had already begun to spread discord; they had already begun to cause division. After all these many years that I and other Members have been here in this House, after being involved these many years and hearing about Immigration and the need for reform, I suppose they would rather not have had that Law completed or discussed, so that they could stand up again next year and promise the Jamaican people, and other nationalities, "I am going to take care of you; do not worry", as they have done so many years.

They took care of them, all right. Nothing gave me more determination, Mr. Speaker, than the night they held their dirty meeting on the courthouse steps, and the lies I heard coming from that. I was discouraged with the way we have to work as a Government, with the system we have to work with sometimes, and the pounding you have to get from the United Kingdom. I said I was not going to run again. To me, that meeting said that people like me should not back out because of people like them. I was even more determined to put my best foot forward, to keep as many of them as were on that platform that night out of the Legislative Assembly. They are a bunch of hypocrites.

Let us talk about representative government. How dare they say that they have the majority, and that the United Democratic Party does not have the majority? When we formed the Government with the Leader of the Opposition, we had more support than he had, but we told him he could be the Leader of Government Business. I was not interested in that. That was not my thing; my thing was to get something done about the inequities I saw existing in the country, which were continuing to build. You know it yourself, Mr. Speaker.

Let me put it a different way, which I think is the best way, and in the best parliamentary terms. The Third Elected Member for George Town at the time could well have been the Leader of Government Business, because he had 14 votes, but we did not go that route. We said, "Let us put the Member in as the Leader." Still, they carry on as though we have done them some great harm, when it was only our goodwill—and also theirs—to make up the Government and try to make it work. How dare they now say that they are the majority? Even internationally, people ask the question, "Really, what is the position?" We know that we have done it constitutionally, and they know that as well.

What is representative government? Representative government is what the United Democratic Party is about. We have 10 of the 15 Elected Members, which is 66.67 per cent of the membership. The People's Progressive Movement has five—and I am not too sure that they have five. We are going to have to wait and see what the three letter-writers will do with the Bodden Town Member on their side.

The People's Progressive Movement has five of the 15 Elected Members, Mr. Speaker, which represents 33.33 per cent. This is further evidence; the People's Progressive Movement was able, they said, to go out and get 33 per cent of the electorate to sign a petition in their favour, which, by extension, would mean that the remaining 66 per cent were not supportive. That is what we would have to believe. They went out to people in the stores, and in the shops. The tourists signed. The maids, to whom they refused to give status, signed—a couple of times. There was duplication after duplication of signature. Tourist after tourist signed it, because Cayman was going independent and was going to be destroyed. We had to keep that *fool-fool* McKeeva out of the way. That is what they were telling people. I do not forget those things easily.

Their problem is that they have not yet accepted that they are a minority. They are the Opposition and they represent the minority. I accept that they represent a minority—that is democracy. The petition they brag about was done at a time when the emotions of people had been whipped up by exaggeration, misrepresentation and sometimes pure, unadulterated lies. Feelings had to be running high in the country. A very popular Member had been removed from the largest district, albeit we did it democratically, and the same Member and his colleague had been suspended for one day from the Legislative Assembly, for improper behaviour.

Do you believe the pomposity that I see existing in the Second Elected Member for George Town? Was he going to allow that to happen and just go? No, they had to cause trouble. Their supporters had to be

upset about these happenings, and the Opposition used this opportunity to get them to sign a petition against the Government at the time.

Mr. Speaker, contrast that to where we are now. All is quiet. The Opposition have again tried to whip up public support for a referendum, and they have failed. They tried to cause civil disobedience in the country—they promised that, because of the status grants—and they have failed. The good people of the Cayman Islands have decided to allow their representatives to come in here and debate the Constitution. They trust us to appeal to the United Kingdom, and to give us what we, their elected representatives, are convinced is best for all the people in these Islands.

Mr. Speaker, what I cannot understand is their logic (and it is always skewed one way or another). On the one hand, they said there was not enough education, and that the reason people were not supporting the introduction of single-member constituencies throughout the Islands was that they were not educated on the merits of the system. That is what the Opposition said, but on the other hand, they are calling for a referendum—for those same uneducated people (as they claim) to make the decision. Now, that makes sense.

Why are the people not smart today, all of a sudden, when they were smart enough at the last General Election? Why? The Constitutional Commissioners did not take into account the wishes of the majority of the people when they said they wanted Parliamentary Secretaries, because in their opinion it was not in the best interests of the country. It was no longer what the majority of the people wanted; it was what they, in their wisdom, decided was best for the people.

Mr. Speaker, let me deal with that. I know who those Commissioners are. It still *boils*, to an extent. It could be said that that they were adamant that they were going to keep me from being Chief Minister. Oh, yes. It does not *boil* me that I am not the so-called "Chief Minister", because I have that authority by virtue of the party I lead and by the good support of the Members' majority in this House.

However, there are several areas where the people supported and recommended certain provisions to be put into the Constitution, yet the Commissioners thought it would be better not to include them. For the Opposition, it is okay for the Commissioners to reject the people's recommendations. That is okay for their Commissioners—his supporters—including the one that is running around on the platform talking about "one man, one vote."

That is why they were appointed. That is why the former governor could say that the Leader of the Government of the day knew, at all material times, who would be appointed as the Commissioners. They were not my supporters. They were not your supporters, Mr. Speaker, when the Fourth Elected Member for George Town was a Member of the Cabinet, or of Executive Council. They were not the supporters of the majority Government. They supported the Leader of the Opposition, who was the Leader of Government Business at the time.

For the Opposition, it is all right for the Commissioners to reject the people's recommendations, but we, who are elected by the people—and, if I use myself as an example, I have been elected five straight times by the largest majorities at any given point in history—must go along with ideas from those whom the people rejected. I must take up their ideas, even when the people say, "Do this." In their report, the Commissioners said that they had had a lot of representations, but they could not go along with it. It is all right for the Opposition, because the Commissioners were then, and still are, their supporters. That is the reason why they were appointed as the Commissioners.

Mr. Speaker, I am not like the saint who refused to do right because the devil prompted him—no. To me, if what we are doing, as a duly elected Government, is not democratic, then what the Commissioners have done is not democratic either, and the whole thing is a farce. We are the people's elected representatives; we are the majority, the Government—not the Commissioners.

The Commissioners did not take into account the wishes of the majority of the people in several instances. That is why they can go around the town bragging about what a hard time they have given McKeeva. They know who they are, when they say that.

There was much said by the Leader of the Opposition about accountability. He says that accountability is "one man, one vote." What is the difference, when you elect two, three or four people together? According to the Leader of the Opposition, the more people you have elected in a district, the less accountability there is. Why is that? If the people elect good, responsible people, they will get what they want. They will get what they elect.

He says that it is not about the number of representatives each district gets; it is the principle of equality. Mr. Speaker, is he saying that his principle of equality should be extended to each of the districts for Ministers as well, so that each district should have one Minister each? That would be *real* equality.

No it would not. Is he again talking out of both sides of his mouth about equality, or saying, perhaps, that George Town should get two or three Ministers? That would be *real* equality, I guess. Why did they not ask whether it is right for a representative to live in one district and run in another? Why did they not ask that question?

Principles, for some people, only come into play when it suits them, and not because they care for the matter of principles. In these matters, to be equal is all right when it is right, but not when it is wrong.

The Second Elected Member for George Town spoke about single-member constituencies and

I will quote directly from the unedited *Hansard* of 19 November. I can also lay it on the Table.

"If single- or multi-member constituencies mean that I am not elected, so be it. For all who may not know it, I have an office I can go back to, from whence I came. I will not prostitute my principles based on my desire to retain my seat. How, Mr. Speaker, can any competent and caring Government make such a ridiculous proposition: that the largest, most populous electoral district in these Islands should be the guinea pig for single member constituencies, while the electoral district of West Bay [not any other district] **(which is the stomping ground of the Leader of Government Business)** [that is, where I live] **retains the multi-member constituency, and he, in my view, is able to exercise his considerable influence and popularity and, by means of the coattail effect, bring into victory those who choose to run with him?"**

That is the end of the quotation. I will lay it upon the Table once I finish.

Mr. Speaker, in the proposal of "one man, one vote", it is not important which district is larger, or in which I run—where I run has nothing to do with it. The Leader of the Opposition ran in George Town, and his coattail took in one of the most unpopular young people in the world, one of the most unpopular people in Cayman—the Second Elected Member for George Town. You can believe that. Still, he had the audacity to talk about who gets in on my coattail. It has nothing to do with that. I will get to the point of an explanation of why we are now at the stage of proposing that George Town be the trial area for "one man, one vote".

Let us look at where we stood on this matter in the past, and what others had to say when the matter of "one man, one vote" came to the forefront. We said we would support a "phased-in" approach to the matter. That is what we said in the beginning, and that is what we come back to today.

Mr. Speaker, we believe that that is the way we should go. We said that, and because the Opposition was causing so much disruption with marches and other threats, we began to get questions from overseas as to whether it was safe to come to the Cayman Islands. At the time, our offices had to answer questions from various areas of the United States, as to what was happening in regard to the marches and the threats. At the so-called summit, to keep the peace and try to pacify the Opposition, we said, "All right, we will support the matter of "one person, one vote" on a phased-in basis. We believe that is the best way to go."

The Opposition went on the march. They claimed that they had gone to all the districts to try to sell the idea of "one man, one vote". We said, "To keep the peace, let us take their idea up." They said that they had gone to every district, and they wanted "one man, one vote". "It must come," they said.

The Commissioners said that George Town supported it. If that is so, and it is the best thing in the world for people to have, let us do it. That is what we are proposing: a trial, and for the full matter of "one man, one vote" to come into effect in 2008.

Mr. Speaker, the Boundary Commission said very clearly that East End, North Side and George Town were supportive of "one man, one vote". We know that East End and North Side would support it, because historically, in the last 30-60 years, they have only had one representative. Therefore, it does not matter to them, but George Town joins that position.

Our position, to explain again from the beginning, was that we supported it, but we knew that West Bayers did not, because we had taken a poll and overwhelmingly, our people had voted against it. We had gone to Cayman Brac and overwhelmingly, the people there had rejected it. We spoke to Bodden Town, and overwhelmingly, the people there rejected it. The Opposition did not listen to us. They did not care that West Bayers said they did not want it, but when did any of them pay heed to what West Bayers wanted? They come now to have a meeting, but what did they ever do to help West Bayers? The people will not be fooled. They know who has cared, and is caring, for their benefit; they know who is genuine and who is not.

In any event, our people do not want it, and we have held many meetings to talk about it with them. Mr. Speaker, the Opposition has asked for the boundaries. The Opposition Members support "one man, one vote," and the Commissioners have said that George Town wants it. George Town's elected representatives, on our side, said, "It is a good idea. Let us try it." If we support "one man, one vote", let us try it. Let us do it.

The Minister of Community Services supports it. If the Minister of Community Services, on our side, is agreeable to "one man, one vote", and if the Opposition's elected representatives say they are fine with it, and they want it—if it is the best thing in the world, since hot-cakes, for their people—then in all fairness to them, let us try. If it does not work out properly, or there is not a liking for it, then in 2008 it can be a different thing. They will have to put the case to the public, if it does not work out.

Mr. Speaker, do they believe that the panacea to good representation (which to me is the essence of democracy) is "one man, one vote"? Are we sitting here telling the people today that good, or better, representation is "one man, one vote"? Is that what will give us good schools, better roads, a better economy, more houses, and a better standard of living? Will "one man, one vote" make it better for us with the European Union, if we elect the present Leader of the Opposition? No, I say! No. His record has shown us that he cannot deal with it, and whether he is elected by "one man, one vote," or in an open voting system, as we have now, it will not make one iota of difference, because performance is the lynchpin in repre-

sentative government. As I say, good representation is the essence of democracy.

Is it equality or is it performance? I do not need four or five representatives in my district to perform and give good representation. I have done that these last 20 years in my political involvement in this House. I have accomplished much for my people, against great odds and many stumbling blocks, at times. No, that cannot be what it is all about, no matter how much the members of the Opposition holler and scream about what they do not want, no matter how much they try to make people believe that we are giving them something they do not want. They asked for it; the Commissioners say that they want it and now, Mr. Speaker, we are proposing to let this be the first area—the trial spot.

We will wait and see whether it happens or not.

Mr. Speaker, under section 92(2) of the draft Constitution, it is proposed that the Attorney General be appointed after consultation with the Chief Minister. This, Mr. Speaker, is a far cry from the current situation that obtains, where the Governor appoints whomever he feels is fit. I would agree that if the appointment were on the advice of the Chief Minister, this would provide us with more autonomy and a greater level of input into appointments to an important post. We asked for this, but we should see the great benefit of the draft Constitution. This is a step in the right direction.

Mr. Speaker, the Elected Member for East End outlined the Opposition's position that the Government should have one legal advisor, and that the Governor should have another placed here in the Cayman Islands. I am not convinced that this would work. The Governor could potentially get conflicting advice from the Attorney General and his own legal advisor. Whose opinion would prevail? In the current situation, and for the foreseeable future, it is clear that on certain matters the Governor deems appropriate, he will get separate advice from the legal advisor in the Foreign and Commonwealth Office anyway. That is what happens. We do not agree with, or support, the position of the Opposition that we should employ a separate legal advisor for His Excellency the Governor.

Much was said about referendums. I would like to read what was said in the Lancaster House meetings. Mr. Ian Hendry said that he understood that it was highly controversial and political. I quote from our minutes, and I can table that piece of what he said. I quote: **"I entirely understand your position that you cannot make a decision now, but the United Kingdom will have to put together a package now that is generally acceptable. No draft will satisfy everybody. We have not ruled out whether there ought to be a referendum. For reasons you describe, there may be no need."**

He was replying to what the Second Elected Member for George Town, Mr. Alden McLaughlin, had said.

"We have not ruled out whether there ought to be a referendum. For reasons you describe there may be no need. There must be a law, money, and personnel. Referendum is not a United Kingdom tradition, but when a matter is so strong, then Government can decide whether or not there needs to be a referendum. This is a matter of local politics."

Mr. Speaker, that is what they told me when I went back there two weeks ago. This is what was said to me. These things are local; they would like for us to get consensus on things such as "one man, one vote" and the Constitution. However, most of these issues are local politics. I will table what I just read.

At the Lancaster House meeting, Mr. Ian Hendry said further, and I quote: **"By the second part of January, 2003, we will send out the Draft Constitution. Then the public will see the whole package and not part of it. By then we would have discussed and explained and had feedback."**

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker.

The Speaker: The Second Elected Member for George Town, do you have a point of order?

Mr. Alden M. McLaughlin, Jr.: No, Mr. Speaker, I am simply going to ask you to ask the Honourable Member to lay the document upon the Table of this Honourable House, so that we may have the benefit of seeing it.

The Speaker: Yes, he did mention that he would be laying the document on the Table of the House, so I expect that that will be handed to the Serjeant-at-Arms shortly. Continue.

Hon. W. McKeeva Bush: I will lay all of those parts that I read this morning on the Table of the House. I quote from our notes of what Mr. Henry said: **"By the second part of January, 2003, we will send out the Draft Constitution. Then the public will see the whole package and not part of it. By then we would have discussed and explained and had feedback. We in the Foreign and Commonwealth Office (FCO) wish to keep our minds open, except there needs to be further debate in the Legislative Assembly on the Draft from the United Kingdom."**

That is what we are doing today.

"We hope that the debate would be a full and inclusive debate, even if we need to tweak things—we hope that there will be consensus. We have not closed our minds in regard to a referendum, but the United Kingdom should not tell you what to do locally."

[Pause]

The Speaker: Are both documents being laid upon the Table?

Hon. W. McKeeva Bush: Yes, Mr. Speaker. I have given the Serjeant-at-Arms those sections that I read.

The Speaker: So ordered.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker.

The Speaker: Do you have a point of order?

Mr. Alden M. McLaughlin, Jr.: No, Mr. Speaker. It is in relation to the laying of this document that I wish to ask your view.

The Speaker: Continue.

Mr. Alden M. McLaughlin, Jr.: We would like to see the entire notes. The Honourable Member is not entitled, in my respectful submission, to take excerpts out—we do not know whether it is supposed to be a contemporaneous note. We would like to see the note. He should lay the whole of the notes on the Table of this Honourable House, if he is going to refer to them.

The Speaker: The House is entitled to see the reference that was read and the document containing that reference, but I do not think that they are entitled to have the whole document. Otherwise, yesterday when a quotation was made from a book, by extension, I would have had to have a photocopy of that whole book. Therefore, I would just ask that the photocopy be made of the quotation that was used, and that it be laid upon the Table of the House. I also know that the same document was made available to all Members who attended the meeting at Lancaster House, in the UK, in December 2002, though I know that all Members of this Honourable House were not present.

I rule that the document containing that specific quotation be laid upon the Table of the House; otherwise, we would be here all day trying to photocopy documents.

Continue, Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Thank you very much, Mr. Speaker.

I do not think that I should go much further with this matter. I think these matters have been aired properly.

The Leader of the Opposition made reference to one letter in the *Caymanian Compass.* I firmly believe that it is only two people writing those letters and not the person from East End. That is my humble belief.

They cannot write unless they try to denigrate somebody, and that letter is riddled with denigration. When they want to talk about integrity and who the Caymanian people can elect, I hope they are not talking about themselves, because the previous Minister of Tourism has yet to prove to the country where the $10 million for Pedro Castle has gone. We can find neither hide nor hair of it. The past Leader of Government Business—who is the foremost letter writer in the group—ought to hide his face and run when he wants to face the public, because he got away with more dirt in this country than anybody else.

Mr. Speaker, we are facing one serious situation now, with Island Air, which he did not do anything about.

One point that the Opposition Members tried to put forward was that parties were formed without public input. How can parties be formed without public input? Parties were not formed before the election, but that does not say that you could not form parties after the election. We can form parties anytime. We are going to have to run in the next election on that basis, but I can say this: the formation of the United Democratic Party was done up front, in such a way that Caymanian people could have protested against it, and so was the opposite party. That did not happen—why? The Caymanian people felt it was not hidden, and were somewhat at ease—enough to stand back and watch without fear.

Therefore, Mr. Speaker, I would not even take the time of this Honourable House to continue to refer to the Opposition. All I can say is: if they were so professional and educated, why are we in such a mess that there are things that will never be done for the next five or six years, whichever government gets in? It is because the past Leader of Government Business, up to 2000, did such a poor job with the Organisation for Economic Co-operation and Development (OECD), and others, that we still cannot get out of the mess. If he had paid attention, as he was supposed to do, we would be in a better position today.

I say no more, Mr. Speaker. I think the Members have all cleared the air.

In closing, I want to reiterate that we are but here doing what the Opposition have asked us to do.

In regard to the appointments of the Constitutional Commissioners (and as I said, I am wrapping up here), when they were appointed, I was curious, even from then, about the one who had run in the last election. I was curious because he had just contested the General Election. I realised then, and it is confirmed now, that it was inappropriate to appoint that person at that time. Mr. Speaker, independence and the absence of favour to a particular political party must be conditions precedent for the appointment of Constitutional Commissioners. That is the argument to which I still hold. All three of them, I repeat, were connected. Given the circumstances, and seeing that one of them is on the platform today, it would have been impossible for that person to be an independent Commissioner.

I believe he has done himself great harm, as a Constitutional Commissioner, by his participation in

the recent political debate on the matter. What is even more unfortunate, and more serious, is that his recent statement calls into question his contribution to the draft Constitution. By extension, it must also call into question the credibility of the whole process, and whether the draft Constitution truly reflects what the people desire in a new, modernised Constitution of the Cayman Islands.

I firmly believe that that is why, when the United Democratic Party held several district meetings and other consultations, we found that many people had fundamental disagreements with the draft Constitution. This is why the United Democratic Party would like to see the changes to the draft Constitution that we have now indicated. Clearly, if one considers that Commissioner's comments on the matter, and observes his interaction in the political furore and debate, one would certainly reach the irresistible conclusion that he was not, and is not, an independent Constitutional Commissioner, and should not have been appointed to serve on such an important commission, whose work will significantly influence the economic and political direction of our Isles for many years to come.

Clearly, Mr. Speaker, that Commissioner should have understood that he has a moral obligation to the country—as a Constitutional Commissioner if for no other reason—to stay out of the political debate on the draft Constitution. He is one of the authors of this draft Constitution. He, in particular, should stay out of the politics of it. If they went back and explained publicly, it would be a different matter, but they sit on a platform where I and other Members are being ridiculed, and say that the Government is only doing this because of our interests. If he were a candidate, Mr. Speaker, and he lost, and if they somehow thought that creating the "one man, one vote" would keep me out, and therefore keep out—as the Second Elected Member for George Town said—those who are with me, then it must be for their self-interest that they are there.

Mr. Speaker, as I have said, all Members have aired their feelings on this matter. I trust that when we come to vote, each Member will search his or her conscience. If, at this late stage, they want to say that they do not want what they asked for, then they ought to say that, but they asked for it. They asked for single-member constituencies. We said we would phase it in and we believe that the capital, George Town, is a good place to start that process.

If one of our Ministers says that he has nothing against "one man, one vote", and that he would support it; if the Opposition say that they want—at least in principle—"one man, one vote"; and if the Boundary Commissioners say that the George Town district supported it, we say, "Let us try it."

Mr. Speaker, we can make all the constitutions we want. No constitution can work unless the people elected to work with it can cooperate and work together.

It is not that the parties are going to give us greater democracy; to some extent they will give us better representation. It is the people who are elected, and on that basis, the country will judge us, as it will judge the Opposition's record.

I thank Members for their support. We look going forward to implementing the position where West Bay has one extra man, and George Town has one extra representative, and we try the system of "one man, one vote" now, in George Town.

Thank you, Mr. Speaker.

The Speaker: Honourable Members, this brings us to the conclusion of the debate for the proposed new draft Constitution. The question is:

"BE IT NOW THEREFORE RESOLVED THAT this Honourable House debates the proposed new draft Constitution laid on the Table of the Legislative Assembly on the 2 October 2003;

"AND BE IT FURTHER RESOLVED THAT, upon the completion of the debate, this Honourable House resolves itself into a Committee of the whole House to consider the proposed new draft Constitution and report to this House, that the Committee has considered the paper;

"AND BE IT FURTHER RESOLVED THAT this Honourable House approves any proposals and/or amendments arising out of the consideration by the Committee."

However, we have seen, on the Order Paper for today, that on the completion of the debate on Government Motion No. 05/03, which is titled, "Debate on the Report of the Proposed New Draft Constitution", we move straight into the debate on the Report of the Cayman Islands Electoral Boundary Commission 2003, on the basis that both are so very closely connected, and one relates to the other.

I will, indeed, put the question on this, but with the understanding that we will then move to the debate on the Report of the Cayman Islands Electoral Boundary Commission 2003, after which we will move into Committee on the proposed new draft Constitution and on the Report of the Cayman Islands Electoral Boundary Commission 2003.

However, before putting the question, we are due for a morning break, so we will take a 15-minute break and we will be back here by 11.45 am.

Proceedings suspended at 11.28 am

Proceedings resumed at 11.59 am

The Speaker: Please be seated.

Prior to taking the morning break, I had mentioned my intentions to move straight into the debate of Government Motion No. 6/03, entitled, "Debate on the Report of the Cayman Islands Electoral Boundary Commission 2003". However, I think it would be a much cleaner exercise if we followed the wording of Government Motion No. 5/03 itself, which states that

we should go into Committee after the debate on the Motion. One member of the Opposition had initially mentioned this procedure, and we are now going to be in compliance with the Motion as it now reads. Therefore, we will be able to dispose of Motion No. 5/03, which is entitled, "The Debate on the Proposed New Draft Constitution", prior to moving into the debate on Government Motion No. 6/03, entitled, "Debate on the Report of the Cayman Islands Electoral Commission 2003".

After the debate on that Motion, we will move into Committee, as in the case of the Motion now before the House. Further, I propose to take the question on the Motion in two parts. Part one will be to vote on the First and Second Resolve of the Motion. The Third Resolve will be voted on separately. I should explain, however, that the Third Resolve is in compliance with Standing Order 19 (3), which states, **"When such a paper contains proposals,** [such as the draft Constitution we have before us] **the Member of the Government who presented the paper may, following consideration in Committee, subsequently move that the House approve the proposals set out in the paper, without amendment or with such amendment as he may incorporate in the motion arising out of consideration in the Committee."** It is therefore the intention that, before we meet in Committee, those details that were already given by the Honourable Leader of Government Business, in his presentation of the Motion, will be stated specifically under the Third Resolve, which will be moved in detail.

Therefore, the Third Resolve is just being voted now in principle, but the full Motion will be voted on after the Committee stage of this Government Motion.

I might say, before putting the question, that after the votes are taken on this, we will take a break for lunch and return at 2 pm.

The question is: "**BE IT NOW THEREFORE RESOLVED THAT this Honourable House debates the proposed new draft Constitution laid on the Table of the Legislative Assembly on the 2 October 2003;**

"AND BE IT FURTHER RESOLVED THAT, upon the completion of the debate, this Honourable House resolves itself into a Committee of the whole House to consider the proposed new draft Constitution and report to this House, that the Committee has considered the paper."

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Question Put on First and Second Resolves: Agreed. First and Second Resolves of Government Motion No. 5/03 passed.

The Speaker: The Third Resolve: "**AND BE IT FURTHER RESOLVED THAT this Honourable House approves any proposals and/ or amendments arising out of consideration by the Committee."**

All those in favour please say Aye. Those against, No.

Ayes and Noes.

The Speaker: The Ayes have it.

Hon. D. Kurt Tibbetts: Mr. Speaker, can we have a division please?

The Speaker: Madam Clerk.

Division No. 7/03

Ayes: 6	**Noes: 5**
Hon. W. McKeeva Bush	Hon. D. Kurt Tibbetts
Hon. Roy Bodden	Mr. Alden M. McLaughlin, Jr.
Hon. Gilbert A. McLean	Mr. Anthony S. Eden
Mr. Rolston M. Anglin	Ms. Edna M. Moyle
Hon. Cline A. Glidden, Jr.	Mr. V. Arden McLean
Mr. Lyndon L. Martin	

Absentees with apology: 3

Hon. Juliana Y. O'Connor-Connolly
Dr. the Hon. Frank S. McField
Capt. A. Eugene Ebanks

The Speaker: The results of the vote on the Third Resolve are 6 Ayes, 5 Noes and 3 Absentees.

Question Put on Third Resolve: Agreed. Third Resolve passed by majority.

The Speaker: I would like to explain for the record, and for clarity for the listening public, that since this is a Constitutional matter, the Official Members did not take part in this vote.

Honourable Members, I propose now to take the lunch break. I ask you all to be back here at 2.00 pm promptly.

Proceedings suspended at 12.08 pm

Proceedings resumed at 3.34 pm

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies for Absence and Late Attendance

The Speaker: I have apologies from the Second Official Member for the afternoon sitting of the House. Honourable Members, we will now move into the Committee of the House.

Standing Order 19(2)

The Chairman: Honourable Members, as mentioned before the break, I propose to deal with this draft Constitution in accordance with Standing Order 19. I would like to read through that so that all Honourable Members are fully acquainted with the procedures, even though I know each one of you has a copy of these Standing Orders.

Standing Order 19 states:

"1) At any time after the presentation of a paper under Standing Order 18 (Presentation of papers), the Member of the Government who presented the paper may give notice of a motion that the House resolve itself into a Committee of the whole House to consider the paper. Debate upon that motion shall be confined to the general principles there set forth.

2) If a motion under paragraph (1) is agreed upon, the House shall resolve itself into Committee. Debate in Committee may extend to all the details of the paper which shall be discussed paragraph by paragraph unless otherwise decided by the Presiding Officer who shall have regard to the convenience of the House."

In view of the importance of this particular document dealing with the Constitution, I propose to discuss it paragraph by paragraph. Standing Order 19 (2) continues: **"No question shall be put on, nor any amendment proposed to, any part of the paper and at the conclusion of the debate no question shall be put save that the Member who moved the motion under paragraph (1) shall report to the House that the Committee has considered the paper.**

3) When such a paper contains proposals [as does this draft Constitution] **the Member of the Government who presented the paper may, following consideration in Committee, subsequently move that the House approve the proposals set out in the paper, without amendment or with such amendment as he may incorporate in the motion arising out of consideration in the Committee".**

I advised Members that at the end of the Committee sitting, the Honourable Leader of Government Business will, in fact, make such a motion as deemed necessary, with or without amendments.

It is also being recommended, procedurally, that, since we are dealing with the whole draft Constitution, we start from the very beginning of the Constitution, which will in fact cover the citation and commencement going forward. I will now pass that on to Madam Clerk.

House in Committee at 3.35 pm

COMMITTEE

Proposed New Draft Constitution

The Clerk: "The Cayman Islands Constitution Order 2003".

Clause 1

The Clerk: Clause 1 Citation and commencement

Hon. W. McKeeva Bush: Mr. Chairman, I do not think that there are any objections for these areas. I would propose that we move through them quickly until we get to the first sections on Part I, dealing with fundamental rights and freedoms of the individual. Some Members may think otherwise, but there was no such objection prior.

Hon. D. Kurt Tibbetts: Mr. Chairman.

The Chairman: The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you. There is only one question. Perhaps it can easily be answered. I am looking under Statutory Instruments at the beginning of the document, right after the letter from Baroness Amos. While we know it is a draft, we have "2003" repeated, I think, six times. Although it is in brackets, the question is: Is there any reason for us to question that, as it is fixed for 2003?

The Chairman: I think that the Honourable Leader of the Opposition has put his finger on it. The fact that it is in brackets suggests that it was not a fixed date. That is why it is in brackets.

Hon. D. Kurt Tibbetts: I am looking under Citation, construction and commencement—No.1.

Hon. W. McKeeva Bush: Mr. Chairman, I agree with you. When they did this, back in February, they might have wished that we would have finished. That might have been the hope, but I do not think there is anything material here to do. I suggest that we move forward, because we all recognise that it will not come into effect at this particular time.

Hon. D. Kurt Tibbetts: I have one last question, Mr. Chairman. You said that I hit the nail on the head because it is in brackets, but under Citation, construction and commencement, it does read:

"1.—(1) This order may be cited as the Cayman Islands (Constitution) (Amendment) Order 2003." It also reads: **"(2) The principal Order and this Order may be cited together as the Cayman Islands (Constitution) Orders 1972 to 2003."** Again, that was part of the question."

Hon. W. McKeeva Bush: Mr. Chairman.

Hon. D. Kurt Tibbetts: If I may just complete–

[Inaudible interjection]

Hon. D. Kurt Tibbetts: I understand. I want to make sure that the whole of those two sections also applies to all we have been saying for the last two to three minutes.

Hon. W. McKeeva Bush: Mr. Chairman, to satisfy the Member, and out of an abundance of caution, let us say that we agree to change that to whatever date is agreed upon between us and the UK.

[Pause]

The Chairman: I would like to make sure that we are on the same wavelength, Honourable Members. One of these is part of a letter from a Mr. A.K. Galloway, Clerk of the Privy Council, and the other forms part of the draft Constitution.

Mr. Alden M. McLaughlin, Jr.: Mr. Chairman, I think the confusion may have arisen because what my Honourable colleague, the Leader of the Opposition, was referring to was really the interim document, which has already been promulgated and commenced. Those provisions he spoke about do not really appear in this substantive instrument, which would give effect to the Constitution.

The Chairman: Let us continue.

Clauses 2 to 10

The Clerk:

Clause 2	Interpretation.
Clause 3	Revocations.
Clause 4	Establishment of Constitution.
Clause 5	Existing Laws.
Clause 6	Existing offices and officers.
Clause 7	Legislative Assembly.
Clause 8	General election.
Clause 9	Pending legal proceedings.
Clause 10	Power reserved by Her Majesty.
Schedule 1 to the Order	Instruments revoked.
Schedule 2 to the Order	Part I, Fundamental rights and freedoms of the individual.

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Thank you, Mr. Chairman. Members will recall that in the talks at Lancaster House, we proposed that the fundamental rights and freedom of the individual would form part of the Constitution, but would not be put into force until sometime during 2006. Mr. Chairman, we have had to give it much talk since then, as we have had discussions with various bodies. As I intimated in the opening statement of this debate, we would prefer to see this particular section, Part I, the fundamental rights and freedom of the individual, placed in a separate Act—for many reasons, some of which are best not elaborated here. Simply, we believe that it would be more workable, and more accepted by the general public and learned scholars as well, if this were a separate Act, just as the United Kingdom themselves have.

Therefore, at this stage I will move that Part I, the fundamental rights and freedoms of the individual, be taken out of the proposed draft Constitution, and when that comes back we will deal with it in a separate Act. Further, I propose to have the various sections and rights done in a draft Bill, and hope to have that to send to the United Kingdom so that they understand clearly where we stand and what we are trying to do.

I do make that Motion at this time, Mr. Chairman.

Hon. D. Kurt Tibbetts: Mr. Chairman, those of us who were here after the 1992 Elections remember clearly certain amendments that were proposed, as well as the fact that there was a request not to have a Bill of Rights in the Constitution. I understand that that is a different situation, because what the Honourable Leader of Government Business is proposing is not that we will not have a Bill of Rights. The issue is how it is crafted, and whether it is a constitutional instrument, or in legislation, whether by act or law.

Although I hear his proposal, I would ask if the Chairman would allow me a minute or two to confer with my colleagues. We will reply fairly quickly, because we would like to move forward with this, rather than *dilly-dally*.

The Chairman: Honourable Members, I propose to take a suspension for 5 minutes.

Proceedings suspended at 3.50 pm

Proceedings resumed at 3.53 pm

The Chairman: Please be seated.

Clauses 1 to 11

The Clerk:

Clause 1	Fundamental rights and freedoms of the individual
Clause 2	Protection of right to life
Clause 3	Protection from inhumane treatment
Clause 4	Protection from slavery and forced labour
Clause 5	Protection of right to personal liberty
Clause 6	Provisions to secure protection of law
Clause 7	Protection of right of prisoners to humane treatment
Clause 8	Protection for private and family life in the privacy of home and other property
Clause 9	Protection of the right to marry etcetera

Clause 10 Protection of freedom of conscience.
Clause 11 Protection of freedom of expression

Mr. Alden M. McLaughlin Jr.: Mr. Chairman.

The Chairman: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin Jr.: Mr. Chairman, the parliamentary Opposition proposes an amendment to Section 11. Is this an appropriate time to raise it?

The Chairman: The Protection of Freedom of Expression.

The Second Elected Member for George Town.

Mr. Alden M. McLaughlin Jr.: Mr. Chairman, as outlined in the Position Paper that we presented to London, we proposed that Section 11, Subsection 2 include the following additional wording: "No law shall make any provision that abridges the freedom—"

The Chairman: I am sorry. Could you say whether it would be subparagraph 4 where you would put that in?

Mr. Alden M. McLaughlin Jr.: No, Sir. The proposal is that the above-mentioned wording be added to the Bill of Rights, as subsection 2 of section 11, and that the other subsections of section 11 be renumbered accordingly.

The Chairman: I see.

Mr. Alden M. McLaughlin Jr.: The objective is to ensure that there is no doubt about the protection of the freedom of the press. The proposed amending provision is: "No Law shall make any provision that abridges the freedom of the press." That provision will, of course, be subject to the usual exceptions, limitations and restrictions, which are contained in the substantive section—section 11. It does not stand alone; it is part of section 11.

The Chairman: The Leader of the Opposition, were you going to comment on this?

Hon. D. Kurt Tibbetts: No, the Second Elected Member for George Town has already explained, Mr. Chairman. However, I know that the Clerk would be eternally grateful if we circulated what my colleague just read, so we will do so. That is all I wanted to ensure.

The Chairman: All right.

Hon. W. McKeeva Bush: Can you repeat the wording, since it is not written?

The Chairman: I think that the question of typing should not be a problem, if you have a text that you want to have typed.

Mr. Alden M. McLaughlin Jr.: I actually do have it in writing. We can simply photocopy my page, Mr. Chairman, if that is easier.

The Chairman: All right. The Sergeant-at-Arms could simply pick that up and get some photocopies.

Mr. Alden M. McLaughlin Jr.: Mr. Chairman, I see, perhaps, a little doubt on the faces of some of the Members on the other side. I can try to explain the impact of this.

Section 11 deals with the protection of freedom of expression. It says:

"1) Except with his consent, no person shall be hindered in the enjoyment of his freedom of expression, and for the purposes of this section the said freedom includes freedom to hold opinions and to receive and impart ideas and information without interference, and freedom from interference with his correspondence or other means of communication.

"2) Nothing contained in or done under the authority of any law shall be held to be inconsistent with or in contravention of this section to the extent that the law in question makes provision-

a) that is reasonably required-

i. in the interests of defence, public safety, public order or public morality; or

ii. for the purpose of protecting the rights, reputations and freedoms of other persons or the private lives of persons concerned in legal proceedings, preventing the disclosure of information received in confidence, maintaining the authority and independence of the courts, regulating telephony, telegraphy, posts, wireless broadcasting, television or other means of communication or regulating public exhibitions or public entertainments; or

b) that imposes restrictions upon public officers,

"except so far as that provision or, as the case may be, the thing done under its authority is shown not to be reasonably justifiable in a democratic society."

Therefore, there is a whole host of restrictions, limitations and conditions placed, by virtue of those provisions, on the freedom of expression. All that is being proposed by the Opposition, now, is that

the following additional words be added to section 11 as a new subsection 2: "No law shall make any provision that abridges the freedom of the press." The following subsections would be renumbered accordingly. That way, it would be absolutely clear that that provision would be subject to those expressed restrictions and limitations, in the same way as all of the other freedoms of expression.

The Chairman: Would you repeat the text of that subsection?

Mr. Alden M. McLaughlin Jr.: "No law shall make any provision that abridges the freedom of the press."

The Chairman: I will not, as you know under the Standing Orders, be putting a question on this, but I would invite any comments from the members of the Committee.

Hon. W McKeeva Bush: Mr. Chairman, as I see it, we have no problem with that. This particular section—Clause 11—deals extensively with the protection of freedom of expression. At all times, when anything untoward happened in any particular section of the press, the members of the public would be protected. That would be my concern, and I am sure that that would be the concern of the Members. For instance, subsection 2, which would become subsection 3 under the Members' proposal, would read:

"Nothing contained in or done under the authority of any law shall be held to be inconsistent with or in contravention of this section to the extent that the law in question makes provision-

a) that is reasonably required-

i. in the interests of defence, public safety, public order or public morality; or

ii. for the purpose of protecting the rights, reputations and freedoms of other persons or the private lives of persons concerned in legal proceedings, preventing the disclosure of information received in confidence, maintaining the authority and independence of the courts, regulating telephony, telegraphy, posts, wireless broadcasting, television or other means of communication or regulating public exhibitions or public entertainments; or

b) that imposes restrictions upon public officers,

"except so far as that provision or, as the case may be, the thing done under its authority is shown not to be reasonably justifiable in a democratic society."

Therefore, Mr. Chairman, the public would be protected all around. There would be much room for peace, and what we would normally call public rights, or the rights of the person.

The Chairman: I had requested that the proposed amendment be circulated. Sergeant, could you please have a copy of that circulated?

Mr. Alden M. McLaughlin Jr.: Mr. Chairman, there is only one difficulty with that. It is on the same page with another proposal, which will come shortly. I think one of my colleagues has another copy, so that is all right.

The Chairman: Is your copy typed?

Mr. Alden M. McLaughlin Jr.: This has simply been lifted from the position paper we referred to earlier. It is page 27: Protection of Freedom of Expression.

The Chairman: The Second Elected Member for George Town, do you have any further comments on Clause 11?

Mr. Alden M. McLaughlin Jr.: Mr. Chairman, I do not disagree with anything that the Honourable Leader of Government Business has said about that. However, that very short amendment was proposed to us by certain members of the press corps, during the round of talks. The point I found most compelling was that, in seeking to craft a Constitution that is reflective of the wishes, aspirations and attitudes of our country, it does say something about a country, about the way it views the press and the importance of freedom of the press, if there is express provision in that Constitution about it. I do not disagree, and this is something that we dealt with, to some in extent, in London. I do not disagree that this section, as currently drafted, more likely than not covers the freedom of the press as well, even though the press is not significantly mentioned. However, for the reasons that I just articulated, we feel it is a good thing to include it in the Constitution, if that is possible.

The Chairman: My understanding was that the Government's side generally accepts this proposal, and if that is indeed the case, we will have it circulated. However, I will ask the Clerk to continue.

Hon. W. McKeeva Bush: That is correct, Mr. Chairman. We have no problem with that. I think we are all on the same wavelength, for the same reasons.

Clauses 12 to 18

The Clerk:

Clause 12	Protection of freedom of assembly and association
Clause 13	Protection of freedom of movement.
Clause 14	Protection from discrimination on grounds of race, etcetera

Clause 15	Protection from deprivation of property
Clause 16	Provisions for periods of public emergency
Clause 17	Enforcement of fundamental rights
Clause 18	Interpretation of Part 1

Mr. Alden M. McLaughlin Jr.: Mr. Chairman.

The Chairman: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin Jr.: Before we leave Part 1, Mr. Chairman, there is another provision that the parliamentary Opposition proposes be included in the Bill of Rights.

The Chairman: Is it within the 18 clauses that we have just read?

Mr. Alden M. McLaughlin Jr.: No, Sir. That is why I left it to the end. It is to give constitutional protection to the public's right to public information, in furtherance of more open, transparent and accountable government—Clause 2 of the Constitution Modernisation Checklist.

The proposal, Sir, is this: that there be added, as a fundamental right, the following: "Every person in the Cayman Islands shall have the right to access of public information in possession of the Government of the Cayman Islands, including any board, authority, agency, committee, organisation, or other deliberative, consultative or advisory bodies established by the Legislative Assembly, or the Government, under any law or otherwise, save where the disclosure of such information will adversely affect the security of the Cayman Islands or the United Kingdom public safety, public order, public morality or the interests of other persons, which shall be protected as provided for by law."

Hon. D. Kurt Tibbetts: Mr. Chairman, I will add quickly to that. In other words, if we look at the very last part of the provision, what it is really saying is that freedom of information legislation will specify the exceptions to this provision that is being proposed. It is not a free-handed provision that is being sought, but the legislation concerning freedom of information would specify what this would not apply to. I wanted to clarify that, so that it was not thought that this was simply an open-ended proposition with regard to access to public information.

The Chairman: Similarly, Second Elected Member for George Town, could we get that circulated?

Hon. Roy Bodden: Mr. Chairman.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: Mr. Chairman, I agree with the principle articulated by the Second Elected Member for George Town, speaking for the Opposition, when he articulated this position. However, Sir, I have some concerns that the kind of society the Cayman Islands is, and the importance of confidentiality in our continuing quest to remain a jurisdiction of excellence in financial matters, would be perceived to be under some threat, particularly in light of the compliances and the demands of international organisations and authorities that we have being made upon us, periodically, at this time. I believe that we are in the process of establishing a Freedom of Information Bill, and certainly, these matters will be best left to be covered in that Bill. I am afraid that to include and incorporate that into a Bill of Rights will be a radical departure from the Bill of Rights of any other country. It may even be some other kind of legal contravention, as far as our political administration is concerned. I would rather this clause not be included in the Bill of Rights. Certainly, I cannot support it, and I have been, for many years, a stalwart proponent of the Bill of Rights. I want to end by saying that I do not see the necessity of this being included in the Bill of Rights, because it really does not concern itself with a life-and-death situation.

The Chairman: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin Jr.: Thank you, Mr. Chairman. I will try to deal with what the Honourable Minister of Education has said, as closely to the order in which he dealt with these matters as I can. We are cognisant, on this side, of the need for confidentiality in regard to Government business in some respects. We are also conscious of the concerns and perceived threats to which the Minister of Education has referred.

However, we are satisfied, having had the benefit of considerable advice and discussions, that the provisions that are contained in this draft—that is, ". . .**save where disclosure of such information will adversely affect the security of the Cayman Islands or the United Kingdom public safety, public order, public morality or the interests of other persons which shall be protected as provided for by law"**—are more than adequate to ensure that any sensitive information can be withheld lawfully.

As to his other point about this going further than the Bill of Rights in other jurisdictions, that is indeed so, in relation to those in this region. However, I think we should be conscious of the fact that what is being proposed in Cayman now is what was proposed in the Universal Declaration on Human Rights, which was signed following the end of World War II, more than 50 years ago. These are what I call the first generation of human rights. In many other, more progressive jurisdictions, they are known as the third or fourth generation of rights. It is quite amazing to note, in some jurisdictions—and surprisingly, in some of the

African states—what has now become a human right. Although this might be a bit progressive for the ultra-conservative Minister of Education, we are certainly not breaking any new ground by proposing that freedom, or the right to public information, is something that should be protected as a human right—not at all.

As for his point that legislation is coming that will set out what information is available, the terms under which it is available, and the circumstances in which it can be given etcetera, that is well and good. That would certainly be a necessary vehicle to give life and effect to this proposal. However, it is one thing to have that mechanism in place; it is quite another to have it enshrined in whatever legislation exists in terms of the protection of human rights, as a human right. It gives it a standing that the other, inferior, legislation simply would not be able to do.

Again, it says something about the kind of society we are trying to create in this rather slow march to a more democratic, open, accountable and transparent government—all of which are buzz words that have been around now for four or five years, which the UK is fond of and which all of us here have grown very fond of ourselves. Even when we are not entirely fond of the concepts, we are certainly fond of trotting out the words on occasions such as these. We firmly believe that this is something that should be enshrined in whatever legislation we have that sets out the human rights that are protected in these Cayman Islands.

The Chairman: We have just had the script with the text of the recommendations circulated, and so that we are all on the same wavelength, I will read through this again.

The proposal being made by the parliamentary Opposition, under the title Right to Public Information, reads as follows: **"Every person in the Cayman Islands shall have the right to access of public information in possession of the government of the Cayman Islands, including any Board, Authority, Agency, Committee, Organisation or other deliberative, consultative or advisory body established by the Legislative Assembly or the Government under any law or otherwise, save where the disclosure of such information will adversely affect the security of the Cayman Islands or the United Kingdom public safety, public order, public morality or the interest of other persons which shall be protected as provided by law."**

In reply to that, the Honourable Minister of Education did express concern, and also informed the House that the Freedom of Information Bill is now under active consideration.

As I mentioned earlier, we are not taking a vote on this. It is a matter of consensus, as we move along. Those areas that are accepted will be included in the Motion brought by the Leader of Government Business at the end.

The Honourable Minister of Education.

Hon. Roy Bodden: Thank you, Mr. Chairman.

I took careful note of what the Honourable Second Elected Member for George Town said about our evolving this document after many years, and that this is just beginning. There is an old Latin expression, *festina lente,* which, when translated into English means, "hasten slowly". Mr. Chairman, this is our first serious attempt at crafting a Bill of Rights; therefore, I suggest that, rather than concentrating on including everything at this one time, we cover the most fundamental and sensitive areas, and, as we garner experience, then we include other areas.

As for this whole business of the interests of other persons, there is no precise definition of what the interests of other persons are or can be; rather, it is left to the perception of the person seeking to enquire into those interests.

I am humbly suggesting that to open public information—every board, authority, agency, committee, organisation or other deliberative consultative or advisory body established by the Legislative Assembly—will be to open Pandora's box. What might start out as the most genuine of interests is going to wind up being something that is detrimental to the development of these Islands.

I certainly support freedom of information, but certain parameters have to be laid out. Remember, the Cayman Islands is a service-based economy; if we do this, we are opening ourselves up to more than natural inquiry and inquisitiveness. We are going to be creating a monster, which we will come to regret having done. I cannot, in good faith, support this, and I speak for the United Democratic Party Government.

Thank you.

The Chairman: We have heard the comments, on behalf of the Government side, from the Honourable Minister of Education, and we have taken note of the comments by the Second Elected Member for George Town. I think the consensus is that the Government bench is not very happy with this most recent proposal. As I mentioned, we are not taking a vote at this stage; this will be taken into account at the end of the deliberation of the Committee.

Hon. D. Kurt Tibbetts: Mr. Chairman.

The Chairman: The Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you. I think that both sides understand the position that each side has taken. However, our thoughts are that, whether via the Constitution, an Act or legislation, the Bill of Rights will not come into effect until the year 2006. We assume that freedom of information legislation would be placed prior to that, and that any such legislation that would be in place would have taken care of the fears expressed by the Minister of Education on behalf of the Government. That is how we see it: hence the proposal. That is the reason why, although we hear

what the Government is saying, we would still press for that to be part and parcel of the Constitution, and it is on the record.

The Chairman: Thank you very much. Those points have been noted.

Madam Clerk, would you continue please.

Clauses 19 to 33

The Clerk:

PART II – THE GOVERNOR

Clause 19	The Governor.
Clause 20	Deputy Governor.
Clause 21	Acting Governor.
Clause 22	Governor's Deputy.
Clause 23	Emoluments, personal staff and expenditure of the Governor.
Clause 24	Exercise of Governor's functions.
Clause 25	Governor may act contrary to the advice of Cabinet.
Clause 26	Powers of pardon, et cetera
Clause 27	Establishment and procedure of Advisory Committee.
Clause 28	Powers to dispose of land.
Clause 29	Public seal.
Clause 30	Offices and appointments.

PART III – THE EXECUTIVE

Clause 31	Executive authority.
Clause 32	The Cabinet.

The Chairman: Leader of Government Business.

Hon. W. McKeeva Bush: Thank you, Mr. Chairman.

Clause 32 deals with the Cabinet and the proposal is that, under 1 (c), there is a recommended amendment. We would recommend that the wording be: "six other Ministers, one of whom would be Deputy Chief Minister, appointed by the Governor, acting in accordance with the advice of the Chief Minister from among the elected Members of the Legislative Assembly."

Section 32 (4) reads: *"***Notwithstanding subsections (2) and (3) of this section, the Governor shall not appoint as Chief Minister a person who has held office as Chief Minister during two consecutive parliamentary terms unless at least one parliamentary term has expired since he last held that office; and for the purposes of this subsection a parliamentary term shall be deemed to be a period commencing when the Legislative Assembly first meets after being constituted under this Constitution or after its dissolution at any time, and terminating when the Assembly is next dissolved."** We recommend the deletion of this subsection.

The Chairman: That is, Section 32 (4).

Hon. W. McKeeva Bush: Yes, Section 32(4).

Section 32(6) says: **"If occasion arises for making an appointment of any Minister between a dissolution of the Legislative Assembly and the polling in the next following general election, a person who was an elected member of the Legislative Assembly immediately before the dissolution may be appointed as a Minister as if he were still a member of the Legislative Assembly."**

Our recommended amendment to that would be: "If an occasion arises for making an appointment of any Minister between a dissolution of the Legislative Assembly and the polling in the next following general election, a person who was an elected member of the Legislative Assembly immediately before the dissolution may be appointed as a Minister by the Governor, acting in accordance with the advice of the Chief Minister, as if he were still a member of the Legislative Assembly".

The Chairman: Those are the suggestions under section 32. Are there any further comments on that?

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Chairman.

On behalf of the Opposition, I can say that the Government's proposed change to section 32(1)(c) of the draft Constitution, which reads, "six other Ministers, one of whom would be Deputy Chief Minister, appointed by the Governor, acting in accordance with the advice of the Chief Minister from among the elected members of the Legislative Assembly", is something that we are prepared to agree with. However, we are unable to agree with the proposal to delete subsection (4), which relates to term limits on the holder of the office of Chief Minister, limiting his tenure to two consecutive parliamentary terms, unless at least one parliamentary term has expired since he last held that office.

That provision appears in the draft Constitution because it was one of those points that was agreed between the Government and ourselves at the summit on 29 November, 2002, and put forward in London during the meetings at Lancaster House, from 9 to 11 December, 2002.

It is a position that we made plain in our position paper, and that was arrived at as the result of significant representation from the general public over the course of our consultative exercises.

What has been expressed to us is concern about the creation of an autocratic office, which is something that I think has been reflected in the attitude of Caymanians, over the course of many years, to the establishment of this office of Chief Minister. Caymanians have seen the way that the office of Chief Minister operates in most of the other Overseas Territories, and it is not something of which they generally approve.

Indeed, Mr. Chairman, those of us who are *in the play* would say that the move to a Chief Minister is more than overdue for the Cayman Islands. Full minis-

terial governments have existed in most of the other Overseas Territories for many years. We are many years behind in that respect, but our people have staunchly resisted that move, because they wanted to ensure that whoever is in charge of the country has sufficient checks and balances imposed on the office. They do not want a situation such as exists in Antigua, for example, which is an independent country, but in which one family has essentially run the Government for the last 40 years. The imposition of term limits on the office of Chief Minister would go a long way towards alleviating those concerns and mitigating those sorts of situations, if not entirely preventing them from happening. That is why we included that provision in our position paper. That is why we sought to persuade the Government, last year, to agree with us that that provision should go into our draft Constitution, and that is the reason why it is there. It is a position that is a considered one, on our part, and that we are going to stand by.

I do not think I can say more than that. The Government have clearly taken their position, and the record will have to reflect the difference of opinion.

The Chairman: The Honourable Minister of Education

Hon. Roy Bodden: Mr. Chairman, why is it that we always pick the most invidious examples from a book that is representative of the whole spectrum? Is it some defect in our psyche? Democracy is not best served if we impose this restriction. Consider that the person who is Chief Minister has first to come up through the ranks of his party, and maintain the confidence of his Ministers in Cabinet, as well as the rank and file of his party. That is one set of checks and balances. Even before he reaches that level, he has to convince his constituents to elect him. Democracy, as I understand it in this case, is best served by letting the person who, by popular will, rises to lead his party. Those kinds of restrictions should not be imposed upon him.

Certainly, the example cited of Antigua is an example in the extreme. There is no other jurisdiction in the Caribbean where that situation obtains today. Even as we speak, it is under serious and significant challenge, which is threatening its lifespan. I do not believe that, in a small jurisdiction such as this, we should impose these kinds of restrictions on a system that we wish to work to its best effect.

Indeed, I remember when we had the Constitutional Commissioners, Smith and Wallace, visit. Sir Frederick Smith told us that the best determinant of the tenure of any elected representative is the confidence that representative gains at the polls, from his constituents, and the confidence he gains in the Cabinet, from his colleagues. I do not think we need to write in any other restriction but that, and I hear the voices of an oligarchy, which is jealous and would like to keep some people under their thumb. As someone who is supportive of Westminster's style of democracy, I cannot impose this restriction on anyone.

The Chairman: The Second Elected Member for West Bay

Mr. Rolston M. Anglin: Mr. Chairman, I am cognisant of time, but I am also cognisant of the fact that potentially, these records would be reviewed by the Foreign and Commonwealth Office. I think it is always good for there to be perspective given to comments.

I am significantly younger than the Second Elected Member for George Town. For as long as I have known myself, I have known that constitutional change in the Cayman Islands has been resisted—not so much because Caymanians have looked at other Overseas Territories. Most Caymanians have no idea what is happening in other Overseas Territories, what their constitutional modernisation agendas are, or what their Constitutions are. I think that what Caymanians have feared all along, about the Chief Minister, is that they saw themselves having no tangible way of determining who was going to be the Chief Minister. Caymanians did not want horse-bartering and horse-trading to exist, as happened after the 2000 General Elections, or for that to be the premise upon which a Chief Minister is chosen.

I believe firmly that there has been misinformation, over the years, about the position of Chief Minister; however, the one truth that has been put out there, about which Caymanians have clamoured, is the fact that there was no organised politics in the Cayman Islands. Caymanians went to the polls every four years, but they had little to no direct contact with their MLAs. There was no way that they knew who their MLAs were going to support; no one knew who the Cabinet was going to be. No one went to the polls on the basis of who the Cabinet, or the Leader of Government Business, was going to be. I believe firmly in my consultation—and our consultations have been wider than the consultations of the Opposition on this point, and just as deep. I always like to remind my good friend, the Second Elected Member for George Town, that he held no public meetings for one full year, whilst we, in West Bay, held more than five public meetings in the first year after being elected. Therefore, he cannot come here now, with his hypocrisy, and start preaching about consultation, and all these great virtues. This is simply a very narrow-minded view that has been put forward—and I know the quarter from which it has come forward, in the People's Progressive Movement. Mr. Chairman, we have to maintain democracy in the Cayman Islands.

We need to move forward, in terms of party politics—organised, safe, party politics that are in the best interests of the community. The best interests of our community are served by telling our people that we are confident that they will go to the polls and make their democratic voices heard.

Even if we were to go down the line of thought put forward by the Opposition, that a Chief Minister could be so autocratic, they are certainly not term-limiting his tenure as an Elected Member. Are they telling us that this person, who is so awful and so autocratic, is not going to run the country from behind the scenes? Is he still not going to tell whomever he puts up as Chief Minister what to do? Mr. Chairman, this is farcical. We are in the year 2003, and here we have, in these Honourable Chambers, this sort of nonsense still being perpetuated. I tell you, as a young person in this country, that it certainly does not speak well. I am glad that young people are not going to hear—I hope they do not hear—these proceedings, because this really upsets me. It upsets my core as a young human being called a Caymanian.

Caymanians still do not know the constitutional status in other Overseas Territories, and the Member knows that. They have not followed any developments that have scared them, in constitutional changes in other Overseas Territories. That is not what has scared them. What has scared them is that the office of Chief Minister is significant, and it is significant for a reason. We need a captain on our ship. Every ship has a captain. When the older men went to sea, the captain did not simply give up his captaincy of his vessels halfway across the Atlantic because he had reached 100,000 nautical miles, and was now going to pull up some other person to become the captain of the ship. He continued being the captain of the ship, because he enjoyed the skill and he was there to be the captain.

People did not see themselves being able to influence, or know directly, how they were going to choose their Chief Minister. It was therefore logical that, in the early 90s, this caused much concern. I voted in 1992, and I remember the constitutional arguments. I do not know about the Second Elected Member for George Town, but I can tell him that in moving around my district in those days, when I was an extremely young man, I completely understood what people were saying. People were saying that they needed to know who their Chief Minister was going to be before they went to the polls. That is going to happen in 2004. Let us move the Cayman Islands forward. Let us not be driven by personalities. Let us be driven by what is going to be good for our children and our grandchildren. If the Cayman Islands decide, 10 years from now, to elect someone to the office of Chief Minister and keep him there for 30 years, and they have 30 years of unparalleled growth, all the better for our future generations.

The Chairman: The Honourable Minister of Health Services.

Hon. Gilbert A. McLean: Mr. Chairman, thank you. I would also like to comment on the proposal that the section in question be deleted. I think we have a very good insight into this matter that is being proposed by the Opposition. I suspect it is coming up again as the result of persons who, over 12 years ago, made similar recommendations. I would like to refer to the report of the Constitutional Commissioners 1991—Sir Fredrick Smith and Mr. Walter Wallace. This was in May 1991; it was the Report of the Constitutional Commissioners then. On page 13, under the heading, Limitation on Terms of Office, it reads: **"We received a number of representations that the term of office of elected members of the Executive Council and the Legislative Assembly should be limited, for example, to two terms of four years each. Such a provision would be undemocratic and, to the best of our knowledge, would be without precedent in any Commonwealth country. Moreover, it could mean that the electors in a constituency could be deprived of an able, experienced, well-liked representative who would have been their choice for a third or more term of office had he not been debarred from standing as a candidate because of the limitation of terms. It could in fact mean the choice of second best. It could also serve to discourage an able candidate in the private sector from seeking a career in politics, knowing that it could only be for a limited period. We are therefore unable to support the proposal."**

Mr. Chairman, I think that is perhaps one of the best descriptions, from people who viewed the whole situation here objectively. For the same reasons, I do not support the concept.

The Chairman: Honourable members, we have aired this fairly well. I will be taking the next point from the Second Elected Member for George Town, and then one after that before we move on.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Chairman.

I am sorry that the Second Elected Member for West Bay has left, because the rather unhelpful tone and attitude with which he addressed this issue this evening does not do a great deal to promote the kind of cooperation we generally seem to obtain here. I will forgive his youthful exuberance and passion, but I caution him in the use of the word, "hypocrisy"—certainly in relation to me. Such language is not only unparliamentary, but it is a difficult position for him to maintain, because he was a member of his Government's negotiating team, which agreed to term limits a year ago. The impassioned argument he just put against the position is something he should have rehearsed a year ago.

Mr. Chairman, I am not going to rehearse, myself, what I said earlier, but simply address the point raised by the Honourable Minister of Health about what the Constitutional Commissioners in 1991 said about term limits.

They were referring specifically to Elected Members generally, not to the Chief Minister.

Hon. Gilbert A. McLean: They were referring to everyone.

Mr. Alden M. McLaughlin, Jr.: No, they were not referring to everyone. They were referring to limitations on the terms of office of Elected Members . . .

Hon. Gilbert A. McLean: …of the Executive Council and the Legislative Assembly.

Mr. Alden M. McLaughlin, Jr.: They were referring to limitations on the terms of office of Elected Members of the Executive Council and the Legislative Assembly. They were not referring to the situation in relation to the office of Chief Minister, because the proposal that we have put forward would not prevent any Member from continuing in Cabinet for as long as he or she were elected, or appointed, to that position. It would simply put a limitation on how long you could hold the office of Chief Minister.

Mr. Chairman, I understand the Government's position, and I doubt that they are going to change, so I am not going to try to persuade them. For the record, however, I thought it was important for those points to be made.

The Chairman: Thank you very much. I will invite the Clerk to move forward with the sections.

Clause 33

The Clerk: Clause 33 Tenure of office of Chief Minister.

The Chairman: I am sorry. There was one section we did not deal with, and that was clause 32(6). I am not sure what the position of the Opposition is, on that.

Honourable Leader of Government Business, would you read that again please?

[Pause]

Hon. W. McKeeva Bush: It reads: **"If occasion arises for making an appointment of any Minister between a dissolution of the Legislative Assembly and the polling in the next following general election, a person who was an elected member of the Legislative Assembly immediately before the dissolution may be appointed as a Minister as if he were still a member of the Legislative Assembly."**

There is also a recommended amendment, which reads: "If occasion arises for making an appointment of any Minister between the dissolution of the Legislative Assembly and the polling in the next following general election, a person who was an elected member of the Legislative Assembly immediately before the dissolution may be appointed as a Minister . . ." and the addition is as follows: ". . . by the Governor, acting in accordance with the advice of the Chief Minister."

Hon. D. Kurt Tibbetts: Mr. Chairman, may I ask a question? I know that my colleague, the Elected Member for East End, also has some concerns about the next recommended amendment, but I will stay with this one, looking at the word "may". The word "may" is not part of the recommended amendment; it is not new, because subsection (6) actually reads: **". . . a person who was an elected member of the Legislative Assembly immediately before the dissolution may be appointed…"**

If the occasion arises for making an appointment of any Minister, I want to be very clear in my mind, and I want to make sure my colleagues interpret it in the same way. Is this saying that if a Minister has to be appointed between the dissolution of the Legislative Assembly and the polling in the next following election, a Minister may be appointed who was not an Elected Member prior to dissolution of the House?

I am asking because it says "may". Why is the word "may" used and not "shall"?

The Chairman: The Honourable Minister of Health Services.

Hon. D. Kurt Tibbetts: Before the Minister of Health Services speaks, perhaps he can clear up the issue, if he can understand my real question.

My interpretation is that you would not have that as part of the Constitution unless that is what was going to happen, if the occasion arose.

Hon. Gilbert A. McLean: Mr. Chairman, my understanding of it is this: If an occasion arises after the House has been dissolved, and the election day would naturally follow, a person who was an Elected Member prior to the dissolution could be appointed by the Governor as a Minister, if he needed this person to be appointed. He should do so in the way we are suggesting: after the advice of the Chief Minister. It would also seem to me that in such an instance, it may not even be that the person was a Minister prior, but that the Governor could make such an appointment, if need be.

Hon. D. Kurt Tibbetts: I understand that.

The Chairman: The Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you, Mr. Chairman. I heard what the Minister said, but perhaps there is some barrier in my understanding. I am going to make one last attempt. I understood what he said, but it starts off with, **"If the occasion arises for making an appointment of any Minister . . ."** Therefore, for anything else here to happen, that occasion has to arise,

which means the Governor needs to appoint a Minister. The timing of that is between the dissolution of the Legislative Assembly and the results of the next general election; therefore, this subsection is giving His Excellency, the Governor, the option to appoint someone who, before the dissolution of the House, was an Elected Member—who does not have to be an Member of Cabinet, but simply an Elected Member of the House. However, because the House was dissolved, the Member is no longer an Elected Member.

The words, "in accordance with the advice of the Chief Minister" are fine. That falls in line with the system we speak to. However, if the occasion arises, and the Governor is going to make the appointment, this word "may" tells me that he has the option to appoint someone else, or that he does not have to make the appointment. If he does not have to make the appointment, then what are we talking about? To me, this subsection is giving the Governor the authority to do so whenever the occasion arises.

If the occasion arose, and he did not have to do so, then we do not need anything. He would not have to do it if the occasion did not arise, but if the occasion arose, then he would need to do it. If the identification in this subsection is merely an option, then what are we dealing with?

It is not that I do not understand the other side of the coin, which is to say that if the occasion arose, the Governor must have the option. What I have to question is this: If he has an option, then we cannot say that the occasion has arisen, because once the occasion has arisen, it means there is a vacancy.

The Chairman: The Fourth Elected Member for West Bay.

Mr. Cline A. Glidden, Jr.: Mr. Chairman, I am in agreement that there is some ambiguity here. Where it says, "If the occasion arises", perhaps what it could be changed to is: "When the occasion arises that a Minister has to be appointed". I agree with the Leader of the Opposition when he says that "if it arises" means that the occasion has arisen. It is there, so something has to be dealt with.

If we leave it to say, "when it arises" then it is only when that occasion arises—at that point in time—that the Governor shall do it. However, "if" leaves the condition that the occasion has arisen. You are making the assumption that it has arisen, and that the Governor has decided that a Minister needs to be appointed. At that point, he may appoint someone who was an Elected Member. I agree that it seems ambiguous to say, "He may do that," or "He may do something else".

Hon. D. Kurt Tibbetts: Forgive me, Mr. Chairman.

The Chairman: The Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you. As I move along, I am trying to think it through. Let me see if the other scenario that has appeared before me sounds sensible to you.

When it says, "If the occasion arises", it simply means "if the occasion arises". As we have read through it, this question has come to mind: Is it possible that the occasion might arise, but the Governor might choose not to appoint a Minister, because it is only three days before the election, and another seven days before a Cabinet is named?

Hon. Roy Bodden: He could reassign the subjects.

[Inaudible interjections]

Hon. D. Kurt Tibbetts: Excuse me. Mr. Chairman, if I may. I know there is some cross-talk, but it is meant to clear the air, and not to be disrespectful. I caused this, but I am now getting a clearer understanding of it. Regardless of what the circumstances are, the occasion might arise. However, he might deem that it is not necessary to appoint a Minister, even though there is a vacancy created, because the time span that will evolve is very short, and appointing a new Minister would really be of no assistance.

I think I am taking back what I as saying, Mr. Chairman. I think we are all right.

The Chairman: Honourable Members, I do not want to make this even more complicated, but if you refer to the Constitution dealing with Executive Council, you will see that in section 6 (2), it states: **"The seat of an elected member of the Executive Council shall become vacant—"** and 6 (2) (b) states: **"when the Assembly first meets after a dissolution . . ."** which would suggest that he is in office until the Assembly meets after the dissolution. If that is indeed the case, then–

Hon. D. Kurt Tibbetts: I am sorry, Mr. Chairman. Are we talking about him dropping down dead or something?

The Chairman: I thought I would simply bring that section to your attention.

Hon. D. Kurt Tibbetts: I quite appreciate that, Sir.

The Chairman: Now that we are all happy about it, let us move on.

Madam Clerk, I think the Leader of Government Business was moving ahead.

Clauses 33 to 35

The Clerk:

Clause 33	Tenure of office of Chief Minister.
Clause 34	Tenure of office of Ministers.

Clause 35 Performance of functions of Ministers in certain events.

Hon. W. McKeeva Bush: Mr. Chairman, section 35, which deals with the performance of functions of Ministers in certain events, reads: **"If the Chief Minister is unable, due to illness or his absence from the Cayman Islands, to perform the functions of his office, the Governor may authorise some other Minister to perform these functions."**

We would recommend an amendment to this, to read: "If the Chief Minister is unable, due to illness or his absence from the Cayman Islands, to perform the functions of his office, the Governor may authorise the Deputy Chief Minister to perform those functions. If both the Chief Minister and the Deputy Chief Minister are unable to perform, for the aforesaid reasons, the Governor may authorise some other Minister to perform those functions."

The Chairman: The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Chairman.

I am going to throw another monkey wrench in here about that word "may", because I believe that in the absence of the Chief Minister, the Deputy Chief Minister should perform the functions, at all cost.

Hon. W. McKeeva Bush: Do you want to change it to "must"?

Mr. V. Arden McLean: It should be "shall".

Hon. W. McKeeva Bush: All right. There is no problem with that. It is a matter of semantics.

Mr. V. Arden McLean: Now for the second "may". "If both the Chief Minister and the Deputy Chief Minister are unable to perform, for the aforesaid reasons, the Governor may authorise some other Minister to perform those functions." Someone has to perform those functions. We heard the Second Elected Member for West Bay talk about the captain of the ship. Somebody has to be authorised to be captain in the absence of a captain.

I believe that this should be on advice from the Chief Minister, as well.

The Chairman: Are you suggesting that the second "may" should also be changed to "shall"?

Mr. V. Arden McLean: Yes, and it should be on advice from the Chief Minister.

The Chairman: I would like to open that for discussion.

Hon. D. Kurt Tibbetts: That is the same argument again. It is the same time element, again.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: Mr. Chairman, I believe that clearer functioning of the bureaucracy would best be served if the first "may" were changed to "shall", but the second "may" remained as it is. The situation of the absence of the Chief Minister and the Deputy may arise only for the duration of a day or two—a short period—in which case it would not be necessary, or even convenient, for the Governor to consult with the Chief Minister.

Mr. V. Arden McLean: Mr. Chairman, I totally understand the Minister of Education and initially, those were my thoughts too. However, that is fine. I understand the rationale that he has given for it to remain as "may", but certainly, in the first one, we have to have a captain of the boat.

The Chairman: There seems to be a common consensus on that. If that is indeed the case, we would ask the Clerk to move on.

Clause 36 to 38

The Clerk:

Clause 36 Allocation of responsibilities to Ministers.
Clause 37 Summoning of Cabinet.
Clause 38 Proceedings in and quorum of Cabinet.

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Thank you, Mr. Chairman. Clause 38 deals with proceeding in and quorum of the Cabinet. Clause 38(3) says: **"No business shall be transacted at any meeting of the Cabinet if there are less than five members present, in addition to the person presiding."**

We propose the following amendment: "No business shall be transacted at any meeting of the Cabinet if there are less than five, of which four are voting, members present, in addition to the person presiding."

The Chairman: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Mr. Chairman, we do not have any difficulty with what seems to be intended. I am simply questioning, on behalf of the Opposition, whether we could not employ better language than, "of which four are voting". As far as I am aware, all Members of Cabinet vote. I understand

what is intended: they want only those who are Elected Members of the Legislative Assembly—who are Ministers—to be able to vote.

Hon. W. McKeeva Bush: It is the same thing, because all Members of Cabinet—and certainly, in the new situation, the ex-officio Members—will not be able to vote.

Mr. Alden M. McLaughlin, Jr.: How so?

Hon. W. McKeeva Bush: Mr. Chairman, we are not drawing up the Constitution. We are giving the United Kingdom an expression of our opinion as to what we would like. They are going to draw up the correct Constitution.

Hon. D. Kurt Tibbetts: Mr. Chairman, if that is the case, then it is better to say, "Elected". Then it is as safe as it can be; that is the intent. That makes it absolutely clear.

The Chairman: The suggestion from the Opposition is that the word "voting" could be replaced by the word "elected".

The Honourable Leader of Government Business, do you have a comment on that?

Hon. W. McKeeva Bush: Perhaps I will reread it. It says, "No business shall be transacted at any meeting of the Cabinet if there are less than five, of which four are . . .", and if we go to "elected", it would be, ". . . elected members present, in addition to the person presiding".

Hon. D. Kurt Tibbetts: Mr. Chairman.

The Chairman: The Leader of the Opposition.

Hon. D. Kurt Tibbetts: That was a point that I queried, because if you have seven elected Ministers of Cabinet, there may be the odd occasion, rare as it might be, when four are off the Island. It is not impossible. If more than three elected Ministers of Cabinet are physically off the Island, and if there is business to be conducted by Cabinet, and a decision to be made, it cannot be made as this is proposing.

This speaks to Ministers being present. This does not speak to somebody being off the Island, and another Minister being able to act for that Minister. It speaks to the physical presence of the person.

I understand the intent, but I think we need to think about it carefully, because we might be putting ourselves in a situation in which something might physically occur, and it simply cannot be done, for whatever period of time it takes for somebody to get back on the Island.

Understanding the intent—because as I understand it, the intent is to ensure that the majority of the Elected Members of Council participate in the decision, so that it is physically impossible for a decision to be made without that majority being present—then we look at the other scenario, in which it might be simply that circumstances cause more than three Ministers to be off the Island.

It might be one single Meeting that demands that more than three Ministers be off the Island, and it may be very important. However, something else might occur that was not even planned for during that interim, and we do not know who must wait on whom. Therefore, I think we need to think about that.

The Chairman: The Second Elected Member for West Bay.

Mr. Rolston M. Anglin: Mr. Chairman, I agree with the assessment, although this keeps speaking simply to the physical numbers. The same situation would occur if five were off the Island, because then you physically could not have the Meeting of Cabinet.

Hon. D. Kurt Tibbetts: Mr. Chairman, if it reads as it is, then no matter how far we go, what it says is that there is a quorum of five, besides your presiding officer. This means that, possibly, you could have three Elected Members. That is the only scenario I am putting forward. If you have the caveat that says four must be voting, then it means you cannot have a quorum of the Cabinet unless four Ministers are on the Island and present at that meeting.

If that is what Members are saying, "Nothing could happen," about, I do not agree. Although it might not be often, it is very possible for that to happen, more so in this day and age than any other time.

I wish for us not to believe that it is impossible—not for one minute. In this day and age, it is very easy for one single Meeting to demand that four Ministers be present at that Meeting, who are off the Island; it is far from impossible. In fact, it is getting more likely with every day that goes by.

That is all that I am saying.

[Pause]

The Chairman: The Honourable Leader of Government Business, are you satisfied with that?

[Pause]

Hon. W. McKeeva Bush: Mr. Chairman, we will take that into consideration, if we could move on.

The Chairman: Honourable Members, the view is that we should take under consideration the comments

that were made on section 38(3). Madam Clerk, would you move on, please?

Clause 39

The Clerk: Clause 39 Submission of questions to Cabinet.

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Section 39, which deals with submissions of papers to Cabinet, says: **"No question shall be submitted to the Cabinet for its advice except by and with the approval of the Governor, acting in his discretion; but if the Governor declines to submit any question to the Cabinet when requested in writing by any member of the Cabinet to do so, that Member may require that there be recorded in the minutes his written application, together with the answer given thereto by the Governor."**

We would like to offer an amendment to that, and add: "Any question submitted to the Governor, by any Minister, shall stand referred to the Cabinet for its consideration".

The Chairman: The Leader of the Opposition.

Hon. D. Kurt Tibbetts: Mr. Chairman, for the love of me, I cannot explain it yet. It makes all the sense in the world to me, but there is something *hanging in the back* that is not quite right. I do not know what it is.

I want to say this simply because I heard the Honourable Leader of Government Business when he presented the Motion, and I heard the Deputy articulate it. It makes all the sense in the world, but let me ask the question, because I cannot put my finger on it. Is this anything to do with the powers of the Governor, as is proposed in the draft Constitution?

Hon. Gilbert A. McLean: That is what it deals with.

Hon. D. Kurt Tibbetts: What I am trying to say is: if this changes, does it cause anything else to have to change? That is the question that I want to ask. I am not suggesting it; I just wondered. Whatever the reason is that obtains now, if His Excellency—if we simply speak it as it is— refuses for a paper to go on the agenda (the Constitution calls it a "question"), and if our recommendation, accepted or not, is that he cannot do so, that means that if it is brought through the proper process from the Minister, it must go on the agenda.

Hon. Gilbert A. McLean: He could refuse to take the advice.

Hon. D. Kurt Tibbetts: I understand that part of it, but is there any physical reason why we would not want there to be a free hand for a Minister bringing a paper to Council?

I am asking that question because something is lingering in my mind and I cannot figure it out.

The Chairman: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Mr. Chairman, if I may, I seek to add something to the debate about this.

It is all to do with the ultimate control of the Executive. If a Minister of the Government is unable to get a matter on the agenda, then quite clearly, the Government cannot take a position in relation to it.

Even under our system of very limited—if any—executive authority on the part of the Cabinet (even if we want to stay that way, and if the UK wants us to stay that way) I do not think it is necessary to control the agenda. There are circumstances in which the Governor can refuse to follow the advice of the Cabinet. What he has to do, then, is to explain why it is that he is not following it. That is why I do not believe the UK wants that particular power to be exercised very often. However, I do think it is seeking to have too much control, really, for them even to control the agenda of Cabinet. In this day and age, I believe that the Elected Members of the Government should be able to determine what goes on the agenda. If the UK decides that that is not what they want to happen, then let them say so, and let them deal with it. We would certainly agree that this particular proposal of the Government should go into whatever goes to the UK. Having considered the matter, we were going to bring a similar one, ourselves. We are quite happy with that.

Hon. D. Kurt Tibbetts: In the meantime, Mr. Chairman, I am certain that what I was holding there will go away.

Clauses 40 to 41

The Clerk:
Clause 40 Attendance of other persons at meetings
Clause 41 Secretary to the Cabinet

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, under section 41, which deals with the Secretary to the Cabinet, section 41 (4**)** reads: **"The Secretary to the Cabinet and the Cabinet Office shall also have general responsibility, under the authority of the Governor and the Chief Minister, for the development and co-ordination of Government policy."**

We propose to amend that to say: "The Secretary to the Cabinet and the Cabinet Office shall also have general responsibility, under the authority of the Governor and the Chief Minister, for the co-ordination and implementation of Government policy."

The Chairman: The Honourable Leader of the Opposition

Hon. D. Kurt Tibbetts: Thank you, Mr. Chairman. In principle, we certainly have no problems with what is proposed. However, I consider, very seriously, that a part of this exercise is to flesh things out, and to make sure that we have thought things through when it comes to what proposals may go through, where we agree and where we might not agree. The way I understand it, this Secretary to the Cabinet, under the authority of the Governor and the Chief Minister, will have general responsibility for the co-ordination and implementation of government policy.

When it comes to implementation, I am trying to think of the Financial Management Initiative (FMI), and, unless things have changed—and I know nothing about it—the way that we were moving forward in regard to the responsibilities of Chief Officers and the chain of command in the Ministries. Eventually, we are going to get to performance agreements with the various levels of the chain of command. I simply want to ensure that the words, "general responsibility" satisfy the situation, and that there will not be any overriding conflict with the levels of authority, or who reports to whom.

The Chairman: Thank you. I wonder if the Honourable Leader of Government Business would comment on that. I think that the question that arose during the debate had to do with the development of policy.

Hon. W. McKeeva Bush: Mr. Chairman, where the present provision is that the Secretary to the Cabinet will have responsibility for the development and co-ordination of government policy, we feel that that person should be there to co-ordinate and see to the implementation—within the Ministries, in particular—of government policy, but not that he would have responsibility for its development.

Hon. D. Kurt Tibbetts: Mr. Chairman, we do not disagree with that at all. My only question—and as I said I am looking forward a little bit—is in regard to the arrangements with Chief Officers, Ministers and the whole chain of command with the FMI. It says that the Cabinet Secretary will have general responsibility for the implementation of government policy. I only ask the question to ensure that there is no crossing of the lines when it comes to who is responsible to whom. Does a Chief Officer answer to the Cabinet Secretary? Does the Chief Officer answer to the Ministry? I am not suggesting that that is how it is; I simply want to ensure that we have made it clear. If the Cabinet Secretary is also responsible for the implementation of government policy, then I simply want to ensure that we are clear with the direction in which it goes.

Hon. W. McKeeva Bush: Mr. Chairman, we were very clear on this matter. The Chief Officers are responsible to their Ministers and—

Hon. D. Kurt Tibbetts: Are they also responsible for implementation?

Hon. W. McKeeva Bush: They are responsible for the implementation of government policy, but not at the Cabinet level. "Cabinet level" means that the Ministers work on their government policy and their Cabinet Secretary sees that government policy is co-ordinated. I am not sure that he is to see that it is implemented; I think that he has more to do with co-ordination.

Hon. D. Kurt Tibbetts: That is exactly my point, Mr. Chairman. What we are talking about is co-ordination and implementation. That is all I am saying.

Hon. W. McKeeva Bush: I am not sure that he can implement policy. He would have some role to play, as he works between Ministers, and of course at some time you would expect that the Chief Officers are going to come into play somewhere. However, they would not have direct responsibility to him. He would not have a responsibility for them.

The Chairman: Honourable Members, it might help if we look at the whole chain of command. It says, "The Secretary to the Cabinet and the Cabinet Office shall also have general responsibility . . .", but ". . . under the authority of the Governor and the Chief Minister..." No matter whether you are a Chief Officer or not, the Governor is still at the top of the chain of command. Therefore, everything comes under the authority of the Governor.

Hon. W. McKeeva Bush: Thank you for that clarity, Mr. Chairman.

The Chairman: Madam Clerk, if you would continue please.

Clauses 42 to 44

The Clerk:

Clause 42	Powers of Solicitor-General
Clause 43	Composition of the Legislative Assembly
Clause 44	Qualifications for elected membership

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, section 44 deals with the qualifications for elected membership to the legislature. It says:

"1) Subject to section 45 of this Constitution, a person shall be qualified to be elected as a member of the Legislative Assembly if, and shall not be qualified to be so elected unless:

- **a) he is a Caymanian; and**
- **b) he has attained the age of twenty-one years; and**
- **c) he is, at the date of his nomination for election, domiciled and resident in the Cayman Islands; and**
- **d) if at least one of his parents is a Caymanian (or if deceased would if alive have been a Caymanian at the date of his nomination for election), he has resided in the Cayman Islands for a period or periods amounting to not less than five years out of the seven years immediately preceding the date of his nomination for election; or**
- **e) if neither of his parents is a Caymanian (or if deceased would not if alive have been a Caymanian at the date of his nomination for election), he has been a Caymanian for at least twenty-five years and he has resided in the Cayman Islands for a period or periods amounting to not less than twenty years out of the twenty-five years immediately preceding the date of his nomination for election.**

2) In determining whether a person is resident in the Cayman Islands for the purposes of subsection (1) of this section any period of absence by reason of the following shall be disregarded-

- **a) the performance of duty on behalf of the Government;**
- **b) attendance as a pupil at any educational establishment;**
- **c) attendance as a patient at any hospital, clinic or other medical institution;**
- **d) employment as a seaman aboard an ocean-going vessel; or**
- **e) employment as a crewmember on any aircraft."**

Mr. Chairman, we propose that the provisions of this section be amended, and be replaced with the provisions of Section 18 of the current Constitution, except that Section 18(2) would be amended to read as follows: "For the purposes of subsection 1(b) of this section a qualified citizen is a British dependent territory citizen and a British citizen by virtue of a connection with the Islands."

The Chairman: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin Jr.: Mr. Chairman, I am not sure where to start. Over the course of late last year, there was extensive discussion between the Government and us—the members of the Opposition—about this controversial issue. We also had significant input from the Bar Association in developing these qualifications for elected membership. The main difficulty with what is in the current Constitution is that it requires a battery of Louisiana lawyers to figure out what it means. What is proposed in section 44 now, which was in our position paper and which has found its way, with the agreement of the Government, into the draft Constitution, is much clearer. It is also more inclusive, as it strikes the right kind of balance to ensure that those persons who have grown up here—even if they did not have one Caymanian parent—having lived here long enough and being Caymanian, are not shut out from participating in the political process.

At this time, the Government has gone down a certain route, in relation to including long-term residents in the infrastructure of these Islands, by conferring upon them Caymanian status. I am not sure whether or not they have concerns about that, or whether it has caused them to adopt this current reactionary approach to qualifications for elected membership. At a minimum, however, we in the country deserve some explanation as to why they have decided to revert to what is in the current Constitution. If there is a good basis for it, then we are not going to be dogmatic, and say we will not support it, but no reason at all has been put forward.

As I say, we believe that section 44 strikes the right sort of balance, because what it does, in the case of persons who have at least one Caymanian parent and who are Caymanian, is simply to require a residency requirement of five out of the preceding seven years. However, if you are not born of indigenous Caymanian stock, you have to have been Caymanian for 25 years before you can throw your hat into the ring, plus you have to have resided here for 20 out of the last 25 years immediately preceding the date of the nomination for election. Consequently, it does strike the right kind of balance. It allows persons who may not have been born here but who grew up and have lived here, and who are Caymanian, to participate in the process. At the same time, the period of residence, and the period during which you have to have been Caymanian is long enough. They would have to have been here, in real terms, for 30–35 years before they would qualify to stand for election.

This was subsequently developed, with considerable input from a wide cross-section. It has the support of the Bar Association and the Government accepted it, so I am at some loss, now, as to why they want to revert to the current Constitution. Perhaps they could explain.

The Chairman: Do we have a comment from the Government side?

We propose to be adjourning in Committee at 5:45 pm, and adjourning the House thereafter, because certain Members have an appointment, so we will go on for the next five minutes and then we will be suspending Committee and then adjourning the House thereafter.

Is it the wish of Members that we should suspend at this time? Proceedings in Committee will now be suspended until the next sitting of the House.

House Resumed at 5:40 pm

The Speaker: The Honourable Leader of Government Business, we have now reached the hour for adjournment. May I have a motion for the adjournment?

ADJOURNMENT

Hon. W McKeeva Bush: Mr. Speaker, we propose to take the adjournment at this time and we offer the adjournment until Monday 24 November 2003 at 10 am.

The Speaker: The question is that this House do now adjourn until on Monday 24 November 2003 at 10 am.

All those in favour please say Aye. All those against No.

Ayes.

The Speaker: The Ayes have it.

At 5:42 pm the House stood adjourned until Monday, 24 November 2003, at 10 am.

OFFICIAL HANSARD REPORT
MONDAY
24 NOVEMBER 2003
11.15 AM

Fifth Sitting

The Speaker: I will invite the Honourable First Elected Member for George Town, the Leader of the Opposition, to grace us with prayers.

PRAYERS

Hon. D. Kurt Tibbetts: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of the Cayman Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever, Amen.*

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

Proceedings resumed at 11.17 am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received no apologies for absence, but I have received an apology for late arrival from the Honourable Third Official Member.

Honourable Members, I wish to apologise for the late start, which was occasioned due to certain procedural matters being attended to by the Government.

Broadcasting of Committee Proceedings On the Proposed New Draft Constitution

The Speaker: I also wish to say that, although as a rule Committees are held in camera, because of the nature of the Government Motions No. 5/03 and No. 6/03 now before the House, the decision has been made that proceedings of the Committee stage will be broadcast and open to the public.

STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE CABINET

The Speaker: I have received no requests for statements by Honourable Ministers or Members of the Government.

GOVERNMENT BUSINESS

MOTIONS

GOVERNMENT MOTION NO. 5/03

Debate on the Report of the Proposed New Draft Constitution

(Continuation of debate thereon)

The Speaker: The House will now move into Committee.

House in Committee at 11. 21 am

COMMITTEE

The Chairman: On Friday, when we suspended the Committee stage of the Motion, we were in the process of discussing section 44, which deals with Qualifications for Elected Membership.

Hon. D. Kurt Tibbetts: Mr. Chairman, I know we were going to move on to 44; I am not quite sure if we had

started to discuss that section. Would the Chair allow us a minute or two to revisit section 43?

The Chairman: The request is in the hands of the Committee. If there are no objections to that request, we will move back to section 43.

Hon. D. Kurt Tibbetts: I just wish to make a point, and make sure that we have aired it through clearly.

The Chairman: Is it the section on the Composition of the Legislative Assembly?

Hon. D. Kurt Tibbetts: Yes.

The Chairman: Proceed.

Hon. D. Kurt Tibbetts: Thank you, Mr. Chairman. I made a mistake; it is section 41 and not section 43.

The Chairman: That is why I asked you to confirm.

Hon. D. Kurt Tibbetts: I am sorry. My apologies—fixations.

Section 41. Secretary to the Cabinet. In section 41, subsection 4, there is a recommendation for a change. As it has been proposed in the draft Constitution, subsection 4 reads: **"The Secretary to the Cabinet and the Cabinet Office shall also have general responsibility, under the authority of the Governor and the Chief Minister, for the development and co-ordination of Government policy."**

The recommendation only deals with the last phrase. Instead of saying, **"for the development and co-ordination of Government policy",** the recommendation is "for the co-ordination and implementation of Government policy".

I want to air a view: If we look at how that will operate as part of the Constitution, it means that the Cabinet Secretary will have general responsibility, under the authority of both His Excellency, the Governor and the Chief Minister—the official arm and the political arm—for the coordination and implementation of government policy.

On Friday, when we spoke about it, there was a discussion suggesting that his authority would be from the Cabinet. The way this is worded, however, it speaks to the Governor and the Chief Minister. What it means is that there will be a civil servant responsible for the implementation of government policy, with authority from both arms, and no one else in the service will have that authority. If this is what is desired, it is not a problem. What I am not 100 per cent sure of is at what level, in the chain of command, the post is. You could well have people higher up in the chain of command who do not have this authority. The question is: Is it desirable for that authority to lie here? If it is, it is fine. I only want to ensure that we understand clearly, if this is placed in the Constitution, what it physically means. Mr. Chairman, this is one item that I believe London will have no difficulty inserting into the Constitution, once all of the Committee agrees with it.

Hon. W. McKeeva Bush: Mr. Chairman, I heard the Leader of the Opposition, and he raised a good point. However, I should say that we have a hybrid situation, because of the type of Constitution we have. Normally, Cabinet secretaries would be responsible to the Cabinet and the Leader of the Government, whoever that is. However, because we have a Governor and a Chief Minister we have that situation. I would ask—

[Inaudible interjection]

Hon. W. McKeeva Bush: Then you have that to contend with as well. That is the hybrid I am talking about. Mr. Chairman, I wonder if we could take a break and let me look at it with some advice.

The Chairman: Is it the wish of the House that we take a five-minute break at this time?

Hon. W. McKeeva Bush: It will take more than five minutes—perhaps 10 minutes.

The Chairman: I was asking initially for five, but you might need more like 10 or 15 minutes.

Hon. D. Kurt Tibbetts: That is fine.

Hon. W. McKeeva Bush: Thank you, Mr. Chairman.

The Chairman: All right.

Proceedings suspended at 11.28 am

Proceedings resumed at 12. 21 pm

The Chairman: The proceedings of the Committee are resumed. When we took the suspension, we were dealing with section 41 in regard to the Secretary to the Cabinet. The Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, we agreed in the discussion on section 41(4) that as far as the Cabinet Secretary's responsibilities, the word "implementation" could come out. What we recommend is "the Secretary to the Cabinet and the Cabinet Office shall also have general responsibility under the authority of the Governor and the Chief Minister for the coordination of government policy", **l**eaving the word "implementation" out completely.

Hon. D. Kurt Tibbetts: Mr. Chairman, I think that sorts the situation out.

The Chairman: Thank you. Madam Clerk?

Hon. D. Kurt Tibbetts: Mr. Chairman, for smooth flow, there was also section 38, which the Government said they were going to look at.

Perhaps if we deal with that, we could then move—

Hon. W. McKeeva Bush: Last week, we said that we were going to leave that as it is.

Hon. D. Kurt Tibbetts: If memory serves me right, last week you said that you all were going to consider the matter. The point was raised about the four elected—

Hon. W. McKeeva Bush: Yes, but when it was explained, I marked it out on my notes, meaning that we would be prepared to leave it as it is in the recommendations in the draft Constitution. That is the way it is, so I do not think we need to traverse that ground again.

Hon. D. Kurt Tibbetts: No, no, I just think we wanted to have it on the record.

The Chairman: I think that point has been clarified. Section 38(3) will be left as recommended.

Madam Clerk.

Clause 44

The Clerk: Clause 44 Qualifications for elected membership.

The Chairman: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Mr. Chairman, when we suspended last Friday, this section had actually been discussed by our side in some detail. I think that the Leader of Government Business had outlined what the proposed amendment to it was, by his Government. We had explained the basis for what is in the draft Constitution, which is essentially what is in the position paper that we had put forward, and which had been agreed by the Government here and in London. That is what appears in the draft Constitution. We had asked the Government if they would explain the basis for their reversion to what is in the current Constitution.

Hon. W. McKeeva Bush: Mr. Chairman, I think that at that point, the Government put its amendment and said that that was what we were proposing at the time. The Opposition said they were not going to support it in any instance, and I think we left it at that. I was preparing to move on to something else. I do not think I can say anything more than that we are prepared to leave it as it is, as we feel it gives sufficient protection all around.

The Chairman: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: I am not sure that I understand exactly. Is he saying to leave it as it is in the draft, or as it is in the current Constitution?

The Chairman: Honourable Leader of Government Business, could you repeat what you said?

Hon. W. McKeeva Bush: Mr. Chairman, I said that I was prepared to leave it as it is in the current Constitution. The Government has agreed to leave it in the current Constitution, as it gives everyone protection.

The Chairman: Honourable Leader is this an addition to the words "and British citizen"?

Hon. W. McKeeva Bush: Yes, Mr. Chairman. To reiterate, we propose that the provisions of section 44 be amended and replaced with the provisions of section *18* of the current Constitution, except that section *18(2)* would be amended to read as follows: "…for the purposes of subsection (1)(d) of this section a qualified citizen is a British Overseas Territories citizen and British citizen by virtue of connection with the Islands".

The Chairman: I think that is fairly straightforward. The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Mr. Chairman, to traverse some ground that was covered on Friday, we, on this side, would like to be able, as far as possible, to come to some agreement with the Government on these matters. However, the Government has given no basis, thus far, for altering what is in the draft Constitution. What is in the draft Constitution was arrived at as a result of considerable consultation and dialogue, not just among ourselves, but with the wider population and, indeed, with the Caymanian Bar Association. We believed that it had the dual benefit of being inclusive, in the sense of persons one would term perhaps as "new Caymanians", meaning they did not have a Caymanian forebear. At the same time, the residency requirement, as regards tenure as a Caymanian, was long enough to ensure that those persons who would qualify to stand for elected membership would not be *fly-by-nights*.

It was a position that was the subject of debate and discussion during the Summit, and in London, and we are somewhat at a loss as to why the Government has now decided to revert to what is in the current Constitution, which had proven to be problematic and controversial. They have not proffered any sort of explanation as to what has caused this change of heart. We can be persuaded, Mr. Chairman, but we need some basis to move from what is a considered position.

The Chairman: I have listened to both sides on this matter and I am satisfied that the Government side has given sufficient reason for the proposal that this be changed to read in a manner as was just read by the

Honourable Leader of Government Business. As I stated, the main change to me appears to be the addition of "and British citizenship"**.** If we look at the interpretation of "Caymanian", we will also see, in section 102, that "**"Caymanian" means a person who possesses Caymanian status and British Overseas Territories citizenship or British citizenship by virtue of a connection with the Cayman Islands**". I am not sure that we can gain a lot more by dealing with this issue further. I am sorry that we could not get both sides of the House agreeing on this, but this is one of those issues on which we perhaps will not get a full agreement.

Therefore, in the interests of the House, I would suggest that we move this forward as expeditiously as possible. We are not taking a vote on this; we are trying to gain a consensus. The vote will be taken at the end of Committee stage.

Madam Clerk.

Clauses 45 to 48

The Clerk:

Clause 45	Disqualifications for elected membership
Clause 46	Tenure of office of elected members
Clause 47	Delay in vacation of seat to allow for an appeal
Clause 48	Speaker and Deputy Speaker

The Chairman: Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, since we are in open forum in this Committee, I did not intend to read everything. I wanted to read our recommendations, but in this instance, I will read the entire provision that we are going to amend.

The Chairman: Please proceed.

Hon. W. McKeeva Bush: Section 48 reads:

"1. At the first sitting of the Legislative Assembly after a general election, and as soon as practical after a vacancy occurs in the relevant office otherwise than on a dissolution of the Assembly, the elected members of the Assembly shall by majority vote elect-

(a) a Speaker from among persons who are not elected members of the Assembly but who are qualified to be elected as members of the Assembly and are not disqualified in any way for elected membership; and

(b) a Deputy Speaker from among the elected members of the Assembly other than Ministers; and the election of the Speaker and the Deputy Speaker shall take precedence over any other business of the Assembly.

2. A person shall vacate the office of Speaker or Deputy Speaker –

(a) upon a dissolution of the Legislative Assembly;

(b) if he informs the Assembly, by writing under his hand addressed to the Assembly and received by the Clerk of the Assembly, that he resigns his office;

(c) in the case of the Speaker, in any circumstances which would cause him to vacate his seat if he were an elected member or, in the case of the Deputy Speaker, if he ceases to be an elected member of the Assembly.

(d) in the case of the Speaker, if on the date of his election as Speaker he is a party to, or a partner in a firm or a director or manager of a company which is a party to, any contract with the Government or if, on any date after such election he or a firm in which he is a partner or a company of which he is a director or manager becomes a party to any such contract or he becomes a partner in a firm or a director or a manager of a company which is a party to any such contract, and he does not, before the expiration of thirty days from the date in question, disclose to the Assembly or, if that is impracticable, to the Clerk of the Assembly in writing the nature of such contract and his interest, or the interest of such a firm or company, therein and the Assembly does not exempt him from vacating his office under this paragraph; or

(e) on the passing, by votes of ten of the elected members of the Assembly, of a motion expressing no confidence in him as Speaker or Deputy Speaker, as the case may be".

Mr. Chairman, we propose that the provisions of this section be amended and replaced with the provisions of section *31A(1)* of the current Constitution. I have already elaborated on the reasons why we believe that the current Constitution carries a valid and practical way to appoint or vote for Speakers to the Legislative Assembly.

The Chairman: As was said earlier, much debate has already ensued on this. I am hoping to take further comments in Committee stage, but I would not want us to bog ourselves down with tedious repetition of what has already been said in debate.

The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Chairman. You need not worry about that, Sir. However, it is important that our position be placed in the record, lest it be said that we, by saying nothing, have tacitly agreed. Our position, which is one that we have had for a considerable time now, is that the credibility of the holder of this office is undermined if that individual owes an allegiance to a particular group, or party, within the Legislative Assembly. The position that we took, which was included in our Position Paper and which the Government ultimately agreed to at the Summit in November of last year, and in London in December of last year, is that which is reflected in the draft Constitution. It is a position in which we believe firmly, and to which we intend to stick steadfastly. We believe that at the end of the day, the integrity of this very House, and the operations of Parliament, are improved—and confidence in it, and in its operations, is much higher, not just among Members, but also the public at large—if the Speaker can truly be seen to be an impartial creature. For those reasons, Mr. Chairman, we are going to continue to vote in favour of the provision in section 48 of the draft Constitution.

The Chairman: Honourable Member, you will not be denied that. We will be dealing with each amendment, and the question will be put on each, so you will have the opportunity with other Members who wish to vote in favour of, or against, each one of the amendments, as the question is put. That will be done so that the records will show those who vote in favour or against each question.

Madam Clerk.

Hon. D. Kurt Tibbetts: Mr. Chairman.

The Chairman: Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you. May I just raise another point? In 44(2)(e) of what is proposed in the draft, which was read by the Leader of Government Business, the position of the Government is to revert to the provisions of section *31A)(1*). Subsection (f) says,**"…on the passing, by the votes of two-thirds of the Elected Members of the Assembly, of a motion expressing no confidence in him"**.

If we use their proposal, and check the math, we might have to suggest something else with regard to that section, from their position.

The Chairman: The Honourable Leader of Government Business, that point, raised by the Leader of the Opposition is a technical point. Perhaps we should give attention to it, to see whether the two thirds majority, as recommended under the present Constitution, is workable, as opposed to the ten proposed. We can work out the mathematics, and this is certainly a matter into which we can look, because, as mentioned, each question will be voted upon. Madam Clerk, could you please continue?

Clauses 49 to 51

The Clerk:

Clause 49	Determination of questions as to membership of Assembly
Clause 50	Penalty for sitting or voting in Assembly when unqualified
Clause 51	Leader of the Opposition

The Chairman: Honourable Leader of Government Business, or Leader of the Opposition, is there a question?

Hon. W. McKeeva Bush: Mr. Chairman, in section 51, which deals with the Leader of the Opposition, we recommend that provision be made for a Deputy Leader of the Opposition, who should be appointed by the Governor, acting in accordance with the advice of the Leader of the Opposition. As I said in the debate, we believe it is practical and offers better structure for the make-up of Parliament, and for good governance.

The Chairman: The Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you. Following in line with what has been proposed with regard to the Chief Minister and Deputy Chief Minister, we concur with the Government's position on that.

The Chairman: Thank you so much. Madam Clerk, could you continue.

Clause 52 to 54

The Clerk:

Clause 52	Power to make laws
Clause 53	Royal instructions
Clause 54	Standing Orders

Mr. Alden M. McLaughlin, Jr.: Mr. Chairman.

The Chairman: Is it a point of order?

Mr. Alden M. McLaughlin, Jr.: No, Sir.

The Chairman: What is the interruption?

Mr. Alden M. McLaughlin, Jr.: Mr. Chairman, I thought we were allowed to debate the clauses as we went through them.

The Chairman: I thought we had agreed initially that we would be debating on exception, that those that were not debated initially had been agreed upon and that amendments were being debated at this point. However, if you wish to debate something that has already received this sort of mutual agreement of the House, I have no problem with that.

Mr. Alden M. McLaughlin, Jr.: No, Mr. Chairman, the Government put forward a document, which they have been causing the Committee to stop and discuss but—

The Chairman: May I interject here? The next amendment suggested by the Government, following 51, was 58, on voting. We have not reached that point, but if there is something in between that you would wish to raise, I would be happy to entertain it.

Mr. Alden M. McLaughlin, Jr.: Surely, Mr. Chairman, the Opposition is entitled to stop.

The Chairman: Second Elected Member for George Town, that is precisely why I am allowing you to continue at this point.

Mr. Alden M. McLaughlin, Jr.: Thank you, Sir.

Clause 52. Power to make Laws. Subsection (2) deals with the ability of the legislature to pass a law enabling the holding of a referendum on a question declared by resolution, and adopted by a majority of the elected Members, to be a matter of national importance. Consistent with the position we have maintained from the beginning, we would wish to see included, in the Constitution under this section, a provision to enable a people-initiated referendum to be held.

The Chairman: The recommendation by the Second Elected Member for George Town is open for discussion.

Mr. Alden M. McLaughlin, Jr.: Mr. Chairman, out of an abundance of caution, I would say that included in that provision would be the consequential provision, which would call for a law to be passed that would settle the terms of conditions under which such a referendum would be triggered and held.

The Chairman: The Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, we propose to leave the recommendation as it is in 52(2). We debated this throughout this country a long time ago; we have debated it before in the Legislative Assembly. We debated it in London, and this is what has come back from London, after the discussion. Although the Opposition might hold some sort of opposing view, the UK did not accept it. This is what they sent back to us, and we believe this is the best way to go. If any matter arises, we can make a law and call for such referendum in specifics. Certainly we intend to leave it as is recommended by the UK.

The Chairman: Madam Clerk, could you please continue?

Clauses 53 to 58

The Clerk:

Clause 53	Royal instructions
Clause 54	Standing Orders
Clause 55	Presiding in Assembly
Clause 56	Assembly may transact business notwithstanding vacancies
Clause 57	Quorum
Clause 58	Voting

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, we propose to make some changes here. I will read what this section says, if I may.

***Section 58. Voting*.** The draft Constitution says:

"(1) Save as otherwise provided in this Constitution, all questions proposed for decision in the Legislative Assembly shall be determined by a majority of votes of the members present and voting.

"(2) The speaker shall not vote, and any other member presiding shall have an original but no casting vote.

"(3) In the event of an equality of votes on any question the motion shall be lost."

Mr. Chairman, we propose that the provisions of this section be amended and replaced with the provisions of Section 35 of the current Constitution; otherwise, we are leaving it as it is in the present Constitution. I should like to read that also.

The Chairman: Continue.

Hon. W. McKeeva Bush: Section 35 reads:

"(1) Save as otherwise provided in this Constitution, all questions proposed for a decision in the Legislative Assembly shall be determined by a majority of votes of the members present and voting.

"(2) The Speaker or other member presiding shall not vote unless on any question the votes are equally divided, in which case he shall have and exercise a casting vote."

Mr. Chairman, we have already said, in the debate, that we see no reason to change that. It has worked, and has not caused any great problems in the country, so we would leave it as it is in the current Constitution.

The Chairman: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Chairman. I believe the Government's position is predicated on their proposal that the Speaker should continue to

be able to come from both outside and inside the House, which is why it appears, the way it is, in the current Constitution. Consistent with our position that the Speaker should only come from outside, we are satisfied with what is in the draft Constitution in section 58 and would recommend that that position be maintained, consistent with the Speaker coming from outside the House only.

The Chairman: Thank you very much. Madam Clerk, would you continue?

Clauses 59 to 62

The Clerk:

Clause 59	Summoning of persons to assist Assembly
Clause 60	Introduction of Bills
Clause 61	Governor's reserved power
Clause 62	Assent to Bills

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, I would like to read section 62(2)(c), where it deals with states or international organisations. It says, **". . . to be inconsistent with any obligation of Her Majesty or of Her Majesty's Government in the United Kingdom towards any other state or any international organization".**

We recommend the deletion of this provision, and see it as necessary.

The Chairman: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: We agree entirely, Mr. Chairman.

Hon. W. McKeeva Bush: Mr. Chairman, it is a very important area. Let us not fool ourselves that is one the UK can stick with. I think they will hold argument on this matter, but in order to remind the public, I would like to read what section 62 says. I know that will take a minute or two.

The Chairman: Continue.

Hon. W. McKeeva Bush: Mr. Chairman.

Section 62. Assent to Bills. This section says:

"(1) A Bill shall not become a law until -

a) the Governor has assented to it in Her Majesty's name on Her Majesty's behalf and has signed it in token of his assent; or

b) Her Majesty has given Her assent to it through a Secretary of State and the Governor has signified Her assent by Proclamation.

(2) When a Bill is presented to the Governor for his assent, he shall, subject to the provisions of this Constitution and of any Instructions addressed to him under Her Majesty's Sign Manual and Signet or through a Secretary of State, declare that he assents or refuses to assent to it or that he reserves the Bill for the signification of Her Majesty's pleasure:

Provided that, unless he has been authorised by a Secretary of State to assent thereto, the Governor shall reserve for the signification of Her Majesty's pleasure any Bill which appears to him, acting in his discretion-

a) to be in any way repugnant to, or inconsistent with, the provisions of this Constitution;

b) to determine or regulate the privileges, immunities or powers of the Legislative Assembly or of its members."

We are proposing to change subsection (c), Mr. Chairman. It says:

c) to be inconsistent with any obligation of Her Majesty or of Her Majesty's Government in the United Kingdom towards any other state or any international organisation;

d) to be likely to prejudice the Royal prerogative;

e) to affect any matter for which he is responsible under section 24(1)(c) of this Constitution."

I do not think we have gotten that far, as yet, because we propose to question that matter, and get more information from the United Kingdom on it.

Mr. Chairman, as I said, we see this as important to governance here—but governance from both sides. We recognise the United Kingdom's responsibilities, but we believe that they must now take cognisance of the wishes of the people here. We know that this is going to cause some consternation between us and them, but so be it. We do not want the public questioning these particular areas, as we have already seen a letter in the paper that does so, more or less. Although they have not named them, these would be the areas about which they are talking—the Governor's reserved authority.

We are not giving up on that matter. We are moving forward, and at the same time, we will debate, talk, and try to get some modicum of agreement from the Foreign Office on this.

The Chairman: The Leader of the Opposition.

Hon. D. Kurt Tibbetts: If I may. When the Leader of Government Business says that the Government intends to question section 62(2)(e), I just want to have a clearer understanding, from our side, so that we can know whether we should be synchronised or whether we do not agree with the position.

We clearly agree with the proposal of the Government that section 62(2)(c) should be deleted, but with the Leader of Government Business speaking of questioning it, I want to make sure exactly what it is that we are questioning.

The Chairman: For clarity, perhaps we could refer to this section that is under reference, which is section 24(1)(c) of the Constitution. This refers to the special responsibilities of the Governor, in regard to his powers. Perhaps the Leader of Government Business could expand on section 62(2)(e) a little further, to let us know exactly what he means.

The Honourable Leader of Government Business, on section 62(2)(e), the Leader of the Opposition was asking if you could further clarify what you meant. It deals with the reserved powers of the Governor.

Hon. D. Kurt Tibbetts: Quickly, Mr. Chairman, while they are—

The Chairman: The Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you, Mr. Chairman. So that it is clear: This section 24(1)(c) being looked at is from the proposed Constitution, and not the present Constitution. I wanted to be sure that we are on the same page.

The Chairman: That is quite correct.

Hon. Juliana Y. O'Connor-Connolly: Mr. Chairman.

The Chairman: The Honourable Minister of Planning.

Hon. Juliana Y. O'Connor-Connolly: I believe the idea behind this, Mr. Chairman, was as it related to section 24(1)(c)(i), dealing with defence. The Leader of Government Business—and indeed, other members of the party—are giving serious consideration to the introduction of the Home Guard. They wanted this aspect discussed, as it related to defence, to see whether it would be something that the Governor and Foreign and Commonwealth Office (FCO) would endorse, as a part of the defence locally, although he had responsibility for it. That was the aspect that was being questioned— nothing more, nothing less.

Hon. D. Kurt Tibbetts: It was a matter for our internal workings, as we knew we had already announced on this. As you can see, while I was reading from the mark-up on our Constitution, it was not on the substantive proposals that we have made.

The Chairman: Madam Clerk, please continue.

Clauses 63 to 67

The Clerk:

Clause 63	Return of Bills by Governor
Clause 64	Disallowance of laws
Clause 65	Privileges of Assembly and members
Clause 66	Sessions of Assembly
Clause 67	Prorogation and dissolution

Hon. D. Kurt Tibbetts: Mr. Chairman—

The Chairman: The Leader of the Opposition.

Hon. D. Kurt Tibbetts: If I may, Sir, I have a quick question.

Section 65. Privileges Assembly and members. Under section 65, Privileges of Assembly and Members, we have a Constitution that exists at present, and we have the Law relating to that Constitution, regarding the privileges of Assembly and Members. I want to get it clear in my head. Whenever we have a new Constitution that reads like this, does it mean a new law has to be created under that Constitution, or will the present law remain in force? I want to make absolutely sure of that.

The Chairman: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin Jr.: Mr. Chairman, I think the answer lies in section 5 of this Constitution, which deals with existing laws. I do not want to read it all, but essentially, it says that all the laws that apply now, unless otherwise revoked, will continue to apply.

The Chairman: Thank you very much.

The Leader of Government Business.

Hon. W. McKeeva Bush: In this, I guess they have made no changes to what is normal in the Constitution now, and normal in most (if not all) of the British Overseas Territories' constitutions.

The Chairman: Thank you very much. Madam Clerk, if you would continue, please.

Clauses 68 to 70

The Clerk:

Clause 68	Recalling dissolved Assembly in case of emergency
Clause 69	General elections and bye-elections

Clause 70 Electoral constituencies

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, section 70, dealing with electoral constituencies, says:

"(1) For the purpose of elections to the Legislative Assembly, the Cayman Islands shall be divided into seventeen electoral constituencies.

(2) The boundaries of the electoral constituencies shall be those set out in the Second Schedule to this Constitution:

Provided that the said Schedule may from time to time be modified by order made by the Governor in accordance with section 72(6) of this Constitution.

(3) Each electoral constituency shall return one member to the Assembly."

Mr. Chairman, we have said that the concept of 17 single-member constituencies would be accepted, as proposed by the Electoral Boundary Commission 2003, but full implementation should come into effect in the 2008 General Elections.

Mr. Chairman, I would like to quote something I said the other morning. The following are questions I asked at that time*:* **(1) "Do you believe that the panacea to good representation, which is the essence of democracy, is one man, one vote?" (2) "Are we sitting here telling the people today that good, or better representation, is 'one man, one vote'?" (3) "Is that what will give us good schools, better roads, a better economy, more houses, and a better standard of living?" (4) "Is it equality or is it performance?"**

I went on to say, **"I do not need four or five representatives in my district to perform and give good representation."** I said, **"I have done that these last 20 years in my political involvement in this House."**

Mr. Chairman, I have listened to what the Opposition had to say, and we have discussed it as a group, and a party. I do not want anyone to think that I am proposing any particular situation to suit McKeeva Bush. The issues are big; the country is bigger than all of us.

Again, in a spirit of cooperation with the Opposition, we propose to leave George Town with the six seats, and to make that recommendation to the United Kingdom. It is at this time recommended that there be a phased implementation, and that the district of George Town be divided into six single-member constituencies, as recommended by the Electoral Boundaries Commission, with the districts of East End and North Side. The remaining districts should be contested as multi-member constituencies, as they were in the 2000 General Elections.

We further recommend that George Town North be renamed Seven Mile Beach North (and we are going to do that when we get to the boundary stage, but we say so at this time), and be a single-member constituency. That is our recommendation.

The Chairman: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin Jr.: Thank you, Mr. Chairman. We are a little happier now that the Leader of Government Business has indicated that his Government is not proceeding down the road he had outlined in his debate in this Honourable House some time earlier, of assigning another seat to West Bay. For that we are grateful. There is a debate on the substantive motion about single-member constituencies that will ensue following the completion of this Committee's work; therefore, I will not spend a great deal of time outlining the single-member constituencies issue now. It is safe to say that we do not accept that it is right, democratic or practical for us to operate two electoral systems in the country, for the next election or, indeed, at any time. We cannot support the proposal of the Government that George Town (the largest electoral district) be used as a model, or as a guinea pig, for trying out single-member constituencies, while the other districts proceed as multi-member constituencies.

We reject the Government's recommended proposal. We stand by what is in the draft Constitution, that is: that the entire country move to single-member constituencies, or, failing that, then all constituencies should remain as they are. We stand, however, by what is in the draft Constitution, to which the Government agreed last year.

The Chairman: The Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, thank you very much. I do not propose to reply too much, because we will have that opportunity later. I want to reply to two points the Member raised when he was talking about the country and saying they cannot accept that it is democratic or practical to operate two electoral systems. Mr. Chairman, we have done that for a long time. For years and years now, North Side and East End have operated that way. They, themselves, have made these claims. I know some people can take one argument that they make, and then twist it around to suit another to which they are objecting, when they have supported it. The fact is, they have made the case that we should go to single-member constituencies and we already have two—North Side and East End—that are single-member constituencies. Therefore, we have been operating two electoral systems.

We believe that this is the best way to get this going, and we have compromised with the Opposition in all shapes and forms; as for me, I do not intend to

any further. If we are ever going to get single-member constituencies, I think this is a good way to start. You will have East End, North Side and George Town operating as such. Of the six districts we have, 50 per cent would operate as single-member constituencies. We propose, further, that in 2008, we go the other way. We have had problems throughout the other districts, and these districts seem to be the ones in which there is no problem with it. Otherwise, the Opposition Members do not like it; they have a problem with it, as they said. Therefore, Mr. Chairman, I do not propose to say anything further on this. I think that we have given much ground on this, and that this is the best way to go, for the country.

The Chairman: I would like to repeat, for Honourable Members, that at the end of each question that will be put later on in the Motion, all Members will have the opportunity to express their position in favour or against the particular question. That will also be recorded.

Secondly, it is now 1.10 pm. We would like to hear the penultimate section for consideration. Perhaps we could ask Madam Clerk to continue, so that we could complete the Committee side of this Motion at this point. Madam Clerk.

Clauses 71 to 92

The Clerk:

Clause 71	Electoral Boundary Commission
Clause 72	Review and alteration of electoral constituency boundaries
Clause 73	Qualifications of electors
Clause 74	Disqualifications of electors
Clause 75	Right to vote at elections
Clause 76	Law as to elections
	PART V: THE JUDICATURE
Clause 77	Constitution and jurisdiction of Grand Court
Clause 78	Composition of Grand Court
Clause 79	Tenure of office of judges of Grand Court
Clause 80	Acting judges of Grand Court
Clause 81	Oaths to be taken by judges of Grand Court
Clause 82	Constitution and jurisdiction of Court of Appeal
Clause 83	Composition of Court of Appeal
Clause 84	Tenure of office of judges of Court of Appeal
Clause 85	Acting judges of Court of Appeal
Clause 86	Oaths to be taken by judges of Court of Appeal
Clause 87	Other courts
Clause 88	Judicial Service Commission
Clause 89	Powers of Judicial Service Commission
	PART VI: THE PUBLIC SERVICE
Clause 90	Civil Service Commission
Clause 91	Appointment, etc., of public officers

Clause 92 Attorney-General

The Chairman: The Honourable Leader of Government Business

Hon. W. McKeeva Bush: Thank you, Mr. Chairman.

Section 92. Attorney-General. 92(2) of the recommended Constitution, dealing with the Attorney-General, says that: **"Power to make appointments to the office of Attorney-General is vested in the Governor, acting after consultation with the Chief Minister."**

We would elect to recommend that the power to make appointments to the office of Attorney General be vested in the Governor, acting on the advice of the Chief Minister. We believe that this would give us more autonomy, and that the Islands would have much say in who would be their Attorney General.

The Chairman: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin J.: Thank you, Mr. Chairman. We are delighted to hear the Government articulate that position. It is a position we have urged from the very beginning—indeed, a position on which the Government agreed with us, last year. Whether or not it finds favour with Her Majesty's Government is entirely a different matter. However, I am glad that we can go forward in unison on this critically important point.

It is absolutely critical to our long-term survival and our continued success, as a country, that the basis of the legal advice we receive is from someone in whom the Government can repose their entire confidence, knowing full well that the loyalties lie with the Government, and that there is not any question about them having to be influenced or controlled by Her Majesty's Government. We are delighted with that position, Mr. Chairman.

The Chairman: The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you, Mr. Chairman. There is another matter in section 92. It is a question that I raise, because I am struggling to see how it dovetails with similar situations, within the Public Services especially.

Section 92 (3) says: **"Subject to the following provisions of this section, the Attorney-General shall vacate his office when he attains the age of 55 years".**

I know subsequent subsections allow for continuation under given circumstances, but in the normal run of things, in the Public Services, is it 55? I notice that, if I am correct and memory serves me right, the positions of Attorney-General, Solicitor-General and

the Auditor-General all speak to vacating the office at 55.

The question I wish to ask is this: We may well, at some point in time—and not necessarily 30 years from now—have a career civil servant who moves up the ladder (either by training or tenure or both) and fills one of these posts. If the remainder of the civil service is not on the same time-line, there is some disparity there, and an anomaly. When it comes to the rest of the Public Service Pensions (Amendment) Law (2002), when it speaks to how long and what age, why would we want this to be different? That is my question.

It seems insignificant, but sooner or later, it is going to happen. While we are looking at it, we might as well try to deal with it right now. I am not so sure that everything I am saying is absolutely correct, but there is some difference somewhere, and I think it needs to be looked at.

The Chairman: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin Jr.: Mr. Chairman, to make somewhat light of it, I am sure, as you can attest, that the best years of a man's or a woman's life, these days, come after 55.

The Chairman: I totally agree with you.

[Laughter]

Mr. Alden M. McLaughlin Jr.: Seriously, on that basis, if we are going to say that the Attorney General must go at age 55, and if we apply that to the Elected Members of Executive Council and look at the current make-up, most of those would be disqualified from continuing. It is really something of an anachronism. These days, at 55, people have just reached the height of their professional lives, because they have the benefit of tremendous experience, and are still youthful and strong enough to carry on in that important office. I think we should move it to 65.

Mr. Chairman: The Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, I hear the arguments of the Members opposite, and certainly, I have no problem with that. However, there is a proviso there which says: **". . .the Governor may permit an Attorney-General who attains the age of 55 years to continue in office until he has attained such later age, not exceeding the age of 65 years, as may have been agreed between the Governor and that Attorney-General".**

Mr. Chairman, I do not know why they keep banging on this 55—and when I say "they", I mean the United Kingdom. That is one thing that we will have to query with them: whether they would allow for that extension, as for a judge. We already looked at that: judges go up to age 70, I believe, or 65 in the very first instance, provided, perhaps, that they can be extended. Therefore, that is something that we can also discuss and ask clarification on.

The Chairman: The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: To close, I mentioned that there was a subsequent subsection that would allow for that. However, I think the real point at hand is that it is very possible. Let us take what obtains presently. Speaking very seriously, we now have a Caymanian who is the Honourable Attorney-General. I am not querying it here in this forum, but I do not know what his terms of employment are—whether he is a "permanent pensionable establishment" (PPE), or whether he is on contract.

[Inaudible interjection]

Hon. D. Kurt Tibbetts: Right, but the question is this: Is that going to remain—where we have Caymanians with short-term contracts who are civil servants? Alternatively, are we going to speak to another situation which is more—*lucrative* may not be the right word, but—more appropriate?

Let us take the Honourable Third Official Member, who is the Financial Secretary. I am pretty certain that the situation is different with him. If we wish for the situation to be different with the Attorney General, then that is fine, but how do we marry the situation to one where the benefits are parallel, so that it does not seem to be a situation that is unfair, one way or the other? I do not have the answer to how it should be. I am saying that it creates a difference when you have Caymanians working side-by-side, and the contractual arrangements are different, and the benefits are different.

If it is someone from overseas—as has normally been the case—and it is a simple three-year contract with the ability to be renewed, as far as I know what obtains now is that the Governor himself dictates the terms of employment of the Attorney General. Although that is not stated clearly here, is that what is going to obtain again, or how is it done?

That is all I am trying to say, Mr. Chairman. Perhaps, given the circumstances, we need to wade through it, to ensure that what is entrenched in a new Constitution is satisfactory to all who may be concerned, including ourselves. That is the real point.

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: ***Part V. The Judicature.*** The matters dealing with the judicature are very extensive, and the UK has been adamant on these. We know that we went through a struggle, earlier this year, with how to deal with a situation in which we have somebody with whom we do not want to live—to put it

simply. That proved sore enough as it is. The UK is not giving much ground on these areas. We do not even know how much we are going to get out of our proposal, in which we are saying that he should be appointed acting on the advice of the Chief Minister, which is really acting on the advice of Cabinet. We are preparing to put it forward and stand our ground on it; perhaps we will also raise the other matters with them.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: Mr. Chairman, I have just been reminded that perhaps we could make the argument, with the United Kingdom, that were the person on the PPE, 60 would be the age at which the pension would kick in. That being the case, it would seem a much more logical and natural age for him to retire. Even if he were on contract, that would be the age at which he would be expected to demit office under ordinary circumstances.

[Inaudible interjection]

Hon. Roy Bodden: Precisely—and we could still work it with a provision that, if an extension were needed, or agreed by both sides, it could be effected.

The Chairman: Madam Clerk, would you continue please?

Clauses 93 to 95

The Clerk:

Clause 93	Solicitor-General
Clause 94	Auditor-General
Clause 95	Applicability of pensions law

The Chairman: Second Elected Member for George Town.

Mr. Alden M. McLaughlin Jr.: Mr. Chairman, before we leave this part, I would note that the concerns about the upper age limit that we discussed at length for the Attorney-General also apply to the Solicitor-General, and the Auditor-General, in equal force.

The Chairman; Yes, Thank you very much.
Madam Clerk.

Clauses 96 to 102

The Clerk:

PART VII: FINANCE

Clause 96	Revenue and expenditure
Clause 97	Reporting
Clause 98	Audit

PART VIII: MISCELLANEOUS

Clause 99	Complaints Commissioner
Clause 100	Register of Interests
Clause 101	Freedom of information
Clause 102	Interpretation

First Schedule to the Constitution – Forms of Oaths and Affirmations

Second Schedule to the Constitution – Electoral Constituencies

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, under this aspect of the Constitution, we were successful in getting the UK to agree to add the words, "to the people of the Cayman Islands" in the Oaths and Affirmations. For that I am thankful. I think that is a step in the right direction.

The Chairman: Honourable Members, we have concluded the major deliberations in Committee, but I have been informed that there might be one other issue.
The Honourable Minister of Planning.

Hon. Juliana Y. O'Connor-Connolly: Thank you, Mr. Chairman.
It just came to my attention, so I am sorry for the short notice. We have already looked at sections 73 and 74, and the only reason I am going back to this is that it should be non-controversial. I think it is just an error.
If you look at section 73 (1), it says, **"Subject to section 73. . ."** I believe that should say "section 74", as opposed to 73.

The Chairman: Thank you very much.

Hon. Juliana Y. O'Connor-Connolly: Secondly, if you look at section 74(1)(a), the very last word says **"suspected**". I believe that if we cross-reference that with section 26(1)(a) of our current Constitution, that word is supposed to be "suspended" as opposed to "suspected".
Lastly, Mr. Chairman, perhaps at some stage, we need to address our minds to section 75, which presently refers to "constituency", to see whether, if we are moving towards "one man, one vote" for George Town, it would be necessary to add "/district", seeing that some districts will not be constituencies.

The Chairman: The suggestion, Honourable Members, is that in section 75, because there will be three districts that will be operating under the "one man, one vote", as single-member constituencies–

Hon. D. Kurt Tibbetts: Mr. Chairman, I do not wish to be rude, Sir, but everybody is presuming this.

The Chairman: Just a second, please. The others will be on the multiple system, so the reading should be

that, after electoral constituency, there should be a "/district". I do not know the Honourable Members' position on it.

Hon. D. Kurt Tibbetts: Mr. Chairman.

The Chairman: The Leader of the Opposition.

Hon. D. Kurt Tibbetts: I repeat again, Sir, because I listened carefully to what you just said. It sounds as though everyone, including you, is presuming that this is going to happen. I am not being rude . . .

Hon. W. McKeeva Bush: Mr. Chairman.

Hon. D. Kurt Tibbetts: . . . but what you said was, "Since this is going to be the case. . ."

The Chairman: Leader of the Opposition, we are in Committee stage on a Bill. I think it was understood, initially, that whatever happens here, and even the debates in the House, will be sent back to the UK, and the UK will make the final decision. I think we are all under the impression that it is not this House that will be finalising the Constitution. We are making recommendations that will be sent back to the UK.

Hon. D. Kurt Tibbetts: Thank you very much for clearing that up.

Hon. W. McKeeva Bush: Mr. Chairman, to agree with what you said, we are making the recommendations as we see them and as we want them to be.

The Opposition has said they do not want this to happen, and they do not want other things to happen. These are recommendations that will go to the United Kingdom. They should not read anything more into it than there is. That is what we support, and you take your position.

[Inaudible interjection]

Hon. W. McKeeva Bush: Well, you did question the Chairman.

The Chairman: Honourable Members, I would like to come back to the point raised by the Honourable Minister of Planning. In the first line of 75(1), where she suggested that, after "electoral constituency", we should insert the word "district", is that the consensus of the–

Hon. W. McKeeva Bush: 75(1)?

The Chairman: Yes.

Hon. W. McKeeva Bush: What is the wording?

The Chairman: Where it reads: **"Any person who is registered as an elector in an electoral constituency"**, it would be "constituency/district".

The Honourable Minister of Planning.

Hon. Juliana Y. O'Connor-Connolly: Thank you, Mr. Chairman.

If we are going to take the proposal, which was put forward previously, that it would only be the district of George Town for "one man, one vote", we would have remaining, then, not constituencies, but also electoral districts. Therefore, we need to address the mind to the idea that if the UK makes the decision to accept our proposal, it would have a consequential amendment to section 75, with the addition of the word "district".

The Chairman: Honourable Members, if that is the consensus, we will insert the word "district", and it can be voted on when we get to that point.

Hon. W. McKeeva Bush: Yes, Mr. Chairman.

Hon. D. Kurt Tibbetts: Yes, Mr. Chairman. If I may.

The Chairman: Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you. To make it clear and consistent with our position, we would not support that. It would not be needed, since our position remains as is proposed in the draft Constitution.

The Chairman: As stated to the Honourable Members, you will have the opportunity, when the question is being put on each section, to vote accordingly.

I propose, at this time, to take a suspension in Committee, but I am going to extend it a little beyond the normal time so that the Members can have a chance to prepare the Motion that will be brought to the House at the end of the Committee. Therefore, I will propose that we return to Committee stage at 3.30 pm. We now suspend for lunch.

Proceedings suspended at 1.34 pm

Proceedings resumed at 5.13 pm

The Chairman: Honourable Members, the proceedings in the Committee are concluded, and I will now resume the House.

House Resumed at 5.13 pm

REPORT

Report to the House on the Motion to Approve Proposed Amendments to the Proposed New Draft Constitution

The Speaker: I will now call on the Honourable Leader of Government Business.

Suspension of Standing Order 10(2)

Hon. W. McKeeva Bush: Mr. Speaker, the House moved into Committee to consider the draft Constitution and, as was intimated by the Motion, we would come back to accept recommendations or amendments thereto.

Before I move further, I would ask that we suspend Standing Order 10(2) in order to meet after 4.30 pm.

The Speaker: So ordered. The question is that Standing Order 10(2) be suspended to allow us to continue beyond the hour of 4.30 pm.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 10(2) suspended to allow proceedings to continue beyond 4.30 pm.

The Speaker: Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, in Committee, we discussed the various proposals in the draft Constitution. I now set out what was discussed and recommended, and we would propose that a vote be taken at each point.

Committee stage recommended proposals to the Cayman Islands (Constitution) (Amendment) Order 2003, commonly referred to as the draft Constitution. Mr. Speaker, in accordance with the provision of Standing Order 19(2), I beg to report that the proposed new draft Constitution has been considered by a Committee of the whole House. In accordance, therefore, with the provisions of Standing Order 19(3), I do subsequently move that this Honourable House approve the proposals set out in the proposed new draft Constitution, with the following amendments.

[Pause]

The Speaker: Honourable Members, it is my understanding that the copier has broken down, so I am going to ask Members to share their copies with others until we can get this problem rectified.

While we are awaiting that, Honourable Members, I would like to draw your attention again to the section of the Standing Orders under which we are now working: Standing Order 19(1-3). In particular, Standing Order 19(3) states:

"When such a paper"—meaning in this case, the new draft Constitution—**"contains proposals, the Member of the Government who presented the paper may, following consideration in Committee, subsequently move that the House approve the proposals set out in the paper, without amendment or with such amendment as he may incorporate in the motion arising out of consideration in the Committee."**

That is just for clarity. Continue, Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, the Committee, as I said, has finished its work, thus far, on the draft Constitution. Our recommendations will go to the Foreign and Commonwealth Office in the United Kingdom. We, as the people's elect, are bound to get the best possible instrument we can. Trying to please everyone is not an easy task, and I doubt that we ever could.

I see that the Chamber of Commerce has written a letter, in regard to the draft Constitution, concerning self-determination. We have said that we think it would be best for our people, and for good governance, if we could have a better structure of government after the next General Elections in November 2004. That is what we proposed. For those of us who wish to see more autonomy, we will continue to negotiate with the United Kingdom on those matters.

Before we move to the recommendations, I would like to read into the records what Benjamin Franklin said, many years ago, at the United States Constitution Convention.

The Speaker: Honourable Member, do you have copies to lay upon the Table of the House?

Hon. W. McKeeva Bush: Yes, Mr. Speaker, I would like to table this reading.

Mr. Speaker, I am reading this because it is a little like how I feel, and I doubt that I could be as eloquent. I certainly could not explain it better.

This is what he said: **"I confess that I do not entirely approve of this Constitution at present; but, Sir, I am not sure I shall never approve of it, for, having lived long, I have experienced many instances of being obliged, by better information or fuller consideration, to change opinions even on important subjects, which I once thought right, but found to be otherwise. It is therefore that, the older I grow, the more apt I am to doubt my own judgment of others. Most men, indeed, as well as most sects in religion, think themselves in possession of all truth, and, that wherever others differ from them, it is so far error. Steele, a Protestant, in a dedication, tells the pope that the only difference between our two churches in their opinions of the certainty of their doctrine is, the Romish Church is infallible, and the Church of England is never in the wrong. But, though many private persons think almost as highly of their own infallibility as of that of their sect, few express it so naturally as a certain French lady, who in little dispute with her sis-**

ter, said: 'But I meet with nobody but myself that is always in the right.'

"In these sentiments, Sir, I agree to this Constitution with all its faults - if they are such - because I think a general government necessary for us, and there is no form of government but what may be a blessing to the people if well administered; and I believe, further, that this is likely to be well administered for a course of years, and can only end in despotism, as other forms have done before it, when the people shall become so corrupted as to need despotic government, being incapable of any other. I doubt, too, whether any other convention we can obtain may be able to make a better Constitution; for, when you assemble a number of men, to have the advantage of their joint wisdom, you inevitably assemble with those men all their prejudices, their passions, their errors of opinion, their local interests, and their selfish views. From such an assembly can a perfect production be expected?

"It therefore astonishes me, Sir, to find this system approaching so near to perfection as it does; and I think it will astonish our enemies, who are waiting with confidence to hear that our counsels are confounded like those of the builders of Babel, and that our states are on the point of separation, only to meet hereafter for the purpose of cutting one another's throats. Thus I consent, Sir, to this Constitution, because I expect no better, and because I am not sure that it is not the best. The opinions I have had of its errors I sacrifice to the public good. I have never whispered a syllable of them abroad. Within these walls they were born, and here they shall die. If every one of us, in returning to our constituents, were to report the objections he has had to it, and endeavor to gain partisans in support of them, we might prevent its being generally received, and thereby lose all the salutary effects and great advantages resulting naturally in our favor among foreign nations, as well as among ourselves, from our real or apparent unanimity. Much of the strength and efficiency of any government, in procuring and securing happiness to the people, depends on opinion, on the general opinion of the goodness of that government, as well as of the wisdom and integrity of its governors. I hope, therefore, for our own sakes, as a part of the people, and for the sake of our posterity, that we shall act heartily and unanimously in recommending this Constitution wherever our influence may extend, and turn our future thoughts and endeavours to the means of having it well administered.

"On the whole, Sir, I can not help expressing a wish that every member of the convention who may still have objections to it, would, with me, on this occasion, doubt a little of his own infallibility and, to make manifest our unanimity, put his name to this instrument".

The Speaker: Honourable Leader of Government Business, before you continue, out of an abundance of caution, I think I should read again the Motion that is before the House. This was in accordance with the provision of Standing Order 19(2).

Your statement said: **"I beg to report that the proposed new draft Constitution has been considered by a Committee of the whole House. In accordance, therefore, with the provisions of Standing Order 19(3), I do subsequently move that this Honourable House approve the proposals set out in the proposed new draft Constitution, with the following amendments".**

The question is that this Honourable House approve the proposals set out in the proposed new draft Constitution, with the following amendments.

All those in favour please say Aye. Those opposed, No.

Ayes.

Point of Clarification

Ms. Edna M. Moyle: Mr. Speaker, if I may, Sir, I would like some clarification on the question on the Motion. It says: **BE IT FURTHER RESOLVED THAT this Honourable House approves any proposals and/or amendments arising out of consideration by the Committee.**

I think we put that question before we went into Committee. Are we now putting a new question, or are we going to apologise for putting that question and now put this one?

What are we doing?

The Speaker: There is no need for apology. When section 3 was mentioned—and if you give me a second I will turn to that—it said: **BE IT FURTHER RESOLVED THAT this Honourable House approves any proposals and/ or amendments arising out of the consideration by the Committee.**

There were no details or substance given to that, so we are not in any way infringing Standing Order 24(8). I am making this point so that is does not come up. Standing Order 24(8) says that a motion shall not be brought, within six months, the substance of which has been considered in the previous six months. That is not a question before us. We have not yet dealt with the Motion that we have now before the House.

Point of Clarification

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, may I ask for another point of clarification? I want to make sure that we have it right. I had understood in our other discussions that the House was proposing to take each proposed amendment separately in terms of voting. However, the Motion–

The Speaker: As a procedural matter, I can see the point that you are making, Second Elected Member for George Town. To make sure that everyone is happy with the procedures, this Motion can be taken when all of the amendments have been put in place. I will defer that until the amendments have been put in place.

Let us read the Motion again so that we all understand it. We will not be mentioning each section by section. What the Motion states is that this Honourable House accepts the proposals set out in the proposed new draft Constitution, with the amendments. What I propose to do is to vote on those amendments. Continue, Leader of Government Business.

Hon. W. McKeeva Bush: Thank you very much, Mr. Speaker. The following amendments are proposed to schedule 2 to the Order. We recommend that Part 1 of Schedule 2, Fundamental rights and freedoms of the individual, be dealt with as a separate Act or Law.

The Speaker: Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I hate to interrupt again, but it would be helpful if all Members on this side had a copy of the Motion so that we could follow it. At the moment, we are struggling to share, because we only have two copies.

Hon. W. McKeeva Bush: Mr. Speaker, it was intimated to the House that the staff were having problems with the copier. We had two copies and we gave those copies to the Opposition, except for the ones that I have and that you, as the Speaker, have.

[Inaudible interjection]

Hon. W. McKeeva Bush: Well, Mr. Speaker, they will get that in a minute, if I could just rest one minute, Mr. Speaker.

[Pause]

The Speaker: Thank you, Honourable Leader of Government Business. As I mentioned earlier, the reason each Member did not get a copy is that the copy machine is not working properly. Thank you, Honourable Member, for getting copies from the Government side and providing them to the Opposition. Thank you very much.

Hon. W. McKeeva Bush: Mr. Speaker, I am thankful; however, the Government side is left without any. We will get them bit by bit, as soon as the staff has them. We will continue, however.

Mr. Speaker, I trust that you are going to take a vote on each recommended amendment, as we proposed. We recommend that Part 1 of Schedule 2 – Fundamental Rights and Freedoms of the Individual, be dealt with as a separate Law.

Proposed Amendments to Schedule 2 to the Order

Question Put on Amendment to Part I of Schedule 2

The Speaker: The question is that Part 1 of Schedule 2, Fundamental Rights and Freedoms of the Individual, be dealt with as a separate Act or Law under the proposed new draft Constitution.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed that Part 1 of Schedule 2 "Fundamental Rights and Freedoms of the Individual" be dealt with as a separate Act or Law.

Hon. W. McKeeva Bush: Mr. Speaker, I wonder if I could sit, rather than stand, throughout the presentation of this Report.

The Speaker: If it is all right with the House, then it is not a problem.

Question Put on Amendment to 32(1)(c)

Hon. W. McKeeva Bush: The recommended amendment to section 32(1)(c) is: **". . .six other Ministers, one of whom would be Deputy Chief Minister appointed by the Governor acting in accordance with the advice of the Chief Minister from among the elected members of the Legislative Assembly".**

The Speaker: The question is that section 32(1)(c) be amended to read: **". . .six other Ministers, one of whom would be Deputy Chief Minister, appointed by the Governor, acting in accordance with the advice of the Chief Minister from among the elected members of the Legislative Assembly".**

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

Ayes.

The Speaker: The Ayes have it.

Agreed that section 32(1)(c) be amended to read, "six other Ministers, one of whom would Deputy Chief Minister, appointed by the Governor, acting in accordance with the advice of the Chief Minister from among the elected members of the Legislative Assembly;"

The Speaker: The next section being recommended is section 32(4). The Honourable Leader of Government Business.

Question Put on Deletion to Section 32(4)

Hon. W. McKeeva Bush: Mr. Speaker, we recommend that section 32(4) be deleted.

The Speaker: The question is that section 32(4) of the draft Constitution be deleted.

All those in favour, please say Aye. Those against, No.

Ayes and Noes.

Mr. Lyndon L. Martin: Mr. Speaker, could we have a division, please?

The Speaker: Madam Clerk, would you record the Division?

[Pause]

The Speaker: For the records, I mentioned earlier the question of the constitutional amendments and that the Official Members of Government are not voting on this.

The Clerk:

Division No. 8/03

Ayes: 8	**Noes: 5**
Hon. W. McKeeva Bush	Hon. D. Kurt Tibbetts
Hon. Gilbert A. McLean	Mr. Alden M. McLaughlin, Jr.
Hon. Roy Bodden	Mr. Anthony A. Eden
Hon. Juliana O'Connor- Connolly	Ms. Edna M. Moyle
Mr. Rolston M. Anglin	Mr. V. Arden McLean
Capt. A. Eugene Ebanks	
Hon. Cline A. Glidden, Jr.	
Mr. Lyndon L. Martin	

Absent: 1
Dr. the Hon. Frank S. McField

The Speaker: The results of the Division: 8 Ayes, 5 Noes, 1 Absentee. The Motion is in favour of the Government.

Agreed by Majority that section 32(4) be deleted.

The Speaker: The next section is 32(6). Honourable Leader of Government Business.

Question Put on Amendment to section 32(6)

Hon. W. McKeeva Bush: Mr. Speaker, the recommended amendment to section 32(6) is:

"If occasion arises for making an appointment of any Minister between a dissolution of the Legislative Assembly and the polling in the next following general election, a person who was an elected member of the Legislative Assembly immediately before the dissolution may be appointed as a Minister by the Governor, acting in accordance with the advice of the Chief Minister as if he were still a member of the Legislative Assembly".

The Speaker: The question is that the amendment under 32(6) reads as follows: **"If occasion arises for making an appointment of any Minister between a dissolution of the Legislative Assembly and the polling in the next following general election, a person who was an elected member of the Legislative Assembly immediately before the dissolution may be appointed as a Minister by the Governor, acting in accordance with the advice of the Chief Minister as if he were still a Member of the Legislative Assembly".**

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed that section 32(6) be amended to read: "If occasion arises for making an appointment of any Minister between a dissolution of the Legislative Assembly and the polling in the next following general election, a person who was an elected member of the Legislative Assembly immediately before the dissolution may be appointed as a Minister by the Governor, acting in accordance with the advice of the Chief Minister as if he were still a member of the Legislative Assembly".

The Speaker: Section 35. Performance of functions of Ministers in certain events. The Honourable Leader of Government Business.

Question Put on Amendment to section 35(1)

Hon. W. McKeeva Bush: Mr. Speaker, the recommended amendment to section 35(1) is: **"If the Chief Minister is unable, due to illness or his absence from the Cayman Islands, to perform the functions of his office, the Governor shall authorise the Deputy Chief Minister to perform those functions. If both the Chief Minister and the Deputy Chief Minister are unable to perform for the aforesaid reasons the Governor may authorise some other Minister to perform those functions".**

The Speaker: The question is that section 35(1) be amended as follows:

"If the Chief Minister is unable, due to illness or his absence from the Cayman Islands, to perform the functions of his office, the Governor shall authorise the Deputy Chief Minister to perform those functions. If both the Chief Minister and the Deputy Chief Minister are unable to perform for the aforesaid reasons the Governor may authorise some other Minister to perform those functions".

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed that section 35(1) be amended to read, "If the Chief Minister is unable, due to illness or his absence from the Cayman Islands, to perform the functions of his office, the Governor shall authorise the Deputy Chief Minister to perform those functions. If both the Chief Minister and the Deputy Chief Minister are unable to perform for the aforesaid reasons the Governor may authorise some other Minister to perform those functions".

The Speaker: Section 39. Submission of questions to Cabinet. Honourable Leader of Government Business.

Question Put on Amendment to section 39

Hon. W. McKeeva Bush: Mr. Speaker, the amendment recommended to section 39 is as follows:

"Any question submitted to the Governor by any Minister shall stand referred to the Cabinet for its consideration".

The Speaker: The question is that section 39 be amended as follows:

"Any question submitted to the Governor by any Minister shall stand referred to the Cabinet for its consideration".

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed that section 39 be amended to read, "Any question submitted to the Governor by any Minister shall stand referred to the Cabinet for its consideration".

The Speaker: Section 41. Secretary to the Cabinet. Honourable Leader of Government Business.

Question Put on Amendment to section 41(4)

Hon. W. McKeeva Bush: The recommended amendment to section 41 (4) is as follows: **"The Secretary to the Cabinet and the Cabinet Office shall also have general responsibility, under the authority of the Governor and the Chief Minister, for the co-ordination of Government policy."**

The Speaker: The question is that section 41(4) be amended as follows:

"The Secretary to the Cabinet and the Cabinet Office shall also have general responsibility, under the authority of the Governor and the Chief Minister, for the co-ordination of Government policy".

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed that section 41(4) be amended to read, "The Secretary to the Cabinet and the Cabinet Office shall also have general responsibility, under the authority of the Governor and the Chief Minister, for the co-ordination of Government policy".

The Speaker: Section 44. Qualifications for Elected Membership.

Question Put on Amendment to section 44 (1)

Hon. W. McKeeva Bush: Mr. Speaker, the recommended amendment to section 44(1) is: **"We propose that the provisions of this section be amended and replaced with the provisions of section 18 of the current constitution except that section 18 (2) would be amended to read as follows: "For the purposes of subsection 1(d) of this section, a qualified citizen is a British Dependent Territories citizen and British Citizen by virtue of a connection with the islands who either-**
. . ."."

The Speaker: The question is . . .

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I am sorry Sir, before you put the question–

The Speaker: Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I do not believe that it is technically correct to describe individuals as "British Dependent Territories citizens" anymore, since the passage of the recent Act. I think it should be "British Overseas Territories". I am suggesting that to the Honourable Member so he can make the amendment.

Hon. W. McKeeva Bush: It should be "British Overseas Territories". Yes.

The Speaker: Thank you very much. You are quite correct; it is now "British Overseas Territories citizen". The question is that section 44(1) be amended as follows:

"We propose that the provisions of this section be amended and replaced with the provisions of section 18 of the current constitution except that section 18(2) would be amended to read as follows: "For the purposes of subsection (1)(d) of this section, a qualified citizen is a British Overseas Territories citizen and British Citizen by virtue of a connection with the islands, who either . . .".

All those in favour please say Aye. Those against, No.

Ayes and Noes.

The Speaker: I think the Ayes have it.

Hon. D. Kurt Tibbetts: Can we have a division please, Sir?

The Speaker: A division, Madam Clerk.

The Clerk:

Division No. 9/03

Ayes: 7	Noes: 5
Hon. W. McKeeva Bush	Hon. D. Kurt Tibbetts
Hon. Roy Bodden	Mr. Alden M. McLaughin, Jr.
Hon. Juliana O'Connor-Connolly	Mr. Anthony S. Eden
Mr Rolston M. Anglin	Ms. Edna M. Moyle
Capt. A. Eugene Ebanks	Mr. V. Arden McLean
Hon. Cline A. Glidden, Jr.	
Mr. Lyndon L. Martin	

Absent: 2
Dr. the Hon. Frank S. McField
Hon. Gilbert A. McLean

The Clerk: 7 Ayes, 5 Noes, 2 Absentees.

The Speaker: The results of the Division: 7 Ayes, 5 Noes, and 2 Absentees.

Agreed by Majority that the provisions of section 44(1) be amended and replaced with the provisions of section 18 of the current Constitution except that section 18(2) be amended to read as follows: "For the purposes of subsection (1)(d) of this section, a qualified citizen is a British Overseas Territories citizen and British Citizen by virtue of a connection with the islands, who either . . .".

The Speaker: Section 48. Speaker and Deputy Speaker. The Honourable Leader of Government Business.

Question Put on Amendment to section 48(1)

Hon. W. McKeeva Bush: Mr. Speaker, the recommended amendment to section 48(1) is:

"We propose that the provisions of this section be amended and replaced with the provisions of section *31A(1)* of the current constitution".

The Speaker: The question is, that section 48(1) be amended as follows: **"We propose that the provisions of this section be amended and replaced with provisions of section *31A(1)* of the current constitution".**

All those in favour please say Aye. Those against, No.

Ayes and Noes.

The Speaker: I think the Ayes have it.

Hon. D. Kurt Tibbetts: Can we have a division, please?

The Speaker: A division, Madam Clerk.

The Clerk:

Division No. 10/03

Ayes: 8	Noes: 5
Hon. W. McKeeva Bush	Hon. D. Kurt Tibbetts
Hon. Gilbert A. McLean	Mr. Alden M. McLaughlin, Jr.
Hon. Roy Bodden	Mr. Anthony A. Eden
Hon. Julinna O'Connor-Connolly	Ms. Edna M. Moyle
Mr. Rolston M. Anglin	Mr. V. Arden McLean
Capt. A. Eugene Ebanks	
Hon. Cline A. Glidden, Jr.	
Mr. Lyndon L. Martin	

Absent: 1
Dr. the Hon. Frank S. McField

The Clerk: 8 Ayes, 5 Noes, 1 Absentee.

The Speaker: The results of the Division: 8 Ayes, 5 Noes, 1 Absentee.

Agreed by Majority the provisions of section 48(1) be amended and replaced with the provisions of section *31A(1)* of the current constitution.

Point of Procedure

Mr. Alden M. McLaughlin, Jr.: A point of procedure, Mr. Speaker.

The Speaker: Continue, Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, the Minister of Health was not in the Chamber at the time the question was put and he, therefore, was not entitled to vote.

The Speaker: I have made a ruling. When I observed the Minister he was standing by his chair. I am satisfied that he was in the Chamber and we will proceed. Section 51: Leader of the Opposition.

Honourable Leader of Government Business.

Question Put on Amendment to section 51

Hon. W. McKeeva Bush: Mr. Speaker, the recommended amendment to Section 51 is that we recommend that provision be made for a Deputy Leader of the Opposition who should be appointed by the Governor acting in accordance with the advice of the Leader of the Opposition.

The Speaker: The question is that Section 51 be amended as follows: **"We recommend that provision be made for a Deputy Leader of the Opposition who should be appointed by the Governor acting in accordance with the advice of the Leader of the Opposition"**.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed that provision be made for a Deputy Leader of Opposition who should be appointed by the Governor acting in accordance with the advice of the Leader of the Opposition.

The Speaker: Section 58. Voting.

Question Put on Amendment to section 58

Hon. W. McKeeva Bush: Mr. Speaker, we propose that the provisions of this section be amended and replaced with the provisions of section 35 of the current Constitution.

The Speaker: The question is that section 58 be amended as follows: **"We propose that the provisions of this section be amended and replaced with the provisions of section 35 of the current Constitution".**

All those in favour please say Aye. Those against, No.

Ayes and Noes.

The Speaker: I think the Ayes have it.

Hon. D. Kurt Tibbetts: Mr. Speaker, may we have a division, please?

The Speaker: Madam Clerk, a division.

The Clerk:

Division No. 11/03

Ayes: 8

Hon. W. McKeeva Bush
Hon. Gilbert A. McLean
Hon. Roy Bodden
Hon. Juliana O'Connor-Connolly
Mr. Rolston M. Anglin
Capt. A, Eugene Ebanks
Hon. Cline A. Glidden, Jr.
Mr. Lyndon L. Martin

Noes: 5

Hon. D. Kurt Tibbetts
Mr. Alden M. McLaughlin, Jr.
Mr. Anthony A. Eden
Ms. Edna M. Moyle
Mr. V Arden McLean

Absent: 1

Dr. the Hon. Frank S. McField

The Speaker: The results of the Division: 8 Ayes, 5 Noes, 1 absentee.

Agreed by Majority that the provisions of section 58 be amended and replaced with the provisions of section 35 of the current Constitution.

The Speaker: Section 62. Assent to Bills. Honourable. Leader of Government Business.

Question Put on Deletion to section 62(2)(c)

Hon. W. McKeeva Bush: There is a recommended amendment to section 62(2)(c). We recommend the deletion of section 62(2)(c).

The Speaker: The question is that section 62(2)(c) be amended as follows: **"We recommend the deletion of section 62(2)(c)".**

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed that Section 62(2)(c) be deleted.

The Speaker: Section 70. Electoral constituencies. Honourable Leader of Government Business.

Question Put on Amendment to section 70 (1)

Hon. W. McKeeva Bush: Mr. Speaker, we recommend:

"The concept of seventeen single member constituencies be accepted as proposed by the Electoral Boundary Commission 2003, but Full implementation should come into effect in the 2008 General Elections.

"At this time it is recommended that there be a phased implementation and that the district of George Town be divided into six single member constituencies as recommended by the Electoral Boundary Commission 2003 along with the districts of East End and North Side. The remaining districts should be contested as multi-member constituencies as they were in the 2000 General Elections.

"We also recommend that the name George Town North be renamed Seven Mile Beach North and be a single member constituency".

The Speaker: The question is that section 70 (1) be amended as follows:

"The concept of 17 single-member constituencies be accepted as proposed by the Electoral Boundary Commission 2003, but Full implementation should come into effect in the 2008 General Elections.

"At this time it is recommended that there be a phased implementation and that the district of George Town be divided into six single-member constituencies as recommended by the Electoral Boundary Commission 2003 along with the districts of East End and North Side. The remaining districts should be contested as multi-member constituencies as they were in the 2000 General Elections.

"We also recommend that the name George Town North be renamed Seven Mile Beach North and be a single-member constituency".

All those in favour please say Aye. Those against, No.

Ayes and Noes.

The Speaker: It sounds like the Ayes have it.

Hon. D. Kurt Tibbetts: Can we have a division please?

The Speaker: Madam Clerk, a division.

The Clerk:

Division No. 12/03

Ayes: 8	**Noes: 5**
Hon. W. McKeeva Bush	Hon. D. Kurt Tibbetts
Hon. Gilbert A. McLean	Mr. Alden M. McLaughlin, Jr.
Hon. Roy Bodden	Mr. Anthony A. Eden
Hon. Juliana O'Connor-Connolly	Ms. Edna M. Moyle
Mr. Rolston M. Anglin	Mr. V. Arden McLean
Capt. A. Eugene Ebanks	
Hon. Cline A. Glidden, Jr.	
Mr. Lyndon L. Martin	

Absent: 1
Dr. the Hon. Frank S. McField

The Clerk: 8 Ayes, 5 Noes, 1 Absentee.
The Speaker: The results of the Division: 8 ayes, 5 Noes, 1 absentee.

Agreed by Majority that the concept of seventeen single-member constituencies be accepted as proposed by the Electoral Boundary Commission 2003, but Full implementation should come into effect in the 2008 General Elections.

Further, that at this time it is recommended there be a phased implementation and that the district of George Town be divided into six single-member constituencies as recommended by the Electoral Boundary Commission 2003 along with the districts of East End and North Side. The remaining districts should be contested as multi-member constituencies as they were in the 2000 General Elections.

Further, that the name George Town North be renamed Seven Mile Beach North and be a single-member constituency.

The Speaker: Section 92. Attorney-General. Honourable Leader of Government Business.

Question Put on Amendment to section 92(2)

Hon. W. McKeeva Bush: Mr. Speaker, the recommended amendment to section 92(2) is: **"Power to make appointments to the office of Attorney-General is vested in the Governor, acting on the advice of the Chief Minister."**

The Speaker: The question is that section 92(2) be amended as follows: **"Power to make appointments to the office of Attorney-General is vested in the Governor, acting on the advice of the Chief Minister."**

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed that the Power to make appointments to the office of Attorney-General is vested in the Governor, acting on the advice of the Chief Minister.

The Speaker: Section 75. Consequential Amendment. The Honourable Leader of Government Business.

Question Put on Consequential Amendment to section 75

Hon. W. McKeeva Bush: There is a consequential amendment in section 75(1) that "district" be inserted after the word "constituency" as it appears in the first line of section 75(1).

The Speaker: The question is that section 75 be amended as follows: **"that "district" be inserted after the word "constituency" as it appears in the first line of section 75(1)".**

Hon. W. McKeeva Bush: Mr. Speaker, I think that for the sake of clarity, and other than an abundance of caution, since I see the Opposition "slashing" that, we should use that distinction there, and "/district" be inserted after the word "constituency" as it appears in the first line of section 75(1).

The Speaker: Yes, also as an abundance of caution, I will read the question again. The question is that section 75 be amended as follows: **that "/district" be inserted after the word "constituency" as it appears in the first line of section 75(1)".**

All those in favour please say Aye. Those against, No.

Ayes and Noes.

The Speaker: The Ayes have it.

Hon. D. Kurt Tibbetts: Can we have a division, Sir?

The Speaker: Madam Clerk?

The Clerk:

Division No. 13/03

Ayes: 8	**Noes: 5**
Hon. W. McKeeva Bush	Hon. D. Kurt Tibbetts
Hon. Gilbert A. McLean	Mr. Alden M. McLaughlin Jr.
Hon. Roy Bodden	Mr. Anthony A. Eden
Hon. Juliana O'Connor-Connolly	Ms. Edna M. Moyle
Mr. Rolston M. Anglin	Mr. V. Arden McLean
Capt. Eugene Ebanks	
Hon. Cline A. Glidden, Jr.	
Mr. Lyndon L. Martin	

Absent: 1
Dr. the Hon. Frank S. McField

The Clerk: 8 Ayes, 5 Noes, 1 Absentee.

The Speaker: The results of the Division: 8 Ayes, 5 Noes, 1 Absentee.

Agreed by Majority that "/district" be inserted after the word "constituency" as it appears in the first line of section 75(1).

The Speaker: Typographical Amendments. Honourable Leader of Government Business.

Question Put on Typographical Amendments

Hon. W. McKeeva Bush: There are two typographical amendments.

1. In section 73 (1): By deleting "73" as it appears in the first line and by substituting the number "74" therefor.

2. In section 74(1)(a): By deleting the word "suspected" and substituting the word "suspended" therefor.

The Speaker: The question is that the following typographical amendments be made—

1. In section 73 (1): By deleting "73" as it appears in the first line and by substituting the number "74" therefor.

2. In section 74(1)(a): By deleting the word "suspected" and substituting the word "suspended" therefor.

All those in favour please say Aye; those against, No.

Ayes.

The Speaker: The Ayes have it.

.

Agreed that the following typographical amendments be made—

1. **In section 73 (1): By deleting "73" as it appears in the first line and by substituting the number "74" therefor.**

2. **In section 74(1)(a): By deleting the word "suspected" and substituting the word "suspended" therefor.**

Question Put That the Proposed New Draft Constitution, as amended, be forwarded to the Foreign and Commonwealth Office for their consideration

Hon. W. McKeeva Bush: Mr. Speaker, I believe that we have covered all matters discussed in Committee. So that everyone understands, those not being mentioned were agreed. I do believe that the Opposition has been able to record their support and non-support as to how they felt. However, we would now propose that these matters be forwarded to the Foreign and Commonwealth Office (FCO) and that we wait, then, to hear from them in regard to the Constitution.

The Speaker: The question is that the proposed new draft Constitution, as amended, be forwarded to the Foreign and Commonwealth Office for their consideration. The Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you. For clarity's sake, as I listened carefully to the Leader of Government Business, what he did say was that all matters not mentioned in the Motion were agreed upon. There were other matters that were not agreed upon during Committee stage, and I wish to ensure that the *Hansard* of those proceedings will also be forwarded to London.

The Speaker: The vote, nonetheless, is being taken on the proposed new draft Constitution, with the amendments with which we have dealt. Therefore, the question is that the proposed new draft Constitution, as amended, be forwarded to the Foreign and Commonwealth Office for their consideration.

All those in favour please say Aye. Those against, No.

Ayes and Noes.

The Speaker: The Ayes have it.

Hon. D. Kurt Tibbetts: Can we have a division, Mr. Speaker?

The Speaker: A division, Madam Clerk.

The Clerk:

Division No. 14/04

Ayes: 8	**Noes: 5**
Hon. W. McKeeva Bush	Hon. D. Kurt Tibbetts
Hon. Gilbert A. McLean	Mr. Alden M.McLaughlin, Jr.
Hon. Roy Bodden	Mr. Anthony A. Eden
Hon. Juliana O'Connor-Connolly	Ms. Edna M. Moyle
Mr. Rolston M. Anglin	Mr. V. Arden McLean
Capt. A. Eugene Ebanks	
Hon. Cline A. Glidden, Jr.	
Mr. Lyndon L. Martin	

Absent: 1
Dr. the Hon. Frank S. McField

The Clerk: 8 Ayes, 5 Noes, 1 Absentee.

The Speaker: The results of the Division for the proposed new Constitution, as amended, to be forwarded to the Foreign and Commonwealth Office are 8 Ayes, 5 Noes, 1 Absentee.

For clarity, I would like to point out that, as was explained when we started the debate, all the minutes of the debate on this Motion, and on the proposed new draft Constitution will be forwarded to the Foreign and Commonwealth Office (FCO).

Agreed by majority that the Proposed New Draft Constitution, As Amended, be forwarded to the Foreign and Commonwealth Office for their Consideration.

Hon. W. McKeeva Bush: Mr. Speaker, thank you very much for that clarification. At all times, it was said that all the documentation pertaining to this constitutional debate would be sent to the Foreign and Commonwealth Office. We have said that in this House, and we have said it outside. That is what was requested, because that is the only way that the Foreign and Commonwealth Office would have a true picture of what took place in Committee. That is why we did what we did in Committee, so that there would be clarity for the FCO. Therefore, Mr. Speaker, there should be no doubt in anyone's mind that we are sending the proposed documentation, from the debate on the Motion, to the examination on the various sections and clauses of the Constitution in Committee, and the proceedings as relating to what has just taken place.

Mr. Speaker, as I said, there are those who would like to see much more in the Constitution, and we, as a Government, propose that we will continue discussions with the FCO in regard to those matters that the Chamber of Commerce has raised, and others, as we go along. However, as we can all see, the FCO has made it abundantly clear where they stand in regard to the Territories, and the constitutional development of the Territories. I do not think it could be clearer.

Mr. Speaker, for those who have asked why we now go to this point, as I have told the Chamber of Commerce, I would not wish upon any persons—whether it be this party, the Opposition party, or independents—that they should have to conduct business in the current climate locally, and with all the pressures and obligations under which we are put internationally. The country is not back in the 1800s. We are not in 1960. We are moving into the year 2004, when there is tremendous pressure on various aspects of governance in this country.

Although, as I have said, I would have liked to see much more in the Constitution, and although I would never proffer to be as eloquent as Benjamin Franklin, I think the reading earlier puts it quite squarely as to where we should stand. Thank you very much, Mr. Speaker.

Remember this: It is not the Constitution that is going to make better governance. That will give us the wherewithal, but we, as Honourable Members, and anyone else to come, are the human element that will carry this country forward. Mr. Speaker, to reiterate, all documentation will be sent to the Foreign and Commonwealth Office. We will then await their reply.

The Speaker: The Honourable Leader of the Opposition.

Point of Clarification

Hon. D. Kurt Tibbetts: Thank you. Mr. Speaker, I have a suggestion, and I say it purposely, in this forum, just before we close off for the day. Might I suggest that, whenever the 'bundle' is completed, and whatever is sent to the Foreign and Commonwealth Office, copies are made and sent to each of the Members here.

The Speaker: The suggestion by the Leader of the Opposition is that each Member be provided with a bundle of the information sent to the Foreign and Commonwealth Office, when it is sent.

Hon. W. McKeeva Bush: Mr. Speaker, this is a meeting of the Legislative Assembly of the Cayman Islands. The practice and procedure is that every Member gets

a bound copy of *Hansard*—a verbatim report of everything that is done, good, bad or indifferent—and they will get it.

The Speaker: Honourable Members, we have reached the hour of 6.15 pm but there is still one item on the Order Paper for today, which is the Debate on the Report of the Cayman Islands Electoral Boundaries Commission 2003. I do not know if it is the will of Members that we should continue, or whether we should take the adjournment at this point. I am in the hands of Members.

[Pause]

The Speaker: I gather that it is the wish of Members that we should adjourn at this point. The Honourable Leader of Government Business, please give the Motion.

ADJOURNMENT

Hon. W. McKeeva Bush: Mr. Speaker, earlier we had intimated that we would work later, but since then, we did say to the Opposition that we would complete this aspect of business on Wednesday—to deal with the other Motion.

Mr. Speaker, I believe all Members want to call it a day.

I thank you, the staff, and in fact, the Official Members, who did not have to be here. It was good to have them here. Although they did not take part in the debate, they could offer advice. Perhaps we should take note of that.

Mr. Speaker, having said that, I move the adjournment of this Honourable House until next Wednesday 26 November 2003 at 10 am.

The Speaker: The question is that this Honourable House do now adjourn until Wednesday 26 November 2003 at 10 am.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 6.16 pm the House stood adjourned until Wednesday, 26 November 2003, at 10 am.

OFFICIAL HANSARD REPORT
WEDNESDAY
26 NOVEMBER 2003
10:42 AM

Sixth Sitting

The Speaker: I will call on the Honourable Minister of Community Services, Youth, Sports and Gender Affairs to grace us with prayers.

PRAYERS

Dr. the Hon. Frank S. McField: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 10.45 am

The Speaker: Please be seated.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies for late commencement of Sitting

The Speaker: Firstly, I wish to apologise for the late start of the Assembly, which was due to certain procedural matters having to be put in place.

Apologies for Absence and Late Attendance

I have received apologies for absence from the Honourable Second Official Member and apologies for late arrival from the Honourable Minister of Education, Human Resources and Culture.

Broadcasting of Committee Stage on Government Motion No. 6/03

I would also like to mention, Honourable Members, as previously stated, that although as a rule proceedings of Committees are held in camera (with the exception of Finance Committee), because of the important nature of Government Motion 06/2003, which is the debate on the Report of the Cayman Islands Electoral Boundaries Commission 2003—as in the case of Government Motion No. 5/2003, which was on the debate of the proposed new draft Constitution—the proceedings in Committee of Government Motion No. 6/2003 will be broadcast and open to the public.

STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE CABINET

The Speaker: I have received no statements from Honourable Ministers or Members of Cabinet.

Suspension of Standing Order 24(5)

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, I believe we proposed to seek the suspension of Standing Order 24(5), and I so move.

The Speaker: The question is that Standing Order 24(5) be suspended in order to debate Government Motion No. 6/2003.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 24(5) suspended.

GOVERNMENT BUSINESS

MOTIONS

GOVERNMENT MOTION NO. 6/03

Debate on the Report of the Cayman Islands Electoral Boundaries Commission 2003

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Thank you very much, Mr. Speaker. I beg to move the following Motion standing in my name, which reads:

"BE IT NOW THEREFORE RESOLVED THAT this Honourable House debates the Report of the Cayman Islands Electoral Boundary Commission 2003 laid on the Table of the Legislative Assembly on 3 October 2003;

"AND BE IT FURTHER RESOLVED THAT, upon the completion of the debate, this Honourable House resolves itself into a Committee of the whole House to consider the Report and report to this House that the Committee has considered the same;

"AND BE IT FURTHER RESOLVED THAT this Honourable House approves any proposals and/or amendments arising out of consideration by the Committee."

The Speaker: I propose to put the question in two parts—on the two first resolutions, and then lastly on the third resolution.

The resolution reads: "**BE IT NOW THEREFORE RESOLVED THAT this Honourable House debates the Report of the Cayman Islands Electoral Boundary Commission 2003 laid on the Table of the Legislative Assembly on 3 October 2003;**

"AND BE IT FURTHER RESOLVED THAT, upon the completion of the debate, this Honourable House resolves itself into a Committee of the whole House to consider the Report and report to this House that the Committee has considered the same;

"AND BE IT FURTHER RESOLVED THAT this Honourable House approves any proposals and/or amendments arising out of consideration by the Committee."

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

The third resolution reads: "**AND BE IT FURTHER RESOLVED THAT this Honourable House approves any proposals and/or amendments arising out of consideration by the Committee.**

All those in favour please say Aye. Those against, No.

Ayes and Noes.

The Speaker: I think the Ayes have it. The Second Elected Member for George Town.

Mr. Rolston M. Anglin: Mr. Speaker, may we have a Division on the last question put, Sir?

The Speaker: Madam Clerk, may we have a Division on the last resolution?

[Pause]

The Speaker: Honourable Members, I propose to make a change in the former procedure. The Motion was moved by the Honourable Leader of Government Business. I have read the details of the Motion and I will now rule that the Motion will be open for debate, rather than putting the question on any parts of the Motion.

The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Thank you very much, Mr. Speaker. Firstly, let me apologise to the House for being late. I was collared by approximately 10 people, just outside the precincts, and had to deal with several matters.

Mr. Speaker, I do not propose to say much on this in opening, because I believe that the merits of these Boundaries Commission Reports have been debated. There will be Members who will want to further expound on their views, and to make recommendations from the Floor of the House—each to his own. At this point, I do not propose to go any further on it, because we will examine it in Committee. I will leave it at that.

The boundaries are important, we know, and the Report is important. We have already said where we propose to go with the Report: that is, for George Town to begin on "one man, one vote" in the coming General Election. That will be bring the number of districts voting "one man, one vote" to three. I should say that there will be eight constituencies: East End, North Side, and then the six in George Town. However, there will still be the involvement of three of what we know as "the historic districts".

Mr. Speaker, there is a change in the proposition that is before us. The Report talks about George Town North. That would read as Seven Mile Beach.

I beg Members to move as quickly as we can, and to deal as efficiently as we can with our time on these matters. Thank you kindly.

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

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. I rise this morning to offer my contribution to this important debate on the Report of the Cayman

Islands Electoral Boundaries Commission 2003. It is the first Report of its kind in the history of these Islands. If for no other reason than that, I expected that the Honourable Leader of Government Business would have spent a bit more time outlining what the work of the Commission has been, what the results of the Report are, and what their recommendations are. However, in light of the fact that he has not done that, I propose to spend some little time remedying that omission.

Mr. Speaker, it is important that we recall how the Electoral Boundary Commission came to be created. The Constitutional Commissioners were charged with the responsibility of, and given a broad mandate to consider, what was appropriate in terms of constitutional modernisation in these Islands. Having gone about their business, and having held the various meetings they held, they concluded that there was broad-based support for the move to single-member constituencies. Indeed, on page nine of their Report, they state as follows: **"Apart from the inclusion of a Bill of Rights if there is any other issue that received as much widespread support in our review process it is the introduction of single member constituencies with each elector having one vote only."**

That is in the Report of the Constitutional Commissioners, dated 7 March 2002.

Mr. Speaker, that finding of the Commissioners came as no surprise. If I might, I will refer to the Report of the Constitutional Commissioners 1991, Sir Frederick Smith and Mr. Walter Wallace.

The Speaker: Please continue.

Mr. Alden M. McLaughlin, Jr.: On page 16 of their Report, they note the following . . .

The Speaker: Honourable Members, the Report to which the Second Elected Member for George Town is referring is a public document, and has been well circulated. Therefore, I will not request that he lay it upon the Table of the House.

Mr. Alden M. McLaughlin, Jr.: They said, back in 1991: **"At present, there are six constituencies in the Islands, two single-member constituencies and four multi-member constituencies. Constituency boundaries and the number of members returned by each constituency are set out, not in the Constitution, but in the Elections Law. This arrangement ensures flexibility and we do not suggest it should be changed. We are concerned however that, under such an arrangement, it would be possible for the Government of the day to use its majority in the Assembly to amend the Elections Law to re-draw constituency boundaries etc to its political advantage. While it is true that such an amendment could if necessary be disallowed, we much prefer the alternative proposal put to us that an independent Boundaries Commission be provided for in the Constitution. The Committee should comprise a Chairman appointed by the Governor in his discretion and two members, one appointed on the advice of the Chief Minister and one on the advice of the Leader of the Opposition."**

That, Mr. Speaker, is precisely the procedure that is provided for in the draft Constitution, and precisely the procedure that was laid down by the interim Order in Council, which was given effect, I believe, in May 2003. They go on to say: **"Allied to this is the question of whether single-member constituencies should not in due course replace the present largely multi-member system. We heard views for and against such a proposition but judged that there was a great deal of support for the established democratic principle of "one man, one vote", ie, single-member constituencies. We agree, since we consider it inequitable that, depending entirely on place of residence, an elector should have either one, two or three votes"**—I pause here, Mr. Speaker, to note that back then, George Town only had three seats, as did West Bay, and for completeness, Bodden Town only had two—**"and because election results can be distorted by electors choosing to cast only one vote in favour of only one candidate instead of two or three votes in favour of two or three candidates."**

They conclude by saying: **"Although it could not be implemented in time for the next general election, due by November 1992, it is our hope that thereafter consideration would be given to requiring the Boundaries Commission to submit recommendations for drawing new constituency boundaries so as to provide for single-member constituencies."**

Mr. Speaker, that was in 1991. As I said earlier, it came as no surprise that more than a decade hence, and with the benefit of their increased experience and growing sophistication, the electorate was even more in favour of the move to single-member constituencies—at least that was the determination of the Constitutional Commissioners, last year.

Following that recommendation, there ensued the now over-worn debate about whether or not single-member constituencies were something we should support, as elected representatives. Very early in the day, the Government took the position that it was not something they would support as recommended, but that it was a process that should be phased in. There were even concerns expressed, by some Members of the Government—I was looking at them this morning in *Hansard*—that the result of single-member constituencies would be racial, social and economic division in the country, and that the matter needed to be carefully scrutinised.

As I have indicated over the course of the last few days, when I debated the other Motion (that is, the draft Constitution), the finding of members of the Opposition, in the 20 or 21 meetings we held over the

course of this debate on the constitutional modernisation process, was that, with the exception of Cayman Brac, there seemed to be general support for the move to single-member constituencies. I hasten to add today, as I did when I last spoke, that the numbers in attendance at the meetings we held—indeed the numbers in attendance at any meetings held in connection with either the Electoral Boundary Commission work or the work of the Constitutional Commissioners themselves—could not be described as overwhelming. We are certainly not suggesting that we have any scientific basis for the position we take.

What we can say is that the impression we gained, from those who attended our meetings, from wider discussions in the community and from representations made to us by a broad cross-section of people in this community, is that there is general support for the move to single-member constituencies throughout Grand Cayman.

Therefore, that was one of the contentious issues we felt should form part of a referendum. I am not going to spend the valuable time of the House rehearsing that drawn-out process. Suffice it to say that as a result, and towards the end of that process—at the summit held on 29 November—the Government appeared to come around to our view. In London, we collectively supported the introduction of 17 single-member constituencies throughout the Cayman Islands. That is why the draft Constitution contains that provision. However, that agreement put in train a fairly complicated, involved and expensive process, because the Order in Council that came into effect in May did establish an Electoral Boundary Commission. The Leader of the Opposition recommended the appointment of Mrs. Adriannie Webb, a well-known attorney-at-law, to the Commission. The Government recommended the appointment of Mr. Eddinton Powell, a well-known corporate manager, financial controller and officer with a major corporation in these Islands, as their representative.

Further, Mr. Speaker, we imported the person of Mr. Carl Dundas, an extremely experienced and well-known expert on the whole question of the establishment of electoral boundaries. They carried out what can probably be described as a yeoman's effort in the relatively short time they had to review the work of the Constitutional Commissioners, who had themselves proposed the boundaries of 17 single-member constituencies. It is their work that we are here this morning to discuss.

Mr. Speaker, the Electoral Boundary Commission was established under section 28A of the Cayman Islands (Constitution) (Amendment) Order 2003. I have already outlined who the Chairman of that Commission was, and who the other members were. Their mandate was: **"to submit a report to the Governor, as soon as practicable after its appointment, recommending the boundaries of seventeen electoral constituencies into which the Cayman Islands should be divided with a view to each such constituency returning one member to the Legislative Assembly.**

"In preparing the aforementioned report, the Commission was mandated to:

- **a) take no account of the racial distribution of electors within the Cayman Islands;**
- **b) take account of the natural boundaries within the Cayman Islands;**
- **c) have regard to existing electoral districts;**
- **d) Subject to those provisions, the Commission is required to ensure that-**
  - **i. the electoral constituencies shall contain, so far as is reasonably practicable, equal numbers of persons qualified to be registered as electors; and**
  - **ii. Cayman Brac and Little Cayman shall (between these two Islands) return at least two members to the Assembly."**

Mr. Speaker, the Commission convened its inaugural meeting on 24 July 2003. It then proceeded to begin its work, holding 10 meetings between 24 July and 24 August 2003. It used the media and public meetings to urge qualified persons to register to vote. It undertook field visits to each of the 17 prospective constituencies, to boundary lines and to housing developments in the vicinity of such boundary lines. The Commission invited and received submissions, from members of the public, on the construction of the boundaries of the 17 single-member constituencies. It held a public meeting in each electoral district, including Cayman Brac and Little Cayman. It invited oral submissions from the Supervisor of Elections; the Deputy Supervisor of Elections; the former Chairman of the Constitutional Review Commission; the Census and Survey Supervisor, in the Census office; and the Registering Officers in the electoral districts.

The Chairman, on behalf of the Commission, had several interviews with the radio and press on the work of the Commission.

The Commission also accessed data that the Elections Office had for registered voters as of 1 July 2003. It examined, closely, the data used by the Constitutional Review Commission in preparing the number of voters in the proposed constituencies contained in their Report. They had the Supervisor of Elections, Mr. Kearney Gomez, and the Deputy Supervisor, Mr. Orrett Connor, explain the process. They received a copy of the Report of the Cayman Islands 1999 Population and Housing Census, and invited a representative of the Census Office to meet with the Commission and discuss that Report.

The Commission reported the findings of the Census Report—particularly that on the night of 10 October 1999, 40,786 persons spent the night in these

Islands—and also determined that the fastest-growing area was Savannah, in the Bodden Town district.

They examined the growth patterns in the Cayman Islands from 1802, when the population was 933 persons, through to 2001, when the resident population was 41,900 persons.

They conducted field visits to Cayman Brac and Little Cayman. On Monday 11 through Wednesday 13 August, they visited boundaries of the 15 prospective constituencies in Grand Cayman with the Chief Surveyor, Mr. Grant Vincent; the Support Services Manager of the Elections Office, Mr. Rupert McCoy; and the Geographic Information System Technician and Secretary to the Commission, Miss Janet Dixon. They held public meetings, as I have said earlier, in all districts; there were Elected Members at all of those meetings.

Mr. Speaker, I have gone through that in some detail to make the point about the tremendous amount of work, effort, and expense that has gone into this process thus far, all predicated on the agreement of Honourable Members of the House that single-member constituencies were going to be a feature of our new Constitution.

In my previous debate, I hazarded a guess as to what the cost might have been, and I am not going to go over that again today. It is safe to say that a tremendous amount of time, effort and money has been spent to bring the process thus far, and it is inconceivable that, at this late stage, the Government should renege on the agreement they made, which put this action in train.

For the Leader of Government Business to get up and move the Motion this morning, and offer no explanation—no rationale—for this about-face, is quite extraordinary.

Mr. Speaker, the Commission had a mandate, which required it to divide the Cayman Islands into 17 electoral constituencies, each of which would elect a Member of the Legislative Assembly. The Commissioners note in their Report that this issue was clearly controversial at the public meetings held by the Commission. They say that: **". . . it appeared to cause unease to some who attended the public meetings of the Commission in Cayman Brac and West Bay, while George Town, North Side and East End were supportive of single member constituencies; Bodden Town audience had mixed views on the issue. The former Chairman of the Constitutional Review Commission told this Commission that the "one-man one-vote" issue was the most frequent one raised with his Commission, which felt that the best way of giving effect to that aspiration was the single member constituency system, and hence that Commission recommended that system."**

However, before we get too carried away about the unease, referred to in that quotation, of some Members who attended the public meetings of the Commission, we should bear in mind the attendance of those public meetings. In the Report, the Commissioners note that in West Bay (which had the best-attended meeting), a mere 37 persons attended; in George Town, 15 attended; in Bodden Town, 16; in North Side, 7; in East End, 3; in Cayman Brac, 11; and in Little Cayman, 0 persons.

Therefore, when that unease to which they refer is borne in mind, it must be borne in mind in the context of the sort of attendance the Commissioners enjoyed at those meetings. Those numbers are hardly representative of the population, or indeed, the much smaller number of persons who qualify to vote in these Islands.

Mr. Speaker, I will come back to the Report, specifically to what the Commissioners say about the process of single-member constituencies and the considerations they bore in mind when deciding where these boundaries should be drawn.

Before I do that, I think it is important that we come to some understanding of the whole purpose of single-member constituencies and indeed, the important role it was intended that single-member constituencies play in the development of our new Constitution, and in the achievement of some of the laudable goals set, not just locally, but by Her Majesty's Government. These were outlined initially in the White Paper euphemistically entitled, "Partnership for Progress and Prosperity", and indeed, set out again in some detail in the Constitutional Modernisation Checklist that accompanied the instructions to the Overseas Territories to proceed with the Constitutional Modernisation Review.

Mr. Speaker, if we are to achieve more representative and participative government—if we are to achieve a more open, accountable government—we have to create the mechanisms that will allow that to happen. The critical role of single-member constituencies in that whole process cannot be gainsaid, for a number of reasons. One has been repeated over and over, and has created a haunting drumbeat from the Elected Members for North Side and East End for years and years. I am not speaking only of the two Members who currently occupy those two seats; it is a feeling that persons in East End and North Side have had for as long as I can remember: a feeling of being second-class citizens. Why is it that, because I am in East End, by an accident of residence, I only get one vote, while those who live in West Bay get four? It is simply not fair; it is not equitable. That is the current system under which we operate. That is the first reason why a move to single-member constituencies is necessary as part of the creation of a more democratic society. It is fundamental to the evolution of our constitutional status, and of our democratic state.

The second reason, Mr. Speaker, is the accountability factor. As you well know (as one with a long record in this Honourable House, and having successfully contested a number of elections), when you represent a district the size of George Town, in which more than 50 per cent of the population resides—and I pause here, Mr. Speaker, because, if I had not fully

appreciated it before I was elected to this Honourable House, I certainly appreciate it having had the benefit of three years now—you represent not only those who were able to vote for you (that is the registered voters), but all who reside within the boundaries of your electoral district. For George Town, that means more than 20,000 persons.

The accountability factor becomes critically important when you say to me, "I have this particular problem," and I say to you, "I really cannot help you with that; you need to go and see Mr. Linford." You go and see Mr Linford and Mr Linford says, "Well, really that is not my Ministry; you need to go see Dr. Frank". Dr Frank says, "You need to go and see Mr Kurt"—round and round.

We all share, as the four Elected Members for George Town, equal responsibility for our constituents. I am not suggesting for a moment that this is something that I practise, or that you practise—or that anybody practises—I am saying that this system affords that. The move to single-member constituencies will place each Elected Member under the bright and glaring light of scrutiny and accountability to their constituents. No longer will anyone be able to say, "You had better go and see one of the other ones, because I cannot help you." It is your obligation and your responsibility.

The other factor, which always seems to get under the skin of some Elected Members of this Honourable House when it is raised—particularly when I raise it—is what is referred as the "coattail" effect. The move to single-member constituencies will lessen the impact and influence of the coattail, because it becomes far more difficult to persuade a smaller number of voters in a particular constituency that they should support some candidate, who is otherwise unworthy, simply because he happens to be a member of a team led by someone who *is* regarded as worthy, who is popular and influential. When the elections are over, the electors in that particular constituency need to be certain that the individual they elected is able to discharge his functions, duties and responsibilities to them in his individual capacity as their representative—not just to be able to say, "Well, I am with this particular team; therefore, we will look after whatever your needs are."

Those are the laudable reasons why a single-member constituency is the way to go in our effort to seek a more accountable, more democratic system of government.

Mr. Speaker, the Leader of Government Business has, for some days, been talking about the biggest coattail effect of all, when referring to my election, because I ran on the platform with the Honourable Leader of the Opposition. Let me say this: I would never be so immodest as to propose that my standing with the Honourable Leader of the Opposition, who gained almost 81 per cent of the vote last time around, did not have some influence on my standing in those elections. However, I make it quite plain that I got 60.5 per cent of the vote, in the most sophisticated and complicated electoral district in these Islands. If anyone is in doubt as to where I stand on this, I said it before and I will say it again: Let us move to single-member constituencies in all the districts, and then see who is successful and who survives the process.

I am quite happy to go to single-member constituencies. If the result means my exclusion from this Honourable House, then so be it. It is the process that is most important, and not my return to this House. I do not want to be part of any legacy that involves the attempted creation of a Constitution and a process that is aimed primarily at my return to this Honourable House. Any member of this Honourable House—and indeed, the Government—should be ashamed to be promoting this system they are promoting of single-member constituencies for George Town, while maintaining intact multi-member constituencies in West Bay. They should be ashamed to make such a self-centred, selfish and self-serving proposition.

Mr. Speaker, during the process, and as part of our endeavour to bring education and information to the populace on the whole question of constitutional modernisation, the parliamentary Opposition organised a public lecture, delivered by the Honourable David Thompson, Member of Parliament, who was then the Leader of the Opposition in Barbados. It was held on Wednesday 1 May 2002. I crave your indulgence to refer to what that honourable and learned Member of Parliament said about the importance of single-member constituencies to the promotion of a more democratic system.

The Speaker: The Second Elected Member for George Town, would you lay a copy of your quotation upon the Table, please?

Mr. Alden M. McLaughlin, Jr.: I would be pleased to do so.

Mr. Speaker, on page 10 of his lecture notes, he said: **"In my view the issue of one man, one vote is the single key constitutional issue that needs to be resolved to give full legitimacy to your democratic government. If it is true that the ability of a strong government to railroad its proposals through with the backing of a large majority often representing less than half the electorate strikes at the heart of representative government, then the move towards single-member constituencies is a vital. Not that it solves the problem. But it provides the framework for doing so. The rest is up to the people.**

"It is heartening to read in your Commissioners' report that one of the most important issues on which there was widespread support is the introduction of single-member constituencies. This is a positive development for Cayman Islands. The current system of multi-member constituencies is incompatible with the party system and democracy.

"The coat-tails of a strong party leader can be long. Clinging to them can be a number of individual candidates who are otherwise unworthy of election. They may add nothing to the character of the government but can be swept in without tide of populism.

"If, however, you put each candidate and his party under the microscope individually and in a single member, one-man one-vote contest, his soul must be laid bare to the voter. And even if he slips through the cracks, five years of non-performance will surely take care of him. Alternatively the party will pull him into line.

"This level of scrutiny is obscured in the multi-member process. In the multi-member process the instinct is to vote for one man and those clinging to his garments."

The Speaker: The Second Elected Member for George Town, would you pass a copy to the Serjeant so it can be copied to Members?

Please continue, Honourable Member.

Mr. Alden M. McLaughlin, Jr.: In their Report, the Electoral Boundary Commissioners endorse that view. They said, on page 14 of the Report: **"The single member constituency is a tried and tested electoral system, which is used by successful mature and emerging democracies alike. Small and large States and territories use it."**

Then they go on to talk about the delimitation system, and note that the Commission has delimited 17 constituencies in the Cayman Islands, in accordance with its mandate. They go into some detail as to the efforts they took to try to get this right.

They say that while constructing the constituency boundaries, the Commission, accompanied by the Chief Surveyor, the Support Services Manager of the Elections Office, and the Geographic Information System Technician **". . . traversed the respective proposed boundaries for a visual inspection in order to refine each boundary line, so that they could be clearly identified. The refinement enabled the Commission to take account of geographical limits of ongoing housing developments and to avoid boundary lines running through the middle of houses. The Commission took account of electoral district boundaries, traditional boundaries in localities and housing development limits, where desirable. It also had regard to natural boundaries, such as roads, canals and the seacoast. In some cases, the Commission took account of sub-division of land in development areas."**

Much has been made, and will continue to be made, during the process of this debate and otherwise, about the fact that North Side and East End are already single-member constituencies and therefore (if it goes as they are proposing) that when George Town is divided into six single-member constituencies, and added to the two in North Side and East End, we will have eight of the 17 operating as single-member constituencies. This is what the Commission said about that on page 17: **"In light of the fact that the Commission was directed to take account of natural boundaries within the Cayman Islands and have regard to existing electoral districts the Commission was of the view that East End and North Side also deserved special consideration, despite their lower number of electors, as these two electoral districts had in fact been operating essentially as single member constituencies for some time and were distinct communities. Accordingly no changes have been recommended for these two constituencies except for minor adjustments to the North Side / East End boundary."**

As far as Cayman Brac is concerned: **"In its mandate the Commission was directed to ensure that 'Cayman Brac and Little Cayman (between these two islands) return at least two members to the Assembly', whilst at the same time taking into account the various factors in Subsection 28B of the Constitution"**—that is, having no regard to racial, social and economic factors, etcetera.

Then they talk about West Bay, Bodden Town and George Town. Reading from page 17, it says: **"The Commission then looked at the remainder of Grand Cayman from West Bay to Bodden Town and sought to achieve parity in electors whilst at the same time making an effort to honour traditional electoral boundaries as well as boundaries within districts. A special effort was made to keep traditional districts intact wherever possible."**

As far as that part of the exercise is concerned, it appears that the Commission's recommendations have been generally accepted, for I have not heard any demurrer from the Government about where the new boundary lines are proposed to be drawn. Certainly, on our part, we are happy with what the Commissioners have said about where the boundary lines for the proposed 17 single-member constituencies are to be drawn. Therefore, the issue squarely between us is whether or not the entire country should move to single-member constituencies.

Mr. Speaker, we might examine what I will charitably call the logic of the Government in this proposal—I should say the current position of the Government, for they have changed positions so many times that it is quite bewildering. Therein lies the fallibility, perhaps, of what they have proposed, for we contend that the proposal of the Government is based purely on self-interest and expediency. It has no basis in principle—none whatsoever. Had it been based on principle, had they been moored in their position to any sort of principle, it would not have been so easy for them to *flip-flop* as they have, jostling to try to find which system and which process gives them the best advantage in the next elections. Might I have an opportunity to refer to the *Hansard* of this Honourable House, from June 2002?

The Speaker: Please continue, and if you could, quote the page also. Just for clarity, Honourable Members, we are reading from the unedited copy of *Hansard*.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, so that it is all in the records, it is the *Hansard Report 2002 Session, Second Meeting, 19 June 2002*. On page 9, it is the Honourable Leader of Government Business speaking.

"While we support in principle the Commissions proposal to introduce single member constituencies, we have concerns with respect to the specific proposals they have advanced. The Review Commission proposes to entrench in the Constitution a defined set of 17 constituencies with the precise boundaries for these constituencies attached as a second schedule to the proposed Constitution.

"While the Commission was assisted in drawing these boundaries by the office of the Supervisor of Elections and the Lands and Survey Department, the Commissioners themselves recognised that their proposals required further study and revision. For example, the Commissioners seemingly failed to consider whether the proposed constituencies would serve to divide our people along racial, ethnic, social or economic lines. I am certain that this is a matter that would be of grave concern to all Members of this Honourable Assembly, since it would threaten the social stability and cohesion that have been so central to our reputation and past prosperity.

"In fact, the Review Commissioners themselves proposed the establishment of an electoral boundary commission and mandated that as soon as practicable following its establishment, the boundary commission should report to the Assembly on whether the proposed constituency boundaries ought to be changed."

Mr. Speaker, I pause here to say that that has been done, and that is why we are here this morning. Back to the narrative:

"When the United Democratic Party said that Bermuda is having problems, we were laughed at, of course. But I ask Members across, if they have not yet done it, to take the time out to do so. Find out what the difficulties are that Bermuda is having with this proposal. Find out if you think it is a joke.

We support the concept of modernising the electoral system in the general direction of single-member constituencies, as proposed by the Review Commission. However, we believe that the full implications of the Review Commission's specific constituency proposals require careful study and review. Therefore, in our view, it is premature at this time to move ahead with their proposals for 17 single-member constituencies."

That was the position on the 19 June 2002.

Mr. Speaker, again, if I might, I crave your indulgence to refer to a letter under the hand of the Honourable Leader of Government Business, addressed to the Leader of the Opposition, dated 2 December 2002.

The Speaker: The Second Elected Member for George Town, since that is not available to all Members, I would ask that you lay a copy of it upon the Table of the House

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I would be happy to do so.

The Speaker: It is my understanding from the Elected Member for North Side that it has, indeed, been tabled. Thank you very much. Please continue.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I am not proposing to read the whole of the letter. It is safe to say that it is dated 2 December 2002, and addressed to the Leader of the Opposition, under the hand of the Leader of Government Business, on the letterhead of the United Democratic Party. I refer to the relevant part, which deals with their position on single-member constituencies. However, in order to understand what was said there, I need to read the opening few paragraphs of the letter.

"Dear Mr Tibbetts,
Re: Constitutional Modernization

"On behalf of the United Democratic Party (UDP), I write to express our appreciation for your attendance and participation, and that of the other members of the People's Progressive Movement (PPM) at the meeting held on Friday, 29th November at the Hyatt Regency Hotel.

"Our intention in arranging this meeting was to forge consensus on our differences, prior to attending the meeting in London on 9th-11th December, with the Foreign & Commonwealth Office. FCO has arranged and invited the UDP to bring five delegates, and an equal number from the PPM to attend.

"The United Democratic Party is pleased at the very productive outcome of last Friday's meeting and at the progress that we have made in addressing those issues over which the public has expressed concern.

"We now confirm the issues we discussed and the agreement reached at Friday's meeting."

We now go on, to page 2 of the letter, item number 6, "Single Member Constituencies".

"Agreement was reached for the introduction of 17 Single Member Constituencies within the six electoral districts for the 2004 elections, which conforms to the universal concept of one-man, one-vote."

There is not a word there about concerns regarding the division of the country along racial, economic or social lines, not a single caveat about the question of single-member constituencies not having support in West Bay or anywhere else: clear, unequivocal agreement. That position was put forward in London at the talks from 9-11 December, last year. There was no dissent about it. That is what appears in the draft Constitution, predictably, and that is what put this whole train in motion.

Now, on the eve of the Report's being sent back to London, and with the debate in this Honourable House commencing, the Government resiles from their position and we are in a quandary. If the United Kingdom Government goes along with what they propose, all of the work, effort and expense required to get the process to where it is—to produce this Report, which seems to have consensus, certainly in terms of where the boundary lines should be drawn—will be for nought.

Those are two positions. Then Mr. Speaker, to our absolute astonishment, on Monday 17 November, when the Honourable Leader of Government Business moved the Motion to initiate debate on the draft Constitution, they announced another position.

The position this time (although in fairness we did learn about it earlier that morning, because it appeared in headlines of the *Caymanian Compass)* was that George Town and West Bay should only have five seats, and that the elections in West Bay in 2004 should be contested on the basis of a multi-member constituency in which each elector would have the right to vote for five persons. In the capital, however, we are going to try out single-member constituencies; George Town is going to be divided into five constituencies but, unlike West Bay, each elector only has the right to vote for one person.

One does not fully appreciate how preposterous a proposal that is unless one has regard to the population and the number of voters in these two districts.

The Speaker: The Second Elected Member for George Town, we are aware that a resolution has already been passed in the House whereby George Town will be divided into six constituencies and the district of West Bay will remain as recommended by the Boundaries Commission.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. I am very much aware of that. I am examining the history of the Government's position on this, because my concern, as I said from the very beginning, is that their position is devoid of principle. It is a position taken based on what they perceive, in my respectful submission, will give them the best possible advantage in the next elections—and that is a position that is changing all the time!

The Speaker: The Second Elected Member for George Town, I take the point you are making. I am simply being very careful that we do not infringe the Standing Orders by reviving a debate upon which a decision has already been taken. That is the point I was trying to make.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker.

The 1999 Census, to which I referred earlier, placed the population in George Town at 20,626 persons, or 52.9 per cent of the national population. The population in West Bay, as determined by that same Census, was 8,243 persons, or 21.1 per cent of the national population. In relation to the number of registered voters, as at 1 July 2003, West Bay had 2,922 registered voters; George Town had 4,490.

Therefore, based on the voters' list as at 1 July, George Town had 39.1 per cent of all registered voters, and West Bay 25.45 per cent.

Based on that, I ask the question, academic though it may be at this stage: What possible basis could be put forward to justify an additional seat for West Bay? The only answer to that is the one that I have proffered more than once: it has absolutely nothing to do with seeking to obtain the fairest, most practical, forward-thinking democratic process that we can possibly obtain. It has to do with securing the return to Government of the current United Democratic Party. It has everything to do with that, in my respectful submission.

Somehow, however, some persons with good sense, with some semblance of decency and what is right, must have persuaded the Government to rethink that ridiculous proposition. We have now before us another position, which is only marginally better, and at the same time, is still inequitable. We are going to take the largest electoral district, the most populous district in these Islands—currently 52 per cent of the population resides in George Town—and we are going to use this to practise whether or not single-member constituencies are practical, workable or the right thing. However, West Bay shall be preserved as a multi-member constituency, in which the Honourable Leader of Government Business will continue to hold sway.

[Laughter]

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, it would be laughable, if the consequences were not so serious, and so grave.

We are still waiting to hear what the Government is going to say. They have now had quite a bit of time to think about the reason they are going to put forward, as to why this should be the case. It is not enough to say that because the two Elected Members for George Town who are members of the Opposition have been pushing for single-member constituencies, George Town should be carved out and made into single-member constituencies while the rest of the system

(which we complain is inequitable and completely out of sync with the new democratic, representative and accountable model of government we are seeking to achieve) should continue as in the past. Not one reason has been put forward, aside from that and the fact that they say they have "tested the temperature of the water"—and certainly as far as West Bay is concerned, the people there do not want it.

We have said from the beginning that this is one of those issues that ought to go to a referendum. Although we believe that single-member constituencies are the fairest, most democratic, most accountable means of electing representatives, we are certainly not seeking to push this down anybody's throat. If the electorate generally resist it—which is not the impression we have gained from them—then so be it. We cannot have one country and two different systems. That is the sort of position that has been eschewed by the Honourable Minister of Education, in another context, over and over again: you cannot have one country and two systems. He said it about labour, and he is right there; I ask him to say it again about this process.

Mr. Speaker, think of the practical consequences. How can I, as an Elected Member for George Town, explain to my constituents, who are members of the capital—the largest electoral district, the largest district, period, with more than 50 per cent of the population—why they should give up their right to four votes and get one, while West Bay continues to be able to vote for four persons, Bodden Town for three, and Cayman Brac for two? I am not that kind of salesman, Mr. Speaker. I do not have those powers of persuasion, to seek to persuade reasonable, rational, intelligent people—as my constituents are—that George Town should give up their votes, while West Bay and the rest of the districts maintain theirs. It is entirely irrational, completely illogical, and devoid of principle.

Mr. Speaker, would this be a convenient time, Sir?

The Speaker: Honourable Members, we will take a 15-minute break. I will ask you to try and be back promptly, in time. Thank you.

Proceedings suspended at 12.06 pm

Proceedings resumed at 12.35 pm

The Speaker: Proceedings are resumed. The Second Elected Member for George Town is continuing with his debate.

You have spoken for one hour and nine minutes.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker.

Much has been made by the Government—as I alluded to earlier—of the fact that East End and North Side are single-member constituencies. It has been posited by them that the country has always operated under two electoral systems. Although that argument may have a superficial attraction, it is, in my respectful view, simply not right.

East End and North Side are not single-member constituencies in the generally accepted sense. They are electoral districts which have been delineated by the natural boundaries of those communities. What transpired is simply a reflection of the small populations both districts have—that is all.

The Electoral Boundary Commissioners recognise that, for the overriding factor in determining where constituency boundaries should be drawn is generally to achieve parity, as far as possible, among the electoral constituencies. For historical reasons, and because of the realities of those constituency boundaries in North Side and East End (in fact they are not really constituency boundaries; they are district boundaries that have developed naturally over time), they accepted that those two districts could not be treated in the same way as Bodden Town, West Bay and George Town. They accepted that it would be artificial in the extreme to seek to extend the boundaries of either North Side or East End, so as to obtain an additional number of electors to meet what they have determined to be the nationally accepted level, which is somewhere around 700.

Neither North Side, nor East End, approaches that 700 figure. North Side, on 1 July this year, had 502 electors, and East End, 589. Therefore, one would have had to extend those districts significantly—into what is currently Bodden Town—if one were seeking to achieve the average of 700. I suspect that the average would have been a bit lower, had that been done.

As far as Cayman Brac is concerned, had the Commission simply had regard for numbers, there is no way that two seats could have been warranted in Cayman Brac. I am certain that, as of 1 July 2003, Cayman Brac and Little Cayman only had 855 registered voters.

For historical and practical reasons—not the least among which is the fact that Cayman Brac and Little Cayman are separated by miles of water from Grand Cayman—Members (or at least one Member of the Legislative Assembly for that district) often have to be in Grand Cayman. There are other factors, other considerations, which warrant Cayman Brac's having two seats.

One can understand those historical factors and practicalities. I believe that the Commissioners were quite right to make a distinction in relation to those three districts.

None of those considerations apply in relation to West Bay, Bodden Town or George Town. There is absolutely no basis for a distinction. Therefore, Mr. Speaker, all of the other electoral districts—West Bay, George Town and Bodden Town—ought to move to single-member constituencies together, in tandem.

If the Government had said, "We sense that there is going to be considerable resistance to taking away four votes from persons in George Town and

West Bay and three from the people in Bodden Town, so let us phase it in; let us reduce it in a timely manner, and instead of there being four, or, as is in the proposal, six constituencies in George Town, let us have three in George Town with double-member constituencies, two in West Bay, and leave Bodden Town the way it is," one could perhaps have seen some sense in that (not that we support it), but not in what is being proposed now.

I am going to turn now to consider this proposal of the Government's in a broader context, and its impact, if it were accepted, on the very foundations of the parliamentary democracy that we have developed over the course of the past 172 years.

Mr. Speaker, we have a very proud tradition of parliamentary democracy in this country, stretching back over 172 years. Even before we had the right to form a form of legislature, we did so. We took it upon to ourselves, even though it had not been authorised by Jamaica, of which we were a dependency, or by the mother country. Our very proud, independent and self-reliant people understood the importance of the organs of Government—of there being a system under which the affairs of the country were administered. Of critical importance to this argument was the importance of representative democracy.

172 years ago, on that celebrated occasion at what is now Pedro St. James, met the first legislature of these Islands to which persons were elected. 172 years is not a long time in the context of the history of the world, but in the history of these Islands, which for many years were simply little rocks scattered in the North-Western Caribbean, to which few people paid any heed or attention, that is a long time.

That is the stock from which we come. Those institutions, which we recognised even before we were entitled to recognise them, are things that those of us who have been elected to this Legislative Assembly are charged and entrusted with protecting and furthering—rather than being party to their erosion and destruction. That, in my respectful view, is the road down which we are headed. It is, in my respectful submission, the hallmark of this Government.

Mr. Speaker, over the course of the past two years, we have repeatedly seen, in my respectful view, breaches of the rule of law, and a lack of adherence to proper parliamentary procedure.

Point of Order

Hon. W. McKeeva Bush: Mr. Speaker.

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, I rise on a point of order.

I think the Member is misleading the House when he talks about breaches of the rule of law and the breaking of parliamentary rules. I would like to find out what he is talking about, in regard to this Motion. This Motion is about boundaries, so it is not relevant.

The Speaker: The point of order that has been raised is asking that the Honourable Second Elected Member for George Town expand on what he means by breaches of the rules of law and the breaking of parliamentary procedures, as he has just mentioned. I think he suggested that this was being done by the present Government over the past two years. Perhaps he could expand on that.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I am happy to expand on that. I did preface what I said by saying, "In my respectful submission, or in my view…", for I expected that the Government would challenge it.

The Speaker: Were you saying that, in your opinion, or in your view, this was the position—not as a statement, as such, of fact?

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, it is not my intention in this debate to prove a case with evidence of what the Government did or did not do. I am expressing this as my view, or the view of the Opposition.

The Speaker: The Honourable Leader of Government Business.

Point of Order

Hon. W. McKeeva Bush: Mr. Speaker, I rise on a further point of order in regard to what is under discussion.

In our view, a Member can have his opinion. However, you cannot state that as a matter of fact.

[Inaudible Interjection]

Hon. W. McKeeva Bush: The opinion needs to be fact. How can it be otherwise, Mr. Speaker? You cannot get up and accuse the Government of breaking the rule of law.

I would like to find out where we are going in the debate. We are debating boundaries, and I think the Member is not relevant. I am not going to get into anything else, because it could be a long, drawn-out debate, but the Member is not relevant, in my opinion. I ask the Chair for guidance on it.

The Speaker: Honourable Members, I have given a lot of latitude on both of these Motions—Motion No. 5/03, dealing with the proposed new draft Constitution, and Government Motion No. 6/03, on the Report of the Electoral Boundaries Commission—mainly because of their national importance. However, I would ask Honourable Members, when speaking, to be very careful of the statements being made. It is not good enough, sometimes, to say that in your opinion, somebody is a

thief or a liar or something else. It can be taken wrongly by the listening public.

Therefore, I will ask that we desist from that, and stick to the Motion before the House. I have given a lot of latitude, but I would like us to confine our debate more closely to the Motions before us.

Second Elected Member for George Town, please continue.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker.

If I might, I will refer to the Partnership for Progress and Prosperity document presented to Parliament by the Secretary of State for Foreign and Commonwealth Affairs by Command of Her Majesty, March 1999.

On page 13 of that document, Her Majesty's Government addresses the whole question of constitutional relations between the United Kingdom and its Overseas Territories. They say, in paragraph 2.8:

"The governance of the territories must have a firm base. Democracy, human rights and the rule of law are all as relevant in the Overseas Territories as elsewhere. The principles which should underlie modern constitutions are clear. There must be a balance of obligations and expectations, and both should be clearly and explicitly set out.

Future action will focus on:

- **measures promoting more open, transparent and accountable government;**
- **improvements to the composition of legislatures and their operation . . .**
- **. . . respect for the rule of law and the constitution;**
- **the promotion of representative and participative Government."**

Mr. Speaker, I crave your indulgence to refer to the Constitutional Modernisation Checklist, which accompanied the instructions to initiate the Constitutional Modernisation process.

The Speaker: Continue, please.

Mr. Alden M. McLaughlin, Jr.: Paragraph 2.3 says that the proposals for Constitutional Modernisation **". . . should promote more open, transparent and accountable government, and contribute to the fair and equitable exercise of power and delivery of public services."**

Paragraph 2.4 says: **"Consideration should be given to improvements to the operation and composition of the legislature and the promotion of democratic process."**

The Speaker: This is an observation, Second Elected Member for George Town. We are debating, as you rightly know, the Reports of the Electoral Boundaries Commission, not the Constitution. You are reading from the Constitutional Modernisation Checklist. I want to draw that to your attention, and ask you if you could return to the Motion as soon as possible.

I appreciate, however, the point that you are making.

Mr. Alden M. McLaughlin, Jr.: With respect, Sir, the Constitutional Modernisation Checklist deals specifically with the Electoral Boundary Commission.

The Speaker: I am quite aware of that, Second Elected Member for George Town, but I am saying that this is specifically to do with the Constitutional Modernisation Checklist. We are dealing with the Electoral Boundaries Commission. Would you please sit?

We are dealing with the Electoral Boundaries Commission. We already discussed, in detail, the proposed new draft Constitution, at which time every opportunity was given to make reference to this Checklist.

I would ask you to continue, and try to stick as closely to the Motion before the House as possible.

Thank you. Please continue.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, paragraph 2.7 says: **"The proposals should promote representative and participative government and help enable all sectors of the community to influence government policy and practice. They should indicate whether reforms are necessary to constituency boundaries, the electoral system and the franchise."**

Mr. Speaker, the point I am seeking to make is the connection, or nexus, between an electoral process that is fair, democratic and practical, and the outcomes sought by Her Majesty's Government in the development of a new constitution.

I come back to the point I made at the start of my address in this Honourable House: that the creation of a fair and equitable electoral constituency system is critical to the development of a modern, democratic, representative constitution that promotes democracy and representative government. The point I go on now to make is that the process urged by the United Democratic Party's Government, in my respectful submission, will undermine the democratic traditions and foundations that have been established in this country over the past more than 170 years. Rather than promoting a more democratic, accountable and representative form of government, they take us back to places we have never been before.

Point of Order

Hon. W. McKeeva Bush: Mr. Speaker, on a point of order.

The Speaker: The Honourable Leader of Government Business, please state your point of order.

Hon. W. McKeeva Bush: Mr. Speaker, the Member is making an accusation about the undermining of a system. Unless he can prove that to this Honourable House, I would like the remark to be withdrawn.

[Inaudible interjections]

The Speaker: Order. Honourable Members, I have been taking very close notes of what has been said, as I usually do. I believe I have taken correct notes of what was said by the Second Elected Member for George Town. He said, "The process urged by the United Democratic Party's Government, in my respectful submission, will undermine the democratic system established many years ago", or something to that effect.

It is a matter of semantics whether "respectful submission" is the same as "in my opinion". I am not going to go into the legalities of the semantics of that. I would ask the Second Elected Member for George Town to continue along the lines that he first started doing, and let us get away from inflammatory remarks that, perhaps, he may be unable to substantiate.

The Second Elected Member for George Town, please continue.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I hope that you are not going to come to the point where I have to carefully couch everything I say to appease the Leader of Government Business. If I cannot speak what I believe in this Honourable House, Mr. Speaker, I will never be able to speak it anywhere else.

The Speaker: Would you please sit, while I comment on that?

I do not think that taking a position like that is going to help the discussions very much. What we are trying to do is not to ask you to appease anybody. As you rightly said this morning, you have been in this House for three years. I have been here sixteen. Therefore, I do know the procedures that Members are supposed to take. I would not ask you, as the Opposition, to say anything to appease the Government Bench—that is not what I am talking about.

What I am saying is if you are going to make a statement in this House, be prepared to support what you are saying. I have asked you before to get away from saying, "In my opinion this, and in my opinion the other". Especially when you are saying, "It is my respectful submission", I expect that you have a basis for what you are submitting. This is what I am asking, not only from the Second Elected Member for George Town, but from all Honourable Members, on both sides of the House.

This is precisely what I am asking you to do. Now, would you continue please, Second Elected Member for George Town?

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I just want to be clear. Are you saying, Sir, that I am unable to say anything in this Honourable House that I believe, without having a document to prove it? If I say that I do not believe that the Government are being fair about something—

The Speaker: I take it, Second Elected Member for George Town that you are challenging what I have said.

Mr. Alden M. McLaughlin, Jr.: No, Sir.

The Speaker: I have made a ruling. Would you please continue? I am not about to explain my position.

I will tell you what, Honourable Members: the time is now 1 o'clock. Perhaps Members are in need of some refreshments. Let us go away, and cool the tempers down, and try to get back here at 2.30 pm.

Proceedings suspended at 1.01 pm

Proceedings resumed at 3.26 pm

The Speaker: The Second Elected Member for George Town continues with his debate.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. When we took the luncheon adjournment, I had started to talk about the importance of the integrity of the electoral process.

The Speaker: The Second Elected Member for George Town has 30 minutes remaining.

Mr. Alden M. McLaughlin, Jr.: Thank you. I had started to talk about the integrity of the electoral process, and how virtually every other aspect of the administration of this country hinges upon that factor. If we compromise the integrity of the electoral process, we compromise the result. It is the view of the Opposition that the proposal of the Government to create six single-member constituencies in the district of George Town whilst maintaining multi-member constituencies in Bodden Town, West Bay and Cayman Brac is going to erode the legitimacy of the electoral process. It is going to call into question the veracity of the result. We cannot, in the view of the Opposition, expect to stand up to any scrutiny, let alone the glaring light of international scrutiny, if we incorporate this electoral process, by which some members of the electorate are treated in one way, their votes having certain weight—which is a quarter, or in the case of George Town, one sixth of the weight of some other constituencies. That is what the result of this would be.

I have already outlined the historical basis for there being a distinction for East End, North Side and Cayman Brac. I repeat: There has been no proper basis put forward by the Government, thus far, as to why there should be a distinction between George Town, Bodden Town and West Bay. Mr. Speaker, we need to bear in mind our role as parliamentarians, as stewards

of the democratic process. We need to bear in mind the importance of our insisting that, regardless of what the result will be for us personally, the system of government we create and perpetuate—and in this case, modify, or seek to modify—is one that can stand up to scrutiny, here or anywhere else in the world.

One of the things that have made Cayman the success story it is, is that we have always had free and fair elections. The integrity of the electoral process has never been seriously questioned. At all cost, even if it were our respective seats, we must not be party to creating a process that leaves the legitimacy of our electoral exercise—and consequently the result of that exercise—in doubt. I repeat once more, Mr. Speaker, that in our view, what the Government is proposing will have that effect, if it falls on fertile ground when these Reports reach the Foreign and Commonwealth Office.

I crave your indulgence, Mr. Speaker, to refer to an editorial that appeared in *Cayman Net News* on Friday 21 November 2003, which addresses this whole question of single-member constituencies. If it is the wish of the House, I am happy to lay a copy of this upon the Table of the House.

The Speaker: It is a public document. It should not be necessary.

Mr. Alden M. McLaughlin, Jr.: It is entitled, "The Governor Must Challenge Leader", and it reads as follows:

"In what is now their fourth position on the issue in eighteen months, the United Democratic Party (UDP) announced through their leader in another local publication that they are in favour of yet another change in the long-awaited proposed new constitution.

"This time they are pushing for division of the country by proposing single-member constituencies in George Town, but not in the rest of the country.

"The situation has now degenerated from the sublime to the ridiculous and, we would venture to suggest, anything further the UDP has to say on the subject could be conveniently ignored as being unreliable at best.

"It should frighten the residents of this country to think that the ruling government might actually believe that they could institute the single-member constituency for the next elections only in the district that poses them the biggest threat to their control of power.

"The appalling ethics of such an attempt aside, the move would have no recognised basis in international law.

"The United Nations International Covenant on Civil and Political Rights, which is supposed to extend to the Cayman Islands, states (in Article 25) that every citizen shall have the right and the opportunity to vote at elections by universal and equal—that's right, EQUAL—suffrage without (Article 2) distinction of any kind.

"Clearly, if single-member constituencies are to be adopted in George Town alone, then that is a "distinction" based upon the residency of the voter, resulting in unequal suffrage within the country.

"Indeed, it is arguable that the existing archaic system produces its own inequality in that electors are able to cast multiple votes in the districts of George Town (4), West Bay (4), and Bodden Town (3), but in the less heavily populated districts of East End and North Side, each voter may chose only one candidate.

"In other words, the argument goes, the votes of people of West Bay or George Town are effectively four times that of a voter in North Side or East End, thereby producing a distinction or inequality based on residency.

"For a great many years, the United Kingdom has shirked its responsibility towards the people of the Cayman Islands by failing to apply or enforce internationally accepted standards of civil and political rights. This has got to stop, and there is no time like the present.

"As things stand at the moment, we have a government that is unrestrained in many respects and an opposition that is fighting the fight, but immobilized. The people are thus at the mercy of events they are powerless to change or, apparently, even to influence.

"The Cayman Islands has a Governor appointed by the United Kingdom, with real executive powers, not a figurehead Governor General. We therefore call upon His Excellency to exercise his authority for once and take whatever steps are necessary to fulfill his mandate to provide peace, order and good governance in the Cayman Islands.

"It is reliably reported that it was, in fact, the Governor who intervened by convening an emergency meeting of the Cabinet that fateful Friday to put a stop to the recent grants of Caymanian Status, which produced the nearest thing to a riot ever seen here at the police station by persons seeking Police Clearance Certificates.

"The Governor must therefore intervene in this most recent debacle and stand for good order. When all is said and done, the United Kingdom has the power, if all else fails, to disallow any legislation purporting to change the electoral system in a discriminatory fashion, which action we suggest as a matter of good governance."

That editorial, I believe, summarises quite nicely the thrust of the argument I have sought to articulate over the course of the past hour and a half, leaving aside the question of whether or not the Governor should intervene. I shall never be one for inviting the exercise of more power by the Governor—not in this jurisdiction. I think that, by and large, the UK al-

ready exercises more than many of us would like to see them do.

I come now to the question of how this is going to work. I alluded to that earlier, when I asked how I, or any of the other Members who represent George Town, would seek to persuade our constituents that they should trade the four votes they currently have for one, whilst West Bay, Bodden Town and Cayman Brac continued to have more than one vote. Aside from that—which I believe an insurmountable hurdle on its own—there is going to be tremendous confusion, concern and anxiety amongst the electorate when the elections come around. Indeed, Mr. Speaker, the same publication, *Cayman Net News*, to which I referred earlier—

Mr. Speaker: That is of 21 November, 2003.

Mr. Alden M. McLaughlin, Jr.: No, this particular publication is from 24 November 2003. It is the same *Cayman Net News*, but it is not the same publication. I apologise, Sir. It has, on its front page, that very issue. The headline says, "Two Elections, One Mess." If I may refer to it, I quote:

"The prospect of having two different systems of elections when Caymanians go to the polls to choose their leaders next November is producing rampant criticism in the community from those in both the public and private sectors.

"The Leader of Government Business, the Hon McKeeva Bush has suggested that the country's most populous district of George Town be used as a testing ground for the proposed single-member constituency plan in the 2004 General Elections, while the rest of the country stays with the current system.

"'It would be a mess,' said one government official who wished to remain anonymous, 'It would create cost duplication and confusion. Trying to explain two systems to the public would be nearly impossible. It would lead to an inordinate amount of spoiled votes, which could jeopardise the election.'

"The official also felt that the proposed plan, if adopted, had the potential to cause deep divisions in the community. 'Try explaining to the people of George Town that they only get one vote while the people of West Bay get five.'

"Though the official did not indicate which of the two systems—the current one or the 17 single-member constituencies—he preferred, he thinks the government must choose one for the whole country. 'You just don't run two systems parallel like this,' he said, 'you run one or the other.'

"The proposed system has also run afoul of many in the legal profession. 'I find the proposal very odd,' said one prominent local attorney, 'Two types of election system might create different standards in the constituencies. The election's legitimacy could possibly be challenged.'"

Therefore, Mr. Speaker—

Hon. W McKeeva Bush: Mr. Speaker, I wonder if the Member would table that publication.

The Speaker: The publication of the *Cayman Net News* is a public document, but if Honourable Members would like a copy to which they can refer, I have no objection to the Serjeant's photocopying that page. The Second Elected Member for George Town is laying the paper upon the Table.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. Again, the story under that headline mirrors the concerns of the Opposition, both about the legitimacy of what is being proposed, and its practicality.

We say that that proposal is fraught with practical problems. It has no basis in principle; it is a transparent attempt to seek electoral advantage, particularly in the district of West Bay, during the next elections. That is what lies at the heart of such a preposterous proposal. I will leave my submissions in relation to that aspect of it there.

I want to move on, Mr. Speaker, to talk about the whole electoral process, which has resulted in the submission of this Report of the Electoral Boundary Commission.

Much has been said about the need to ensure not only that the Cayman Islands have the best constitutional document that it possibly can, but also that we seek to rein in some of what many consider to be the excess afforded Her Majesty's Government, in seeking to give the Governor additional powers under the draft Constitution. Our concerns, from this side of the House, have more to do with creating a constitutional document to rein in the potential excesses and abuses in an elected Government. We need to create a process that prevents the elected Government from manipulating the electoral process, because we believe that that is precisely what is transpiring at this time. We should not have a system that permits the elected Government to seek to create an electoral process that affords them the best possible advantage.

We, in this Honourable House, need to remember why it is that we are here. We need to understand that the decisions we take, particularly in relation to this matter, should be based firmly on principle. They should be able to withstand any sort of scrutiny. They should be devoid of attempts at gerrymandering or worse. One should not be able to read the *Hansard* of this Honourable House years from now, ask why a ridiculous proposal was ever made, and only be able to ascertain why it was made by having a look at the history books. The electoral process that we seek to achieve for this country should be one that is a model for the rest of the region, one that permits the election of those who are best-suited—not those whom individuals or party leaders believe are best-suited to their

particular means, but those who are best-suited to represent and lead this country.

The only way we are going to achieve that, Mr. Speaker, is to have a system that gives each person equal rights (one vote: no more, and no less), a system that shrinks the length of the coattail of the party leader—a system requiring those who stand for election to stand up on their own hind legs and persuade their hoped-for constituents to vote for them on the basis of merit. We certainly should not have a system in which one constituency operates in one manner, and other constituencies operate in another.

I have outlined the position of the parliamentary Opposition in relation to this matter. I have done so in as much detail as I possibly could. The Government has not stated, publicly, the basis for the novel position they are proposing in relation to the creation of six single-member constituencies in George Town. Perhaps when I sit down, one of them will endeavour to do so.

As I said at the start, we would have hoped that the Leader of Government Business would outline their position when he introduced the Motion. He has not done so. We, and the rest of the country, are left waiting for reasons to be articulated. When I resume my seat, I am going to listen very carefully to what the arguments are in response to the positions I have outlined. I will listen even more carefully to see if I can get some kernel of a reason, from what is said, as to why George Town should be treated differently than West Bay, Bodden Town or, indeed, Cayman Brac. I thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? The Honourable Minister of Health Services, Aviation, Agriculture and Works.

Hon. Gilbert A McLean: Thank you, Mr. Speaker. I have a contribution to make on the matter before the House—the Report of the Cayman Islands Electoral Boundaries Commission 2003. The Second Elected Member for George Town, in good lawyer's fashion, has attempted to lead the opinion in the House to be one of a multiplicity of wrongs. The truth is that there could hardly be much more straightforward a matter than what we are dealing with. The Second Elected Member for George Town cited the historical background to this and, indeed, that is correct. Way back in 1991, the then Constitutional Commissioners recommended that we should look at the question of electoral boundaries.

All of that is fact, but I hardly think it is something to lament. It was something that took place, at a certain point in time, and that brought a certain matter to the forefront, just like the Constitution itself. From 1991 until now, approximately 12 years have elapsed, and we do not have one change in the Constitution. That is the sad truth and situation of the Cayman Islands, when it comes to dealing with matters that are really of great significance to us, rather than those that tend more toward physical development in the country.

Nothing can be more important than the Constitution, and in this case, the Constitutional Commissioners recommended looking at the matter of the Boundaries Commission. The Constitutional Commissioners who were appointed by the former Governor also made recommendations on electoral boundaries, and we know what their recommendation contained. Their recommendation radically cut the Islands up into 17 pieces, and said these should be the new electoral boundaries. They obviously did not take account of existing district boundaries, which the delegation of the Opposition and the Government asked to be taken into account when we went to Lancaster House, United Kingdom, to discuss the Constitution.

The Boundaries Commissioners who did the latest Report did take those into account, and they have kept the district divisions within the old boundaries. I listened as the Second Elected Member for George Town attempted to lead us to believe that something different would take place if, tomorrow, we had six single-member districts in George Town, one in North Sound and one in East End, while the rest were multi-member districts, and that that had never happened in the Cayman Islands before.

I want to quote from the same document from which he quoted, which was the Report of the Constitutional Commissioners, 1991, by Sir Frederick Smith and Mr. Walter Wallace. On page 16, under the heading "Constituencies (and a Boundaries Commission)", it begins with the very clear statement that we have presently a mix of constituencies.

"At present, there are six constituencies in the Islands, two single-member constituencies and four multi-member constituencies."

It could not be clearer. Every *ching-ching* in George Town and Bodden Town knows this. It has been that way *from a small forever*.

There used to be three representatives in West Bay, three in George Town, two in Bodden Town, one in North Side, and one in East End. There was one in Cayman Brac, at one stage, and then it went to two. There have been changes over the years. The last time there was a change that brought about additions was in 1993. One was in Bodden Town; one was in West Bay.

[Inaudible interjection]

Hon. Gilbert A McLean: There was one in George Town, also? Yes. I am sorry. That is correct; one also went to George Town. The total number of elected representatives in the House moved from 12 to 15. There have always been . . .

Dr. the Hon. Frank S. McField: . . . two different systems.

Hon. Gilbert A. McLean: There have always been, as my colleague says, two different ways of going into elections in the Cayman Islands. It has always been that way.

Also of significance is that the seats have always been added in the districts that have the most voters. In 1993, West Bay, George Town and Bodden Town had the most voters; therefore, the seats went to those three districts. They stayed as multi-member districts; North Side and East End stayed single. We should dismiss outright, therefore, any suggestion that we have one country with two systems. We have one single system, and that is the election system in which, every four years, we go to the polls to vote. That is the system. The fact that, in some districts, a person may cast three or four votes—or two, in some instances—is the specific way that the people vote in these districts presently.

The Commissioners, in 1991, went on to make the point, on page 16—under the same heading as Constituencies (and a Boundaries Commission)—that: **"Constituency boundaries and the number of members returned for each constituency are set out, not in the Constitution, but in the Elections Law. This arrangement ensures flexibility and we do not suggest it should be changed. We are concerned however that, under such an arrangement, it would be possible for the Government of the day to use its majority in the Assembly to amend the Elections Law to re-draw constituency boundaries etc to its political advantage."**

The Second Elected Member for George Town did not make that point, but I would make it, because the Commissioners make it. However, the draft Constitution proposes that it be in the Constitution—at least, that is what has been sent to us by the British Government. In this instance, therefore, the British Government has addressed that point raised by the Constitutional Commissioners in 1991. It goes on to say: **"While it is true that such an amendment could if necessary be disallowed, we much prefer the alternative proposal put to us that an independent Boundaries Commission be provided for in the Constitution."**

That is what has happened, by the Order in Council that set up the Boundaries Commission, which has made its Report, which we are discussing here today.

Another thing we know as a fact—and that point is made in the second paragraph—is that: **"Allied to this is the question whether single-member constituencies should not in due course replace the present largely multi-member system. We heard views for and against such a proposition but judged that there was a great deal of support for the established democratic principle of "one man, one vote", ie, single-member constituencies."**

The Second Elected Member for George Town has indeed been saying that here, in one breath. However, in the second breath, he disagrees with it—that is, single-member constituencies.

The Commissioners of 1991 said: **"We agree, since we consider it inequitable that, depending entirely on place of residence, an elector should have either one, two or three votes; and because election results can be distorted by electors choosing to cast only one vote in favour of only one candidate instead of two or three votes in favour of two or three candidates."**

All of this is a fact, Mr. Speaker, and a reasonable, logical consideration. However, we have been in the mood, at least since 1993, in which North Side has one seat; East End, one; Cayman Brac, two; Bodden Town, three; George Town, four; and West Bay, four. If we are talking about increasing the total number of Members in the Legislative Assembly to 17, and the same principle or methodology is applied, wherein the seats are added to the districts with the most voters, they will have—naturally and mathematically—to go to George Town. This means that if we stay with the multi-member system in George Town, then the people of George Town will have to cast six votes, not four. Do we want to do that? I suggest not.

I do believe we need the 17 representatives. I make that judgement purely from the position of a Minister of Cabinet, and seeing the amount of work that is required of each and every Minister. There is no doubt in my mind that some of the subjects could be shared further. They could be better acted upon, in greater detail and with greater efficiency. I believe that there should be 17 seats in total, and that the Cabinet should be made up of seven Ministers instead of five. There is no doubt in my mind about that. I am convinced that it is best for this country. We are faced with this situation, however: Do we add to the number of votes in George Town, in the hands of one person, or do we break up the district into many districts, called constituencies, and allow it to go that way?

To get some guidance on that, we would need to look at what the Commissioners said, when they went from district to district and polled the people on this matter. Mr. Speaker, we need to take into account what the Commissioners stated in section 12 of their Report, which begins on page 9 and goes on to page 10. I attended the meetings in Bodden Town, and I attended meetings when the Commission comprised of Mr. Benson Ebanks and others did their survey. However, let us look at how much burning interest the public has in this matter.

In West Bay, at one of the best-attended meetings, there were 37 persons. In George Town, the biggest district, with a population of 4500, there were 15. Bodden Town beat George Town, in this case: they had 16. In North Side, there were 7; in East End, there were 3; in Cayman Brac, there were 11; and in Little Cayman, nobody turned out.

If we could get away from this attitude of trying to create an alarming situation out of everything that occurs in this country, and deal with matters of great

concern—such as trying to get ourselves a little more responsibility and authority under the Constitution—we would be much further ahead than with the argument I heard being put forward by the Second Elected Member for George Town.

Mr. Speaker, that is all. The largest turnout was 37 persons. In George Town, the biggest district in the Cayman Islands, it was 16. It was not that these people did not try to get people to come out—they did. It was advertised, it was on television, it was on the radio, and it was in the newspaper.

I will state, believing it to be true, that we—as a people—elect representatives every four years to go out and speak for us. After they have done that one-day job, everyone is too busy living, making money, and doing this and that. We do not pay any attention to politics. I think it is unfortunate, but we only have our elected representatives—whom we elect—and they are the beating posts. We get to curse them and accuse them; we get to do everything in the world, but we expect them to act on our behalf. That is not wrong, because we are elected to speak for the people. We have to be interpreters of their will—of what they want us to do.

When I first came to this House, I did not know a great deal about the process here, except that I had always been interested in politics. Some nights, I would go to sleep listening to Captain Keith Tibbetts, and Mr. Berkley Bush, and those people, debating. I would fall asleep with the radio on my chest, listening to them. That was where my interest began, but I did not know the rules of the House. I got some idea of them when I was a Permanent Secretary, and I would go to the House with my Minister.

We come here to learn and to know. What is the use of our coming here to learn, and to know what has to be done, if all we can do is to put forward arguments of obstruction, as if we were calling down fire and brimstone for something to happen in the Cayman Islands, and to quote from the *Cayman Net News,* which today is pounding the Government of the day through the ground, and the next day is making kings of the Opposition? Then, it loves the Government of the day and is killing the Opposition. I am unimpressed with all of that.

All I hope for, in this country, is that we get to the stage where we have media that can go down the middle, tell the story like it is, and educate the people in the majority (and at this stage, when I say educate, I mean educate politically, in the way that we need to be educated)—media that teach us our citizens' rights, give us information so that we understand how to participate in the process of government and governance, and show at least a little respect to the 15 souls who are in here. Where the public is concerned, I think the greatest role that we serve is to be people they can criticise—yet it is they who elect us.

Mr. Speaker, the Commissioners got to poll a number of people who took enough time to go out to listen to them. If we look at what has occurred in our country in the past three years, they found that the total number of voters in 2000, which was our last General Election, was 11,636. By this year, 2003, that number had dropped to 11,483: 208 people have died, and only 52 have come on the register across the three Islands. I would never stand here and say that I believe there are not more; in fact, I believe they are hundreds of people who are eligible to be on the register. Why are they not there, Mr. Speaker? They do not have the interest. *They do not have the interest.* What is their excuse? Their excuse is, "They are not doing anything anyhow, so it does not matter if I vote. What am I going to vote for?" It is pitiful.

If our country had a little more hardship, I suspect that there would be a lot of people wanting to vote. They would all be smart enough, due to the hardship, to understand how important voting is.

They blame the 15 of us here, including the Opposition, for their lack of interest in not voting or putting their names on the voters' list. Well, I am one of the 15 who do not accept that as being any excuse, from any of them. It is an individual responsibility; it does not have anything to do with me. It is their lack of interest in their responsibility, not mine. In truth, I believe that applies to every one of us.

Mr. Speaker, the Commissioners made the point that there were some districts that had an interest in going to single-member constituencies. What the Commissioners found is on page 14, under "Single Member Constituencies". They arrived at this conclusion by representation; I suppose more of it was done on a one-to-one basis, and there were some people who presented written point submissions to the Commissioners, but in George Town they had to make this judgement based on 15 people. Here is what they said: **"The Commission's mandate requires it to divide the Cayman Islands into seventeen electoral constituencies, each of which will elect a member of the Legislative Assembly. This issue was clearly a controversial one..."**

They did not say that it was one about which everybody was in agreement; they said it was controversial. There was no unanimity.

"The issue was clearly a controversial one at the public meetings held by the Commission. It appeared to cause unease to some who attended the public meetings of the Commission in Cayman Brac and West Bay, while George Town, North Side and East End were supportive of the single member constituencies; Bodden Town audience had mixed views on the issue."

That is a fact, because I was there and I made my views known, but there were others who also made their views known, and there was no general agreement on it. Some said, "Yea," and some said, "Nay". However, the Commissioners are supposed to arrive at a conclusion. It is not that this is a mathematical exactitude that is going to guide them; they have to use their reason and their logic and so on, as well as the terms of reference for which they were appointed—

requested—to do a job. They were following their terms of reference.

The former Chairman of the Constitutional Review Commission, Mr. Benson Ebanks, and his other Commissioners, told the Commission that the "one man, one vote" issue was the most frequent one raised with his Commission. They felt that the best way of giving effect to that aspiration was the single-member constituencies system; hence, the Commission recommended that system. Mr. Benson et al. concluded that the best thing they could recommend was single-member constituencies. Overall, however, there was nothing to say that that is what all the people wanted.

The present Boundary Commissioners found that there was general agreement in George Town, North Side and East End.

Mr. Speaker, I go back to the point that, if we are to get two more seats in the Legislative Assembly—if there are to be 17 of us, with seven Ministers in Cabinet—we have got to find some place to put those other two people. The only logical place is in George Town, because the largest concentration of votes is there. In fact, the Second Elected Member for George Town noted that there is something like 50 per cent of the voting populace in George Town. What, then, would one logically do? I suggest that the seats would go in George Town. Do we want, in the election next year in November, to give the people of George Town six votes to cast?

Mr. Speaker, the Second Elected Member for George Town asks how he can sell, to the people of George Town, the idea that they must give up four votes to cast one. If one vote is the proper and right way to vote, as that Member advocates, why would the people of George Town (whom he represents) not want to do the better thing, leaving the others, who might crave the wrong thing, to do it for a little longer—at which time it shall be snatched away from them and we will all have to do the right thing?

As to the quotations from the *Cayman Net News* about having two systems in one country, and how the Governor must *beat up* the Leader of Government Business and stop him from doing what he is doing, I cannot see that that is going to happen. That would not be good governance. A proposal is being put forward; it will be voted upon, and the majority will carry—that is the way democracy works.

Mr. Speaker, I do not know what they will do in the United Kingdom. I am bold enough to suggest, knowing some of what I know, that the United Kingdom Government wants the Cayman Islands to change its system from multi-member voting to having everyone vote single-member. However, they also want to posture as though they do not want us to do this. They want it to be our decision—very well. What is so wrong with our saying, "Okay, we agree with you, Mother. We will do it, but let us do it gradually"? That is what this Government has said from day one. They did change their posture (which, from my own position, I did not agree with) so that we would do what the Opposition party said they wanted done, and for which there was, as we have heard, such strong support, marching and all the rest of it. We took that position, as it was explained to me, for peace: to have general agreement when we went to the UK. Well, we went there, and we came back, with certain disagreements.

I do not believe for one minute that this shows that this Government cannot make decisions. That it can do; it has a proven track record. However, the decision at this time, in the opinion of the Government, is that it is better, overall, to proceed. We articulated this to the United Kingdom Government, explaining that we had changed our view based on the desire to cooperate, as they were asking us to do, and that we should simply take up now where we left off. If we want to see two more seats, it is logical to place them in the district with 4500 votes.

Mr. Speaker, I am not about to get into the argument—or even to try to refute the fact—that it was originally suggested here last Monday, in looking at the distribution, that one seat would go, which would bring it to five in West Bay and five in George Town. That is old news. It has been voted upon that the six seats will go in George Town, so that is the past.

In this Report, the Boundary Commissioners have placed a map, on which they have been able to keep the district boundaries, as we know them, and divide the Islands so that they get as close as possible to equal numbers.

We are suggesting that George Town North should be renamed Seven Mile Beach. One could argue that it is really part of George Town, but in truth, everybody calls that area West Bay Road, or Seven Mile Beach, so as far as appropriateness goes, I do agree with the recommendation that it be called Seven Mile Beach North. I think it is worth noting that that section has 737 votes. George Town Central has 783; George Town West has 730; George Town South has 723; George Town East has 807; and Prospect has 758. There is only one other instance in which the numbers in any district come near the 700 mark, and that is Bodden Town West, with 751 votes. That includes all of the Savannah area, and Newlands, and so on. That is the closest they could get.

The Speaker: Honourable Member, we have now reached the hour of 4.30 pm. I have received notice that it is the wish of Members that the business of the House should continue until 8 pm. There had been a circular saying that we would continue until 6 pm, but I think Members would wish to have the business of the House concluded as expeditiously as possible, because I know that certain Members are travelling. If that is the wish of the House, I would ask the Honourable Deputy Leader of Government to move the suspension of Standing Order 10(2) to allow the continuation of the House.

Suspension of Standing Order 10(2)

Hon. Gilbert A. McLean: Mr Speaker, I beg to move the suspension of Standing Order 10(2) for business to be conducted past the hour of 4.30 pm, and carried on until 8 pm.

The Speaker: The question is that Standing Order 10(2) be suspended to allow the House to continue until the hour of 8 pm.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 10(2) suspended.

The Speaker: The Honourable Minister of Health Services is continuing.

Hon. Gilbert A. McLean: Thank you, Mr. Speaker.

I was commenting that the numbers in George Town are outstandingly higher, and that there is only one instance in any other district, proposed segment or constituency, in which the numbers get near to it.

I heard the Second Elected Member for George Town speak about having a referendum to determine this. For the life of me, I cannot see why such a thing would be necessary, when the enthusiasm of the populace has already been shown: we are having *major* numbers, such as 16 people, turn out. Why would we expect the people to turn out in their hundreds and thousands to vote on an issue, as the Honourable Member is saying? Mr. Speaker, I do not think he is doing anything more than political posturing, although he accuses the Government of that. While he articulates the virtues of single-member constituencies and "one man, one vote", I am not sure if he believes it. You cannot want it, and not want it, at the same time. I have never known any instance in which the representatives of George Town particularly worried about the interests of Bodden Town. In fact, I remember the late Mr. Haig Bodden, MLA, saying that Cayman ended just east of Crewe Road. He is on the record as having said that.

That has been the way. There has been a general feeling like that, I suggest, in the Eastern districts of this Island, which is not dissimilar to the way the people of the Brac feel—that they are left out because of everything being in Grand Cayman. Mr. Speaker, it is a most peculiar society in which we live.

The idea of calling a referendum to decide this, to me, is *way off the beam*. It would not make sense—it could not make sense—to do such a thing. If the Second Elected Member for George Town is concerned about the money that has been spent to hire these Commissioners—two sets of them: the Constitutional Commissioners and the Boundaries Commissioners—then what would it cost to set up what would be the equivalent of a General Election now, to decide whether we should have boundaries, and then next year to have to set it up to go to the polls to vote? To me the suggestion is not logical. It does not bear the attraction, in the least bit, to do such a thing.

We speak of democracy. What makes for democracy is free and fair elections, at regular intervals—that I have the right to vote, and I am not going to get shot on the road going to the polls because someone suspects that I might be supporting Party A or Party B; that elections are held at regular intervals; and that there is no cheating in the ballot boxes. We should be proud that we have such a heritage, when so many elections, in other parts of the world—including that great bulwark of democracy, the United States—have accusations of improper voting practices, like what occurred in the state of Florida. That view is held by people right up until today.

We do not have that here: that is what makes for democracy.

Whether John Brown will exercise his four votes, or cast only one or two, or whether Mary Jane will cast two or three, I am not here to say. Everyone must personally be persuaded as to what to do, just as everyone must personally be persuaded to be registered to vote. That is where the principle of democracy comes in.

It is recommended that the district of George Town be divided into six electoral districts, perhaps changing the name of one. North Side is a single-member district; East End is a single-member district. I have never heard of any problem in my life when the people in those districts, going into the town halls or the civic centres, did not understand that they had to go in there to vote for one person. The last time, they chose my cousin, the honourable Elected Member for East End. I do not think they had any problem casting three votes when they should have cast one.

Therefore, there will be no great uproar or problem for our elections officers, or for the Supervisor of Elections, who is one of the most experienced, *steeped-in-the-system* men you can find in the western hemisphere. I think he has run the past four or five elections, which is twenty odd years. In fact, I know it to be the case, for the former Supervisor of Elections, Mr. Vernon Jackson, left Government when I did, in 1983, and this is now 2003, so it has been twenty years. It is not going to cause him any problem. The people who assist him every year know it backward and forward. The only thing it would mean, perhaps, is buying a few more ballot boxes. Also, in the different sections, there would be some more polling stations. What else are we talking about?

[Inaudible interjection]

Hon. Gilbert A. McLean: Someone is saying, on this side, that it would be a quicker count, for sure. In each section, the count would be quicker overall. It may take about the same time, but perhaps not.

Mr. Speaker, I do not agree with the argument put forward by the Member speaking for the Opposition. What he has said would cause trauma to the Cayman Islands happens during every election. It would simply be doing what has been done *from a small forever,* where we had some single-member constituencies and some multi-member constituencies—all of which might remain. It is suggested that Bodden Town, West Bay and Cayman Brac, representing approximately 50 per cent of the votes, would all go to single-member constituencies in 2008, whether we wanted to or not.

I believe that there is a case to be made for phasing them in; surely, it cannot do us any damage. The greater damage, I think, is being done in this Legislative Assembly, where time is taken, though not to persuade the Members in here—we are not persuading ourselves. I believe that if our proceedings were not broadcast, half of the things that are said here would not be said. It is an attempt to keep the pot stirred among our populace, which was so interested in this, in the first instance, that the largest turnout on the issue was 37 persons.

Mr. Speaker, I personally do not have a problem with the proposal being put forward by the Government at this time. I know it will not do any more damage next year than it has ever done in the years before that. I think we should all attempt to arrive at a conclusion, to get on to the other business of this House, and simply to be honest and straightforward—not to try to make anyone believe that some strange *outer space* occurrence is happening in the Cayman Islands. Let us not rely on the editorials and front page of the *Cayman Net News*; there are other newspapers as well, and there are other media.

Let us not try to create something it is not necessary to create, which could further mislead the people whom we should be trying to educate.

Thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? The Honourable Minister of Education, Human Resources and Culture.

Hon. Roy Bodden: Mr. Speaker, I thank you for your invitation, Sir.

"These are the times that try men's souls." This is no time for playing cat-and-mouse; this is a time for men of good will to stand up and let their voices heard.

I have to remark that I have indeed been fortunate to have been allowed, by the constituency I represent, to have been here to witness these times. However, I have to remark, equally soberly, that I am concerned about the trends that things are taking, as we approach what should be a serious, contemplative and conscientious undertaking.

I heard, on the news, an announcement in which a member of the Opposition said we should be prepared for an acrimonious debate, and I was so alarmed that I mentioned it to a few of my colleagues. I normally would have kept the mention confined to my good friend and fellow representative from Bodden Town, but I mentioned to a couple of my other colleagues that I was concerned. The way in which it was said could not but be interpreted as a call to arms. I have said before that our ultimate responsibility, as representatives of the people, is to inform, illuminate, and to elevate their understanding. If we are going to take time to announce that issues that should be approached seriously and soberly are going to be introduced by acrimonious debate, then I say we are failing in our obligations. We are abnegating and abandoning our responsibilities.

Perhaps the Opposition would do better to read a little Edmund Burke, to find out exactly what the role of a representative is: how he or she has a moral obligation to uplift and elevate his or her constituency. I am equally concerned with insinuations about a system, and a government, that is purported to be corrupt and inefficient. If that is the compliment we give to ourselves, then it is no wonder that the public does not hold us in high esteem.

Mr. Speaker, I believe that all of us—all of us: both the Government and the Opposition—have a moral obligation to hold each other in mutual respect, and to recognise the importance of the roles that we both play.

The Report of the Cayman Islands Electoral Boundary Commission, 2003, and the constituencies, is indeed a very serious business. However, I do not believe that democracy is "one man, one vote." I believe that the essence of democracy is the ability to cast one's vote without the fear of intimidation or interference; without threat of violence, or any other threat; and without sanctions, civil disorder or civil disobedience. That is the essence of democracy. I have traced it from its birthplace in Athens, when Pericles, that Great Athenian citizen, advocated it, down to this time.

There are many jurisdictions that do not have a system of "one man, one vote", yet their democratic systems are just as open, just as legitimate and just as accepted as our own.

That is the first point I wish to make. The second point is that school is out, among many people, as to whether the "one man, one vote" system is indeed the best system for a jurisdiction with the peculiarities of the Cayman Islands. When this proposal was aired, I spoke to eminent persons such as Sir Shridath Ramphal, and some other distinguished and eminent Commonwealth citizens, who told me that the decision should be made based on the peculiarities of the jurisdiction, ascertaining and guaranteeing that the persons exercising their franchise would exercise them, first of all, with a clear understanding of what they were doing.

Just yesterday, I encountered someone who asked me to explain what "one man, one vote" meant. I have said this before: We, the representatives of the people (the Opposition included), should be more responsible, and should be seeking to elevate and illumi-

nate the understanding, not to cloud the issue, or obfuscate it by threats of civil disobedience and accusations about a government that is bent on entrenching itself.

Mr. Speaker, we should ensure that our people *know*. Those of us who are not going that way in the upcoming election will be going that way four years hence, and that is not a long time to elevate and educate a populace so that they can understand what we are doing.

The Government is playing its role responsibly, but the Opposition is not being complementary and, Mr. Speaker, I sense that the object of the exercise, for them, is to displace the Government, at all cost. It should not be so.

At the same time, they pretend to be reasonable, fair and responsible. What have they done to illuminate and inform our understanding? They have threatened civil disobedience, threatened to bring people into the streets, and to join with those who are going. Mr. Speaker, I heard one member of the Opposition saying that they were going to the United Kingdom. Anyone who can pay his or her passage can go to the United Kingdom and make an appointment. If they believe that is the panacea to the challenges we face, then maybe they should go.

The Opposition is behaving with the perspicacity of wasps in winter, and this is only the autumn. Perhaps they should consider that, and change their behaviour a little.

First they were in an uproar because West Bay should not have gotten another seat. Well, West Bay did not get another seat. George Town got six, and we agreed. It was our position from the beginning that we would move gradually into the single-member constituencies. We gave the Opposition what they wished. Now they are saying, "That is not enough, because we have single-member constituencies, but we do not want West Bay, Bodden Town and Cayman Brac to remain as they are." Mr. Speaker, what do they want? What do they want?

I heard them returning here—so much so that I *draped my Leader up* and asked him, "Well, if they got everything they wanted, my Leader, what did we get?" They boasted of it, Mr. Speaker; they boasted of it in these very halls, and yet they had no mandate from the people. We had the mandate, so now they are claiming that it is not good enough for them. The Opposition is behaving like a spoilt brat, who, when he is losing the game, pulls his marbles, puts them in his pocket, and wants to go home.

Mr. Speaker, I cringe at some of the things I have heard because they could not—could not—have been spoken but by someone consumed by a youthful exuberance. Therefore, I have to be most charitable in forgiving. Mr. Speaker, this is not about the Government trying to gerrymander; this is not about the Government trying to fix things. These recommendations were made by an independent Boundaries Commission. The point was made, and has to be made again: There was no overwhelming evidence that the people of the Cayman Islands were interested in every constituency being single-member at this time; nor did they give such an approval.

It was read by the last Honourable Member speaking that in some areas, there was confusion. Is this not reason then, why we should gradually phase this in? I said before that, in my understanding, throughout of the history of attempts at constitutional reform in this country, there has been—from Lord Oxford and Asquith in 1971—no overwhelming outpouring of persons at public meetings.

There are a number of reasons to account for that. Not the least of those reasons, I suggest, is the fact that the electors assume a certain level of responsibility from their elected leaders. They expect certain levels of decisions to be taken by those leaders. If this is the case, then we go back and explain to those persons why the decisions were taken, and explain to them what the effects of those decisions are going to be.

It is the same now, Mr. Speaker—it is the same now.

I should crave your indulgence to read from the proposals in the Report by the Constitutional Commissioner, the Rt. Hon. the Earl of Oxford and Asquith KCMG, 1971, on page 9.

The Speaker: Please continue, Honourable Minister of Education.

Hon. Roy Bodden: He said: **"To assist in the formation of these judgements I visited the colony, arriving in Grand Cayman on 22 January, 1971. My consultations, spread over a month, included talks with the Administrator and senior officials, meetings on several occasions with elected members of the Legislative Assembly and interviews with members of the public, including lawyers in private practice and members of the Chamber of Commerce. I made myself available for interview at all main centres of population in the Islands and about 100 people took advantage of these opportunities."**

Mr. Speaker, in one month, the gentleman saw 100 people. A similar pattern has occurred throughout subsequent Constitutional Commissioners' visits. That means it can be interpreted—it should be interpreted—to mean that the electors are saying, "We have representatives. We are depending on these representatives to make interpretations, and tell us".

Mr. Speaker, I like to read. I like to study; I like to understand. Edmund Burke told us this; I read it some time ago. He says, **"Your representative owes you, not his industry only, but his judgment; and he betrays, instead of serving you, if he sacrifices it to your opinion."**

It is left to us to tell our people how we see these kinds of things as being of effect upon them.

They would not know; that is why they put us here. We have to report to them.

Then, Mr. Speaker, ultimately, the members of the Opposition talk about referendum. Under the Westminster system, the greatest referendum is at the end of those four years, when one is returned or not. That is the greatest referendum. It would be preposterous for us to hold a referendum, now, to find out whether we should have single-member constituencies, when the election is approximately 12 months away. Referendums are expensive, and there would be no guarantee that we would not have a trickle of voters. Judging by the audiences that the Boundaries Commission had, we may have, in some places, 35 people voting; 16 people voting; seven people voting. What an expense that would be, when we can stick to the plan we had, by phasing this in gradually, and achieve the same results.

Is it that the Opposition is seeking an advantage over the Government? It is, Mr. Speaker. Theirs is to win the victory—to get organised; fight; work; win. I do not believe that there is any miracle to that. I do not believe that there is anything elusive. The Government is not, by doing this, casting for themselves any unfair advantage. The Government is simply doing what they said they would do. The Government is simply doing what governments have mandates to do: to exercise policy with wisdom, restraint, and fairness. For the Opposition to say otherwise means that they are irresponsible.

Mr. Speaker, I want to say something else—I cringe. I find reprehensible the insinuations that are being made, on occasions, both inside and outside the House, towards the Government. It is a mark of disrespect. Not only is it taken up by the Opposition, but it is taken up by persons outside the House—by far too many. What we need on this occasion is rigorous honesty, maturity, and the ability to represent things fairly. Of course, anyone can find a newspaper editorial or a front-page story to substantiate a position. That is how arguments are made, but a newspaper's editorial represents the bias of its editorial board, or its editor. That is not to say that such an editorial has a monopoly on the truth. Facts are sacred; comment is free. I do not believe that there is anything to be gained in quoting from a newspaper editorial—no more than to say, "This is but the reflection of a segment of the population", or, "This is but the reflection of this particular newspaper." That would never convict a person in a court.

We have a history in this jurisdiction of having free and fair elections. I say this with specific reference to the comment made by the Second Elected Member for George Town, speaking on behalf of the Opposition—the remark that the legitimacy of the exercise will be in doubt if we go through with this. That is a very irresponsible statement, and unless that Member was trying to incite something that does not currently exist, I would have to disregard it. However, I do not wish for him to go and challenge on that statement, because I am beginning to understand what he is trying to do. What I am not prepared to do is to let him get away with what he is trying to do, unchallenged. The gentleman is not only trying to cast aspersions, but to impute untoward, improper motives to the Government. Seriously, Mr. Speaker, that cannot go unchallenged in this Honourable House, as long as this Member sits as a representative.

We have a history of free and fair elections, even in the most heated of political campaigns. Indeed, so civilised are the contestants in the Cayman Islands that there is hardly a challenge after the elections. The records will show there is hardly even a recount. People take their whippings and move along. That is a rarity, not only in the region, but in the world. Therefore, for a member of the Opposition to spout off now, and to insinuate that there is going to be some question of the legitimacy of the exercise, is nothing short of irresponsibility of the highest order.

The fact that we are phasing in the system does not mean that the election process is going to be compromised. I hear pains over there—I do not know if it is labour, or death. I do not know what it is, but I only say there is going to be more. Whether it is sighing or crying, there is going to be more. There may even be weeping and gnashing of teeth.

Mr. Speaker, we would be wise to introduce this as the Government planned—phased. The Opposition's energies would be better spent trying to exercise responsibility.

I want to mention this last fallacy. I think it is patently fallacious for anyone to expect that, in any debate on boundary and ancillary matters, there is going to be consensus between the Government and the Opposition. If there were consensus on every issue, then something would be wrong, and knowing what I know, I would have to be suspicious. In a democratic system, that could never prevail in every instance. The behaviour of the Opposition remarks eloquently about the root cause of the problem. They are not interested in democracy or its promotion. What they are interested in is power—*power, power, power*. I warn them that they should be careful, because power has a way of mocking those who seek it recklessly. Power has a way of mocking those who couch the truth in false garments. It might come back to haunt them, Mr Speaker.

Thank you.

The Speaker: Does any other Member wish to speak? The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker.

I certainly could not allow the opportunity to pass, and not speak on this most important matter before the House. I do not intend to waste the time of this Honourable House by going into matters that have already been covered. However, being one of two representatives who come from single-member constituen-

cies, it is only fair, reasonable and expected that I make my contribution on this issue.

Mr. Speaker, much has been said about dividing the country up into 17 single-member constituencies. Much has been said about that which currently exists, and the way the process works now. No one in this Honourable House, save the Elected Member for North Side and me, has experienced a single-member constituency, as far as I am aware.

I can support no less than single-member constituencies, because I understand their value to the people represented in a single-member constituency—the value of having one representative. In East End, everyone knows who their representative is. They do not have to be running around looking for one, two, three or four—they have one. They know exactly who that person is. Politically, that person is me.

The Minister of Education named a number of things that he believes make up the essence of democracy: a lack of fear, or intimidation, and the like, in casting one's vote. Mr. Speaker, I believe that another, which he missed, is that of equality in casting that vote, so that each person's vote is as valued as that of another person elsewhere in the country. Someone in East End should have the same value, in their vote, as anyone in George Town or West Bay. However, when you have one person, elsewhere in the country, casting two and three votes, there is something wrong with that. It gives the people of East End and North Side the feeling that, politically, they are of less value than anyone else in the country.

We would like to educate our people and tell them that that is not true. Nevertheless, we have seen the exercise of that on one more than one occasion, particularly in recent times, with the rest of the country having the majority of the elected representatives. An example is what currently exists in West Bay, with four people getting elected on one ticket. They can exercise more control over the process—whereby they can go to bargaining table, under the previous system we had—in the absence of party systems. It will probably continue under party systems as well. That is something over which we have no control.

If the country were divided up into single-member constituencies, it would be that much easier for East End and North Side to feel equal with the other people, and know that their representative is equal with other representatives as well.

One of the things that make for true democracy is the right to go to the polls at regular intervals to elect your representatives. However, in an atmosphere such as we currently have, it does not spell—and does not show—equality. While it is true that every four years we will all be tested on our stewardship—

[Inaudible interjection]

Point of Order

Mr. V. Arden McLean: Mr Speaker, may I bring to your attention the fact that the Leader of Government Business is disturbing me by cross-talking, please?

The Speaker: The Honourable Elected Member for East End, please continue. I would ask all Honourable Members to please desist from the cross-talk. Please continue.

[Inaudible interjections]

Mr. V. Arden McLean: Mr. Speaker, the Leader of Government Business is disturbing me with his comments. I would like him to stop.

Hon. W. McKeeva Bush: Mr Speaker, I really take objection to this.

The Speaker: The Honourable Leader of Government Business, are you rising on a point of order?

Point of Order

Hon. W. McKeeva Bush: I am rising on a point of order, because what they are trying to do is to make it look, publicly, as though I am doing something wrong here. I am sitting here and taking notes. I was talking to Members on my side. If he is so disturbed, then he should sit down, if he is not saying anything.

The Speaker: Honourable Members, let us try to show mutual respect for each other. I know it is getting late in the day, and nerves are beginning to get frayed, but let us try to continue in the best way possible. The Elected Member for East End, please continue.

Mr. V. Arden McLean: Thank you, Mr. Speaker. I sat here and did not disturb one person speaking in this Honourable House. Every time someone does it to me, I am going to bring your attention to it.

Mr. Speaker, it is true that the Boundary Commissioners, in their works during this year, did not have what would be considered good attendance. However, I noted that in 1991, when we had a constitutional review, it was much the same. I quote, with your permission, from the Report of The Constitutional Commissioners 1991, by Sir Frederick Smith and Mr. Walter Wallace.

The Speaker: Please continue.

Mr. V. Arden McLean: On page 9, under, "The Conduct of the Review", beginning at paragraph 3, they said: **"We also had separate meeting with individual members of the public, both in Georgetown and, in the evenings, in each of the six electoral districts. Altogether, we met with 92 persons representing 16 organisations; 63 individual members of the public; and a further 120 persons attended the public meetings which we held in each district.**

"In addition we spoke at two luncheons, kindly given for us by the Chamber of Commerce and the Caymanian Bar Association during each of which there were lengthy sessions of question and answer. We visited Cayman Brac where we conducted both private appointments and a public meeting and although we also visited Little Cayman with the same intention, no one apparently wished to make representations to the Commission."

Therefore, Mr. Speaker, when we say that people are not interested, and that this is one of the reasons we need to make these decisions for them, I cannot support that position. It has been, *from time begun*, that people do not come out to these types of exercises. We heard the Minister of Education quote from the 1971 Report. People just do not come out. That is not to say that it is not our responsibility to educate them, and let them know what decisions their representatives have made on their behalf.

Since this Report was made to his Excellency, the Governor, I cannot recall any of us trying to educate the populace on what the Report contained, with any effort being made. I am not saying that we did not mention it in public meetings, but we are making decisions, and the Government has proposed a change in what the Commissioners have recommended.

I have heard that this is an independent review. I have heard that proffered in here, Mr. Speaker. If it is such an independent review, why is it that the Government recommended one of the Commissioners, and the Opposition recommended another? Two of the people on that Commission were recommended and appointed—one by either side of this Honourable House. Therefore, it cannot be an independent review. It cannot be an independent Commission. If we were not in agreement with the Commission's being conducted, then we should not have made appointments to it. We cannot come, now, and say that it was an independent Commission and that we cannot stand by it. Both representatives from the parties have signed this Report.

The Government is proposing that we have single-member constituencies in George Town, and that East End and North Side remain the same. I believe I have said in here before that it would be impossible, rather foolish, and unreasonable for me to ask for an additional representative in East End, or, for that matter, for one to be placed in North Side. We cannot do that, because then we will really have further inequity. However, I must make this clear: I do not know if anyone else was asked this question, but when I was asked, during the campaign in 2000, whether I supported the concept of "one man, one vote", I said, "Yes." If the country does not go to "one man, one vote", then East Enders and North Side should have dual votes too. I said it then: I contend that the country must go to single-member constituencies.

It is totally and absolutely unfair for the Government to propose that there be six single-member constituencies in George Town. That is preposterous. I cannot understand how the UK is going to change, now, from the position that we all went to England to discuss, and agreed upon.

[Inaudible interjections]

Point of Order

Mr. V. Arden McLean: Mr Speaker, the Leader of Government Business is again disturbing me.

Hon. W. McKeeva Bush: Mr. Speaker.

The Speaker: The Honourable Leader of Government Business.

Point of Order

Hon. W. McKeeva Bush: I rise on a point of order.

The Speaker: Please state your point of order,

Hon. W. McKeeva Bush: The point of order is that these arguments have been around this Assembly all day today—the same words over and over again. I simply bring that to your attention, Mr. Speaker.

The Speaker: Thank you very much. I know that on a motion like this it is difficult for all Members to speak, and not at some point repeat some of the words that were said, because we are debating the same Report. However, I would ask that we take cognisance of the Standing Orders which speak to tedious repetition.

Please continue, Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker. It is going to be interesting to hear, when the Leader of Government Business replies to this Motion, whether he repeats anything anyone else has said in here. It is going to be very interesting to hear that. I will have my ears perked. I will have them wide open to hear what will be said.

Mr. Speaker, one of the areas that I would like to cover is that of the Speaker. The proposal was for the Speaker to come from the outside. That was not agreed to in the most recent Motion.

The Speaker: I wonder if this is a convenient time, Honourable Member, to take the afternoon break.

Mr. V. Arden McLean: Yes.

The Speaker: We will take a 15-minute break and be back here at 5.50 pm.

Proceedings suspended at 5:35 pm

Proceedings resumed at 5.54 pm

The Speaker: The Elected Member for East End is continuing with his debate.

Mr. V. Arden McLean: Thank you, Mr. Speaker.

When we took the suspension, I was going to go on to the difficulties of having a Speaker from inside the Legislative Assembly when we have single-member constituencies. I was going, with your permission, to read from the Report of the Constituency Boundaries Commission for Bermuda 2001/2002.

The Speaker: Honourable Member, has that Report been tabled in this House, or made available to Members? If not, I will I ask that it be tabled.

Mr. V. Arden McLean: Yes, Sir.

The Government proposes to phase in single-member constituencies with George Town, out of the four multi-member constituencies, being the first, and for it to be completed in 2008. Whenever there are single-member constituencies, there is a problem with the Speaker coming from the inside. That is one of the reasons the Opposition has always supported the Speaker coming from the outside. Mr. Speaker, I will read now, with your permission, from this Report of the Constituency Boundaries Commission for Bermuda, which illustrates the difficulties in which one will find oneself, whenever such occurs. I begin in paragraph 34:

"34. In the course of the public meetings and in some of the written submissions to the Commission, as well as in other public statements, the phrase was frequently used of "one man one vote of equal value." This means that the public expects that the constituencies created would result in a vote in one constituency being of equal value to the vote in another so far as is practicable."

"35. This expression of view could presumably be the reason why there was also a call from sections of the public for serious consideration to be given to changing the existing electoral systems of "first past the post" to one of some form of Proportional Representation which, they seemed to believe, would better ensure a democratic form of government. The Commission repeatedly stated that such a matter was not within its authority under the Constitution (Amendment) Order of 2001."

"36. Having regard to the expectation in paragraph 34 above, consideration should be given to the situation that currently exists, and that will continue to exist under the Constitution (Amendment) Order, where voters in one or other of the constituencies are denied full representation in the House of Assembly. This is occasioned by the existing provision for the election of the Speaker of the House."

"37. Under current law, in sections 32(1)(b) and 42(2) of the Constitution, the Speaker of the House is elected from among the members of the House. He presides at each sitting of the House and he is not permitted to vote unless on any question the votes are equally divided in which case he has a casting vote [see section 44(3)]. This means that the member who is elected by his constituents to represent them, but is chosen by his fellow MPs to be the Speaker, does not have the same opportunity as his fellow MPs to represent his constituents by speaking on their behalf in the House. It might be said that in the situation of double member constituencies, the constituents still had recourse to the other constituency representative but there will be no such recourse possible in a situation of single member constituencies."

Mr. Speaker, we have to remember that Bermuda, at the time, had double-member constituencies.

"38. A proposal for provisions for the selection of the Speaker from outside the elected members – so as to fully satisfy the call for "one man one vote of equal value – the most important thing being of equal value" – found favour with a majority of members of the Commission. However, the point was made within the Commission that this matter also, as in the case previously mentioned in paragraph 35, was not in the Commission's remit and that the majority view was that it would therefore be improper to include it as a specific recommendation of the Commission."

Mr. Speaker, these are the problems we fall into when we get single-member constituencies. It would be foolhardy of me, being from a single-member constituency, to be a Speaker, because then one would not have the time to deal with one's constituents. I bring that specifically to show why a Speaker should always come from the outside.

We have had it fairly decently since we have had a Speaker, because our first Speaker was from the outside. There was no reason for the first Speaker of this Honourable House to have to deal with constituents. The second Speaker ran into the same problems I am talking about, which this Commission identified in Bermuda. However, because Cayman Brac and Little Cayman was a multi-member constituency, it was not that difficult for the individual—the late Captain Mabry Kirkconnell—to preside as Speaker.

This argument is only to show that when we go to single-member constituencies, there is going to be a need to have a Speaker from the outside. In 2008, we will have to have a Speaker from the outside. If we have to have one then, why can we not have one now? If we are going to full single-member constituencies in 2008, what is the reason why we cannot go now?

The explanation given by the Government for having recommended that George Town go to single-member constituencies now, and the rest—Cayman Brac, Bodden Town, and West Bay—stay as they are, with multi-member constituencies, does not hold any

water. The only reason I can see would be time, and that reason has been negated by going with George Town as a single-member constituency now. If there is time for the people of George Town to understand single-member constituencies, then there is plenty of time for the rest of the country to understand single-member constituencies also. It makes absolutely no sense for us to take George Town, turn it into six single-member constituencies and leave West Bay, Bodden Town and Cayman Brac intact. The Government has not, in my view, proffered any reasonable reason why we cannot go to single-member constituencies throughout the country.

I heard the Minister of Health say that half of the country, or thereabouts, will be single-member constituencies, and that the other half will be multi-member constituencies. If half can be single-member constituencies—"one man, one vote"—in the upcoming election, is it only because the Commissioners said it was not well received in West Bay, Bodden Town and Cayman Brac?

We hear that we are elected as representatives, and that we are given the mandate to make decisions on behalf of the people we represent. To some extent, I agree with that. However, it is expected that we do so in a manner that is in their best interests. It is expected that we use judiciously that same mandate that we are given, and that we let them know what is in their best interests. We cannot do it just to say, "We did it." We cannot make decisions to use areas, or make decisions that will put a number of those people up as guinea pigs. The whole country expects us to make decisions that are in their best interests, and in their democratic interests.

Mr. Speaker, it is true: some will be voting for four, some for three, some for two, and the remainder for one—"one man, one vote."

I am sure that every Honourable Member of this House knows what "one man, one vote" means. If we can do it in 2004, what is going to change in the population—in the residents, in the electorate, in the districts of West Bay, Bodden Town and Cayman Brac—by 2008? What is going to change their minds? The Government have not said what campaign they are going to go on; they have not said how they are going to change these people's minds. I have not heard that. I have not heard anything about how they are going to prepare the people of George Town. At the very least, we need to prepare the people of George Town.

If we are relying on what the Commissioners said about who found single-member constituencies favourable and who did not, it is on page 14 of the Report of the Cayman Islands Electoral Boundary Commission 2003 that they said:

"It appeared to cause unease to some who attended the public meetings of the Commission in Cayman Brac and West Bay, while George Town, North Side and East End were supportive of the single member constituencies; Bodden Town audience had mixed views on the issue."

We then look on page 10 of the Boundary Commissioners' Report. For West Bay, there were 37 persons at that meeting, and the Commissioners reported that that was 37 out of a possible 2922 electors. Mr. Speaker, there is no way that that can be representative of the electorate in West Bay; therefore, that cannot be a reason. Bodden Town had 16 persons out of a possible 2125 electors—we cannot use the numbers in the Commissioners' Report. If we are going to use them, we have to compare them with the possibility of the total number coming out. If we are going to use them as a percentage, then they are going to be a percentage of the total electorate. You cannot say that, if in Little Cayman, there were none; and in Cayman Brac, out of a possible 855 people, there were 11—and that is in 2003—that this represents the wishes of the people of this country.

This Commissioners' Report is being accepted with exception, as far as I understand. It has not been said when the Motion was moved. It was not said by the Leader of Government Business, who moved the Motion, but I suspect that the Commissioners' Report is being accepted with the exception that only George Town be implemented for the 2004 General Elections. The basis that the Government Members are using is that the turnout in George Town said they wanted it. I have heard, "Mind, you get what you ask for". Mr. Speaker, 15 persons cannot be representing 4490. Likewise in West Bay, 37 cannot be representing 2922, so that basis has already been destroyed.

It is unfortunate that the Government sees the necessity to try to curtail any debate on anything they propose, but I have a job also, the same way the Government has, and I am expected to do that job.

I am going to speak from the position of being a single-member representative. Mr. Speaker, I know that all the people in East End support single-member constituencies, and they would like to see them throughout this country. Although there were only three people at the meeting in East End—and I was one of them—it cannot be said that they are not interested.

I could also proffer the view that they lack interest because they already know what it means. They saw no need to come to talk to the Commissioners. When we talk about only three people being at the East End meeting, we cannot make assumptions as to why people were not there. I did not discuss the "one man, one vote" with the Commissioners, because I know exactly what it is. I discussed other matters, concerning the rest of the country, and their going to single-member constituencies.

Mr. Speaker, I do not know who the Government is talking to. I agree with the Minister of Education: until recently, people were asking me to explain the concept of "one man, one vote." They were not East Enders, and they were not North Siders, but they were from the rest of this country. Therefore, I agree that there are people out there who do not have a full

understanding of what the concept of "one man, one vote" is. Certainly, there are many people to whom I have talked. As recently as a few hours ago, a lady was walking out of the door and wondered if we would be going to single-member constituencies. That lady happened to be from Bodden Town, but she understands. When I said that the Government was proposing it only in George Town, her remark was, "Oh, my God."

We cannot make the assumption that what we decided was in the best interests, or to the best of knowledge, of the people of this country. There are many people out there who know what single-member constituencies are all about, and they want to trade in the multi-member constituencies for accountability. That is what single-member constituencies bring most of all: accountability on the part of the representative.

Mr. Speaker, I do not have any experience of hanging on to anybody's coattail; I do not know what it is about. If that is the reason we want to leave this in place, then it is downright disgraceful. Why is it that we cannot stand on our own, as I and the Member for North Side did?

[Inaudible interjections]

Point of Order

Mr. V. Arden McLean: Mr. Speaker, the Leader of Government Business is deliberately disturbing me again, and I bring it to your attention once again.

The Speaker: Please continue, the Elected Member for East End

Mr. V. Arden McLean: Mr. Speaker, the Minister is distracting me. I cannot concentrate on what my position is. I would appreciate if he would cease and desist.

The Speaker: Honourable Member, there is certainly nothing wrong, in the parliamentary procedures, with a little cross-talk. What I do ask is that this does not get to the point where it is disturbing other Members in their speeches. I know it comes from both sides of the House. As I said earlier, I know that it is getting late, and nerves are getting frayed, but I would ask that we continue in the good style in which we have been going all day, except for one short period.

Please continue, Honourable Member for East End.

Mr. V. Arden McLean: Mr. Speaker, I appreciate that, but I am going to move on from that.

The Minister of Education was right. *"These are times that test men's souls."*

Hon. W. McKeeva Bush: Yes, if you have one.

Mr. V. Arden McLean: The Leader of Government Business says, "If you have one." Perhaps he does not have one, so you cannot test him.

[Interjection]

Mr. V. Arden McLean: Mr. Speaker, I am not going to follow the Leader of Government Business.

I think the Boundary Commissioners have done an excellent job in dividing the country up into the 17 single-member constituencies. That was proposed by the Constitutional Commissioners, and then agreed by the Members of this Honourable House. I think they have done an honourable job. However, when we try to change what they have proposed in such a manner, it corrupts the whole process that was completed, on which much work was done—much time.

Mr. Speaker, the Government proposes that we change George Town North to Seven Mile Beach South; I do not think the members of the Opposition have any problems with that. The Commissioners did exactly what they were asked to do. They kept within the boundaries of the districts, as they exist, and retained the names of those districts—exactly what they were asked to do, firstly in their terms of reference; and secondly, by the people in this country. In my discussions with them I suggested the same thing: to try to retain the names, because of the sensitivities within the individual districts concerning these. The people wanted to ensure that they kept their names.

Mr. Speaker if we are not going to single-member constituencies, may I humbly suggest that we stay the way we are, whatever has been said about increasing the membership of this Honourable House by two Members? Although I do not have a problem with increasing the membership, I still believe—as I have always believed—that if the reason for it is that we need seven Members of Cabinet, then that is not a good enough reason. We currently have 15 Elected Members of this Honourable House, and a simple majority of 15 is eight. For any Members, party, team or group to contest the election, they need eight to form the Government, and you can get seven out of eight.

One may suggest that a single person as a Back Bencher is too risky. When we look at the current Constitution, in which you need nine Members voting in favour of a no confidence motion, you are still going to need a Minister to do that.

Therefore, I do not support, in its entirety, the view that we need additional seats. It is increased expenditure—that is exactly what it is. Any Government made up of eight Members, if they treat the Back Bencher who supported them to get into Executive Council well, will not be removed from Cabinet.

I have always contended that it is additional expense on the country. We do not need it. If we are not going to single-member constituencies, then I submit that we leave it as it is.

As we, the Opposition, initially said, in all the areas in this country to which we went to discuss sin-

gle-member constituencies, there were few people who did not support it. Like the Commissioners, we cannot speak with any authority based on the number of persons who attended our meetings, but certainly we did it. We did not hear many oppose an increase to 17 Members. There were not many people who made representation to me to oppose an additional two Elected Members of the legislature. That may very well have come from the fact that all Members, from the word go—and before the Constitutional Commissioners started their work in 2001—had been speaking in public, and in this Honourable House, about increasing the membership. Therefore, people were set in their minds that there was a need to have an additional two Members. I believe this country wants to see their elected representatives responsible for the political leadership of the country. Without any disrespect to the First Official Member or the Third Official Member, the people want to see Elected Members held responsible for things such as the financial aspects of their country. Therefore, they were sold on it. They decided a long time ago that that is what they wanted; thus; there was very little opposition to the increase in membership of this Honourable House. I did not oppose it publicly, but I have always said that, theoretically, there is no need for it. If that is what it takes, however, then so be it.

Mr. Speaker, there will be a time in this country—somewhere, somehow, and possibly in our lifetime—when the House will be divided down the line, with a simple majority making up the Government. We are only going to have two Back Benchers then. If we follow the recommendation of 11, we are still going to need a Minister to remove Cabinet, so 17—two additional—Members is not going to change that. The country can operate with 15 Members in the Legislative Assembly.

Mr. Speaker, the Boundary Commissioners recommended that the additional Members go to George Town, which is fair and reasonable based on the number of electors. The Government has now taken the view that that will be their position; I am glad to hear that, because it makes it a little more equal than what we have had.

I do not intend going into any long, drawn-out debate on this issue. I think this Honourable House, and this country, knows exactly where I stand: single-member constituencies, or leave it as it is until we can get there. If it is about time, then leave it until 2008, and do everything at one time.

We have heard much about Bermuda, and how they went from multi-member constituencies to single-member constituencies in the last General Election. According to all reports, it has worked well. They moved from 40 representatives down to 36 in one General Election. The Report of the Constituency Boundaries Commission for Bermuda 2001/2002 was submitted to the Governor in 2002, and earlier this year, they had their General Elections. They went from multi-member constituencies to single-member constituencies, and it went well. They had just about a year to do it, as well. Also, I must say that they did not have many people turning up at the Commissioners' meetings and appointments either—as we had here.

As a matter of fact, Mr. Speaker, their Commissioners' last meeting was in February 2002. If I may again refer to the same Boundaries Commission Report, which I will lay upon the Table as soon as I am through, paragraph 24 says: **"A deadline date for the submission of views by the general public was fixed at 15th March 2002. By that date, 73 submissions were made orally at the four public meetings by 60 persons. In addition to the oral submissions, 177 written submissions were received. Of these 177 written submissions, 103 were by way of responses to a questionnaire prepared and published in the newspapers by an organisation called The Association for Due Process and the Constitution. The remaining 74 submissions were made independently."**

Mr. Speaker, if we are saying that the people of the Cayman Islands did not come out because they do not care, that means the people in Bermuda do not care either.

Our Commissioners, in 2003, said that there were 11,483 registered voters in this country. However, they did mention that the number of unregistered electors in this country ranged possibly to 3000. In Bermuda, in 2002, there were 39,198 eligible voters. If they went ahead—with relatively small numbers out of 39,198 eligible voters—with single-member constituencies within one year, why is it that the Cayman Islands cannot do it? The people of Bermuda are no smarter than the people of Cayman.

Mr. Speaker, nowhere in this Report does it say that the people of Bermuda came out in full force and supported it. This Report also speaks of the differences between the Opposition and the Government of the day, though in due course they came to agreements on all the issues relating to single-member constituencies.

[Inaudible interjections]

The Speaker: Order.

Mr. V. Arden McLean: The Minister of Education said he queried the Leader of Government Business and asked what he—the Leader of Government Business, and their delegation—had bought back from England, since the Opposition were saying that they had got what they wanted. That may have been said, but not in the manner in which the Minister of Education was trying to portray. I am confident that when the five members of the Opposition, and the five members of the United Democratic Party (UDP) Government—including your good self, Sir—went to the Hyatt on 29 November 2002, we all went there in good faith. We discussed these issues relating to our Constitution, and single-member constituencies in particular. I did not walk away from there elated that the People's Progres-

sive Movement (PPM) had won, or that the UDP had conceded anything. I believe there were different views. The UDP—including your good self, Sir—agreed that this was the way to go. I do not think it shed any less light on them, deciding that they would support single-member constituencies. I certainly did not come away from that meeting thinking of any Member present representing the UDP as any less a politician, representative, or human being—I did not. I believe that that day, we worked very hard, and we came to what we considered the best possible conclusion. There were a couple of issues on which we did not agree, but that was the best possible solution for that day.

It is said that the UDP conceded, and we hear, particularly of single-member constituencies, that it was done "in the spirit of cooperation". Mr. Speaker, I did not offer that—not once. It is the UDP leadership who have said they conceded because they wanted something else. That is written; that is a public document. The Leader of Government Business made a statement in this Honourable House, saying that.

It is extremely unfortunate that the Government could not continue to support single-member constituencies, because we all know that single-member constituencies, "one man, one vote", is the right way to go.

If it is not the right thing to do—if we did not recognise it as being the right thing to do—then the Government would not propose that we would have full single-member constituencies in 2008. The majority of politicians, and former politicians, have at some time supported single-member constituencies. I do not understand the reason, now, that we want to put them in George Town and nowhere else. The Government must have their reasons; it is only fair that the Government let their people—our people—know those reasons. The reasons they have given are not good enough. I submit that it is wrong to put single-member constituencies in one part of this country and not in the remainder. We have no evidence to support that all the people, or the majority of the people in George Town, want it. Nevertheless, we are proposing it. We have no evidence—none whatsoever.

Mr. Speaker, single-member constituencies, and the Commissioners, are both a part of the modernisation of the Constitution of this country. In the Constitutional Modernisation Checklist that was sent, over which there was much controversy in 2002, number 2.19, or 18 (depending on which Checklist you are looking at), says: **"Do the changes suggested by the OT government have the support of the majority of the population? What is the evidence for such support? Has there been extensive local consultation (with or without the assistance of a Constitutional Commissioner or Commission) followed by a debate in the legislature in which the suggested changes have been approved by motion?"**

That is what we are doing now, Mr. Speaker. However, I submit that there is no evidence to support the manner in which the United Democratic Party (UDP) Government is proposing to change the proposals of the Boundary Commissioners. There is no evidence. If that is the case, why are they supporting the six, as recommended for George Town?

Mr. Speaker, there is no evidence in this country to support it. We have talked about the number of people who went out and made representation to the Commissioners. That is not evidence that the majority of the population supports or does not support it. In George Town, there are 20,000 people. This did not say "electors"; it said "population". Population is inclusive of all—electors, potential electors, expatriates, all. I will submit that if a system had been put in place to try to find out what the population felt about single-member constituencies—the population, not only the electors—there would have been an overwhelming affirmative to single-member constituencies. In the majority of instances, the expatriate population in this country comes from single-member constituency countries.

Hon. W. McKeeva Bush: They do not vote.

Mr. V. Arden McLean: Although it is true that the expat population does not vote in this country, it was not me requesting that the population be canvassed. It was not me; it was the mother country. This is their country.

Mr. Speaker, I repeat: **"Do the changes suggested by the OT government have the support of the majority of the population? What is the evidence for such support?"**

Hon. W. McKeeva Bush: What has this got to do with boundaries?

Mr. V. Arden McLean: Get up on a point of order; that is what you do.

If evidence is not sent to England, showing that the majority of the population supports the modernisation of the Constitution, I would like to know how England is going to accept what the UDP Government is proposing.

If you look at the numbers, which I did earlier, Cayman Brac, West Bay and Bodden Town make up 5902 of the electors in 2003, as reported by the Boundary Commissioners. East End, North Side and George Town, which the Government is saying should have single-member constituencies, have 5581. It is practically split right down the middle. Therefore, Mr. Speaker, if the UDP Government can contend that they represent 50 per cent of the population, who do not want it, then we are contending that we represent 50 per cent of the population who do want it throughout.

Why are we phasing it in? When it really comes to it, the People's Progressive Movement (PPM) have gone throughout this whole country. I have heard many in West Bay make representation to us and say they want single-member constituencies. We had a total of 21 meetings on the modernisation of the

Constitution, and there were many people at those meetings throughout this country.

[Inaudible interjection]

Mr. V. Arden McLean: Mr. Speaker, the Leader of Government Business is again disturbing me. I bring it to your attention once again.

Point of Order

Mr. Rolston M. Anglin: Mr. Speaker, on a point of order.

The Speaker: The Second Elected Member for West Bay.

Mr. Rolston M. Anglin: Mr. Speaker, just a few minutes ago, I observed the Elected Member for East End having to cut his microphone off, because Members on his side were talking, laughing and disturbing him, yet he continues to sit down and talk about people disturbing him. Mr. Speaker, he is misleading the House.

The Speaker: Honourable Members, I took pains to send to each one of you a circular on what constitutes a point of order. I will say no more than that, but to ask you to please read that, as I know the time is getting late. It is 7 pm, but we did say that we would continue until 8 pm. As I said earlier, I would ask the Elected Member for East End to be a bit more patient with some of the cross-talk, because it comes from both sides of the House. I would ask that we please continue in the good spirits in which we have been doing so far.

Point of Order

Hon. W. McKeeva Bush: I rise on a point of order.

The Speaker: The Honourable Leader of Government Business, please state your point of order.

Hon. W. McKeeva Bush: I have been observing the Member speaking as well, and I have been listening. I have listened to one speaker on his side, and I have listened to him. Mr. Speaker, do not tell me, as long as I have been in this House, that he is not in breach of Standing Order 41. He is using someone else's argument. He is repeating himself, and things he has said earlier. I draw that to your attention, Mr. Speaker.

The Speaker: Thank you, Honourable Minister. As I said earlier, on a motion as important as the ones before the House (Motion No.6/2003 and Motion No. 5/2003) it is the wish of the United Kingdom Foreign and Commonwealth Office (FCO) that as many as possible make their position known to the FCO—on this one document that we are dealing with now. Therefore, it is inevitable that there might, out of 14 Elected Members speaking on this, be some repetition.

However, I do accept that there has been quite a bit of repetition on this. Even though I stated earlier that we would give a lot of latitude on it, I would ask Members to confine their debates to the relevant points, and try to avoid tedious repetition.

Honourable Member for East End, would you please continue.

Mr. V. Arden McLean: Thank you, Mr. Speaker. Now that we have cleared that one up, I was on the issue of evidence being provided in support of any changes suggested by us to England.

I understand that this Checklist is entitled, the "Constitutional Modernisation Checklist." I have heard the argument that the Report of the Cayman Islands Boundary Commission 2003 has nothing to do with the modernisation of the Constitution; it has nothing to do with the Checklist. I would like to know, Mr. Speaker, what it does have to do with. This is all part and parcel of the modernisation of our Constitution and this Checklist applies across the board.

One of the other things that the Constitutional Modernisation Checklist asks for, in number 2.1, is that: **"The proposals should promote more open, transparent and accountable government, and contribute to the fair and equitable exercise of power and delivery of public services.**

"Consideration should be given to improvements to the operation and composition of the legislature and the promotion of democratic process."

Mr. Speaker, I submit that the promotion of democratic process in this country is going to single-member constituencies. That is promoting the democratic process—not phasing it in over two elections. If that were the case, if the Commissioners had found that, then that is what they would have reported. We need to prove that whatever we propose is in the promotion of the democratic process of this country. I submit that having George Town alone as six single-member constituencies is not promoting the democratic process.

If we put single-member constituencies throughout this country, we can demonstrate that we are promoting the democratic process—but not in one district, and leaving three others.

The Speaker: The Elected Member for East End, you have repeated that line several times. I have given latitude on this, but I think it is reaching the point of tedious repetition. I would ask you to move away from that line of argument, and continue your speech. I have given a lot of latitude on this, so I would ask that you cooperate with me. There have been many mentions of that same point.

I know that it is difficult with so many people having to speak on the same thing, but please move

away and continue on your line of argument, because you have been doing well so far.

Please continue.

Mr. V. Arden McLean: Mr. Speaker, I shall bow to your ruling, and move away from that. I will finish my debate soon, but first I would like to point out a couple of other things that the Commissioners have reported. On page 7, where they list the numbers of electors, they go on to say: **"The foregoing numbers of electors show a decline in the size of the official list in all districts since 2000, due to the number of deceased persons—208 on the lists, exceeding new registrations of 52 for the same period."**

Mr. Speaker, what we need to get busy with is ensuring that all electors are registered in this country. As electors, they will have the right. We will not have the situation where there will be inequity—there will be less chance of it.

I suspect that those are spread throughout the country, and that there will be a need to revisit the boundaries, and appoint a new Electoral Boundary Commission, perhaps in the next few years, to ensure that we maintain some equality in the number of registered voters. As representatives, we need to ensure that we promote that, in the interests of democracy.

Mr. Speaker, on page 10, on "Equal representation", the Commissioners said, **"There were also strong suggestions that one person one vote, in the context of single member constituencies, was preferred and the Commission should consider parity in numbers for the proposed constituencies."**

From the people who made representation to them, it is obvious that what they received was support for single-member constituencies. I cannot support anything short of full single-member constituencies for this country, and I will not, coming from a single-member constituency. I cannot. It is unfair to the people of this country, and it is unfair to the people I represent; therefore, I will not support the Motion by the Government to change the recommendations of the Boundary Commissioners.

Mr. Speaker, my last quotation is from the Honourable David Thompson, MP, when he was here as a guest speaker of the People's Progressive Movement, in May of last year, on the modernisation of the Constitution. I quote, **"Our laws, economic development and political activity can work properly only if constitutional boundaries are in place, well recognized and respected. Citizens must have a proper opportunity to participate in government at all levels. The shape of government, central and at community level, crucially affect the vibrancy and vitality of our society.**

"The constitutional development of countries that have followed the Westminster model has more to it than any principled commitment to fundamental human rights. It was founded on the requirement of power sharing between the traditional ruling class and the people."

I thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? If not, I will call on the Honourable Leader of Government Business to reply.

Hon. W. McKeeva Bush: Thank you, Mr. Speaker.

When we announced this Motion, and when we took the Motion the other day, and had the debate on the Constitution—in which all of these matters that I have heard here today were debated—I did not expect that we would come here today and have to be this long in a debate on which most people had already given their opinions. However, I did expect what turned out to be a rough day when I heard that the Second Elected Member for George Town said, on the radio, that this was going to be a week in which the Government "could prepare itself for acrimonious debate". It certainly has been that, and, in my opinion, sometimes worse.

In opening, the Second Elected Member for George Town said he expected me to have outlined the Commissioners' Report. Mr. Speaker, I repeat: We had gone through that over and over again. There was no need for me to have done otherwise; therefore I thought to keep the debate brief.

The Member started off by saying that we would create divisions in the country, in various ways, if we attempted to implement "one man, one vote" in George Town before implementing it in West Bay. I have to ask, why will creating the system in George Town first create a division, if they say that "one man, one vote" is the right way to go? To briefly address this matter, there is no answer to that question. The fact is that division can only be created if those Members on the other side go out and do that. The Government has simply agreed with what they have asked for.

They say that we put in place an expensive proposition. I do not know how expensive it has turned out to be; I have not seen the cost, but they have been in the forefront asking for all these matters and issues to be addressed. They wanted the Boundary Commission in the first instance. The Leader of the Opposition was the Minister who was in charge of the Government at the time when the whole proposition of modernisation began. When they had put in place their supporters as the Commissioners, on and on it went.

Did they not give thought to the expense at the time? How much more expensive it would have been if we had acceded to the request for a referendum!

"At what price democracy"—that is correct. How can you ask the question, "At what price democracy" while complaining about the expense? There is no waste. The system is here for us to use, and we have simply said that the people in certain areas are not ready. The worst thing that we can do with the system is to try to shove it down people's throats—those

who do not want it at a General Election or, in fact, at any point. *That is the worst time; that would be undemocratic*. Of course, they do not know that, because they see democracy looking through a glass dimly. They see democracy out of rose-coloured glasses.

Another point has been raised about single-member constituencies. As usual, the Opposition have been talking out of both sides of their mouths. On the one hand, they support it, and on the other hand, they do not. Single-member constituencies, they say, have been tried and tested. It is true; they have been tried and tested, but where? Not in the Cayman Islands. Our system is tried and tested; we have not had any fallout from it.

They went on to say that East End and North Side have feelings of being second-class citizens. Why would the people in those districts feel that? Nobody has complained to me, and I have not heard it on a widespread basis that there was any feeling that the good people of East End or North Side were second-class citizens. As far as I am concerned, some very good people are there—upstanding citizens of this country.

Mr. Speaker, they asked a loaded question. Trying to create strife, they say, "Why is it that those districts, of East End and North Side, should have one vote, and West Bay four?" Mind you, they are only dealing with West Bay now, but that answer is simple. If those districts were bigger (not necessarily as big as West Bay; East End does not need to be as big as that—they could have been the size of Cayman Brac and Little Cayman, for instance) they might have had two representatives. It is obvious why West Bay has four Members, and obvious why we have more Members than East End and North Side. Blind Bartemaus could figure that out. We have more people. West Bay has approximately 3000 voters—that is only the voters. How many does East End have? How many does North Side have? They have 500 and something votes, and you want two people up there?

On this matter that it is self-serving and not based on principle, I suppose they are talking about the coattail effect, because I have heard that often today. Although the Second Elected Member for George Town talks about the coattail effect, he said that "one man, one vote" is essential for better representation.

Mr. Speaker, let us look at the contradictions in what he said. If "one-man, one vote" gives better representation, then George Town would be better off, would it not? That must be the logical conclusion one would come to, from what he said. If "one man, one vote" gives better representation under single-member districts, then the logical conclusion must be that George Town would be that much better off in the next standing, and have six. Where is this bias that they want to talk about?

It is also foolish for anyone to base their argument that we should have "one man, one vote" on the grounds of the effect of a popular person, who can bring in a team, or a group, with him, in a General Election. The fact is that when you have a good group of people associating together on one platform, with the same aims, and the same objectives, they all complement one another. That is what happens when you run together in a team. If you have a very popular person among them, he is likely to gain more support for them. That is the so-called "coattail effect" of which they say they are scared, but what is wrong with that? Why is it such a bad thing to have happen? I would want to associate with people who could complement and help me.

We have heard about coattail effects in every part of the world. Reagan, other presidents—*sweep!* Clinton—*sweep!* They made a "clean sweep" practically. In other words, they took their individual parties through because of their popularity. The same thing happened in the United Kingdom with Blair, who was so popular that he took his party through. What is so bad about the coat-tail effect? I simply do not understand what it is they are talking about. If one person is so strong, and so popular, that he can bring in a team or a group, then that same Member will use his influence to get the same support for his colleagues in the party system, with "one man, one vote." If I am popular in West Bay South, or in all of West Bay, no matter how much they split up the constituency, my popularity will exist throughout the district, where people will be voting in each constituency. Nobody can tell me that it is any different, because that is a fact.

If you have strength, politically (if people respect you, in other words, because it boils down to your accomplishments and the respect they have for you), and if you are popular, then no matter where they put you, you are going to have that influence, whether you are in a party system, a team or a group. It makes no difference. This is an attempt to *scare up* people that, because someone is strong in one district, it is a bad thing, because he can take others on. I need to tell the Elected Member for East End, who ran out of here, and who had so much mouth just now that he could not stop talking, a little bit. I hope he comes back in, Mr. Speaker; I am going to save it. A popular person will use his influence to get the same support for his colleagues.

Mr. Speaker, the people would vote for those persons they thought would be supported, to get unity. That is another reason why they vote in blocks. No matter whether I am in West Bay South, West Bay North, West Bay East, or West Bay Central: if I am popular, it means that my work has been recognised and they respect me. To get the unity to help me, they are going to support the people who are with me, but how will that help West Bay more than George Town? I do not understand the members of the Opposition making this big racket, because the First Elected Member for George Town had 70 odd percent of the vote, which meant that he was the most popular person. For whatever reason, he only dragged the other man with him. It meant, however, that the people had that much respect for him to carry that one with him.

If he cannot get that same support in a different situation, it means that he has lost support—that is all it means. It means that he has lost his persuasiveness, that people see that he is not effective, and that the people are saying, "It is no good supporting him, or anyone else who is running with him." That is how it will be. That is the common sense part of it.

Mr. Speaker, it does not matter how much they holler and scream, or use all sorts of antics and semantics to say that what the Government is doing is wrong; it does not matter how much they try to insult me by trying to make the public believe that I am misbehaving in the House. I have seen them do that; I know what they are doing.

Mr. Speaker, the bare fact is that we have a problem. The United Kingdom would like us to modernise and go to "one man, one vote." Some people want it; some people do not. We believe, as a Government, that the Opposition wants the offer we have made, in trying to satisfy the Opposition and start the modernisation the United Kingdom wants, while trying all sorts to satisfy our people. George Town indicated that they supported it, or so the Commissioners said. The Second Elected Member for George Town, who is screaming loudest that he does not want it, now, was the Member screaming louder than anyone else, before, about why George Town should have it. Why do they believe that it is such a great wrong today?

If the system starts in George Town now, we give the other districts more time to see it work in George Town over the period 2004-2008. I know that they have used a lot of lame-brained excuses about why it should not happen. That is the problem that we have.

Mr. Speaker, they can say how many people were at this meeting, or that meeting, but the fact remains that they went out to West Bay, and carried in a bus with people in it, and they only had 52 people. We have had many meetings in our district, with many people. We had, at the last meeting in our district, over 150 people. At our meeting in Cayman Brac, there were 150 people there. In Bodden Town, we had close to 90 people there. We have never heard anything that leads us to believe that there was general support in any of those districts for single-member constituencies. The Opposition went to West Bay, dragging people up on the platform with them. They got 52 people: the hardest core of those who would never support me, no matter if Christ was sitting with me. That is democracy. *[Pause]*

I will tell you about sense, Mr. Speaker, if that Member wants to know about sense. The Second Elected Member for George Town said that they were sensible people. Perhaps they are, but is he saying that all those 1490 odd people who voted for me last time were fools? I do not think so.

However, I know they do not have any regard for West Bay. It is not today that I learned that; I knew it a long time ago, about that young man.

Point of Order

Mr. Alden M. McLaughlin Jr.: Mr. Speaker.

The Speaker: The Second Elected Member for George Town, are you rising on a point of order?

Mr. Alden M. McLaughlin, Jr.: On a point of order, Sir, yes. I have let the Honourable Leader of Government Business go on, unchallenged, with statements that are simply not true. However, when he says, as a statement of fact, that I have no regard for West Bayers, I must challenge him. I am married to one.

The Speaker: The Second Elected Member for George Town, I would like to know what section of the Standing Orders you are referring to as a point of order.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, he is misleading the House. He stated, as a fact, that I have no regard for West Bayers. He is not entitled to do that, Sir.

The Speaker: Thank you. The Honourable Leader of Government Business, I would ask you to refrain from any such accusations.

Hon. W. McKeeva Bush: I am not going to argue with the Speaker. It is far too late in the night, and too early in the Speaker's tenure, for him and me to get into an argument at this point, argumentative though I could be.

Mr. Speaker, when I said that 1490-odd people voted for me, and that those who were there at his party meeting were but a few who would oppose me if Christ were with me, he said that they were sensible people. I said, "Are you saying that those people who voted for me are not sensible?"

What conclusion could I draw from that, Mr. Speaker? They have been sitting over there making their dirty remarks, and they think they can get away with it. I challenge him to say how he could otherwise have said it.

The Speaker: Please continue, the Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, on the matter of the coattail effect, much reference was made, and has been made, over the past several days of the meeting of this House, about West Bay. I said before that if the people want me back, then they will put me back. The Second Elected Member for George Town cannot do anything about it. That is why that Member gets so upset, and why there is so much anger. That is why his speeches are so laced with anger. He held up one newspaper, read the editorial from it, and talked about ethics. Ethics, Mr. Speaker?

Look at the editorial; I say no more. He said that the editorial summarises, quite nicely, his arguments—the Governor should do something. To tell you the truth though, I am loath even to mention it, because I have not paid that newspaper, or its editor, any mind. One of these days, I will have to say more from this Table, but I will not do so now.

What is the Governor going to do? The Governor can tell the United Kingdom that some people want single-member constituencies and some people do not want it, but what is he going to do? What is he going to say, other than that? He cannot say a piece more, and he has not said anything, because the United Kingdom has said that this is a local matter—that is why. There is nothing for him to say, because this is our system; this is our country. He cannot say anything. If the editor of that so-called "newspaper with ethics" knew what he was talking about, he would not even write about what the Governor could do about it.

Mr. Speaker, may I ask the Opposition what they have done to enhance this country? All the bamboozling in the newspapers about McKeeva Bush is not helping the country move one iota, progressively. They have not done anything—they have not offered anything—to help this country. We have had, throughout these three years, to battle. They are talking about shame; they are talking about self-service. We have had to battle throughout these three years, with a worn-out system, to try to make things better, even when the system was screaming to be changed. Every single one of them, over there, who understands anything about the governmental process or the system under which we operate, knew it.

Even when we were being abused by an Attorney General (which they say they saw, in their professional capacity, whatever that meant), they blocked and disrupted us, in any fashion they could. They did not come with any help or assistance for the Government.

I have had to tackle issues, and so have other Ministers and Members of the Cabinet, that really matter to this country, such as saving our financial sovereignty, and dealing with our international obligations. What did they do to help us, but to block us when we could have started on the way to modernisation? All you could hear from the People's Progressive Movement was, "No, we are not doing it. Our leader is not the Leader of Government Business. We are not supporting anything that the Government wants to do."

The bare fact is, Mr. Speaker, that if their leader were the Leader of Government Business, the Constitution would have been amended from last year.

The Speaker: The Honourable Leader of Government Business, we need to change the tape, so if you could, give us a couple of minutes. I would ask all Honourable Members to please remain in your seats while the tape is being changed. Thank you.

[Pause]

The Speaker: The Honourable Leader of Government Business, you may continue, please.

Point of Order

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, on a point of order, Sir.

The Speaker: The Second Elected Member for George Town, please state your point of order.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, the Honourable Leader of Government Business stated that he can say, as a matter of fact, that had the Leader of the Opposition been the Leader of Government Business, the Constitution would have been changed a long time ago. He is not entitled to say that as a matter of fact. If that is his opinion, that is another matter, but to say it as a statement of fact, he has to adduce evidence of it, as you, Sir, have made very plain to us today. He is not entitled to state that as a matter of fact, and he must therefore withdraw it.

The Speaker: Honourable Leader of Government Business, do you have supporting information to corroborate that statement?

Hon. W. McKeeva Bush: No, Mr. Speaker, I do not have anything black and white. What I have is a good memory, and what I know is what I saw taking place before my eyes. What I know is who was appointed; what I know is who those appointments were supporting. I also know that if I had not taken over in November 2001, there would have been some agreement to get some changes in the course of this term. That is what I know. I do not have it in black and white.

The Speaker: Is that in your opinion, the Honourable Leader of Government Business?

Hon. W. McKeeva Bush: Oh yes Sir, in my opinion.

The Speaker: Please continue.

Hon. W. McKeeva Bush: Mr. Speaker, the Elected Member for East End said that we had agreed to change our position because I wanted something. As I said, we wanted some implementation in order to deal with some matters in Government. I went to the country on television, in public meetings, at the Chamber of Commerce, and also on the various radio stations. I said it because the fact is that all of us, in Government, were feeling the pressure. If we had been able to get two more Ministers last year, we would have been in a better position. The work would have been done, and we would not have been spending the amount of time that we spend, in the Glass House, on various issues, because the work would have been spread around.

I am convinced—because of what I see—that, had there been changes made, we could have been

dealing more effectively with the United Kingdom. Had there been changes made, we could have dealt more effectively with an Attorney General who was adamant that he was not going to leave the country. What did the Opposition, in their manoeuvring, do to help us? Had we a different constitution, we could have dealt more effectively with the situation—but no. *There should be no changes*. That was not the way the Constitution started. It was not the way the modernisation process started, with Governor Smith, and the appointment of the three Commissioners.

Mr. Speaker, I have nothing to hide, because I am telling the truth. I listened at length to the Elected Member for East End. He went on about the coattail effect, and said that he had no experience of coattails. That was such an awful thing, according to him. He does not know how lucky he is that the Leader of the Opposition was supporting the third candidate in East End. Had that not been so, he would not be here today. The numbers show that the incumbent, at the time, would have won. Does he not understand that? The facts are the facts, and reality is reality, but he comes talking about coattails. He did not have the coattail; he had the seat. He did not need coattails.

Mr. Speaker, they say that democracy is under threat in the Cayman Islands: where? The People's Progressive Movement have submitted that there is not evidence of a majority of support for single-member constituencies, yet the People's Progressive Movement is supporting single-member constituencies—after admitting that there is no evidence of public support for it. They are supporting what they want, not what the people they were elected to represent want.

What they are saying is, "We do not have evidence to show that you, the people we represent, want single-member constituencies, but we are going to give it to you anyway. We are not here to do what the majority want, but what we want."

Mr. Speaker, the Second Elected Member for George Town is saying that they want a referendum. That is not what the Elected Member for East End said. That is why they are on that side, and we are the Government. They could not make up their mind as to where this country should go, and what it should do, and there lies their problem.

The People's Progressive Movement keep saying that the reason for the change of the Government's position, pertaining to single-member constituencies, is not good enough. Now, Mr. Speaker, we truly understand why they do not think it means anything that they are unsure what the people they represent want.

According to them, we should force the people into it, even if they do not want it. That is what they are saying. Democracy is under threat. Democracy is under threat from the People's Progressive Movement. If they were the Government, this is exactly how they would operate.

Since the results from the Commissioners are inconclusive, our decision, on this side, is based on feedback from us, the representatives of the people. If we are doing our job, then we should know what the people we represent want.

The four representatives for the district of George Town say that, from their feedback, the George Town people are receptive to the change to single-member constituencies.

In West Bay, all four representatives for the district say, from our feedback, that the people definitely do not want to change to single-member constituencies.

In Bodden Town, two of the three representatives said that their people did not support it, so it is not just the two on our side who said it. I am going to tell you something else, Mr. Speaker. Although I say two, I challenge them to say that the Third Elected Member for Bodden Town did not stand here and say that he could find no support for it from the people of Bodden Town. He said that, and if that has been changed, he is sitting in his seat and can say so. He said so here.

Both of the representatives for the district of Cayman Brac and Little Cayman say that their people do not support it.

The Elected Members for East End and North Side say that their people are happy with it. Historically, they have been happy with it, because they have only ever had one.

Mr. Speaker, what this equates to is good representative Government. What the United Democratic Party is proposing is to give the people who want them single-member constituencies, and for those who do not want them to keep what they have.

This is democracy: giving the majority what they want. You cannot change democracy, *no other how*. In a democracy, the minority has a say, but the majority rules. We talk of the "essence of democracy". That is the essence of democracy.

It is not a coincidence that what the representatives have found their people want is the same feedback that the Boundary Commissioners found, during their exercises. You cannot change that fact, no matter how you try to twist the figures, as I heard the poor Elected Member for East End trying to do, and getting lost in it.

Mr. Speaker, the United Kingdom has sent down a draft Constitution, which means that they have accepted that the Constitutional Modernisation Checklist has been complied with. Otherwise, they would not have sent the proposed new draft Constitution.

If the Opposition believes that that is not fact, then they should tell me otherwise. I am not saying that the United Kingdom did not expect for other things to come into play—that could never be so. They sent the Checklist, but by God, there would be other things that would arise during the course of debate and the examination of the various issues.

The Opposition can use all the big words they want; they can criticise us all they want, but the fact is that we are doing what the people want.

In closing, there is one other concept that needs defining, especially for the Opposition, and that is the term “split votes”. In a multiple-representative constituency, electors are able to vote for the candidates of their choice. They are not obligated to vote for all those who run with the person with the biggest coattail. That is not necessarily going to be the case. That person, as I said earlier, will have some—

The Speaker: The Honourable Leader of Government Business, we have reached the hour of 8 pm. Do you propose to be closing off shortly?

Hon. W. McKeeva Bush: Mr. Speaker, I will stop there.

ADJOURNMENT

The Speaker: May I have a motion for the adjournment, Honourable Leader of Government Business?

Hon. W. McKeeva Bush: Mr. Speaker, I move the adjournment, at this time, until 10 am tomorrow.

The Speaker: The question is that this House do now adjourn until Thursday, 27 November at 10 am.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 6 pm the House stood adjourned until Thursday, 27 November 2003, at 10 am.

OFFICIAL HANSARD REPORT
THURSDAY
27 NOVEMBER 2003
10.50 AM

Seventh Sitting

The Speaker: I will call upon the Elected Member for East End to grace us with prayers.

PRAYERS

Mr. V. Arden McLean: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales, and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 10.53 am

The Speaker: Proceedings are resumed.

ADMINISTRATION OF OATHS OR AFFIRMATIONS

(Deferred)

The Speaker: I have received information that Mr. Donovan W. F. Ebanks will be sworn in during the afternoon sitting, so we will defer this item until that time.

PRESENTATION OF PAPERS AND OF REPORTS

The Speaker: The Honourable Third Official Member.

Economic Report January-June 2003
(Deferred)

Hon. George A. McCarthy: Mr. Speaker, I would like to seek the permission of this Honourable House to defer the tabling of the Economic Report for the period, January-June 2003, until the earlier reports for the period, January-December 2002 are tabled. The first quarter of 2003 can be tabled at the same time. Thank you, Sir.

The Speaker: The question is that the Economic Report January-June 2003 be deferred until tomorrow's sitting. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Report deferred until Friday 28 November 2003.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies for late arrival from the Honourable Minister of Education, Human Resources and Culture, the Fourth Elected Member for West Bay, and the Elected Member for North Side.

STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE CABINET

The Speaker: I have not received any notice of any statements by Honourable Ministers and Members of the Cabinet.

Suspension of Standing Order 14(3)

The Speaker: The Honourable Leader of Government Business, would you suspend Standing Order 14(3)?

Hon. W. McKeeva Bush: Thank you, Mr. Speaker. I move the suspension of Standing Order 14(3), in order that Government Business take priority.

The Speaker: The question is that Standing Order 14(3) be suspended in order that business other than Private Members' Motions is given priority on the Order Paper.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it. So ordered.

Agreed. Standing Order 14(3) suspended.

GOVERNMENT BUSINESS

MOTIONS

GOVERNMENT MOTION NO. 6/03

Debate on the Report of the Cayman Islands Electoral Boundary Commission 2003

(Continuation of debate thereon)

The Speaker: The Honourable Leader of Government Business is continuing. I would say here that after the completion of the winding-up by the Honourable Leader of Government Business, we will be moving into Committee. The Motion will then be taken in a similar manner to what was done with the proposed new draft Constitution.

Hon. W. McKeeva Bush: Thank you very much, Mr. Speaker. Yesterday, I had nearly completed my contribution and I do not propose to be long at this point. However, quite a bit was said by the Elected Member for East End about the Bermuda situation. He quoted, at length, matters pertaining to the Report of the Constituency Boundaries Commission for Bermuda 2001/2002, but I can tell him, and this Honourable House, that there was no headlong rush in Bermuda to get to "one man, one vote", at which they arrived earlier this year. I wonder whether he understands how long it took Bermuda to get to where it is today, as single-member constituencies, and where Bermuda came from.

I did some background checking on this, and in 1938, Bermuda had nine parishes. The right to vote was afforded only to male free-holders, or land owners. If a person owned property worth over £60 in whichever parish he lived, there he could run. There were four seats in each parish, so one person could cast as many as 36 votes. Of course, down through the years, there have been some changes, but nothing much until 1968. They would hold somewhat the same position, but reached the agreement of having four seats (the same four seats to a parish) split into two constituencies—two seats to each constituency. That was what I had proposed before we compromised with the Opposition: that we would take the four-member constituencies and split them into two. That was the phased-in approach. However, the Opposition would have none of that, if they remember. They did not want that, either.

Bermuda came from a position of around 36 votes for each person (if he owned land), down to 1968, when they agreed to four seats per parish—the same four Members per parish—but to split the parish into two constituencies with two seats each. They went from 1968, until this year, when they changed to single-member. They took 35 years to get to where they are today—"one man, one vote".

Therefore, there was no headlong rush by Bermuda to get to where they are, and they came from a very pitiful position. The world looked on and some people said it was the wrong position. One person could vote 36 times, simply because he owned £60 of property in his parish, from 1938 to 2003 (and I only went back to 1938). There was no headlong rush by the Bermudians. Therefore, in using them as an example to say, "Look where they are today; this is what they did with their Boundary Commission in one year", we must look at where they came from, and how long it took for them to get to where they are.

Mr. Speaker, the Elected Member for East End said that the proposal for single-member constituencies as a phased-in process in the district of George Town is unfair to him and his district. I do not understand why he tries to make everything personal to him. I guess he is seeking some kind of sympathy, but certainly there is no unfairness to the good people of East End. How could he draw that conclusion?

For that matter, I hear the Elected Member for North Side talking, but there is none to her either. There is none! East End and North Side have one representative, and they have one vote, for one person. That is, and always has been, the case—at least for the past 40 odd years. It will not change for the next election. How is that going to be unfair to them? If the districts were big enough to get two representatives, then they would have had two votes. If they had three, they would have had three votes—or up to three votes, because there is no mandatory requirement for anybody to cast four votes in any four-member, or multi-member, constituency.

Therefore, Mr. Speaker, none of those districts will suffer any changes, or any less democracy than what obtains in others. The essence of democracy is for people to have franchise, free of unwarranted or illegal pressure. The essence of democracy is that they can choose their representative. The essence of democracy is for that representative to give good representation, and to be accountable to his people. If anyone can say that that is not the case in

this Honourable House, they are completely wrong, and not telling the truth.

Before I close, what we are proposing for the George Town district is rational. I will get to that in a minute, but I would like to refer to something I said on Friday, if I may, about the Commissioners. It seems that some people look at the debate of this Honourable House, and read all kinds of things into what is said. On Friday, I spoke about the involvement of a Commissioner in what I, and many other people in this country, see as the political fray—getting onto a political platform with politicians berating their opposites, or the Opposition berating the Government, and the Commissioner himself making political remarks. Mr. Speaker, I said what I did about the process on Friday and that stands. I do not change from that, but what no one should try to read into it is that there was an attack on the Commissioner's honesty, or on his family's integrity. There was no such attack on his personal integrity.

We have a problem. The United Kingdom would like us to modernise. From where I stand personally, and where I have been these past 20 years; from what I see, and the way I have seen the Government grow; from the problems that have changed from one year to the next, and the pressures that we are under, we need to modernise.

In 1992 I said, "No," to the Chief Minister system. I said, "Let us take a half-way step; let us get to the point where we can say that we have somebody who can lead the Government, so that people can say, 'He is the leader'". I offered the words "Leader of Government" because that is where Bermuda went first. When I went to the public with that, I think the whole Island understood it, based on the vote, and that is where they went. However, I did say that would be a stepping-stone to the Chief Minister system. It has been ten years—ten years.

In 2000, everyone in this House, who was elected, went back to the country and said, "There should be modernisation; there needs to be a change in the system of government. The system of government is not working according to the problems we face in modern-day Cayman". The people supported us on those changes. It went from one thing to the next after that, but I stand here to say, without any fear of successful contradiction by anyone, that had I not been the Leader of Government Business, you would have had some changes by now. Be that as it may—no changes. We compromised; we backed off our positions to keep the peace, and to keep the Cayman Islands from looking as though it were in some sort of turmoil—for no other reason. We got to the point where we went to the United Kingdom and we still said, "Let us have some of these things implemented. Give us two Ministers with whom we can work, and change, and get some of the workload off". Mr. Speaker, the Opposition would have none of that.

We came back with a Constitution.

I have to wonder about this, Mr. Speaker, I wonder often. However, I know why: I was told why in the United Kingdom. I did not agree with their position on the Attorney General or the European Union; therefore, my Government would suffer because of it. That is what I was told, and I had to wonder, when the draft Order in Council created a few things that they wanted, such as the Boundary Commission, why the Opposition Leader was being appointed as "Opposition Leader"—the nomenclature that is used in independent countries and in dependent territories. However, that is the constitutional nomenclature: Leader of the Opposition, the person who enjoys the support of the minority party, as the Leader.

Why were they giving him that appointment? He was appointed to that position because, as the Order in Council read, he was the leader of the minority party in the Assembly.

When it came to the appointment of the Leader of Government Business, they left it at that—no change. Fine! When in I was in the UK as the Leader of Government Business, they referred to me as "Chief Minister". They have gone, in recent times, from the equivalent, to that. However, the glaring point in that Order was that I was supposed to be appointed by the Governor, in his sole discretion—not because I led the majority party, but whoever he thought could get the majority support, not of the majority party, but of the House. All sorts of things could have been done with that. I rejected it, and the party rejected it. They changed their position and made it so that the Leader of Government Business, under the Constitution now, is appointed because he is the leader of the majority party in the Assembly.

We went from there, Mr. Speaker, to talk to our people and we polled various organisations. I must congratulate the *Caymanian Compass* for doing an excellent job of printing every aspect, week by week, of the draft Constitution as it had come back. We went out, sat down, and talked, so there was a whole educational process. The people in the various areas took their positions—as many as chose to. People in our district—over 100, or 175 at a meeting at a time—said, "No, we do not want to go this route". I was saying, "Look, this is what I support. I am your representative, but this is what I support. I want, then, to go to a phased position, so that at least I will have more time to talk to you in regard to "one man, one vote'".

The people in George Town who came out, and the party that holds the majority now in George Town—the Opposition's party—said, "We support it; it must come. "One man, one vote" must come". Therefore, Mr. Speaker, we tried to compromise again by saying, "Okay". The public at large, in some areas, were saying, "No, we will allow you to have your district "one man, one vote"—a phased-in process". We hoped that they would have accepted it, but by God, they are not convinced yet. They read something else into it.

Where are we, Mr. Speaker? Some people want it and some people do not want it. We believe that the offer we have made, trying to satisfy the Opposition and start the modernisation that the United Kingdom wants, while trying also to satisfy our people in the various districts, is the best way to go.

The Opposition wants it; those in George Town indicated that they supported it. The Second Elected Member for George Town, who objected strongly, is the one shouting most for it. We believe that it is the right way to go. If the system starts in George Town now, it gives the other districts more time to see it work in George Town, over the period of 2004 to 2008. I believe that is fair.

Mr. Speaker, I do not think that I can add any more to this matter at this point. Let us all remember that we work here for the good of the public, not for our likes or dislikes—not to do anything we think is best for "me"—far be that from the truth! I am asking no one to do anything for me. If the people in West Bay choose me and my party, they will do it on the basis of free and fair elections, when opposite and independent candidates will have their chance to come up against the Government.

I intend to represent my people as I have always done: to the best of my ability. That is what I have done these past 20 years; I will continue to do so.

Mr. Speaker, I stop at this point.

The Speaker: Honourable Members this Honourable House will now resolve itself into a Committee of the whole House, with the exception of the three Official Members voting, to consider the Report of the Cayman Islands Electoral Boundary Commission 2003, and then to report to this House that the Committee has considered the same.

House in Committee at 11.19 am

HOUSE IN COMMITTEE TO CONSIDER THE REPORT OF THE CAYMAN ISLANDS ELECTORAL BOUNDARY COMMISSION 2003

The Clerk:

Paragraph 1	Establishment of the Electoral Boundary Commission
Paragraph 2:	Appointment of the Commissioners
Paragraph 3:	The Mandate
Paragraph 4:	Procedure of the Commission
Paragraph 5:	Treatment of the Commission's Report
Paragraph 6:	Convening of the Commission
Paragraph 7:	Method of Work
Paragraph 8:	Invitation for submissions to the Commission
Paragraph 9:	Access to data
Paragraph 10:	The Census Report
Paragraph 11:	Field visits
Paragraph 12:	Public meetings
Paragraph 13:	Equal representation
Paragraph 14:	Qualified persons
Paragraph 15:	Single Member Constituencies
Paragraph 16:	Delimitation system
Paragraph 17:	Recommendations
Paragraph 18:	Acknowledgements
Schedule:	Electoral Constituency Boundaries – written specifications
Appendix 1:	Map showing the seventeen electoral constituencies into which the Cayman Islands have been divided.

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, before we get to that aspect of it, if you look at section 16, Delimitation system, which names the seventeen constituencies, we had proposed to make a name change to the George Town North constituency, to "Seven Mile Beach".

[Pause]

The Chairman: Honourable Members, we are going to take a five-minute break here, so that the Government Bench can organise certain procedural points. I would ask you to remain in your seats.

Proceedings suspended at 11.29 am

Proceedings resumed at 11.35 am

The Chairman: Proceedings are resumed. The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, as I said, we were on page 17 of the Report, dealing with the seventeen constituencies. The George Town North constituency was proposed for a name change to "Seven Mile Beach North".

The Chairman: George Town North will be changed to "Seven Mile Beach North". This proposed amendment is open for discussion.

The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you.

Mr. Chairman, the Opposition certainly recognises that many of the names proposed by the Commission will include certain areas that have, at present, their own names, so to speak, within districts. I believe the Government has conferred with regard to the specific areas within the district of George Town that we know are within that proposed constituency. Perhaps the Government might give some indication as to their thoughts with regard to areas such the Rock Hole area, and the Watlers Road area, which would be part and parcel of that.

Hon. W. McKeeva Bush: The thought is that people in the Seven Mile Beach area, from what I gather,

would like to remain "Seven Mile Beach". They wanted to make a change, and some proposals were made. We recognise that that would probably be a small constituency. Therefore, do we agree with that? The Commissioners mixed the two to make George Town North the size they had determined would be so many votes. It was a matter of trying to pacify both sides. If you look, from Watlers Road down has historically been called "Seven Mile Beach" or "West Bay Road". I would never presume to call the constituency "West Bay Road North" or "South"; therefore we came up with the name "Seven Mile Beach".

The Chairman: The approximate number is 737 people, Honourable Leader of Government Business.

Hon. D. Kurt Tibbetts: I was just about to say that, Mr Chairman. If I may —

Hon. W. McKeeva Bush: No, what I am saying is that if they had taken, for instance, what was traditionally known as "Seven Mile Beach" or "West Bay Road", you would probably not have had 700, so they threw in Watlers Road, and the area of the swamp that goes out straight to the North Sound.

Hon. D. Kurt Tibbetts: Mr. Chairman, the dilemma is that the entire proposed constituency is 737 votes, as of July 2003. The land mass may be considered, because of the stretch on Seven Mile Beach. I am without the Minister of Education's empirical data, but I believe that in the areas we consider to be George Town, the voters number more than those on the West Bay Road. It is a dilemma. In other words, while I hear what you are saying, and this is not one about which we want to argue—

Hon. W. McKeeva Bush: No, we want to get it right.

Hon. D. Kurt Tibbetts: Right, but there is a dilemma. If we were to look at sheer numbers, that may well be the reason why the Commissioners have come up with this name—because of the combination of votes for the area. I do not know this for a fact, because I did not discuss it with them, but if you take from what we would call Merren's/Pageant Beach, and come back this way, the number of voters is greater, I believe, than going down on the West Bay Road. The question is, given that scenario, what do you name it? That is the dilemma that I see.

Hon. W. McKeeva Bush: What would be your suggestion?

Hon. D. Kurt Tibbetts: The way it is, is why I believe it was done like that. I hear that the people on the Seven Mile Beach strip might wish for recognition with regard to where they are, but there is a difficulty, I believe.

The Chairman: The Honourable Minister of Health Services.

Hon. Gilbert A. McLean: Mr Chairman, I think the points made by both sides bear relevance, and as stated by the Leader of the Opposition, there is a dilemma. I do not know if I would call it a dilemma, but at least it is something for discussion. It might make a satisfactory *"what is in a name?"* or a *"rose by any other name"* situation.

If we look at what was done in the case of Cayman Brac and Little Cayman, we have Cayman Brac West and Little Cayman as one constituency. Perhaps "George Town North and Seven Mile Beach" might be the compromise.

Hon. W. McKeeva Bush: "George Town North and Seven Mile Beach"? I think that satisfies both sides, if there are no objections from the people in Watler Square up to Seven Mile Beach.

Hon. Gilbert A. McLean: I am certain that the other representatives, including the Chair—while I know that the Chair will not have a comment—appreciate what we are saying. The fact of the matter is that the majority of these people may not even know what we are talking about until after the fact. We certainly would not like to have to deal with that. I think the Minister of Community Affairs will appreciate what I am saying.

The Chairman: The Honourable Leader of Government Business, is it agreed then, that the amendment will read "George Town North / Seven Mile Beach"?

Hon. W. McKeeva Bush: I have no problem with that, Mr Chairman. As I said, that will be satisfying both sides. In the spirit of co-operation with the Opposition, we will go that route.

The Chairman: The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: Mr Chairman, I would like to make a brief comment at this point. I would like to thank the Leader of the Opposition for that particular spirit of compromise, which allows us to protect the identity of the persons in those particular areas, and at the same time, protect the identity of the persons who see themselves as part of what has always been considered a more distinct community, which is the Seven Mile Beach community, as well. I think it is in this particular spirit that we need to continue to reflect upon the Report of the Cayman Islands Boundary Commission 2003, noting that we will eventually be able to move from a dual system, where we have single and multi-member constituencies, to having all single-member constituencies.

The fact that the district of George Town has been given the opportunity to have single-member constituencies is not something that we, as represen-

tatives of George Town, should resist. We also know that there are a lot of people out there who are still confused about the concept of single-member constituencies. We should do as much as we can to educate them as to exactly how it works. This particular compromise, with regard to the naming of one of the constituencies, suggests, perhaps, that the Opposition, in terms of their speeches, were not necessarily representing their true position, since their true position is that of compromise.

Mr. Alden M. McLaughlin, Jr.: Mr Chairman.

Dr. the Hon. Frank S. McField: Mr Chairman, I do not suppose that the Second Elected Member for George Town has to stop me, since he had over two hours to speak on this particular issue. I did not speak, because I felt that single-member constituencies were what the Elected Members for George Town had been advocating for some time. When I say this, I mean from both sides of the House. Therefore, the fact that we are going to have single-member constituencies in George Town really is a result of the actions of all the Members.

Hon. D. Kurt Tibbetts: Mr Chairman, I do not wish to interrupt, but I would not like the Honourable Minister of Community Affairs to speak in that manner again, as though it is a foregone conclusion. I do not think we should be speaking in that manner—saying, "the fact that we are going to have"—for I do not know about that.

Dr. the Hon. Frank S. McField: I actually entered this discussion in a manner that suggested, in fact, that we seem to be acting like sensible adults, in terms of giving consideration to people's political identities, but also realising the fact that the system has to evolve. The mere fact that the Leader of the Opposition seemed to have accepted a constituency name, to me, points at least 51 per cent in the direction that he accepts that this is a direction in which we are going. Otherwise, the name would not have been so important to him. He would have said, "I am not going to get into the naming of the constituencies, because I am not accepting the single-member constituencies".

The Chairman: Honourable Members, as a procedural point, even though the Committees are normally less formal than the proceedings of the House, I would nonetheless like us to maintain the same discipline, so that when a Member is speaking, we allow the Member to speak without getting on the open mike and cross-talking with that particular Member. Remember, you are not addressing each other; you are always addressing the Chair. The Chair has to recognise the individual before the individual starts speaking.

Please continue, Honourable Minister of Education.

Hon. Roy Bodden: Mr Chairman, I have listened to both sides and I will crave your indulgence to introduce a little Shakespearean wit. *"'Tis the season to be charitable."*

May I respectfully suggest that we move on now?

The Chairman: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Mr Chairman, these proceedings in Committee can either be productive or they can deteriorate into the sort of cross-talk that just occurred. The point of the Committee now is to try to reach agreement, the Government and the Opposition both having clearly outlined what their philosophical positions are in relation to whether we move to single-member constituencies throughout the Islands, or whether it be limited to George Town. We have established quite clearly where we stand on that. There is no need, in my respectful submission, to do what the Minister of Community Affairs—who did not participate in that debate—has just done. We need not reopen those wounds. Let us stick to the technical aspects of it and get on with the business of the Committee.

The Chairman: Madam Clerk, would you please continue?

I believe, Honourable Members, that when the interruption was made by the Honourable Leader of Government Business on section 16, Delimitation system, on page 16, the Clerk had reached Appendix 1 on B1.

Madam Clerk, would you continue please —

Hon. W. McKeeva Bush: Mr. Chairman, I am sorry. We have not finished on page 17, and there would need to be some reworking there.

The Chairman: Please continue, the Honourable Leader of Government Business.

Hon. W. McKeeva Bush: The names on page 17, which say: "West Bay Northwest, West Bay Central, West Bay East and West Bay South" would be the electoral district of West Bay, which would be a multi-member constituency. That will have to change.

Then you would have: "Seven Mile Beach/George Town North; George Town Central; George Town West; George Town South and George Town East", with the six seats that are proposed—Prospect would be the sixth seat—as single-member constituencies.

The Chairman: To clarify: Is that new constituency, the renamed constituency, going to be called "Seven Mile Beach/George Town North" or "George Town North/Seven Mile Beach"? This is a small point, but it is necessary.

Hon. W. McKeeva Bush: "George Town North/Seven Mile Beach."

Hon. D. Kurt Tibbetts: Even if for no other reason, it sounds better.

The Chairman: The Honourable Leader of Government Business, would you repeat those amendments for the records?

Hon. W. McKeeva Bush: Mr. Chairman, West Bay North, West Bay Central, West Bay East and West Bay South would remain –

[Inaudible interjections]

The Speaker: Order, order, please!

Please continue, Honourable Leader of Government Business.

Hon. W. McKeeva Bush: . . . which would be the electoral district of West Bay, a multi-member constituency.

The Chairman: Honourable Leader of Government Business, you might want to repeat that, because you did say, "West Bay North".

Hon. W. McKeeva Bush: North West.

The Chairman: Therefore, the first one—West Bay North West, West Bay Central, West Bay East and West Bay South—remains as a multi-member constituency.

Hon. W. McKeeva Bush: That is right, Mr. Chairman. Then you would have, to repeat, George Town North/Seven Mile Beach; George Town Central; George Town West; George Town South and George Town East and Prospect—six single-member constituencies.

Then, Mr. Chairman, you would have Savannah/Newlands, Bodden Town West, and Bodden Town East, which would remain as the electoral district of Bodden Town, and which would be multi-member constituencies.

Then, Mr. Chairman–

The Chairman: Please continue.

Hon. W. McKeeva Bush: You would have the electoral district of North Side, which is a single-member constituency presently, and will remain so in the new proposals, and the East End district, which is a single-member constituency now, and will remain so in the new proposals.

The Chairman: Please continue.

Hon. W. McKeeva Bush: Cayman Brac West, Little Cayman and Cayman Brac East would remain as the district of Cayman Brac and Little Cayman, and be multiple voters.

The Chairman: The Honourable Leader of Government Business, since this Report is going to the United Kingdom, would you wish to read it in the order it is here, so that it would provide better clarity for the people following it? I think it says Cayman Brac East, and Cayman Brac West, and Little Cayman.

Hon. W. McKeeva Bush: It says Cayman Brac West, and Little Cayman, and Cayman Brac East.

The Chairman: If you look on page 17 of the Report . . .

Hon. W. McKeeva Bush: What I was looking at was the actual map that they had proposed, but since we are dealing with this page, let us read it as you have it, Sir.

The Chairman: The amendment would be applying to this.

Hon. W. McKeeva Bush: Cayman Brac East, and Cayman Brac West, and Little Cayman would be the district of Cayman Brac and Little Cayman, and would be a multi-member constituency, as it is today, Mr. Speaker.

Hon. D. Kurt Tibbetts: Mr. Chairman.

The Chairman: The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: For the record, and so that it will be absolutely clear—I think the Leader of Government Business is finished with that section.

Hon. W. McKeeva Bush: Yes, Mr. Chairman.

The Chairman: Please continue.

Hon. D. Kurt Tibbetts: For the record, the Opposition's position has been already explained, and we will not go into all the details of that. We did not have a problem with the renaming of the constituency which, in the Report, is called, "George Town North" to "George Town North/Seven Mile Beach" but that is not based on the premise of single-member constituencies only for George Town. That is based on the premise of the Commissioners' Report, which assigns names to each of the seventeen constituencies. That is the position that we accept from the Report.

Therefore, to make the record very clear, the Opposition does not have a problem with the change of name, but our position for single-member constituencies is throughout the three Islands—not just for the

district of George Town. I just wish to make that absolutely clear.

The Chairman: The Second Elected Member for Cayman Brac and Little Cayman.

Mr. Lyndon L. Martin: Thank you, Mr. Chairman. To be clear that I understand the position of the Opposition regarding the Boundary Commission's Report, would the Opposition support seventeen single-member constituencies throughout the Cayman Islands, including Cayman Brac and Little Cayman?

Hon. D. Kurt Tibbetts: Mr. Chairman, I can see the wheels turning. There is no other way that we can deal with the situation. As I mentioned before, we accepted that there were people in the Brac who had aired to us that they were not very supportive of it. However, our position, when we gave our Position Paper to London, was that we still had to support the "one man, one vote" concept; what the Boundary Commissioners have presented to us is what we have to support. If that is the question, then that is the answer to the question. For whatever purposes (the Member for Cayman Brac might want it for future reference), we have to make the point very clear.

The Chairman: The Second Elected Member for Cayman Brac and Little Cayman.

Mr. Lyndon L. Martin: Mr. Chairman, I appreciate the answer given by the Honourable Leader of the Opposition, but I would like to make the point clear, as he said. My question was: Does the Opposition support single-member constituencies for Cayman Brac and Little Cayman?

Hon. D. Kurt Tibbetts: If you—

Mr. Lyndon L. Martin: It is phrased in a manner that can be answered with a "yes" or a "no". I would appreciate it being answered in that manner.

Hon. D. Kurt Tibbetts: Mr. Chairman—

The Chairman: Order, order, order! Order, please. I am going to ask you again, Honourable Members, please observe the discipline that we should be maintaining in the House. When one Member is speaking, please allow that Member to speak. I cannot hear both sides at the same time, when both sides are trying to speak on the microphone. It is going to be confusing. Remember these *Hansard* transcripts are going to be sent to the United Kingdom, and they will want to know what is going on. If we have this confusion, it will be impossible for them to decipher.

If the Second Elected Member for Cayman Brac was finished with his point, I now recognise the Honourable Leader of Opposition.

Hon. D. Kurt Tibbetts: Mr. Chairman, I gave the Member for Cayman Brac an answer. He, by his own volition, chose to respond in the manner in which he did, which forces me to answer him in kind. What I will do for him, since he does not understand the Queen's English, is this: If he puts it in writing to me, I will answer the question, in writing, back to him.

Hon. W. McKeeva Bush: Mr. Chairman?

The Chairman: Honourable Leader of Government Business?

Hon. W. McKeeva Bush: Mr. Chairman, I think the Opposition needs to co-operate with this because we are trying to get clarity as to what they are supporting. They need . . .

[Inaudible interjection]

Hon. W. McKeeva Bush: I do. I would like to get some clarity as to where the Opposition Leader is on the matter of the district of Bodden Town. Cayman Brac . . .

[Inaudible interjection]

Hon. W. McKeeva Bush: Mr. Chairman, perhaps because they want to confuse everything this morning, we will get confused. However, it is very important that there is clarity as to where they stand on the matter. I do not know anything about what is in *Hansard*. I am asking you a question directly: Do you support that or do you not?

[Inaudible interjection]

Hon. W. McKeeva Bush: I can. You can question me.

The Chairman: Honourable Members, let me repeat again: You do not address a question directly to another Member. The question should be addressed to the Chair. The question directed to the Honourable Leader of the Opposition is asking: what is his position in regard to the electoral districts of Bodden Town and Cayman Brac?

Hon. W. McKeeva Bush: No, only Cayman Brac and Little Cayman.

The Chairman: Yes, Cayman Brac and Little Cayman. The question is whether or not they should be two single-member constituencies. If the Honourable Leader of the Opposition does not wish to answer that, then we can move on.

Hon. D. Kurt Tibbetts: Mr. Chairman, I am not trying to avoid the question. I answered the question, but the way the Second Elected Member for Cayman Brac replied, it was as though he would choose for me how

I answered the question. I gave an answer to the question, and there will be a verbatim record that he can have.

Mr. Chairman, I am not looking a fight, but he should not *come at me* like that because it *gets the other side of me*. I am going to be very honest here this morning. I prefer not to get into those things with him. The answer that I gave, Mr. Chairman, is in the record. It has to do with our Position Paper, which we sent to London. That position was very clear. What I will do is to allow the Second Elected Member for George Town, who is the designated person responding to the Position Paper, to finish off the answer, in order to make it very clear for the Elected Member for Cayman Brac and Little Cayman.

Hon. W. McKeeva Bush: Mr.—

Hon. D. Kurt Tibbetts: Before I finish, Mr. Chairman, please do not let anyone come back, now, to say that I have to answer it. I am not afraid to answer anything, I can promise you. I am trying to avoid this, but the damage has already been done. Now, the choice is anyone else's.

Hon. W. McKeeva Bush: Mr. Chairman, before you move on, please . . .

The Chairman: Honourable Members, I am going to take the statement now from the Honourable Leader of Government Business, followed by a statement from the Second Elected Member for George Town.

Hon. W. McKeeva Bush: Mr. Chairman, I wait eagerly to hear the position, whether it comes from the Second Elected Member or not. I accept that he is the general secretary to the party; he has been doing most of the talking. If he is going to answer my question, then that is all right. I think the country is owed a clear answer as to what the Opposition's position is in regard to the electoral district of Cayman Brac and Little Cayman. Do they support "one man, one vote", or do they not support it?

The Chairman: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Chairman. I am very surprised that anyone is in doubt about what the position of the Opposition is in relation to this matter. The position is set out in the Position Paper that we prepared almost eighteen months ago, which was sent to London and given to the members of the Government delegation. We read from it in London.

I put the position in my debate on the draft Constitution and in the recent debate on this particular matter—the Report of the Electoral Boundary Commission. I spoke for two full hours on each occasion, and I really do not know why it is that the Second Elected Member for Cayman Brac and the Leader of Government Business did not understand what I said. I tend to be quite clear about these things. For those who have not read what we gave them more than a year ago, I will read it again:

The Chairman: Please continue.

Mr. Alden M. McLaughlin, Jr.: Page 39 of our Position Paper, Electoral Constituencies, reads: **"The Parliamentary Opposition believes that the issue of one man, one vote is the single most important constitutional issue that needs to be resolved to give full legitimacy to our democratic government. The present system in which a resident of George Town has four votes and but the residents of East End only one, is unfair and, in our view, undemocratic. We strongly support the proposal to move to one man, one vote.**

"We see no basis or logical reason for the concept of one man, one vote to be phased in as has been proposed by the Government. It is a simple, generally well understood concept to which, we believe, the electorate will have little difficulty adapting.

"There has also been general support for the proposal of single member constituencies, the notable exception being the electoral district of Cayman Brac and Little Cayman which has only approximately 840 registered voters. The concern in Cayman Brac and Little Cayman, as we have understood it, is that the creation of two single member constituencies will divide the Island of Cayman Brac east and west and that this will be potentially damaging. There is particular concern that with the party system coming into being, Cayman Brac and Little Cayman could wind up electing a member of the governing party and a member of the opposition. Some fear that in that event the side of the island that is represented by an opposition member will not fare as well as the side represented by the Government member. In short, it is said that Cayman Brac and Little Cayman are simply too small in size and population to be divided.

"The Parliamentary Opposition has given much thought to the peculiar situation of Cayman Brac and Little Cayman which are geographically remote from Grand Cayman. We have also discussed the abovementioned concerns with a number of persons from Cayman Brac and Little Cayman. If these fears are to be taken as representative of the wishes of the majority of the electorate in Cayman Brac and Little Cayman, then we believe that a means must be found to reconcile them with the fundamental democratic principle, one man, one vote. Based on the representations made to us, we believe that this can be achieved by permitting Cayman Brac and Little Cayman to remain as one constituency, but that instead of

each voter having two votes as is the case presently, each voter should be entitled to vote for only one candidate. The two candidates with the highest number of votes would be declared elected."

That is the position we took more than a year ago. It is very clear.

The Chairman: I am going to make one major clarification and then ask the First Elected Member for Cayman Brac and Little Cayman to speak. She has been waiting for quite a while.

To summarise, your recommendation was that every district—the other five, excluding Cayman Brac and Little Cayman—should be subjected to "one man, one vote". You made a special case for Cayman Brac and Little Cayman because of their peculiar positions, but it would be "one man, one vote".

Therefore all areas—for clarity, each district—would be under "one man, one vote", including Cayman Brac and Little Cayman?

Mr. Alden M. McLaughlin, Jr.: Mr. Chairman, we prefaced everything we have said in relation to the constitutional change—particularly the contentious issues—with the point that we felt a referendum should be held on the contentious issues.

The Chairman: Before you get to the referendum–

Mr. Alden M. McLaughlin, Jr.: Not before, Sir–

The Chairman: Let us get to the point I am trying to make here. I am trying to get this clear and I do not want to have it clouded.

We are saying that every district, from what you read to the House, should be subjected to "one man, one vote", even though there were certain conditions applying to Cayman Brac and Little Cayman because of their peculiar situation. However, the bottom line is—and this is what I need to make clear—that the recommendation of the Opposition is that each district should be subjected to "one man, one vote".

Mr. Alden M. McLaughlin, Jr.: No, Mr. Chairman.

The Chairman: All right. Please explain why not.

Mr. Alden M. McLaughlin, Jr.: Mr. Chairman, as I started to say, we have prefaced all of our positions in relation to these contentious issues, and we identified the issue of single-member constituencies as a contentious issue a long time ago. We said these issues should be put to a referendum. Failing a referendum—with which the Government has refused to go along—our indications were that there was, and still is, general support for the move to single-member constituencies, the notable exception being Cayman Brac and Little Cayman. We got a very clear message from Cayman Brac and Little Cayman. To seek to reconcile their concerns with the concept of "one man, one vote" we put forward this proposal, which is that the district would still have two seats; they would still be one constituency, but each voter would only vote for one individual, with the first two past the post being considered to be elected. That is the position we took 18 months ago, Sir. It has not changed.

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

Hon. W. McKeeva Bush: Mr. Chairman, if I may?

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Can I ask that the Opposition table their Report while we are in Committee? Up until now that has not been done.

I think the Chair has already intimated that he accepts that this Committee is open.

The Chairman: This Committee is an open committee.

The Honourable Leader of Government Business, you were asking that the Report from which the Second Elected Member for George Town spoke be made available to all Members of the Committee. Since that is also being incorporated in the minutes of this meeting, I think that is fair.

I do know that the Members who went to London had copies in London, but all Members of the Committee here did not receive copies. Therefore, if the Second Elected Member for George Town would cooperate, I would ask the Serjeant-at-Arms to please provide copies.

Hon. W. McKeeva Bush: Mr. Chairman, I would like to say, if I may, that as far as I know, that Report has not been made public.

Mr. Alden M. McLaughlin, Jr.: As usual, Mr. Chairman, the Leader of Government Business is wrong. It has generally been made available.

Hon. W. McKeeva Bush: Mr. Chairman, I will leave them if they say that their Report has been made public. I do not know about its being made public. We made our Reports public, but I do not know –

The Chairman: Gentlemen, I think that the Second Elected Member for George Town did give an undertaking to have copies made available. Therefore, I would now turn attention to the Honourable Minister of Planning.

Hon. Juliana Y. O'Connor-Connolly: Thank you, Mr. Chairman.

A couple of facts: firstly, it was my understanding, as I sat here—and I stand to be corrected—

that the Leader of the Opposition said that there would be 17 single-member constituencies. Having had the privilege of being cognisant of what their Position Paper said, I was seeking clarity on that. I still do not think that there has been clarity on that point. That is the first point.

I can do this in two ways, Mr. Chairman: I can stop and get a response, or go on.

The Chairman: If you would, stop there, because I must say that the Chair is still a little hazy on the position. The Leader of the Opposition did, in fact, say that he basically supported "one man, one vote" and 17 single-member constituencies. However, when I addressed that point to the Second Elected Member for George Town, he said that that was not the correct position. Therefore, I need to know exactly what the position is, for the record. We need to know.

If I can, I will address this to the Leader of the Opposition. Leader of the Opposition, are we saying that you support "one man, one vote", with 17 single-member constituencies? We need to get that correct.

Hon. D. Kurt Tibbetts: Mr. Chairman, I trust that you will be more accommodating, in that you will allow me to explain. I understand your question.

The Chairman: Please continue.

Hon. D. Kurt Tibbetts: I was just thinking back on what I said when we were talking about what the Commissioners had recommended. What I said was that the Opposition had no problem with the change of name of "George Town North" to "George Town North/Seven Mile Beach". However, we did not agree with the Government's position, which was that the district of George Town be divided into six single-member constituencies and the rest remain the same, and that what the Commissioners recommended, we would support.

The Chairman: That was the 17 single-member constituencies.

Hon. D. Kurt Tibbetts: Yes, that was what I said, and I know that was what I said. I accept that, but after I said that, I remembered the position that we had taken on the Position Paper. It is almost the same, but there is one small difference in it. I want to explain that.

The Chairman: Please continue.

Hon. D. Kurt Tibbetts: You asked the question about "one man, one vote", and I can answer that by saying that, as a matter of a principle, we—that is, the Opposition—would support the concept of "one man, one vote", which is parity in the democratic process.

When we did our Position Paper, Mr. Chairman, it was based on feedback. One of the contentious issues was moving from the system we have now to single-member constituencies. Part and parcel of our call was a referendum on the contentious issues—that being one of them. If that were not going to be the case, then our position—regardless of whatever other positions were taken—would have to be that "one man, one vote" was what we were going to support.

In our various meetings throughout all of the districts, including Cayman Brac (we did not go to Little Cayman but we went to Cayman Brac on more than one occasion), we understood from several of the people who attended the meetings that they had their own specific difficulties. In instances like that, even if I have a difference of opinion from a conceptual point of view, it is difficult to say to them, "You are wrong in your thoughts." Having taken all of that on board, we mulled it over, thought about it, and talked to some more people on the phone on more than one occasion to try to get some more views about it. What we ended up with is what was read by the Second Elected Member for George Town, which stays with the principle of "one man, one vote" throughout the entire voting procedure.

The exception, however, would be that some of the people in Cayman Brac and Little Cayman felt that, in dividing it into two different constituencies (the example they used was stated by the Second Elected Member for George Town), if one from each side were elected, then one constituency may get more attention than the other.

We then said that, understanding their position, we could see that if it were one constituency, but each elector could still only vote for one person, it would not change the principle. It would not change the voters in Cayman Brac and Little Cayman compared to the voters in Grand Cayman, in that they would still only be voting for one person. They would have two representatives, but it would be the first two individuals past the post at the end of the day. That is how we could reconcile our position with that, and not feel like there were dual standards for the voters. That was the position.

That might have taken a little while, and I know what I had said earlier on, but the position is based on our Position Paper, on reflection, and on listening very carefully to what the Second Elected Member for George Town read. I was in some haste to make sure that our position was different from the Government's position, because we do not support doing George Town alone.

If that could also work in the Brac, then it would not be something with which we would have great difficulty. The reason we did not chime in on that all along is that I have already heard all the different things being said. That is another *tear-up* again. You would soon get a letter saying, "Let George Town have six representatives, but everyone votes for one person, too". That is not something that makes any sense, because at the end of the day, the principle of

"one man, one vote" and single-member constituencies is not about a specific district. It is about a system of governance. Does what I just said give any clarity to it, Mr. Chairman? Does that satisfy the question you were asking?

The Chairman: The Leader of the Opposition, I will pass on to the Honourable Minister of Planning, who, I think, wanted to comment on your reply.

Hon. Juliana Y. O'Connor-Connolly: Thank you, Mr. Chairman.

I quite clearly understood the attempt by the Honourable Leader of the Opposition, but I am still left with a deficit of two constituencies. If one takes the presentation that was given by the Second Elected Member for George Town, with the position that they have put out on page 41 of their Position Paper, then that would not leave us with 17 constituencies, but rather 15, which takes us down a different route. It would be 15 single-member constituencies, with the one being multi-member.

Hon. D. Kurt Tibbetts: Yes, what it would mean—

Hon. Juliana Y. O'Connor-Connolly: Let me finish please. Thank you. Before we engage our efforts and concentration in the position as put forward in the Opposition's Paper, let me clearly say that I have had the opportunity—and I am sure the Second Elected Member for Cayman Brac can speak likewise—to canvas the vast majority, if not all, of the constituents, of Cayman Brac and Little Cayman. I could not find even one person who would concur with what we would term a cannibalistic type of politics, as put out in the Opposition's Paper. We would in no way, shape or form, Mr. Chairman, be bringing forward any support for this position, as we are quite happy with the position that we have enjoyed for many, many years.

The Chairman: The Fourth Elected Member for West Bay.

Mr. Cline A. Glidden, Jr.: Mr. Chairman, I am wondering if perhaps we have reached some new and uncharted ground, if the Opposition can now acknowledge that we can have one country, but two systems, and whether they have reneged, as well, on the position that that is unworkable. We are now hearing that they are willing to accept "one country, two systems" based on the concept of single-member constituencies in George Town, North Side and East End, but not in the other districts.

The Chairman: I will be going to the Second Elected Member for George Town first, but the Second Elected Member for West Bay has been waiting for quite a while.

[Pause]

Mr. Chairman: All right, if you defer: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: I am not going to get into an argument, but I would like to remind the Fourth Elected Member for West Bay that the position we take is not new, although he may have just awoken himself to it. We published this position 18 months ago.

The Chairman: The Second Elected Member for West Bay.

Mr. Rolston M. Anglin: I will give way again, Sir.

The Chairman: No, would you continue please?

Mr. Rolston M. Anglin: Mr. Chairman, I would clarify one thing, as it is getting on to lunch-time now, and the temperature in here is getting warm. When the Second Elected Member for George Town said "18 months ago", in terms of publishing the Report—and he has mentioned it a few times now—I think he actually means about 12 months ago. Eighteen months ago would have been sometime in February 2002.

The Chairman: Honourable Members, I believe that we have given this particular point a lot of discussion. I believe we do have a proposed amendment, which will be brought into a motion at the end of the Committee stage. I will read that again so that we are all on the same wavelength. I would ask each Honourable Member to pay attention.

It is being recommended that West Bay North West, West Bay Central, West Bay East and West Bay South will remain as a multi-member constituency, the electoral district of West Bay; that George Town North/Seven Mile Beach, George Town Central, George Town West, George Town South, George Town East and Prospect will be single-member constituencies with the name change from George Town North to George Town North/Seven Mile Beach; that Savannah/Newlands, Bodden Town West and Bodden Town East will remain multi-member constituencies in the electoral district of Bodden Town; that North Side and East End will remain as they have been, as single-member constituencies; and that Cayman Brac East, Cayman Brac West and Little Cayman will remain as two multi-member constituencies in the electoral district of Cayman Brac and Little Cayman.

The Honourable Leader of Government Business, do you have any other points on that section you wish to have clarified?

If not, Madam Clerk, would you please move on?

The Clerk: Appendix 2. Maps showing the boundaries of each constituency.

The Chairman: The Honourable Leader of Government Business.

Hon. W McKeeva Bush: With your guidance, Mr. Chairman, I am looking at Schedule, Electoral Constituency Boundaries, with the written specifications.

The Chairman: This will be a further matter for the Supervisor of Elections to deal with in more detail, at a later point. We are here now, dealing only with the Boundaries Commissioners' Report as it is, but not to go into the details of the boundaries at this point.

The Clerk:

Annex 1	The Mandate of the Commission.
Annex 2	Names of Signatories to Submission to the Commission.
Annex 3	Population Growth.

The Chairman: Honourable Members, this concludes the debate in Committee. It is now 12.45 pm. We will now resolve back to the House. Please be seated.

House Resumed at 12.47 pm

The Speaker: Honourable Members, I propose to take the luncheon break at this time. We will need some time to prepare the Motion that will be brought by the Leader of Government Business when we return at 2.30 pm.

Proceedings suspended at 12.48 pm

Proceedings resumed at 3.01 pm

ADMINISTRATION OF OATHS OR AFFIRMATIONS

The Speaker: I would invite the Mr. Donovan Ebanks to come forward and be sworn in. Please stand.

Oath of Allegiance
(Administered by Clerk)
Mr. Donovan W. F. Ebanks

Mr. Donovan W. F. Ebanks: I, Donovan Ebanks, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, her heirs and successors, according to law, so help me God.

The Speaker: On behalf of the Honourable House, I welcome the Honourable Temporary First Official Member and would invite him to take his seat. Please be seated.

REPORT

Report to the House on the Committee's Amendments to the Report of the Cayman Islands Electoral Boundary Commission 2003

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: When we went into Committee, we did so with the intention of making a few changes to the Report of the Cayman Islands Electoral Boundary Commission 2003. That has happened, Mr. Speaker. I will, for the report, Mr. Speaker, move the Committee Stage Proposal to amend the Report of the Cayman Islands Electoral Boundary Commission 2003.

"WHEREAS, in accordance with the provisions of Standing order 19 (2), I beg to report that the Report of the Cayman Islands Electoral Boundary Commission 2003 has been considered by a Committee of the whole House.

"BE IT NOW THEREFORE RESOLVED THAT this Honourable Legislative Assembly of the Cayman Islands does approve, in accordance with the provisions of standing order 19 (3), the proposals set out in the Report of the Cayman Islands Electoral Boundary Commission 2003 with the following amendments to the last paragraph of paragraph "16. Delimitation system" of the Report as follows—

"Proposed amendment to paragraph "16. Delimitation system."

"That the last paragraph of paragraph 16 of the Report entitled 'Delimitation system'

1. **be amended by deleting "George Town North" and substituting therefore "George Town North/Seven Mile Beach"; and**

2. **reflect the following—**

   i. **That West Bay Northwest, West Bay Central, West Bay East and West Bay South shall remain a multi member constituency as the electoral district of West Bay;**
   ii. **That George Town North/Seven Mile Beach, George Town Central, George Town West, George Town South, George Town East and Prospect shall be 6 single member constituencies;**
   iii. **That Savannah/Newlands, Bodden Town West and Bodden Town East shall remain a multi member constituency as the electoral district of Bodden Town;**
   iv. **That North Side shall remain a single member constituency;**

v. That East End shall remain a single member constituency; and

vi. That Cayman Brac East and Cayman Brac West and Little Cayman shall remain a multi member constituency as the electoral district of Cayman Brac and Little Cayman.

Mr. Speaker, these are the amendments proposed in the Committee, which has just completed its business. We further propose for those multi-member constituencies to come into effect, in 2008, as single-member constituencies. By that time, we will have been through the electoral process, with George Town being six single-member constituencies, and we will have some idea as to how that would work and how much more progressive it would have made the system

The Speaker: The Honourable Leader of Government Business, is that a part of the Motion or that is just an addition?

Hon. W. McKeeva Bush: No, that is the understanding, Mr. Speaker, but if Members want to have it as part of the Motion, I have no problem with that.

The Speaker: Is it the wish of Members that this, which was meant to be an understanding among Members, should form a part of the substantive Motion? *[Pause]* Honourable Leader of Government Business, it seems that it should remain as an understanding.

Hon. W. McKeeva Bush: Mr. Speaker, perhaps Members can say for themselves. I hear some cross-talk saying, "No", but I will leave it as such, because it was an understanding that that was what would happen.

The Speaker: I will now, Honourable Members, put the question on this Motion.
The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Mr. Speaker, I just want to ensure that the proposed amendments are in two parts. I am wondering whether you would be prepared to take two separate votes, or whether it has to be dealt with all in one.

QUESTION PUT ON THE MOTION TO AMEND THE REPORT OF THE CAYMAN ISLANDS ELECTORAL BOUNDARY COMMISSION 2003

The Speaker: No, Honourable Leader of the Opposition, I will be dealing with this Motion as it is. The question is: "**BE IT NOW THEREFORE RESOLVED THAT this Honourable Legislative Assembly of the Cayman Islands does approve, in accordance with the provisions of Standing Order 19 (3), the proposals set out in the Report of the Cayman Islands Electoral Boundary Commission 2003 with the following amendments to the last paragraph of paragraph "16. Delimitation system" of the Report as follows:**

"Proposed amendment to paragraph '16. Delimitation system'

"That the last paragraph of paragraph 16 of the Report entitled "Delimitation system"—

1. be amended by deleting "George Town North" and substituting therefore "George Town North/Seven Mile Beach"; and

2. reflect the following—

i. That West Bay Northwest, West Bay Central, West Bay East and West Bay South shall remain a multi member constituency as the electoral district of West Bay;

ii. That George Town North/Seven Mile Beach, George Town Central, George Town West, George Town South, George Town East and Prospect shall be 6 single member constituencies;

iii. That Savannah/Newlands, Bodden Town West and Bodden Town East shall remain a multi member constituency as the electoral district of Bodden Town;

iv. That North Side shall remain a single member constituency;

v. That East End shall remain a single member constituency; and

vi. That Cayman Brac East and Cayman Brac West and Little Cayman shall remain a multi member constituency as the electoral district of Cayman Brac and Little Cayman.

The Speaker All those in favour please say Aye. Those against, No.

Ayes and Noes.

The Speaker: I think the Ayes have it.

Hon. D. Kurt Tibbetts: Can we have a division please, Mr. Speaker?

The Speaker: Madam Clerk, would you call the Division?

Hon. Roy Bodden: Mr. Speaker.

The Speaker: The Honourable Minister of Education

Hon. Roy Bodden: Mr. Speaker, would it oblige the Chair, if, in the Division, you could break them down singly, Sir?

The Speaker: Could you repeat that, Honourable Minister?

Hon. Roy Bodden: In the Division, could you break them down, and put a separate question on each one, Sir?

The Speaker: I think that should be in order.

Does any Member have an objection to that?

If not, let us continue by voting on each one individually.

The Honourable Minister of Planning, Communications, District Administration and Information Technology.

Hon. Juliana Y. O'Connor-Connolly: Thank you, Mr. Speaker. This is not an objection, per se, but for your consideration. Since a division is a challenge to the Chair on a vote that was already put, it would logically follow, in my respectful submission, that the Division should be on the question that was put in its totality, as opposed to separate sections.

The Speaker: Thank you very much. Honourable Members, notwithstanding the sage advice I have received—with which I would have been inclined to go along, because of the very sensitive nature of the subject we are dealing with—I would certainly want to oblige the House by conceding to the point raised by the Honourable Minister of Education. Therefore, I will put the question on each section.

On the first question: **That the last paragraph of paragraph 16 of the Report entitled "Delimitation system"—**

1. **be amended by deleting "George Town North" and substituting therefore "George Town North/Seven Mile Beach".**

The Speaker: All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: That the last paragraph of paragraph 16 of the Report entitled "Delimitation system" be amended by deleting "George Town North" and substituting "George Town North/Seven Mile Beach".

The Speaker: In Part 2, the Motion continues: "**That the last paragraph of paragraph 16 of the Report entitled "Delimitation system"—**

2. **reflect the following—**

   i. **That West Bay Northwest, West Bay Central, West Bay East and West Bay South shall remain a multi member constituency as the electoral district of West Bay;**
   ii. **That George Town North/Seven Mile Beach, George Town Central, George Town West, George Town South, George Town East and Prospect shall be 6 single member constituencies;**
   iii. **That Savannah/Newlands, Bodden Town West and Bodden Town East shall remain a multi member constituency as the electoral district of Bodden Town;**
   iv. **That North Side shall remain a single member constituency;**
   v. **That East End shall remain a single member constituency; and**
   vi. **That Cayman Brac East and Cayman Brac West and Little Cayman shall remain a multi member constituency as the electoral district of Cayman Brac and Little Cayman."**

All those in favour, please say Aye. Those against, No.

Ayes and Noes.

The Speaker: I think the Ayes have it.

Hon. D. Kurt Tibbetts: Can we have a division please, Mr. Speaker?

The Speaker: Madam Clerk, Division. I would like to remind the House, again, that only Elected Members are voting on this issue.

Division No. 15/03

Ayes	Noes
Hon. W. McKeeva Bush	Hon. D. Kurt Tibbetts
Hon. Gilbert A. McLean	Mr. Alden M. McLaughlin, Jr.
Hon. Roy Bodden	Mr. Anthony S. Eden,
Hon. Juliana Y. O'Connor-Connolly	Ms. Edna M. Moyle
Mr. Rolston M. Anglin	Mr. V. Arden McLean
Capt. A. Eugene Ebanks	
Hon. Cline A. Glidden, Jr.	
Mr. Lyndon L. Martin	

The Speaker: The results of the Division are: 8 Ayes, 5 Noes, and 1 Absent. The Motion is therefore carried.

Agreed by Majority that the last paragraph of paragraph 16 of the Report entitled "Delimitation system" reflect the following—

i. **That West Bay Northwest, West Bay Central, West Bay East and West Bay South shall remain a multi member constituency as the electoral district of West Bay;**
ii. **That George Town North/Seven Mile Beach, George Town Central, George Town West, George Town South, George Town East and Prospect shall be six single member constituencies;**
iii. **That Savannah/Newlands, Bodden Town West and Bodden Town East shall remain a multi member constituency as the electoral district of Bodden Town;**
iv. **That North Side shall remain a single member constituency;**
v. **That East End shall remain a single member constituency; and**
vi. **That Cayman Brac East and Cayman Brac West and Little Cayman shall remain a multi member constituency as the electoral district of Cayman Brac and Little Cayman."**

OTHER BUSINESS

PRIVATE MEMBERS' MOTIONS

PRIVATE MEMBER'S MOTION NO. 7/03

Licensing of Caymanian Craft Persons for taking and possession of Chitons, Periwinkles and Bleeding Teeth

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

Mr. Lyndon L. Martin: Thank you, Mr. Speaker.

Private Member's Motion No. 7/03 stands in my name: Licensing of Caymanian Craft Persons for taking and possession of Chitons, Periwinkles and Bleeding Teeth. I am waiting for the podium, Sir.

The Motion reads as follows-

"WHEREAS the Cayman Islands lack locally made Crafts catered to the tourism industry;

"AND WHEREAS many craft persons utilise chitons, periwinkles and bleeding teeth as integral part of their craft work;

"AND WHEREAS the Marine Conservation Law (2003 Revision) prohibits the taking and possession of these species;

"BE IT THEREFORE RESOLVED THAT the Marine Conservation Law (2003 Revision) be amended to remove section 6(5) in its entirety;

"AND BE IT FURTHER RESOLVED THAT the Marine Conservation Law (2003 Revision) be amended to add "chitons, periwinkles and bleeding teeth" to Section 18 (1);

"AND BE IT FURTHER RESOLVED THAT the license for the above be granted to Caymanian Craft persons only, at a nominal charge.

I am happy to move such a Motion.

The Speaker: Is there a seconder?

The Fourth Elected Member for West Bay.

Mr. Cline A. Glidden, Jr.: Thank you, Mr. Speaker. I beg to second the Motion.

The Speaker: The question is: "**BE IT THEREFORE RESOLVED THAT the Marine Conservation Law (2003 Revision) be amended to remove section 6(5) in its entirety;**

"AND BE IT FURTHER RESOLVED THAT the Marine Conservation Law (2003 Revision) be amended to add "chitons, periwinkles and bleeding teeth" to Section 18 (1);

"AND BE IT FURTHER RESOLVED THAT the license for the above be granted to Caymanian Craft persons only, at a nominal charge."

The Motion is open for debate. Does the Member moving the Motion wish to speak thereto?

Mr. Lyndon L. Martin: Thank you, Mr. Speaker.

It has been noted by many that the Cayman Islands lack in locally made crafts. I recently had the opportunity to visit and converse with one such craftsperson here in Grand Cayman, and several in Cayman Brac. I was quite impressed with the capabilities, locally, to produce craft. Mr. Chester Watler, here in Grand Cayman, has proven that out of local products—out of local wood—much can be done. In my constituency of Cayman Brac and Little Cayman, the owners of Nim Things and many others, who have recently portrayed their craft work, and their potential, at the National Gallery showcase in the Brac have led me to be convinced, happily, that we have great potential in the Cayman Islands to do a lot more than we are doing in the form of craft work for the tourism industry. The industry is fantastic. It brings a lot of people, and it brings foreign exchange, but that is only enhanced and truly impacted if we produce things locally that will end up with that foreign exchange going into the hands of our Caymanians.

Recent amendments to the Marine Conservation Law (2003 Revision) have placed the three items that are contained in this Motion—chitons, periwinkles and bleeding teeth—under section 6, which deals with prohibited items. There is another section of the Marine Conservation Law (2003 Revision) section 18, the licensing section, where individuals can be licensed

and still provide a type of control, and still aim to achieve what we recognise the need to conserve and preserve—the marine life—for future generations.

It is amazing the type of products that our craftspeople can make using chitons, periwinkles and bleeding teeth. I saw a set of earrings and a necklace made from chitons—what we call 'sea beef'—out of which I never thought anything could be made. I was quite impressed and quite stunned at the beauty of these items.

What has made the situation even more difficult for the craftspeople is a particular section of the Law. Section 6(5) not only charges the individual who removes these items from the marine environment, but it actually reads as follows: **"6(5) Any person who takes from Cayman waters or receives or has in his possession any – (a) chitons (b) periwinkles; or (c) bleeding teeth, taken from the Cayman Islands waters is guilty of an offence."**

Mr. Speaker, an offence under the Marine Conservation Law (2003 Revision) carries with it a fine of up to $500,000. Therefore, the craftspeople have found that they cannot, themselves, sell these products, even from stock that they have already had. The traditional vendors, such as the National Museum, cannot buy them anymore, because they would be guilty of an offence to have them within their possession.

Mr. Speaker, chitons (for the sake of this debate, I will refer to them as they are locally known: *'sea beef')* are items that are in plenty of supply. It is an item that we have never used as a mainstay, but now we have crafts persons who have found a productive use that is in high demand. The one craftsperson in Cayman Brac who utilises this product told me of the many people who keep coming back each year requesting another item made from the chiton. However, he is not in the position now to fulfil their orders, because it will put him in violation of this particular section of the Marine Conservation Law (2003 Revision).

The use of periwinkles and bleeding teeth is commonly known throughout the craft industry, and many craftspeople have been affected on all three Islands. The recent effort of one of our Caymanians from the district of West Bay, Mr. Shaun Smith, as well as another Caymanian entrepreneur who has launched Joe Tourist, has given a market for local craftspeople to tap into the ever-growing cruise ship industry.

The National Museum has provided a great opportunity for crafts persons to demonstrate and display their items and when such items as bleeding teeth periwinkles or sea beef are used, it adds nicely to the visit of the individual who purchases them, because it has a story to be told. They are not only taking back a beautiful necklace, but they are taking back part of Cayman. Over a year ago I purchased from one of the craftspeople in the Brac a Caymanite necktie pin. Every time I wear that pin, I always boast that I am walking with a piece of the rock from Cayman Brac. Mr. Speaker, the visitors to our shores who leave with these locally made craft items that are Caymanian—Caymanian—will leave with the sound of Cayman; the smell of Cayman; the feel of Cayman; and a piece of Cayman with them. We need to encourage such craftspeople to utilise their God-given skills, and combine those with the God-given resources in Cayman to make local craft.

Mr. Speaker, this Government, the United Democratic Party Government, has done more for marine conservation, during our term, than has been done in many years. We have demonstrated that we strongly believe in the preservation of our marine life. The Leader of Government Business, the Minister of Tourism, Environment and Commerce, has led the charge, and has demonstrated that we are strong about protecting the marine environment. However, it is always necessary to have a comfortable balance between protection of the environment and the preservation of our culture and tradition, and what has made us Cayman.

I am pleased to be sponsoring two Motions here today. This is the first, and there will be a second one coming later, both aimed at trying to develop that balance—developing a balance in preserving the environment that will still be strong on preservation, but will allow our Caymanians to continue to benefit from the crafts that they have learnt, the skills that they have learnt, and the products that they have learnt to manipulate and make into attractive sellable items.

So often, we hear complaints about products bought in Cayman, and when you look at the back of them, they are made in China or somewhere else. I am hopeful that this Honourable Legislative Assembly in its entirety, from both sides of the aisle, will see fit to give encouragement and motivation to these craftspeople, to show our understanding of the plight that they face on a daily basis. It is not easy, especially in a constituency such as Cayman Brac and Little Cayman, where you do not have the type of volume that you normally have. These people take on these tasks—some out of their own homes, some out of their garages, and some from buildings on the side—all in pursuit of improving the product that we promote in the Cayman Islands.

Mr. Speaker, I would like to dwell on Cayman Brac and Little Cayman, because it is from there that my motivation for this Motion comes. As you and this Honourable House in its entirety will be aware, there are many initiatives on the way, under the leadership of the Minister of Tourism; the new Minister of District Administration; the previous Minister of District Administration (now the Minister of Health); and previously you, yourself, when you were Minister of Planning. Mr. Speaker, these initiatives are geared toward developing the industry that we have as our solar—as our only—pillar, in our economy: the Tourism product. We look at trying to benefit from some of the 2 million tourists who come to these shores via cruise ships,

we look at promoting Cayman Brac and Little Cayman to attract more stay-over visitors, and we look at improving air service to the Brac to facilitate better air lift to Cayman Brac and Little Cayman, to improve the attractiveness and accessibility of these Islands.

Mr. Speaker, it is good to bring people to the Islands, but we must ensure that once we bring them, we have proper infrastructure in place to accommodate them and meet their demands for visiting a tourist destination—such as souvenirs and locally made crafts. I am not in the industry, so I cannot attest to this, but I have been told by many that a commonly asked question when visiting the Cayman Islands is: Where is your craft market; where can we buy local crafts?

As we know, there are efforts on the way to develop the local craft market here in George Town. I spoke yesterday with a gentleman from West Bay who is pioneering this initiative, and he commented on how often the visitors ask for local crafts. That is the same situation in the constituency of Cayman Brac and Little Cayman.

Mr. Speaker, we must seek every way possible to meet that balance of protecting the marine environment, but allowing opportunities for our local people to develop crafts and utilise the products. The amendment that this Motion seeks allows that balance to occur. It removes it from the prohibited section 6(5), and still provides protection to these three items by protecting them under section 18(1), which is only accessible to those who are licensed by the Marine Conservation Board. The Motion even tightens it by asking for those licences to be restricted to Caymanian craftspeople. Mr. Speaker, as legislators, we are all aware that the reasons—the impetus—for the protection of these items was not about Caymanians. It was not about Caymanians removing these items for their own personal consumption.

Mr. Speaker, this amendment allows us to protect these species in our waters by allowing them to be fished or removed only by individuals licensed by the Marine Conservation Board. I would like to stress, for the sake of *Hansard* and the minutes of this Legislative Assembly, that these individuals are not becoming rich from local crafts. They are seeking to utilise their own skills. They are doing it out of pleasure, as a hobby, but they are not making any large sums of money. Under proper accounting systems, if they really accounted for and gave appropriate value to the time they put into these crafts, they would never be covering their costs.

I would like to stress that the fee that will be determined as a charge for the licence should be a nominal amount, such as $1, simply to facilitate that there is a process in place for licensing. It should not be set at a rate that prohibits individuals from achieving such a licence.

Mr. Speaker, I have presented to this House my motivation and my understanding of the Motion as the end result, if it is accepted by this Honourable House. I have presented to this Honourable Legislative Assembly the reasons why I think we should support this Motion. We all understand the time factors involved in our agenda for this week and next week, and the magnitude of work ahead of us, so I will not occupy any more time. I invite all Honourable Members to support this Motion. This Motion is good for our Caymanian people. It is not deliberately scheduled to be only for Cayman Brac. It is something that affects us all, because all craftspeople, on all Islands, utilise periwinkles and bleeding teeth in their craftwork.

Chitons are something probably unique to Cayman Brac, and for that I give a special plug. The use of chitons in crafts is a unique product for one location in Cayman Brac, and I give a special plug to anyone who would really like to see that product. It is a truly beautiful craft item, once properly polished.

Mr. Speaker, I now resume my seat. I invite this Honourable Legislative Assembly to support this Motion that has been moved. I thank the Fourth Elected Member for West Bay for seconding this Motion.

Thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you, Mr. Speaker. Motion No. 7/03, brought by the Second Elected Member for Cayman Brac and Little Cayman, is a motion that the Opposition can support. I have personally had occasion to talk to some of the individuals in that local craft industry regarding the desired accessibility of the items listed in the Motion. I too have seen the end product, and I have to admit that, as local craft, it certainly is an art unto itself. The end product is one that I am sure the tourists will be enticed to purchase, so without a shadow of a doubt, the few people who deal with these items, and make the various products that are local crafts for sale, certainly need to be encouraged in that area.

There are just a few observations—some minor—that should be taken on board. We agree that a nominal fee should be attached to the licence itself. When we speak to fish pot licences, the cost is $10 a year or something like that. While the users of fish pots are not craftspeople, it is part of the culture. So that there is no discrepancy or disparity in it, perhaps, we should bear in mind that situation, so that there are no complaints about what one costs and what the other does not cost.

The second observation we have made, Mr. Speaker (I am sure that everyone here, and the Department concerned, is cognisant of the fact), is that one of the major reasons these items were originally listed in section 6 of the Law as protected species was because it was the thought by the Department, as expressed to us, that such items were being taken without any regard at all for their ability to procreate and to

proliferate their existence—meaning that their numbers were noticeably diminishing. Although it is not an item that I would have expected to see in the Motion itself, I think that when we speak to these licences, it is good to express, on record, that in dealing with these licences there has to be some mechanism by which applicants can prove they are indeed what they purport themselves to be—that is, dealing with the arts and crafts. It is not impossible for there to be some market developed for someone simply to gather them.

Mr. Speaker, there is another situation that is not impossible: We might get to a situation where some people simply gather and some people purchase to do the craft. That in itself is not necessarily something that is wrong. We need to be careful, in how it is developed, that the licences are issued and we are pretty safe with regard to being able to ensure that there is truth to the applications.

The other observation is: We would hope that periodically, the department responsible—the Department of Environment—would be able to do monitoring checks to ensure that stocks are not depleting noticeably, because those who are involved now are satisfied that the stocks are plentiful, and that there is enough for them to use in their arts and crafts and still allow the remainder to be prolific and not be depleted, I think we would want some mechanism to ensure that regular observations are made. It would serve them no purpose to have feast and famine, not realise what was happening and, after a short period of time, find that the stocks of these items are diminishing radically.

Those are observations, which we think need to be noted to ensure that these chitons, periwinkles and bleeding teeth—these three items in the Motion—can continue to be prolific, and that they abound throughout the various locations in the three Islands, as we now have them.

Mr. Speaker, since the Law itself came, there have been other observations made. Perhaps this Motion itself is not exactly the appropriate time, but there are a few other areas of the Law itself (similar to this one) that we believe might need some examination. We will deal with them at another time. I think it is fair comment to say that, with the best intentions in the world, after laws are made and they have safe passage through this legislature, it is only then, sometimes, that one realises their effect in certain areas. Therefore, you have to do what is being done now, which is quite fair. Perhaps in the near future, we might be able to look at a few other areas that may need attention.

Mr. Speaker, in summary, the Opposition is quite happy to support the Motion. We certainly look forward to seeing those individuals involved in the local crafts having the opportunity to harvest these items that they need, so that they can continue to produce the beautiful crafts that they make. I think that enough has been said, and we should move on. Finally, we are indeed happy that we can find commonality in a Motion of this nature.

Thank you.

The Speaker: Does any other Member wish to speak? The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, thank you very much. I will be very brief, and say that we agree with the resolution the Second Elected Member for Cayman Brac has discussed with the Department and the Ministry. In fact, I had quite a bit of discussion with the Department, and the Member took on our concerns and the recommendations from the Director of the Department. I would like to thank them for working with us on this matter, as I know that both Members from Cayman Brac had recommendations from their constituency in regard to this matter.

Regarding those things in the Law being monitored at a point: Mr. Speaker, these things are being monitored and that is why they were included in the Law in the first instance. The Department will continue to do that. I say no more, Mr. Speaker, but to say that we will work with the Members in order to assist these people who work in this area of local arts and crafts.

The Speaker: Does any other Member wish to speak?

The Honourable Minister of Planning.

Hon. Juliana Y. O'Connor-Connolly: Thank you, Mr. Speaker. I rise to render very brief remarks in support of my colleague, the Second Elected Member for Cayman Brac, on Private Member's Motion No. 07/03.

I realise that it was against the background of the intent for environmental—in particular, marine—conservation that this legislation was brought. However, seeing that at the time, I was in the Speaker's position, I did not have an opportunity to go on record as to my position. Needless to say, I am in full support of the balancing exercise, and would wish to congratulate the Honourable Leader of Government Business for his initiative in this regard, which has been recognised not only locally, but in the UK as well.

I would, however, wish to say that when one looks at the General Penalties section, under Offences and Penalties, as found in section 30—and with your permission, I would just wish to read it to get the background—it says: **"Whoever contravenes this Law or any regulations made hereunder is guilty of an offence and liable on summary conviction to a fine of five hundred thousand dollars and to imprisonment for twelve months and in addition thereto the court so convicting may order the confiscation of any vessel or equipment that it is satisfied has been used for the purpose of committing or facilitating the commission of such offence or was intended to be used for such purpose."**

I read that, Mr. Speaker, because at a meeting we held in Spot Bay, where we dealt with various constituency matters, this section was brought to the attention of our constituency as a part of an information-sharing exercise that the responsible representatives carried out. It became very clear, shortly thereafter, that there are constituencies that have become very innovative in the craft area, and use chitons, periwinkles and bleeding teeth for their livelihood.

One gentleman in particular, Mr. Tenson Scott, at Nim Things, has been given the God-gifted talent of making some extremely nice crafts, which have been getting the attraction of the local persons from Cayman Brac as well as Grand Cayman, but in particular from the tourists who come from time to time to our shores. He was very much in fear (for the want of better terminology) that he would be faced with a maximum fine of $500,000, or probably imprisonment, and made representation to my colleague as well, and perhaps to other Honourable Members here in this House. Therefore, it is a delight to see that there is going to be support from both sides of the House in this regard.

This may seem like a non-priority issue, when compared to the other financial and perhaps more complex matters. However, seeing that this is a matter that relates to the livelihood of one of our local constituents, and perhaps some others in Grand Cayman, of whom I am not cognisant, I encourage the persons responsible for legislative drafting to give this issue a high degree of priority. Not only does the gentleman in Cayman Brac have stock in his craft that he should not be having at this time, but it also prevents his return. It places him between a rock and a hard place. I am grateful that the Honourable Leader of Government Business has taken cognisance of the fact that in the rebalancing exercise, this is something that can be put under the licensing department, as opposed to the prohibitions section of the Marine Conservation Law 2003 Revision).

Mr. Speaker, I would also like to say that at the time of drafting, which I trust will be in the eminent future—perhaps at a more appropriate time—my colleague and I could also have an opportunity to sit down with this side, and perhaps the other side of the House, for some other sections that are also having some detrimental effects to our constituency in particular, with a view to clarifying those as soon as possible.

I thank you for your indulgence, and I look forward to recording my support to this Motion.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? If not, does the Mover wish to exercise his right of reply?

Mr. Lyndon L. Martin: Certainly, Mr. Speaker. Days like today regain my confidence in the legislative system of this country. As the Honourable Leader of the Opposition pointed out, at the time of passing laws, it is with all good intention, but many times it is only afterwards that we identify certain shortfalls, or certain coverage, that was never intended. It is always good that once we, as legislators, find those (once our constituents voice them, they have merit), we review them and we come back to the Legislative Assembly bringing appropriate changes, and both sides of the House support those changes.

Mr. Speaker, I listened quite carefully to the comments of the Leader of the Opposition on behalf of the Opposition Members, and I do think that the point in regard to the $10 per year license fee, to make it parallel and comparative to that of the fish pot, has significant merit. For those determining the appropriate fee through regulation, I would urge that cognisance be paid to that fee, and to the need to have some form of parity between the licences charged.

The Honourable Leader of the Opposition also mentioned the need to have some control, to ensure that those who were being licensed to remove these species from the marine life were actually using them for the intended purpose of craft. I would also submit that these individuals would be covered under Trade and Business Licenses for that particular item, which would be used for the qualifying criteria for the grant of the licence.

Mr. Speaker, I would like to thank the Leader of Government Business—the Minister of Tourism and Environment—for exercising his duty in representing tourism, as well as representing the environment, and bringing that balance together in the form of accepting this Motion on behalf of the Government. The Leader of Government Business has always demonstrated a true interest in working with the people of the constituency that my colleague and I represent, Cayman Brac and Little Cayman. He, too, has heard the representation made on this subject, as he has had representation made to him at a public meeting in the Brac as well as privately. I think it says much about the United Democratic Party, and its leader, that he has seen fit to accept this Motion.

Mr. Speaker, I would also like to thank my colleague, the First Elected Member for Cayman Brac and Little Cayman, for verbalising her support for this Motion, which we both know affects our constituents directly. We look forward to its safe passage, and to the votes being cast from both sides of this House in support of this Motion.

Thank you, Mr. Speaker.

The Speaker: The question is: **BE IT THEREFORE RESOLVED THAT the Marine Conservation Law (2003 Revision) be amended to remove section 6 (5) in its entirety;**

"AND BE IT FURTHER RESOLVED THAT the Marine Conservation Law (2003 Revision) be amended to add "chitons, periwinkles and bleeding teeth" to Section 18 (1);

"AND BE IT FURTHER RESOLVED THAT the license for the above be granted to Caymanian Craft persons only, at a nominal charge.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Private Member's Motion No. 7/03 passed.

PRIVATE MEMBER'S MOTION NO. 8/03

The Protection of Diadema Antillarium Urchins

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

Mr. Lyndon L. Martin: Thank you, Mr. Speaker. Private Member's Motion No.08/03, entitled The Protection of Diadema Antillarium Urchins, reads as follows:

"WHEREAS the Cayman Islands witnessed the near extinction of the Diadema antillarium urchin (long spine black sea urchins) in the 1980s;

"AND WHEREAS the population of the Diadema antillarium urchin has seen some resurgence in recent time, but the stock is still in need of protection;

"AND WHEREAS the Marine Conservation Law (2003 Revision) prohibits the taking and possession of any urchins; and

"BE IT THEREFORE RESOLVED THAT Section 18 (2) (c) of the Marine Conservation Law (2003 Revision) be amended to make an exception for the collection of the black short-spine rock-boring urchins (Echinometra lacunter) for use as bait for line fishing."

I am happy to move such a Motion.

The Speaker: Is there a seconder?

The Fourth Elected Member for West Bay.

Mr. Cline A. Glidden, Jr.: Thank you, Mr. Speaker. It gives me a great privilege to be able to second that Motion.

The Speaker: The question is: "**BE IT THEREFORE RESOLVED THAT Section 18 (2) (c) of the Marine Conservation Law (2003 Revision) be amended to make an exception for the collection of the black short-spine rock-boring urchins (Echinometra lacunter) for use as bait for line fishing."**

The Motion is open for debate. Does any Member wish to speak? The Second Elected Member for Cayman Brac and Little Cayman.

Mr. Lyndon L. Martin: Thank you, Mr. Speaker.

Earlier this morning, the Leader of the Opposition referred to my inability to understand the Queen's English. I have just challenged my ability to speak Latin, and a little bit of the Queen's English. For the sake of this presentation, however, I will use terms with which we are more familiar: sea eggs, or more appropriately, the long-spine sea eggs, versus the short-spine sea eggs.

Mr. Speaker, again, as mentioned earlier, this particular Motion aims at a cultural tradition. In the constituency of Cayman Brac and Little Cayman, we have individuals—in Grand Cayman also, I am sure, especially in the district of East End, and perhaps in West Bay—who swear by the use of the short-spine sea egg as an instrument to assist them in catching their fish. They will tell you that with that particular bait they can give you a guarantee that they will catch that day. Without that bait, they cannot give such a guarantee. I do not proclaim to be a fisherman, and for the limited fishing that I do, my bait is the soldier crab. I have seen the effectiveness of this particular bait.

Currently, the Marine Conservation Law (2003 Revision) prohibits, under section 18(2)(c), the removal of any echinoderms. Sea eggs fall within that particular family. Mr. Speaker, that particular section captures much more than sea eggs and sea urchins; we need to preserve the protection of things such as starfish. However, both the long-spine and the short-spine sea eggs have seen a great resurgence, especially in Cayman Brac. The short-spine, which was never under threat, appears everywhere. A constituent has taken photos; I have some, but not here today. I will be happy to share with the Members the abundance of the short-spine sea eggs in Cayman Brac.

This Motion seeks one simple thing, and that is to allow our fishermen to use the short-spine sea eggs for the purpose of bait for fishing. Again, it seeks that balance between the protection of the marine environment and the preservation of a tradition, and to achieve that balance in a way that does not open up this particular species to unhindered abuse. The Motion prescribes that it would be allowed for the use of bait for line-fishing.

From an enforcement perspective, this gives it some teeth, because the enforcement officers would be able to make judgments as to quantity. Given the fact that it is an individual going line-fishing, he would be able to make assessments based on the individual. If someone is seen with those items, and is known to be a fisherman, he can then argue that he is using them in accordance with the amended law, for bait for line-fishing. If they are in the possession of someone who is not a fisherman, and who is not, at the same time, walking with line in hand to go fishing, it allows for easier enforcement.

Mr. Speaker, I truly agree with the necessity to protect all of our marine life. I believe we still need to keep strong, stringent requirements on the long-spine sea egg, because the population has not rebounded to its normal level. However, the short-spine sea egg, which has not been noted by those who do

the research as being under threat, was not part of the red tide that affected the long-spine sea egg.

Mr. Speaker, I am seeking that this Honourable Legislative Assembly once more observe the fact that we have legislated in such a manner that our Caymanians are feeling the pinch—our Caymanians, of whom I am proud. The particular individual mentioned by the First Elected Member for Cayman Brac and Little Cayman, Mr. Tenson Scott, did not come and say, "It is ludicrous; take it out". He said, "I understand the intent, and I am not asking for the complete removal of that particular section; I am asking to amend it in a manner that allows me to use them for fishing bait". Mr. Speaker, it is applaudable when a constituent comes to you with a constructive observation, explaining that he understands the intention, the impetus and the reasoning, but is seeking, within the protection of the marine environment, that some scope is given so that he can continue what has been a tradition.

Mr. Speaker, individuals such as Mr. Tenson partake in our tourist industry actively, full-time, participating not only as craftspeople, but also as fishing guides, who like to know that, when groups come, they can be reasonably assured that they will go home with a catch.

Mr. Speaker, Mr. Tenson has proven that this particular bait is a very effective one. For many years, he has developed his technique, his locations and the use of this particular bait. This amendment allows him and others like him to continue their tradition. I am hopeful that this Honourable Legislative Assembly will see fit to give support for this also. I sense, to a great degree, an air of co-operation in this Parliament—this evening, especially. I hope that we can continue in such spirit. There is very little more that I can add, but for the sake of clarity, I wish to explain the exact intention of this Motion. It seeks to differentiate between the long-spine sea urchin and the short-spine sea urchin. It seeks to allow for the use of the short-spine sea egg for bait for line-fishing.

[Inaudible interjection]

Mr. Lyndon L. Martin: Mr. Speaker, a point has been made, and I would like to dwell upon it a little. We must remember that there are other sections of the Marine Conservation Law (2003 Revision) that limit line-fishing—fishing from the shore, which is where this particular bait would normally be used—to Caymanians, or to those who are licensed to fish. In terms that we all understand, sea eggs are used to catch squabs for us. Line-fishing from the shore would be limited to Caymanians, or those who are licensed. We have already taken initiatives in the licensing procedure to make sure that the fees are set in such a way that they are prohibitive to a certain degree, but will at least deter many people from acquiring such a licence.

Mr. Speaker, I think it is a true concern, and it is one over which I deliberated, in putting this Motion together. However, in consultation with those in enforcement, I have been convinced that, worded as it is, and with the other protection that line-fishing from the shore is limited to Caymanians, we would come to the same conclusion: that this would be used predominantly by Caymanians for the purpose of line fishing. It should clearly be understood that there are not many—not even many Caymanians—who use the short-spine sea egg for fishing. It is only those who have developed that method over the years. In fact, when I spoke to the fisherman in Cayman Brac, he mentioned that there were three individuals in Cayman Brac who utilise the sea egg as bait for fishing.

I say that only to put into perspective the numbers about which we are talking, because it is not the easiest bait to acquire. In our constituency, Cayman Brac, we still have the great availability of the soldier crab. It is much easier to search for the soldier crab than to go on the shore and remove the sea egg, which has to then be carried in a sensitive and very delicate manner to your location. It is not an easy task to split the sea egg to remove the very small portion on the inside that is used for bait. This demonstrates the very nature of the way this product protects itself—it is not going to be overused. We are proposing that provision be made within the Law to allow this handful of individuals to continue their tradition, and to ensure that those who utilise them for tour guides will have a happy, productive experience.

I would also like to add a point of interest, Mr. Speaker. The fisherman of Cayman Brac mentioned to me that when he goes fishing with the short-spine sea egg, he will normally tell the individuals, "You do not have to pay me; I will just go with you". At the end of the day, they are so happy with their experience that their tip is greater than what he would have charged originally.

Therefore, Mr. Speaker, I present my case on this Motion. It is not a motion that is going to determine whether the Cayman Islands are a success or not; it is not a motion that is going to determine the survival of our species. It is a motion that will affect a few very important members of our community. I ask this Honourable Legislative Assembly to give its unified support to this much-needed amendment to the Marine Conservation Law (2003 Revision).

The Speaker: Does any other Member wish to speak?

The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker. I rise on behalf of the Opposition to support this Motion. However, that is not all I have to say. I am an avid fisherman, but I am not a scientist, so I will refer to these creatures as black and white sea eggs. I think the Second Elected Member for Cayman Brac mentioned the red tide that wiped out most of the sea ur-

chins in the country. I believe it was sometime during the mid- to latter part of the 1970s that that happened in Cayman. It is true that in recent times, there has been a resurgence of both types: the long-spine and the short-spine sea urchin; in East End they are in abundance.

Mr. Speaker, I believe the records will reflect that I was the person who brought to the attention of this Honourable House the way these urchins were being destroyed in East End. I think that was when the amendments to the Marine Conservation Law (2002 Revision) were being piloted through the House, earlier in 2002. At the time, I brought it to the attention of the Honourable House because we had nationalities other than Caymanians who were eating these things. I had had a number of representations that constituents in East End had seen these different nationalities coming out of the sea with buckets full of these short-spine urchins.

At that time, we were amending the Marine Conservation Law (2002 Revision) and proposing a seasonal ban on conchs as well. I told the Government in this Honourable House at that time that we were going to put undue pressure on some of the fishermen in East End.

Earlier today, in another Motion, the Leader of Government Business, the Leader of the Opposition and the Second Elected Member for Cayman Brac talked about how it is good for us when we legislate laws and see the mistakes, or the omissions, thereafter, and come back and do something about them. At that time, I spoke quite passionately about the number of East Enders who rely, almost exclusively, on fishing as a livelihood, and I can name them, as can the Second Elected Member for Cayman Brac: people like Mr. Benjamin Scott, who is in his 60s (Mr. Speaker, I think you know about whom I am speaking); Mr. Turo Bodden, who is over 80; Jerlo Rankine and Nelson Christian. Mr. Nelson is retired; however he still goes fishing. For people such as Mr. Turo Bodden and his wife, their only means of livelihood is fishing. This man is one of the old, traditional Caymanians, God bless his soul, and his brother-in-law, Mr. Standford Rankine (who recently passed away) was another. These people rely entirely on fishing, and they will attest, as the Second Elected Member for Cayman Brac said, that they are not going to get a particular fish unless they use particular bait. The same way the Members of the Cayman Brac and Little Cayman constituency swear by the little short-spine sea urchin, the people in East End swear by the conch bait.

Mr. Speaker, I believe that this is another opportunity—like the one for which the two Elected Members for Cayman Brac and Little Cayman are calling in this Honourable House—to assist with maintaining and supporting a culture that is dying, by making certain exceptions for certain individuals in the community to maintain it.

We recently passed another Motion concerning Bleeding Teeth, et cetera, and I supported that, Mr. Speaker. I think this is timely. I decided to speak early, in case the Government, whenever they speak to accept this Motion or not (I suspect it will be the Leader of Government Business) should indicate that they will be receptive to doing the same for fishing with conchs.

People, such as those I named, support the protection of the marine environment. They support their families by fishing. Their families are not that big because their children have moved on, but the husband and wife still go fishing, and that is how they live. There is no crime in that, Mr. Speaker. Then, when the snapper season is on, they need conch to catch snappers. Mr. Turo is out to sea all night, all by himself. This man is in his little 14 foot boat, all night, as are Benjamin and Jerlo. They might relax during the day, but at night they are out fishing.

They are not going to the Eastern Sound to take boatloads of conch; they would never be caught doing that. Occasionally, they need five or six conchs when they go out fishing all day. I think it is only fair, and only reasonable. If the Government is not mindful to make amendments now then perhaps it will be necessary to bring an amendment to the Motion. I am wondering how receptive the Government would be if I were to bring in a similar Motion for conchs. I know that the Marine Conservation Board has some authority to lift the ban on conchs at certain times. However, I am sure that the people in the East End and Cayman Brac constituencies, even if they had to be licensed for $10 as with the other licence for the removal of chitons and bleeding teeth, I am sure they would gladly pay that—even one of their children would pay that for them. Another person we find in East End is Pancho Forbes, who fishes for a living, and is retired now.

In the interests of time, Mr. Speaker, I am wondering whether the Government would be supportive of that. We support the Motion that is currently before us. I simply have some concerns that it does not get out of hand because, Mr. Speaker, just as there is only a little piece in there to be used for bait, there is not much to be eaten, and there are more people here who will eat them than fish with them.

Suspension of Standing Order 10(2)

The Speaker: I would like to mention that we have reached the hour of 4.30 pm. I know that certain Members have told me they have an engagement at 5 pm, and that they would wish to leave at 4.30 pm. However, if it would take only a few more minutes to conclude this Motion, perhaps we could ask the Leader of Government Business if he would suspend Standing Order 10(2) so that we can continue until this Motion is completed.

Hon. W. McKeeva Bush: Mr. Speaker, as we propose to finish this Motion in the next couple of min-

utes, I would ask for the suspension of the relevant Standing Order 10(2) to continue after 4:30 pm.

The Speaker: The question is that Standing Order 10(2) be suspended so that the proceedings can continue beyond the hour of 4:30 pm.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 10(2) suspended to allow proceedings to continue beyond 4.30 pm.

The Speaker: Please continue, Honourable Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker. I am not going to be very long.

Mr. Speaker, as I was saying, we support the Motion, but when we took the interruption to extend the time, I was saying there are many people in this country— not Caymanians—who eat these things, and consider them staple food or delicacies. I do not know what they are, but they certainly take them in large quantities if given the opportunity. Therefore, we have to be careful who we license to take them for fishing, because it could be abused. In regard to the people in Cayman using it for fishing, whether it is from shore or from boats, the Opposition have no problems with that.

Therefore, I respectfully ask the Government to respond to my queries as to how receptive they would be to doing a similar thing for the taking of conchs for fishing. Thank you.

The Speaker: Does any other Member wish to speak?

The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, I listened to what both Members said and I know, as I said earlier, that the Members for Cayman Brac and the Member moving the Motion had discussions with the Department of Environment. Our concerns were addressed, and we found a way in which we could help these people who are doing local crafts. In the interests of building local crafts, we acceded to that request. The sea-urchin matter is one that we have to be careful with, because it does some assistance to the environment, of course. Everything is put there for a reason. Again, however, the Department of Environment has worked with them on this matter. Therefore, I can give my concurrence with it.

Regarding the matters raised by the Member for East End, Mr. Speaker, we were trying to stop the depletion of conch. I am not saying that one or two fishermen will cause the depletion. However, if we open it up, it is going to be for everybody—unless they are expecting me to say in a regulation that Mr. ABC is permitted to do this, and Mr. EFG is also permitted, but no one else. I do not know how else it could be done. I do not know if I can make regulations naming people; I do not think that is permitted. If there is any other way in which I could help, I would try. However, the depletion of conch is something that we are trying to stop. I know that since we did that (although I was criticised for it), reports are that things are beginning to look better for the marine life. I would like to try to help everybody but you cannot do that. I have not talked to the Department of Environment, so I cannot give a definitive answer at this point. Thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? If not, does the Mover wish to exercise his right of reply?

Mr. Lyndon L. Martin: Thank you, Mr. Speaker. I have listened to the comments made by the Opposition. I have also listened to the acceptance of the Motion by the Honourable Leader of Government Business. I am very pleased to learn that the Opposition will be supporting the Motion and that the Government will be accepting. This is a motion that has come forward under my signature. It was seconded by the Fourth Elected Member for West Bay, for which I am grateful, but it has been jointly put forward by the two representatives of Cayman Brac: the Honourable First Elected Member for Cayman Brac and Little Cayman, and me. We have listened to the concerns expressed by the constituents that we are elected to represent; we have brought the necessary amendment to the Marine Conservation Law (2003 Revision), and it would appear that such amendment will be passed. I am happy to have participated, and I would like to thank my colleague, the First Elected Member Cayman Brac and Little Cayman, for her assistance in bringing this Motion forward. I now invite all Honourable Members to support this Motion through their affirmative vote. Thank you.

The Speaker: The question is: "**BE IT THEREFORE RESOLVED THAT Section 18 (2) (c) of the Marine Conservation Law (2003 Revision) be amended to make an exception for the collection of the black short-spine rock-boring urchins (Echinometra lacunter) for use as bait for line fishing."**

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Private Member's Motion No. 8/03 passed.

ADJOURNMENT

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, before I move the adjournment, I would like to remind those members of the Business Committee to be aware of the meeting afterwards.

Also, Mr. Speaker, I do not think we will begin tomorrow at 10 am, as there is a Cabinet meeting in the morning. To be on the safe side, let us come back at 2.30 pm tomorrow.

Let me also say that in looking at the other business we have left, and looking at the commitments that Members and Ministers of Cabinet have—in particular, in dealing with Immigration Bill, which we want passed before the end of the year, for reasons everybody knows—we might have to work until 8 pm and later some nights, until 22 December 2003.

Mr. Speaker, accordingly, we move the adjournment of the House until 2.30 pm tomorrow.

The Speaker: The question is that this House do now adjourn until Friday 28 November 2003 at 2.30 pm.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 4.38 pm the House stood adjourned until Friday, 28 November 2003, at 2.30 pm.

OFFICIAL HANSARD REPORT
FRIDAY
28 NOVEMBER 2003
2.58 PM

Eighth Sitting

The Speaker: I invite the Third Elected Member for West Bay to grace us with prayers.

PRAYERS

Capt. A. Eugene Ebanks: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together:

Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.

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

The Speaker: Please be seated.

Proceedings resumed at 3:01 pm

The Speaker: Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

The Speaker: I have received no apologies for absence or late attendance from Honourable Members.

PRESENTATION OF PAPERS AND OF REPORTS

Annual Economic Report 2002

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

Hon. George A. McCarthy: Mr. Speaker, I beg to lay upon the Table of this Honourable House the Annual Economic Report for the year 2002.

The Speaker: So ordered. Would the Honourable Member wish to speak thereto?

Hon. George A. McCarthy: Mr. Speaker, when I have laid the Economic Report for June 2003, since the three of them are connected, I will just make one statement in regards to the three Reports.

The Economic Report January – March 2003 and The Economic Report January – June 2003

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I beg to lay upon the Table of this Honourable House the Annual Economic Reports for the quarters January-March 2003, and January-June 2003.

The Speaker: So ordered.

Would the Honourable Member wish to speak thereto?

Hon. George A. McCarthy: Thank you, Mr. Speaker. As these Reports are connected, I am quite happy to table before this Honourable House the three Reports, as I have mentioned. There are three Reports: the first one is for the year ending 31 December 2002; the second one is for the quarter January-March 2003; and the third is for the half-year ending 30 June 2003. The Annual Economic Report for 2002 is the first such report in many years. The January-June 2003 Report reflects our adjustment to the new fiscal year.

Annual Economic Report 2002

International Developments

Commencing with the Annual Economic Report for 2002, a review of this document will reveal that global economic growth rebounded to 3.0 per cent in 2002 from a low of 2.3 per cent in 2001. This

improvement was largely on account of an expansion in consumer spending. Fiscal and monetary easing in developed countries also provided support to the rebound.

The United States economy grew by 2.4 per cent in 2002, compared to 0.3 per cent the previous year, bolstered by vibrant housing and auto markets. Business spending, however, remained weak, and unemployment climbed from 4.8 per cent in 2001 to 5.8 per cent in 2002.

Strong growth of 6.5 per cent was seen in the developing Asian economies, namely China and India.

The Euro-area saw a slowdown from 1.4 per cent in 2001 to 0.8 per cent in 2002, while Japan recorded a growth rate of 0.3 per cent in 2002, followed by a 0.4 per cent expansion in the previous year.

Caribbean economies suffered from an overall downturn in tourism, amidst fears of another terrorist attack and a weaker United States economy. With a decline in stay-over visitors to the region, export earnings declined, unemployment increased and fiscal imbalance widened.

The Cayman Islands Economy in 2002

The Macroeconomy

1. Economic Growth: Cayman's economy grew by 1.7 per cent in 2002, compared to 0.6 per cent in the previous year. This expansion benefited from an upturn in global economic activity, following the events of 9/11, as well as an upsurge in domestic construction activity.

2. Inflation: Consumer inflation rose to 2.4 per cent in 2002, compared to 1.1 per cent in 2001. This higher rate was largely influenced by increases in the cost of medical care, which increased by 20.3 per cent, and in education (5.8 per cent). Other categories of goods and services showed modest increases.

3. Labour: As the economy improved, the unemployment rate fell, from 7.5 per cent in October 2001 to 5.7 per cent in April 2002 and 5.4 per cent in October 2002. Caymanian employment benefited greatly in the light of declining labour imports and specific 'job-matching' government programmes.

4. Merchandise Trade: The value of imports declined from $510.7 million in 2001 to $494.5 million in 2002, while exports rose from $2.4 million in 2001 to $3.0 million in 2002.

5. Money in Circulation: The value of Cayman Islands notes and coins in circulation increased slightly by 0.4 per cent, from $51.4 million in 2001 to $51.6 million in 2002.

6. Credit from Retail Banks: At the end of December 2002, net domestic credit from retail banks on the Island amounted to US$1.6 billion. Inclusive in this sum was US$1.4 billion in loans and advances to the private sector, of which credit to businesses and households amounted to US$801.9 million and US$626.5 million, respectively.

7. Government Finance: During 2002, the fiscal operations of central government resulted in an overall surplus of $18.4 million, or approximately 1.2 per cent of GDP. This surplus represented a significant reversal from the $31.2 million overall deficit recorded in 2001. Total revenue increased by 10.1 per cent to $314.1 million in 2002, as a result of revenue measures. Total expenditure declined by 6.6 per cent to $295.7 million as government curtailed both current and capital expenses.

8. Public Debt: Government debt stood at $132.1 million at the end of December 2002, down $11.4 million for the year. Disbursements amounted to $10.9 million, while principal and interest payments amounted to $22.6 million and $4.5 million, respectively. Exchange rate losses amounted to $0.3 million mainly on account of a weakening of the United States dollar against the Euro.

Sectoral Developments in 2002

Both the financial services and tourism industries showed mixed results. In contrast, there was an upsurge in activity in the construction and real estate industries. Utilities consumption did not show much variation.

1. Financial Services: Banks and trust licences fell from 545 in 2001 to 508 in 2002, while new company registrations declined from 8,456 in 2001 to 7,016 in 2002. However, the fact that there was an increase, particularly in the area of company's registration, should be noted as a positive accomplishment for the year. In this period of time, insurance licences increased from 572 to 629; mutual fund registrations rose from 3,648 to 4,285; stock exchange listings grew from 418 to 710; and new ship registrations rose from 207 to 233.

The numbers of licences and registrations can be affected by both domestic and international influences, such as merger activities; therefore, looking at the net worth of these entities provides a better indication of the viability of these sectors in the country's financial sector. In this regard, bank assets grew from $823.2 million in 2001, to $945.4 million in 2002, for an increase of 15 percent, while bank liabilities increased from $784.7 million to $856.4 million, or only 9 per cent in the same period. Insurance premiums from captives grew from $3.0 billion to $4.2 billion, up 40 per cent, between 2001 and 2002. On the other hand, stock market capitalisation on the Cayman Islands Stock Exchange declined from US$38.1 billion

in 2001 to US$36.3 billion in 2002, a reduction of 4.8 per cent.

2. Tourism: Cruise arrivals rose from 1.2 million in 2001 to 1.6 million in 2002, but the number of stay-over arrivals declined over the period, from 334,071 to 302,797. With reduced stay-over visitors, occupancy rates for hotels fell from 55.3 per cent to 50.6 per cent, and for apartments/condos, from 42.9 per cent to 40.2 per cent.

3. Real Estate: The value of real estate transfers rebounded from a seven-year low of $173.5million in 2001 to $274.0 million in 2002. Most of the increase in 2002 was for a few large, high-end properties. A number of factors accounted for the expansion of sales: a moderation in property prices, concessions on government stamp duty, a reduction in real estate agents' fees, and lower interest rates.

4. Construction: The construction industry showed signs of a recovery, with the value of planning approvals rising from $162.7 million in 2001 to $247.8 million in 2002. Most of the increase was for condos along the Seven Mile Beach area, and for commercial properties in George Town. The value of construction projects receiving building permits trebled from $108.4 million in 2001 to $335.5 million in 2002. The Ritz Carlton Hotel and Condominium Development accounted for about one-third of the value of projects receiving building permission. Other major projects included the Meridian Condominiums and the expansion of the Morritt's Grand Resort.

5. Utilities: Utilities consumption was mixed in 2002. Water consumption declined by 1.2 per cent from 1.07 billion gallons in 2001 to 1.06 billion gallons in 2002. Electricity usage grew by 4.6 per cent, moving from 407 million megawatt hours (MWH) in 2001 to 425.6 million MWH in 2002. While the number of telephone/fax minutes paid declined by 1.5 per cent from 40.3 million to 39.7 million during the same period, the number of internet lines grew by 6 per cent in the one year period.

Outlook for 2003

Mr. Speaker, the outlook for 2003 is for a modest increase in economic growth from 1.7 per cent in 2002 to 2.0 per cent in 2003. This projection assumes that the United States economy will grow by 2.3 per cent in 2003, as noted in the updated forecast in the Economic Report, January – June 2003.

At the time of the writing of the Annual Economic Report 2002, inflation was projected to increase slightly from 2.4 per cent in 2002 to 2.8 per cent in 2003. Results from the first two quarters of 2003, however, suggest that inflation will be much lower than previously anticipated – around 0.5 per cent.

Preliminary results from the Labour Force Survey showed an unemployment rate of 4.6 per cent in April 2003, lower than previously anticipated and down from 5.4 per cent in October 2002. The projected unemployment rate for 2003 has therefore been revised downward, from an average 5.6 per cent to 4.6 per cent.

Economic Report, January-March 2003

Mr. Speaker, I would now like to present a synopsis of developments during the first quarter of 2003 as presented in the Economic Report, January – March 2003.

1. Inflation**:** The *Consumer Price Index* rose by 0.2 per cent in the first quarter of 2003, compared with 2.1 per cent during the comparative period last year.

2. Financial Services: The financial services industry recorded mixed results in the first quarter of 2003. Increases were seen in mutual funds registrations, insurance company licences, and stock exchange listings. However, there were declines in the number of bank and trust licences, new companies registered, and stock market capitalisation.

I should mention, Mr. Speaker, that in the area of bank licences, this would be mainly in the area of category B licences and it is not a question of natural attrition taking place. This was as a result of a conscious decision by the Government to put in place a requirement for books and records, and physical presence, and quite a number of category B banks had difficulty in meeting and complying with these new demands. These demands, or requirements, were necessary in terms of the heightened regulatory regime, and to make sure that the Government had a sense of what these entities were doing. Therefore, some of them have opted to move to other jurisdictions where the requirements will quite likely be less stringent. Quite a number of others have complied, and it gives us a sense in terms of better management and regulation of our financial industry.

In addition, we are aware of the fact that we had increases in fees, but we found that quite a number of the entities continued to pay the increased fees without much complaint or difficulty. However, what quite a number of them did—and this was not as a result of the fee increases—was to rationalise their operations, so where they had, for example, three B licences, they collapsed those into a single licence. One or two of the category A licences were downgraded to category B licences, which were deemed to be more suitable to the operation. Hence, we still have a good book of banks on our books.

a) Mutual Funds*:* Mutual fund registrations grew by 13 per cent from 3,828 in 2002 to 4,324 in March of 2003.

b) Insurance Licenses*:* The number of insurance licences increased by 9.4 per cent: from 577 in the first quarter of 2002 to 631 in March of 2003. Captive insurance premiums also increased by 40 per cent during the corresponding period, to US$4.2 billion in 2003.

c) Stock Exchange: Stock exchange listings grew by 11.3 per cent to 717, but market capitalisation fell by 11.4 per cent to US$35.9 billion.

3. Tourism: Cruise arrivals registered a 14.7 per cent growth during the first quarter, rising from 457,090 in 2002 to 524,392 in 2003. However, air arrivals declined by 5.5 per cent from 92,531 in 2002 to 87,418 this year.

4. Real Estate: The value of property transfers rose significantly by 49.0 per cent during the first quarter, from $57.2 million in 2002 to $85.2 million in 2003. This increase was influenced by historically low interest rates, concessions by the Government, and lower property prices.

5. Construction: The value of planning approvals reached a three-year high during the first quarter, rising from $36.2 million in 2002 to $44.6 million in 2003. Building permits also saw an increase in value by 57.7 per cent, from $20.0 million in 2002 to $31.5 million in 2003.

6. Utilities: Electricity consumption was up by 2.5 per cent. Water production contracted, by 11.5 per cent, mainly on account of a decline in stay-over visitors. Paid telephone and fax minutes fell from 10.3 million during the first quarter of 2002, to 10.1 million during the first quarter of 2003, while internet lines rose in use 10.3 per cent, to 9,862 lines.

Economic Report, January - June 2003

Mr. Speaker, I would now like to provide a summary for the first half of 2003, as presented in the Economic Report, January – June 2003. As you recall, January to June 2003 represented a short fiscal year, as Government made the transition to the new July to June fiscal year.

1. Inflation: The *Consumer Price Index* rose by 0.5 per cent as of June 2003, compared with 1.9 per cent during the comparative half-year period last year.

2. Labour: Work permits in effect as of June 2003 amounted to 13,355—a 1.4 per cent decrease compared to the previous year.

3. Trade: Imports increased by 10.6 per cent to $262.9 million during the first half of 2003. This growth is significant, since the value of imports had been declining prior to 2003.

4. Financial Services: The financial services industry again posted a mixed range of results as of June 2003, when compared to June 2002. Increases were seen in mutual fund registrations, insurance company licences, and stock exchange listings. However, once again, there were declines in the number of banks and trust licences, for reasons as I mentioned earlier. There were also declines, as I mentioned earlier, in stock market capitalisation, and new companies registered.

a) Mutual Funds: Mutual fund registrations grew by 12.7 per cent to 4,522 in June 2003, compared to the previous year.

b) Insurance Licenses: The number of insurance licences increased by 9.9 per cent: from 587 at the end of June 2002 to 645 in June 2003. Captive insurance premiums also increased by 46.7 per cent during the corresponding period to US$4.4 billion.

c) Stock Exchange Listings: Stock exchange listings grew by 40 to 715, and market capitalisation fell by 1.3 per cent to US$38.9 billion.

d) Bank and Trust Licences: Bank and trust company licences stood at 477, a reduction of 49—consistent with the information I provided earlier.

e) New Company Registrations: New company registrations during the first half of 2003 amounted to 3,474 and represented a 4.9 per cent decline compared to the same period last year.

Mr. Speaker, it is to be recognised that while there has been decline in growth, growth is taking place; it is very important for this to be known, so the assumption should not be made that there is a decline in activities within the financial industry. Thus, we see that we normally have our peaks and valleys and everybody recognises the economic trends that have been occurring, especially since the year 2001.

The fact that we are having new registration of companies of this magnitude is very important to recognise.

5. Tourism: Cruise ship arrivals registered a 9.5 per cent growth between June 2002 and June 2003, rising from 849,500 in 2002 to 930,600 in 2003.

Air arrivals, however, declined by 5.1 per cent from 169,445 in June 2002 to 160,796 this year.

6. Real Estate: The value of property transfers rose considerably, by 51.4 per cent during the first half, from $111.2 million in 2002 to $168.4 million in 2003. This increase was influenced, as mentioned earlier, by historically low interest rates, competitive borrowing packages, and an extension of the stamp duty concession from 14 May - 14 November.

Suspension of Standing Order 10(2)

The Speaker: Honourable Member, I would like to interrupt you temporarily, so that we can get the suspension of Standing Orders 10(2). It is my understanding that it is the wish of Members that we continue until 5.30 pm.

Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, we propose to continue after 4.30 pm. Therefore, I move the suspension of Standing Order 10(2) to allow that to happen.

The Speaker: The question is that the Business of the House continues until 5.30 pm. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed that Standing Order 10(2) be suspended to allow proceedings to continue beyond 4.30 pm.

The Speaker: Please continue, Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I have now reached the subject of construction activity.

7. Construction: The value of planning approvals increased during the first half of this year, rising 6.8 per cent, from $105.7 million in 2002 to $112.9 million in 2003.

Building permits saw a decrease in value by 42.4 per cent, from $174.4 million in 2002 to $100.5 million in 2003. This decline was anticipated, since construction activity is well advanced on many of the notable large projects such as the Ritz Carlton Hotel and Condominiums.

8. Utilities: Electricity consumption was up by 5.4 per cent between June 2002 and June 2003.

Water production increased by 5.1 per cent in this time period.

Paid telephone and fax minutes fell from 20.5 million during the first half of 2002 to 19.4 million during the first half of 2003. Internet lines increased to 9,857, up 10.0 per cent over a one-year period.

Summary

In summary, Mr. Speaker, the global economy has been making slow but steady progress since reaching a low in 2001. The recovery appears to be broad-based, with many countries reporting better performance this year compared to the last. The same is occurring for the Cayman Islands.

Thank you, Mr. Speaker.

The Stamp Duty (No.2) Regulations 2003

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I beg to lay upon the Table of this Honourable House the Stamp Duty Regulations 2003.

The Speaker: So ordered. Would the Honourable Member wish to speak thereto?

Hon. George A. McCarthy: Mr. Speaker, thank you. As you and other Honourable Members are aware, in accordance with section 27 (2) of the Stamp Duty Law (2003 Revision), these regulations are subject to a negative resolution by this Parliament. The effect of the regulations is to continue the present 5 per cent stamp duty rate until 12 January 2004. These regulations have been approved by Cabinet, but they are subject to a negative resolution, as mentioned early.

The original purpose of the 5 per cent stamp duty rate is well known to all Honourable Members. The Government introduced a 5 per cent rate in November 2001 as a stimulus measure for the local economy following the devastating 9/11 terrorist attack in the United States of America. Since that time, this has served as a very good stimulus to the local real estate industry, and the extension by the Government is one that was anticipated by the entire country. As a consequence, the support for the extension of keeping the rate at 5 per cent is welcome by the community and it is one that is recommended to this Honourable House.

The Report of the Standing Business Committee

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Thank you, Mr. Speaker. I beg to lay upon the Table of this Honourable House the Report of the Standing Business Committee for the Second Meeting of the 2003 Session of the Legislative Assembly, and the Report of the Standing Business Committee for the Third Meeting of the 2003 Session of the Legislative Assembly.

The Speaker: So ordered. Would the Honourable Minister wish to speak thereto?

Hon. W. McKeeva Bush: No, Mr. Speaker.

QUESTIONS TO HONOURABLE MINISTERS/MEMBERS

Question No. 94
Deferred

No. 94: Mr. Alden M. McLaughlin, Jr. asked the Honourable Minster responsible for the Ministry of Education, Human Resources and Culture What efforts are being made by Government to address the complaints of local recording artists that local music and songs do not receive sufficient air-time on most local radio stations.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. The Minister is temporarily out of the Chamber. I believe that we also need to suspend Standing Order 23(7) to take questions after 11 am.

The Speaker: The Honourable Minister for Health Services.

Standing Order 24(5)

Hon. Gilbert A. McLean: Mr. Speaker, the Honourable Minister who is answering the question had to leave the Chamber to attend to an official matter. Perhaps it would be better if we dealt with this on Monday 1 December 2003. It is the same Minister who is answering to the Motion that would follow.

The Speaker: Is it that you are requesting that it be deferred until Monday?

Hon. Gilbert A. McLean: Yes, Mr. Speaker. I would ask, in the absence of the Minister, that we do so. Perhaps the Leader of Government Business would take the suspension, because I think there are some statements.

The Speaker: Since we are not taking questions at this point, perhaps the question should be, in accordance with Standing Order 23(5), that question No. 94 be deferred until Monday' sitting of the House. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Question No. 94 deferred until Monday 1 December 2003.

STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE GOVERNMENT

European Countries/Overseas Countries and Territories Forum and the Overseas Territories Consultative Committee Meeting – London and Brussels

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Thank you, Mr. Speaker. As Honourable Members are aware, the Honourable Financial Secretary and I will be leaving for London and Brussels this weekend for talks with Dawn Primarolo, the United Kingdom Paymaster General, and to attend the European Countries/Overseas Countries and Territories Forum (EC/OCT) and I will also be attending the Chief Ministers' conference in London.

As Honourable Members will recall, several weeks ago, I received a letter from Dawn Primarolo, setting out the United Kingdom's position on the European Union's Directive on Taxation of Savings (Tax Saving Directive) and confirming that Cayman could either adopt the Directive or have Her Majesty's Government use its reserved powers to legislate directly for Cayman in relation to this matter. In this letter, the Paymaster General also indicated that she would be available to discuss the matter of the Directive with me, in person, the next time I was in London. As a result, the Financial Secretary and I will be meeting with her next Monday in the UK, with a view to being able to clearly articulate the Cayman Islands' position on the Directive, which has not changed from what I have publicly stated on many occasions.

Mr. Speaker, I intend to make it clear to the Paymaster General that this insistence by the United Kingdom that Cayman has only two options—either to adopt or be forced to accept the European Union's Savings Directive, if the same comes into being—is a retrograde step. The Cayman Islands is not a part of the European Union; it is not entitled to the generous subsidies that other European Union (EU) countries are granted. It is prejudiced, by its statutory provisions in many EU countries, from competing in many financial markets throughout Europe. It has no treaty benefits, and at present none are being offered.

The United Kingdom has no legal obligation to extend the EU Savings Directive to the Cayman Islands, and its present position of a one-size-fits-all regime in relation to this initiative is contrary to the United Kingdom's stated position on taxation in the European Union.

The United Kingdom's position that the Cayman Islands must either accept the EU Savings Directive in whatever form it turns out to be implemented, or have the same implemented by the United Kingdom, has severely threatened the competitiveness of

the Cayman Islands' position as a leading financial centre, and will continue to do so.

In the light of all of this, the Government is not of the opinion that it is in the best interests of our people to sign or to accept the initiative, on the basis that nothing is being offered by other European countries in return for a costly and misguided initiative. The position of the United Kingdom in regard to the Cayman Islands is both bewildering and disappointing, and contrary to the Partnership for Progress and Prosperity.

Mr. Speaker, I will be providing a detailed briefing of the meeting upon our return from the United Kingdom.

I have a further statement, Mr. Speaker.

The Speaker: Please continue, Honourable Leader of Government Business.

Strategic Policy Statement for the 2004/2005 Financial Year

Hon. W. McKeeva Bush: I should like to make a short statement in regard to the Strategic Policy Statement for the 2004/2005 Financial Year.

As Honourable Members will be aware, the Public Management and Finance Law 2001 will come into full effect for the 2004/2005 financial year. This means that the Strategic Policy Statement for 2004/2005 must fully comply with the requirements of that Law, including establishing financial targets and allocations based on accrual accounting.

Preparing targets on this basis is significantly more complex than preparing them solely on the cash basis, as has been the case for so long. It has required a full set of accrual financial statements (complete with eliminations) to be prepared for both the current 2003/2004 financial year and each year in the next three-year forecast period.

As Honourable Members will appreciate, preparing these accrual forecasts for the first time is a sizeable task that only a handful of governments around the world have been able to achieve. Accomplishing this change will be another major milestone in the Financial Management Initiative Project and will put the Cayman Islands in a very elite group of countries that budget and report in a true, fair and transparent way.

While the "accrualisation" work has been underway for some months, there have been some delays in obtaining the necessary accrual information for 2003/2004, particularly in relation to the opening balance sheet. This, in turn, has meant that the process for preparing and finalising the 2004/2005 Strategic Policy Statement has been impeded.

Mr. Speaker, the Government takes its obligation to provide full and accurate information to this Honourable House seriously. We do not want to unintentionally mislead the House by providing a strategic policy statement that is not complete and fully checked.

While it would have been possible to table a strategic policy statement today, as originally planned, we feel it prudent to take a few more days to ensure that the Statement is suitably robust and accurate.

Consequently, the Government plans to table the 2004/2005 Strategic Policy Statement on 22 December, rather than by Monday, as required by the Public Management and Finance Law 2001. While this delay is regrettable, it is understandable, given the complexity involved in undertaking the accrualisation task for the first time.

Mr. Speaker, I would like to thank you and the House for its indulgence in this matter.

As a matter of procedure, I have been informed that the Honourable Minister of Information Technology is able to answer Private Member's Motion 05/2003, which is on the Order Paper; thus, this Motion may be moved as set down on the Order Paper, and a debate may proceed until at least 5.30 pm.

The Speaker: We will take the question when the item is mentioned by the Clerk.

Suspension of Standing Order 14(3)

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, we move the suspension of Standing Order 14(3) in order to move forward with the business on the Order Paper.

The Speaker: The question is that Standing Order 14(3) be suspended in order that we may take a Private Member's Motion at this time. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 14(3) suspended.

OTHER BUSINESS

PRIVATE MEMBERS' MOTIONS

PRIVATE MEMBER'S MOTION NO. 5/03

Implementation of legislation to ensure more local content on locally licensed radio stations

The Speaker: The Fourth Elected Member for West Bay.

Mr. Cline A. Glidden, Jr.: Thank you, Mr. Speaker. I beg to move Private Member's Motion No. 5/03, standing in my name.

"BE IT RESOLVED THAT the Government considers implementing legislation to provide for more local content on our locally licensed radio stations."

The Speaker: Is there a seconder? The Second Elected Member for West Bay.

Mr. Rolston M. Anglin: Mr. Speaker, I second the Motion.

The Speaker: The question is: "**BE IT RESOLVED THAT the Government considers implementing legislation to provide for more local content on our locally licensed radio stations."**

The Motion is open for debate. Does the Member moving the Motion wish to speak at this time?

Mr. Cline A. Glidden, Jr.: Thank you, Mr. Speaker. It gives me a great pleasure, today, to be moving this Motion to try to assist our local musicians in getting a bit more of what they have termed "fair treatment" in terms of airplay from local radio stations. Before going on, I would like to acknowledge the presence of the Chairman of the Cayman Islands Music Association's Broadcasting Section and one of our other local artists, Mrs. Barrie Quappe, who have come along today to listen to this item which, of course, is of such interest to our local musicians.

Mr. Speaker, the battle for fair, regular and consistent airplay of local music has been going on since the doors of Radio Cayman opened for business more than 25 years ago. Sadly, the increase in radio stations has only allowed this battle to escalate, instead of getting any better, in regard to local musicians. In comparison to the heavy airplay that is given to international recording artists, local artists have always—and are still—treated as being secondary. While the Cayman Islands Music Association has submitted and agreed that there has been an improvement with some radio stations in the recent past, it is interesting to know that this slight increase has only been achieved as the result of constant protests and phone calls, letters from Ministers, and even letters from advertisers to the stations. I found that point interesting, because we would have expected that one of the reasons the radio stations would not have been playing local music as much would be a concern for the lack of advertising. I have copies here, and I could table them if any Member wanted to see them, from significant numbers of local companies that advertise with the radio stations. They are all writing in support of the local musicians getting more airtime.

The Speaker: Honourable Member, out of an abundance of caution, I would recommend that you table those.

Mr. Cline A. Glidden, Jr.: I will just make note of what some of the advertisers are saying, and I will quote from one of them. This one comes from CUC: **"As you are aware, the Cayman Islands Music Association has recently lobbied for increased radio station airtime for local musicians and CUC is supportive of this effort.**

"CUC has over the years supported the development of local talent, whether in sports, academics or performing arts. We believe that doing so, together with the efforts of all corporate citizens, we can make a real positive difference in the community in which we live.

"We wish to commend the Music Association for their efforts, to thank the radio stations that are participating, and to encourage all other radio stations to participate by allocating a reasonable amount of airtime for the local musicians."

I have similar letters from Funky Tangs Ltd., Cox Lumber, Flowers Bottled Water, Foster's Food Fair Ltd., the Daily Grind, Cayman Airways, Puritan Cleaners, Atlantic Department Store, and Maedac Supply Company. This was only a sampling, Mr. Speaker, of local businesses that have recognised the need to support our local musicians, and have been willing to express their support, which will allay any fears or concerns that the radio stations may have, from a financial standpoint, that the playing of more local music could in some way reduce their advertising.

Therefore, we have one more reason: if we do not have to concern ourselves that our people are going to stop advertising, then that is one incentive the radio station should have for support.

I would like to believe that the radio stations that decide to play more—and give more support to—local music would get additional support from advertisers, and that that could be seen as an incentive that would allow them to play a bit more local music. Apparently, even that addition and support has not encouraged the radio stations to give any sort of fair treatment to local artists. In addition to getting those letters from the advertisers, the Music Association was able to get a petition, with 150 signatures. They presented that to the Ministry and to the radio stations, to show the amount of support for this plight that the Music Association finds itself in.

In response to some of the questions I was hearing, the people who signed that petition are not all people who are in the music industry. The significant majority was people who are in the industry, but there were also other locals who have taken note of the situation, and also feel that we should have enhanced local content on the radio stations.

The question that one has to ask is, "Why is it that a local recording artist has to go through so much hassle to get their music played?" There is the obvious situation that the foreign artists do not have to call the Ministry, get petitions signed or beg for airplay in the Cayman Islands, yet their music is simply played over and over again. The only reason for that is that they are on the hit-parade in America. They have already gotten the opportunity through airplay on their local stations; their music has already gained popularity and made it, so to speak. Our local stations are more than willing to play, in some instances, all foreign music.

Basically, what the radio stations are saying to local artists is, "Go to America and make a hit, and then we will ensure that your song is played on a fair and regular basis in your own country." I think we can all agree that that is more than unfair; it is absurd, to say the least. If our radio stations do not assist our local artists, it is hard to expect that we are going to get other countries assisting them. Even though that may seem unfair and unbelievable, we are happy to say that some of our local artists have had just that happen. They have had much success in other countries, such as the UK, Jamaica and Central America, where some of the locally produced music is riding high on their radio charts. Although those same songs received regular rotation abroad, sadly, they received minimal exposure in their own country, the Cayman Islands.

It has even gone beyond the music not being played. It would have been bad enough if we just did not play the music, but in some cases, our local radio stations have decided to start degrading and insulting the actual local content, and the songs that have been produced locally. What we found to happen is that on some of the radio stations, we have foreign DJs imported to the local stations. One station went as far as to play local songs and then "flush it"—complete with a toilet sound-effect—to ridicule and make fun of our local artists. Their recommendation was that the local music should be flushed, and they actually did it, complete with the toilet sound-effects, on the air. Another station attempted to create local music awards by playing a local song one time, and then allowing callers to degrade or promote the tune over the air. Locals do not get a chance to call in and have an opportunity to degrade international artists, or foreign DJs. We think that this scam to shame local music is another example of the unfair way our local artists are being treated in their home country.

When it came down to the American Hit Parade or the Grammy Awards, the Music Association was quick to point out that they had made an attempt to organise a fair local music awards ceremony, so they could get some feedback as to the support for local music. The radio stations could get involved, in some way, in playing those songs that had the biggest local support. Needless to say, the radio stations were not interested in doing anything like that, and they never heard back from that station.

Mr. Speaker, the Cayman Islands Music and Entertainment Association has received every excuse in the world as to why our local products are not being aired as regularly as other international artists. The excuses are too many to list, but the feeling is that if the stations would look for excuses to try to play the local music instead, we would not have the problem that we have currently. If we were in Jamaica, the Bahamas, or most other Caribbean countries, we would not be having this battle. In those countries the airwaves are filled with local music.

One of the reasons why that is the case in Canada, for example, is that it is law that local Canadian content must make up 35 per cent of broadcasted music. Since that legislation has come into place, the benefits have been tremendous—so much so that today, Canada is the second largest music source in the world.

In the light of that, I would like to refer to a music article from *Applaud*, which I would be willing to lay upon the Table after I have finished.

The Speaker: Please continue, Honourable Member.

Mr. Cline A. Glidden, Jr.: Mr. Speaker, it says:

"How did it happen? How did Canada—that vast cold country with a mere 30 million people—become the second largest source of international music talent in the world, after their neighbours the United States?"

It goes on to say: **"Canada has become the second largest supplier of international talent by developing, over three decades, a strong and confident music industry. Canada first learned—with a great deal of sometimes traumatic trial and error—to service its domestic market, and then how to tackle the world market."**

It says: **"The elements that have built this success story are many. The first was the decision to enact domestic content radio regulations, which began January 1, 1971—and which have been copied in a number of other countries.**

"Still controversial in some quarters, those regulations helped build not only careers for artists, but an entire infrastructure of studios, producers, engineers, distributors, managers, publishers, promoters, publicists, urban entertainment weekly papers, music TV channels, and music journalists.

"The odds against the successes Canada has achieved are enormous. The population, given the geographical area, is miniscule. It's a big country, which makes it hard to tour profitably. Most importantly, Canada is the mouse that lives next door to the American elephant—the largest single music market on the planet, and by far the most influential.

"As a result, the financial infrastructure in Canada has always been fragile; there is not, to put it simply, much major financial support, especially for small record companies."

There we have, Mr. Speaker, an example as to what happened in Canada after the legislation to ensure local content was put in place, from as early as 1971. We have seen that many other countries have decided that this was such a positive move that they have followed suit. In doing the research for this Motion, I have looked at some of the other Territories. I know there is some legislation being examined now for Trinidad and Tobago; there is some that has been in place in South Africa, New Zealand and Australia.

We recognise that this was done from 1971, and everyone would prefer that legislation would have been the last resort. Although we would have hoped that in a small country like ours, it would not have been necessary, it appears that, sadly, nothing else has worked here in the Cayman Islands. It looks like the only alternative—the only hope for our music industry to get a fair shake in its own country—is going to be that the Government will have to legislate, in some way.

Mr. Speaker, it is important to note not only that the playing and promotion of local music has an effect on local musicians and the artists who produce them, but that next to Tortuga Rum cakes, local musical CDs are Cayman's second largest export. Every time a local CD goes abroad it is a promotion for our Islands. It is an audio postcard, a memory of the Cayman Islands. Tourists love to hear music from the country they are visiting, and what would we do without the tourists? When tourists are in their condos, their rental cars, their hotel rooms, or at the beach bar, they hear the exact rotation of music on local radio that is being played back in their home town—mostly from America. Why should that be the case? The answer to that is that in order to get heavy air rotation in the Cayman Islands, your song needs to be on the American charts. There is no way, that we can feel, Mr. Speaker, that that is fair for our local artists.

In the petition that was presented to Government, all the individuals—some involved in the music industry, some shop owners and others involved in different ways—signed for the same reason. They signed to say that they want a change. They want to hear more local music on the local radio. In addition to that petition, most of our local musicians have independently sent requests to the Ministry, and letters of protest as well, explaining some of the difficult circumstances that they have had to bear during the time that they have been working in the industry.

Mr. Speaker, there is an argument that has been presented in the past. That is that the quality of music that was produced here in the Cayman Islands was not of a high enough technical quality to be produced and replayed on the radio stations. However, if I could quote from *Cayman Net News,* Issue No. 358, Tuesday 11 March 2003, where there was a response to a letter carrying the requests of the Cayman Music and Entertainment Association, it says:

"Mr Martins said the radio stations once complained that the music was badly recorded, that they did not receive it and it was not licensed properly.

"He added: 'Within the last year we have in effect negated all of those complaints because we have shown them there is a lot of material here. We have given them 800 titles of local music that is properly recorded.

'The engineering standards which we admit in the past had some problems has improved in the last six to ten years and the music is being properly licensed. We are not asking them to play junk. We've never asked them to play music in bad taste or that is not recorded properly. They have 800 songs in a variety of styles; they have soca, gospel, country, folk, and steel band.' "

Mr. Speaker, again, another excuse has been addressed by the industry. At great expense, the Cayman Islands are home to one of the largest and best high-tech studios in the entire Caribbean. We actually have people coming here to record—Hopscotch Studios is of a high level, and the quality of music is excellent now. That is another excuse. Hopscotch has invested hundreds of thousands of dollars. and he has produced first-class recordings that have never yet been aired in our country.

Mr. Speaker, what the Cayman Music and Entertainment Association has asked for is this: they would be happy if the Government would legislate that we would get two local songs per hour. On average, there are 12 to 15 foreign songs aired per hour, and they are asking for two songs of these 800 that have already been presented. More are being presented all the time; I think it is somewhere around 1000 now.

In trying to give our local artists a fair shot, I do not think anyone could say that this is an unreasonable request. The radio stations do not need to make any major changes. It is not going to be any financial burden on them. They can play the music they always play, and go about their regular daily business. We simply want them to add two local recordings to their hourly rotation. We have some stations that claim they play two local songs per hour or more. Those stations would have nothing to worry about with this legislation.

Mr. Speaker, one of the concerns in discussing the Motion, even today, was how that would be monitored. Of course, we are all very concerned about creating bureaucracy and more authorities that would be burdened with the duty of monitoring. The Cayman Music and Entertainment Association has committed to doing the monitoring of the radio stations itself, at this stage, and reporting to the respective authority.

If the Government contemplates, or agrees to produce, such legislation, it is not expected that we would have all the radio stations in court tomorrow. We would expect that this would be seen by the radio

stations as an incentive, that it would show that Government is serious and committed to getting some airtime for the local artists, and that that in itself would be enough for the radio stations to do their part to step up to the plate and give our Caymanian musicians a fair shot.

The Cayman Music and Entertainment Association feels that if the radio stations see that the Government is sincerely behind them in their efforts, then that will encourage and ensure that the legislation will not need to be enforced. We will not have to have radio station police out there making sure that the songs are played.

The Music and Entertainment Association has committed to monitoring the airplay and informing the Government, or the respective authority. If at some time it does become necessary to have it monitored, or to have records kept, that would be further in the future. We feel that initially, once the Government of the day sends a message to say that we do support our local artists, that we do feel they deserve a fair shot in their own country, and that they do have a right to get some airtime, then that would be sufficient.

Sadly enough, the Cayman Music and Entertainment Association would have preferred that the earlier attempts and discussions would have made this unnecessary. However, they have come to the realisation that, unless something is done, as far as legislation is concerned, they do not have a chance, and it will be a continued long fight—longer than what has transpired already. We recommend that some assistance be given to them.

Before I finish, I want to give some facts that may assist, which were provided by the Music Association. They are to do with the production of local music.

The first one is, that, contrary to belief, Cayman does have several export items. The world famous Tortuga Rum Cakes, and thousands of locally produced and recorded compact discs featuring local artists, are exported off Island every year. In addition, thousands of CDs leave the Island with visitors who have enjoyed our local music at local venues, or have heard the local music on radio. The Tortuga Rum Company has a Miami-based warehouse covering 27,000 square feet, and employs 22 people in that office and an additional 110 staff in Cayman, for the main purpose of distributing Caymanian-made rum cakes, and a long list of other products, including locally produced CDs that are shipped to customers all over the world. There are over 1.8 million boxed Tortuga Caymanian-made rum cakes sold every year, and at least 50,000 locally produced CDs are sold every year. 50,000, Mr. Speaker! That is a surprising number, and we feel that with some additional airtime, exposure and rotation, that number can only increase.

It also says that our local music has been featured as background music for popular American soap operas and Hollywood films. Local CDs are hot-selling items in gift shops throughout the Florida Keys, in dive shops all over the USA, and in record stores throughout the Caribbean, and even at Disney World in Orlando.

Some other information is that local musicians have been nominated for the prestigious Juno awards—Canada's version of the Grammy. Local musicians have been in the Top 10 Hit Parade in Europe, Jamaica, Barbados, Trinidad and other countries.

When a tourist takes home a local CD, it often features a Caymanian sitting on the cover, information about the Island on the inside sleeve, and the Cayman Airways toll-free number on the back. A local CD is a powerful promotional item for these Islands. It is an audio postcard, and often a visual brochure, a long-lasting memory for about $15, and there is no cost to the Department of Tourism for this promotion. Almost 40 local retailers sell local recorded music, creating revenue and jobs.

It also draws a comparison. When a tourist visits Hawaii, he will hear traditional Hawaiian or hula music in every hotel, beach bar, lobby and elevator. In Brazil, a tourist will hear the samba, day and night, echoing through the cities, avenues and streets. In Jamaica, the airwaves are filled with the sound of reggae music, and in Cayman when you turn on a radio, you will hear the latest American Top 40 hits.

The Government's tourist survey and study tells us clearly that vacationers visiting the Islands want a true Caymanian experience. What they are getting, Mr. Speaker, is the same music that they hear when they turn on their radios when they are at home, wherever they are. The Cayman Music and Entertainment Association is saying that nearly every hotel room, condo, rental car or taxi has a radio. The radio, with the island sound of local music, is a perfect, and powerful, tool to promote a Caymanian experience, a way we can help the Department of Tourism promote things Caymanian. Music is a key ingredient. With some 5,000 cruise passengers riding in taxis and tour buses on any given day, our radio stations should be blasting out local recording artists all day long.

More play of local music equals more sales of local CDs, more promotion for the Cayman Islands, more export, and more commerce. Some local musicians spend thousands of dollars to record and produce a good quality CD, yet these same musicians have been battling local radio stations for fair and regular airplay for nearly 20 years.

Mr. Speaker, in this short presentation, I hope I have been able to show why, after hearing the cries of the members of the Cayman Music and Entertainment Association (many of whom are constituents of the district that I represent, West Bay) we decided that we should do something to try to encourage the Government to take into account the difficulties that our local artists are having. When we were researching this Motion, we looked at one of the concerns they were having in the UK: they were going to allow foreign ownership in the radio stations, and they were concerned that this would mean less local promotion

for their artists. They were looking at legislation to ensure that, even though the radio stations were owned by foreigners, they still had to carry significant local content.

Mr. Speaker, sadly, even though our radio stations are owned by locals, for the most part, it still appears that we are going to have to ensure that our stations give the local artists not even equal opportunity, but just an opportunity—that is all they are asking for. Out of 12 -15 songs, just two songs per hour is more than reasonable, and more than fair.

I am hoping that this Honourable House will send a clear message to the radio stations, the people of the Cayman Islands and our local musicians that, as a Government and as their representatives, we support their untiring efforts, and that we will do what we can to ensure, as their representatives, that they are given a fair chance in their own country.

I look forward to hearing the other debate, hopefully in support, and I look forward to the passing of this Motion. Thank you.

The Speaker: Does any other Member wish to speak? The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, since I am not going to be here next week, I would like to rise to give my full support to the resolution before the House.

We had hoped that there would be no need for this, but people in the music industry have, for years, been talking to the various stations. I know there is an improvement, but there is a long way yet to go. Certainly, we would like to offer our support.

It not only gives exposure here locally, but visiting tourists, and others listening to the radios here, will talk about it wide and far. That offers further exposure. It is time that we "lift our own" in this fashion, and support them in this way. Therefore, Mr. Speaker, the Government and I know that, once the Ministers rise and give their positions on it, and we move forward, it will be better for the Cayman Music and Entertainment Association.

The Speaker: Does any other Member wish to speak? The Second Elected Member for West Bay.

Mr. Rolston M. Anglin: Thank you, Mr. Speaker. I, too, rise to offer my support. The Fourth Elected Member for West Bay has done an excellent job of presenting a very comprehensive argument as to why it was that he decided he wanted to bring this Motion. I gladly seconded the Motion once we had talked about it.

Mr. Speaker, from the time I was a young man growing up, I always had a keen interest in music—a plain love for music, although as I have grown older, for those who hear my voice, it is obvious that I cannot sing. Nonetheless, in growing up in a household where I had a brother who loved to sing and who actually could sing, my interest was sparked even more. I will get back to that in a minute.

People have often said, and continue to say, in Cayman, "We are losing our culture. Where is our culture going?" I submit to this Honourable House that one of the key ways in which people in communities continue to develop, enhance and promote their culture—what makes them distinct—is indeed through their music. Music is one of the oldest and most important ways in which human beings have learned to express themselves.

I can remember being a young boy and going to the dance with older cousins and sometimes with my mother. That was increased when my older brother become the lead singer in a local band, because she was always so proud to show up and to be there to see him perform. I can remember going by the house in which they used to practise, and seeing Jah Mitch on the guitar, Bobby Banks on the drums, Gary Ebanks blowing his saxophone, and Danny Christian playing percussion instruments and the guitar as well. Mr. Speaker, we are reminded that there are many legendary musicians in Cayman, some of whom are still around and some of whom are a blessed memory and of whom I do not have any knowledge. I would have to apologise to the House, again, for being a bit too young to know about some of these legendary performers.

However, I can remember many different types of music coming into vogue in Cayman. I can remember, as a young man, being a part of breakdancing troupes and going around to different teenage parties, rapping, and mixing on what seemed, at the time, to be impressive turntables, although from what you see today, you quickly realise how much the technology has greatly improved.

We see, in this Motion, and in the presentation that was made by the Fourth Elected Member for West Bay, that the legislature—the highest forum of debate and a call for consciousness in any country—has taken an interest in a particular issue. From the letters of support that have been sent around from corporate citizens like CUC, Funky Tangs, Cox Lumber Company, Flowers Bottled Water, Foster's Food Fair, the Daily Grind, Cayman Airways, Puritan Cleaners, Atlantic Department Store, and Maedac Supply, it is . . .

The Speaker: Honourable Member, we have reached the hour of 5.30 pm. Is it the wish of the House that we should continue and complete the Motion? The Honourable Leader of Government Business.

ADJOURNMENT

Hon. W. McKeeva Bush: Mr. Speaker, before I move the adjournment of the House, I would like to say to Honourable Members that on the afternoon of 15 December, the Immigration Bill will be moved. Between now and then, Members will get the draft Bill. The

morning of 15 December, at 10 am, we intend to have a Finance Committee on several matters, so the afternoon of the 15 December will begin the introduction on the Immigration Bill and then debate will take place on the 17 (which will be the Wednesday), 18 and 19 December. Hopefully, it will be passed on 22 December. We would hope that Members would pay heed to the good season and try to finish work on 22 December.

Mr. Speaker, we will be working late, because I do know that the Honourable Minister of Human Resources also has the Employment Bill to come before the House. I am hoping that the draftsman can have the Bill down by Monday. Some time during the course of the coming week, God willing, Members will have the Immigration Bill.

I would also like to apologise to Members for being late today, as we had planned to come back at 2.30 pm. We had intimated that there was going to be a Cabinet meeting, and I would like to say that it was no fault of yours, Mr. Speaker, that the House was late. It was our fault, because Cabinet was that much longer than we expected.

Mr. Speaker, I wish Members well for the coming two weeks' business in the House. I now move the adjournment of this Honourable House until Monday, 1 December 2003 at 10 am.

The Speaker: The question is that this House do now adjourn until Monday 1 December 2003 at 10 am. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 5.30 pm the House stood adjourned until Monday, 1 December 2003, at 10 am.

OFFICIAL HANSARD REPORT
MONDAY
1 DECEMBER 2003
10.45 AM

Ninth Sitting

The Speaker: I invite the First Elected Member for George Town and the Honourable Leader of the Opposition to grace us with prayers.

PRAYERS

Hon. D. Kurt Tibbetts: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together:

Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.

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

Proceedings resumed at 10.48 am

The Speaker: Please be seated. Proceedings are resumed.

ADMINISTRATION OF OATHS OR AFFIRMATIONS

Oath of Allegiance
(Administered by Clerk)
Mr. A. Joel Walton,JP

The Speaker: Please stand.

Mr. A. Joel Walton: I, A. Joel Walton, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, her heirs and successors according to law, so help me God.

The Speaker: On behalf of this Honourable House I welcome you, the Honourable Temporary Third Official Member, and invite you to take your seat.

Please be seated.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have apologies for absence from the Honourable Third Official Member, the Honourable Minister of Tourism, Environment, Development and Commerce, and Mr. Lyndon Martin, the Second Elected Member for Cayman Brac and Little Cayman.

QUESTIONS TO HONOURABLE MEMBERS/MINISTERS OF THE CABINET

Question No. 94
Deferred

No. 94: Mr. Alden M. McLaughlin, Jr. asked the Honourable Minister responsible for the Ministry of Education, Human Resources and Culture what efforts are being made by Government to address the complaints of local recording artists that local music and songs do not receive sufficient air-time on most local radio stations.

Hon. D. Kurt Tibbetts: Mr. Speaker, unfortunately the Second Elected Member for George Town will be arriving a little late so I propose for you to allow it to be deferred until later on in this sitting.

The Speaker: Do you have a seconder on that?

Ms. Edna M. Moyle: Mr Speaker, I second the motion.

The Speaker: The question is that in accordance with the provision of Standing Order 23(5) that Question No. 94 be deferred until a later time during this sitting. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Question No. 94 deferred until later during the sitting.

STATEMENTS BY HONOURABLE MEMBERS/MINISTERS OF THE CABINET

The Speaker: I have received no statements from any of the Ministers or Official Members of Cabinet.

GOVERNMENT BUSINESS

BILLS

FIRST READINGS

The Status of Children Bill, 2003

The Speaker: The Bill is deemed to have been read a first time and is set down for Second Reading.

The Children (Amendment) Bill, 2003

The Speaker: The Bill is deemed to have been read a first time and is set down for Second Reading.

The Notaries Public (Amendment) (No.2) Bill, 2003

The Speaker: The Bill is deemed to have been read a first time and is set down for Second Reading.

Suspension of Standing Order 46(1)

The Speaker: The Honourable Deputy of Government Business.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move the suspension of Standing Order 46(1) that the business set down, items 4-8, can be taken.

The Speaker: The question is that Standing Order 46(1) be suspended. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 46(1) suspended.

The Judicature (Amendment) (No. 2) Bill, 2003

The Speaker: The Bill is deemed to have been read a first time and is set down for Second Reading.

The Summary Jurisdiction (Amendment) Bill, 2003

The Speaker: The Bill is deemed to have been read a first time and is set down for Second Reading.

The Misuse of Drugs (International Cooperation) (Amendment) Bill, 2003

The Speaker: The Bill is deemed to have been read a first time and is set down for Second Reading.

The Monetary Authority (Amendment) Bill 2003

The Speaker: The Bill is deemed to have been read a first time and is set down for Second Reading.

The Companies (Amendment) (Disposition of Property) Bill, 2003

The Speaker: The Bill is deemed to have been read a first time and is set down for Second Reading.

The Honourable Deputy Leader of Government Business.

Hon. Gilbert A. McLean: Mr. Speaker, the Honourable Minister who is piloting this Bill is not present at this time. I spoke to him earlier this morning; he is expected here any time now. Mr. Speaker, I would ask if Bills, No. 9 and No. 10 (both being moved by that Honourable Member) could be set down until his arrival.

The Speaker: Honourable Members, we will defer those two Bills until the Honourable Minister, who is moving the Bills, arrives.

SECOND READINGS

The Notaries Public (Amendment) (No. 2) Bill, 2003

The Speaker: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker. I beg to move the Second Reading of a Bill entitled, A Bill for a Law to Amend a Notaries Public Law (2003 Revision) and for Incidental and Connected Purposes.

The Speaker: Does the Honourable Second Official Member wish to speak to the Bill?

Hon. Samuel W. Bulgin: Yes, Mr. Speaker, thank you. I wish to present to this Honourable House a Bill shortly entitled The Notaries Public (Amendment) Bill 2003. Mr. Speaker, the Bill seeks to amend a Notaries Public Law (2003 Revision) in order to change the procedure for the appointment of notaries public. Earlier this year the Cabinet instructed the Attorney General's office to undertake a review of the Notaries Public Law with a view to recommending changes to the

procedure for the appointment to such office. The Notary Public is defined as an official who, depending on the country, has the power to acknowledge signatures, administer oaths and affirmations, and to take depositions and issue subpoenas in law suits.

Notaries public are most often used to acknowledge signatures especially on court papers such as affidavits. Although notary publics are, in effect, public officials, most of them are people who work in the private sector. I have noted for example, in the United States, before a person can be appointed as a notary public, a state test is required and administered. In the Cayman Islands, as elsewhere, one or more employees of large institutions which process documents such as banks, insurance companies, large law firms, have a number of their employees as notaries public.

The office of notary public is a very ancient one. This being the case, while we do not think that a test is needed in the Cayman Islands at this time, it is Government's opinion that an applicant should understand at least the evidential significance of the act of notarisation and that he should have the responsibility and experience to discharge duties effectively. It is also believed that an applicant should be a mature person preferably with business, legal or accounting experience.

Accordingly, in order to give effect to the wishes of Cabinet, clause 3 of the Bill seeks to repeal and replace section 3 of the Law to provide that –

3. (1) The Governor [in Council] **may authorise any person who-**

(a) has been employed in a management position for a period of three years or more; or
(b) has been employed as an attorney-at-law for a period of three years or more; or
(c) has been employed as a certified public or chartered accountant for a period of three years or more; or
(d) has been employed in any other profession specified from time to time by the Governor; and
(e) has applied in writing to the Attorney General in the form in the First Schedule,

"to be appointed by the Clerk as a notary public."

It is also provided in the Bill that –

(2) **"An applicant shall provide the Attorney General's office with any further information that the "Governor requires in considering an application under this section and such additional information shall include but is not limited to-**

(a) two character references;
(b) police record;
(c) a photograph of the applicant certified by a justice of the peace, a notary public, a minister of religion, a police officer (gazetted), a medical practitioner or an attorney-at-law, to be a true likeness of the applicant."

In order for the Government to be assured that a person, once appointed notary public, continues to be the kind of person who should be a notary, the Law is seeking to provide that the Clerk of the Courts shall not register any person as a notary public unless that person also gives an undertaking to the Clerk in which he agrees to file with the Clerk of the Courts a notice setting out any changes after his appointment relating to his residence, profession or occupation, any criminal convictions or whether he has been adjudged bankrupt.

Where it is brought to the Governor in Cabinet that a notary public has failed to file this undertaking with the Clerk of the Courts, the Governor may suspend the notary public from office or revoke the appointment and in so doing, direct the Clerk to endorse a notation on such suspension or to remove his name from the Register.

Mr. Speaker, the Bill also seeks to amend section 12 of the principal Law to provide that where a notary public performs any notarial acts while suspended, that person would have committed an offence.

Finally, it is hoped that if the Bill is passed by this Honourable House that the new procedures will give added importance to the appointment as a notary and that we will be assured that only responsible and diligent persons are added to the role of notaries public in these Islands.

It is a very short Bill, Mr. Speaker, and I would therefore seek the support of Honourable Members of this Legislative Assembly in its passage. Thank you.

The Speaker: Does any other Member wish to speak? The Honourable Leader of the Opposition

Hon. D. Kurt Tibbetts: Thank you. This Bill put forward by the Honourable Second Official Member to the Legislative Assembly is one that the Opposition can agree with. However, there is a question in our minds with regard to the proposed repealing of section 3 of the Law and the new section that is proposed in this Bill.

Before I get to that, let me say that the Honourable Second Official Member has made it clear, and we understand that Government's desire is to ensure that individuals who are appointed as notaries public will not only have the necessary background qualifications and experience to have clear understanding of the acts which they will perform, but will also have the knowledge to be able to ensure that they are being party to documents that are bona fide,

et cetera. We would concur with those thoughts and agree that we would need to streamline the Law better so that there would be specific monitoring. We also agree with the section which calls for any change in the person's status under certain conditions to be reported to the Registrar.

I just want to speak a bit on the proposed new section 3. In the Law, section 3 now reads: **"The Governor may authorise any person who has applied in writing to the Attorney-General in the Form in the First Schedule to be appointed by the Clerk as a notary public."**

In the Law the definition of the Governor in section 10(6) is "**"Governor" means the Governor acting in his discretion**". This is in the substantive Law and it leaves me to assume that if there is a specific definition, in the main Law under section 10 which clarifies what it means, then I presume when the word "**Governor"** is used in any other section it means "**Governor in Cabinet."** We need to get that cleared up, although that is not the most important part of my contribution. To make it absolutely clear, in Section 10 of this substantive Law sub-section (6) reads**, "In this section - "Governor" means the Governor acting in his discretion."**

I think it is fair to assume that if sub-section 6 of section 10 specifies the definition of Governor in that section, then the reason why it was specified in this Section would mean that in the other sections it would be Governor in Cabinet. That sounds logical to me, although it may not be the case. Therefore, assuming that logic, I see in the proposed Bill that the proposed section 2 has a definition of **"Governor", except in section 10, means the Governor acting on the advice of the Cabinet of the Islands;"**. That clears the matter up. That is as I thought. Getting back to section 3, which would mean the Governor acting on advice of Cabinet under the Memorandum and Objects and Reasons and I will quote: **"It was agreed by Cabinet that an applicant should understand the evidential significance of the act of notarisation and that he should have the responsibility and experience to discharge his duties effectively."** Fine.

It goes on to say: **"It is also believed that an applicant should be a mature person preferably with business, legal or accounting experience."** That is kind of fine.

It goes on: **"To give effect to this Bill, in clause 3, repeals and replaces section 3 to provide that the Governor may authorise any person"** and I quoted section 3 of the main Bill already which says; **"the Governor may authorise any person who- (e) has applied in writing to the Attorney General in the form in the First Schedule, to be appointed by the Clerk as a notary public."**

Therefore, what is proposed will provide that – **"3. (1) The Governor may authorise any person who-**

(a) has been employed in a management position in a company or in a public office for a period of three years or more; or

(b) has been employed as an attorney-at-law for a period of three years or more; or

(c) has been employed as a certified public or chartered accountant for a period of three years or more; or

(d) has been employed in any other profession specified from time to time by the Governor; and

[This is the one that is causing us problems because it has definite ramifications]

(e) has applied in writing to the Attorney General in the form in the First Schedule, to be appointed by the Clerk as a notary public."

Therefore, what is proposed has expanded the original section 3, but in expanding it has raised the possibility for individuals being disenfranchised and not being allowed to be notaries public who could qualify and serve to good purpose. We understand the Government's position, and what has been put forward by the Honourable Second Official Member, is that in the majority of cases where individuals who have been appointed as notaries public they exercise their authority in the business world. As the Honourable Second Official Member has pointed out, the larger corporations have several of their employees acting as notaries public and they pay their annual fee to the Government. They, in turn, charge their clients for each signature applied on documents and there is a schedule on the back of the Law which defines each fee for the type of document signed or the work done under which the notary public performs the act.

However, the way that it is described in this proposed new sub-section (d) of section 3, where it says any person who **"has been employed in any other profession specified from time to time by the Governor.",** what I understand by that is that it is clearly because in the majority of cases that the Government has experienced via the applications that the applicants are in some profession. If we go through all of the sections that are proposed, sub-section (d), which one might have hoped would be the catch all section, "**has been employed in any other profession."**

There is, from time to time, the need for individuals or families to have documents notarised. They are not necessarily either in a position or have the intention of going to a professional institution that is a law firm or accounting firm or some other type of institution of that nature, to get their documents signed. While I accept that this instance may be in the minority, it still does exist. I am a Justice of the Peace and from time to time I have requests from individuals and when I examine the documents a justice of the

peace's signature is not sufficient; it has to be notarised. Hence, as a justice of the peace I cannot perform the act that they need. I do not believe that the Law should be crafted in such a way – and I do not think this is intentional – but it almost does not allow in any instance for any person who the Governor in Cabinet may consider to have the experience and the knowledge to be able to responsibly perform the acts of a notary public to be appointed. When we read what is proposed our position is, while we accept that the reasoning and the purpose behind the desire of the Government in bringing forward this amendment to the Law is such that it ensures the quality of the appointments, however, what we do not accept is – and this appears to be inadvertent - that it appears to be one which in the future would not allow certain people to be appointed as notaries public, who would perform a necessary and vital service for the various communities that we have, especially in the outer districts.

There is also a point that has just been drawn to my attention. There are some documents which have to be dealt with here that are used overseas. In many instances the signature with the stamp of a justice of the peace is not recognised because many of the international countries do not actually have justices of the peace; they depend on notaries public to witness certain documents, certain signatures and I do not know if the Government has experienced having reported to it some type of abuse of the authority invested in a notary public. Whether that is the case or not, we subscribe to the Government's attempt to streamline these appointments in a manner that can be monitored and that also calls for disclosure by the people who are appointed on a continuous basis to ensure that the Government has full knowledge of the position that these individuals find themselves in from time to time.

However, we are not satisfied that the Bill as is proposed, and especially the proposed section 3 to repeal the existing section and qualify who can be appointed as notaries public, actually serves the purpose that is intended. We do not necessarily want to propose an amendment to the Bill, but we are hoping that the Government will understand the position that we take and will take on board that point. We would like them to propose some other sub-section within that section, which will capture such individuals that could be appointed from time to time so that there is absolutely no doubt, which is the way it appears to us now. It is fine how it is for a certain sector, but it does not capture what we believe it needs to if we are going to not disenfranchise certain individuals from being appointed notaries public.

For example, there are individuals in the outer districts who do not necessarily subscribe to the belief that they should visit George Town and we should respect that. There certainly should be, either the elected representatives or other recognised, individuals in the districts, who could be recommended, and have their application put before the Attorney General to be brought to Cabinet, as deserving individuals who they could be sure would have the experience, knowledge and integrity to perform the function of notary public in the correct manner. We just want to make sure that the proposed amendment does not prevent this from happening.

Without trying to put words into the mouth of the Honourable Second Official Member, what we wonder is whether proposed sub-section (d) would, in their opinion, capture this or not. We do not think that it is clear enough because it speaks to a professional qualification or being employed in any other profession they speak to as a profession. I do not know if there is any definition of 'profession or professional' either in the proposed Bill or in the Law itself, but it describes in the proposed section 3 the various positions and qualifications that are required outside subsection (d) which allows for the Governor to specify from time to time in any other profession.

I think the point is made and if the Government is able to bring forward a reasonable argument which proves that our fears are totally unfounded or is able to propose an amendment which takes care of those fears then we would be happy to support the Bill. Otherwise, it puts us in a position where we cannot support it because of the arguments that have been put forward.

In addition, if we move into the proposed amendments in section 3, subsection 2**: "An applicant shall provide the Attorney General with any further information that the Governor requires in considering an application under this section and such additional information shall include but is not limited to-**

(a) two character references;
(b) a police record;
(c) a photograph of the applicant certified by a justice of the peace, a notary public, a minister of religion, a police officer (gazetted), a medical practitioner or an attorney-at-law, to be a true likeness of the applicant."

Mr. Speaker, I call all of those titles out just to say that if I look at that I can understand – and I am being cynical – what the Government thinks of the ordinary members of the Legislative Assembly, because we can sign passport pictures of people, but we cannot sign for an applicant for notary public. If it is good for one, then I do not see this as being more important than a passport document. That is a point that I wonder whether to reconsider, meaning if representatives are not allowed to do this then maybe we should not be allowed to sign passport pictures, which would be inconvenient for many people I know. Those are the two main points which we would like to be clarified. Taking care of those two points would allow us to support the Bill. If that is not the case, I do not

see how we can, because I think that the concerns are genuine and the points that are raised are ones with merit that need to be addressed. Thank you, sir.

The Speaker: Does any one else wish to speak? The Second Elected Member for West Bay.

Mr. Rolston M. Anglin: I will be careful not to be repetitious of the comments made by the Leader of the Opposition, but I think it is important that a number of points be brought out when looking at this proposed amendment to what is a very important Law, because not only does this have a tremendous impact on the business world, because of the numbers and types of documents that have to be notarised, but it also has an impact on the private lives of the citizens in our community. One of the first things we all sought to do once we were elected was to become notaries, because we understood how important it was for us to discharge this very vital and necessary function within our community.

I will concentrate by looking first at the new proposed sub-section 3 of the Law and I would, first of all, have to agree that there is a need to ensure that there is a category in that sub-section that does capture the persons in our community who are mature, responsible, but do not necessarily fall into the proposed section 3 through sub-section 3(d). If we were to look at persons appointed as justices of the peace we will see that some of those would not fall within any of those three proposed categories, therefore I think it is important that we have a section in there that captures that.

If we look at the current legislation we see that it allows for the Attorney General's office to have the discretion in the first place and I believe it is important that it has the discretion to vet applications and make those determinations, because if the Attorney General's office cannot make those determinations, then who can? I think it is vitally important that we capture that particular element that I think is missing from the proposed amendment.

I would also like to turn to the proposed amendments 3(a), (b) and (c). It is also important that we be careful as to specifying specific time frames regarding how long a person needs to be employed. If I look at my profession, which is covered in 3(c) we see that there are people who will have qualified as certified public accountants well before they would be allowed to become notaries**: "the person has been employed as a certified public or chartered accountant for a period of three years or more."**

Once we start putting specific time frames into the proposed Bill it could become problematic in that a person could have gone through all the requisite studies, training, and become a qualified person and then not be able to become a notary. I think the essence of what we are trying to capture here is that for those specific professions that those persons who are members of those professions can practice as notaries. I know in my case, for example, that I was able to qualify as a certified public accountant after only being out of college for a year and a half because of my prior work experience. However, as this specific amendment stands, I would have had to wait another year and a half before I could have become a notary because it calls for me to be employed, not qualified, as such for three years. Therefore, I think we need to be careful with the specific time frames because again we could start eliminating people who would responsibly carry out those duties.

I also think it is important that we do look at this whole issue of persons who, for whatever reason, are no longer desirable to be notaries. We do have in subsection 10 of the current Law certain specific *carve-outs* of misconduct, and again I think once the matters are brought to the office of the Honourable Attorney General as to why a person no longer needs to be a notary, then the person should simply be removed. However, I think we have to be careful not to catch too many good and responsible people, who should be notaries, and eliminate them simply because we may have had some problems with a specific few.

Mr. Speaker, while we are looking at the current legislation, I would also draw to the Honourable Second Official Member's attention, that section 7 can cause problems when a person either simply forgets or is too busy – and for the most part a lot of notaries are very busy professional people – to pay his annual fee. I will read section 7: ***Payment of Annual Fees*****: "Each notary public shall, in respect of each year after the year upon which his name was entered upon the register, pay to the Treasury on or before the thirty-first day of January in such year the sum of two hundred and fifty dollars, and where such person has not paid the said sum within the time specified, his appointment as a notary public shall lapse and he shall no longer perform any notarial act."**

One of the things that happens, is that it becomes mandatory for the person to go back through the entire procedure to become a notary again; they have to reapply. Mr. Speaker, I would suggest that when we look at that specific section that we could impose some sort of penalty. Double the fee for example, so that a person would have to face some consequence for not paying on time, but he certainly would not have to go back through the entire process to become registered again. Regarding that section, there may also be a need to have some sort of flexible grace period because I can remember having a specific issue this year when I paid my fee. Although I showed up before the end of business – before 5 o'clock – the person who was responsible for collecting the fee had actually sent off the money bag (as it were) and told me that he could not take my fee because they had already closed up for the day. That might have been the MLA punishment for being late. [*Chuckles*] However, in all seriousness, Mr. Speaker,

showing up before the end of business on the appointed day for paying fees can point to the difficulties that may arise from section 7, and perhaps just looking at that again, to have some sort of monetary incentive for people to pay would also strengthen their actual prompt payment of fees. We are all busy and it happens to the best of us.

The Speaker: Honourable Members, I propose to take the morning break at this time and we will try to get back in 15 minutes which will be 11.55 am.

Proceedings suspended at 11.40 am

Proceedings resumed at 12.23 pm

The Speaker: Please be seated. Proceedings are resumed. The Second Elected Member for West Bay continuing [the second reading debate on The Notaries Public (Amendment) (No. 2) Bill, 2003]

Mr. Rolston M. Anglin: Thank you, Mr. Speaker. Just before we took the morning break I had turned my attention to section 7 of the current Notaries Public Law for which there is not any proposed amendment at this particular time. During the break I had time to reflect on this matter and to discuss it with Honourable Members of the House. There is one thing that seems obvious and not conducive to moving forward in terms of amending this piece of legislation, making it more effective and more streamlined from an administrative standpoint. It is this whole issue about when fees are due. What incentives are there to further ensure that people are going to continue to practise as notaries public and indeed pay their fee on a timely basis? This is what we ultimately want to do – ensure that notaries public do pay their fees on time.

One could argue that if a person is a notary, and if we are raising the bar as to who should become a notary, then people should remember. That is true, Mr. Speaker, but we also have to acknowledge that for the most part, persons who are notaries, do lead extremely busy lives and we are all human and so may slip up one year. I had one Honourable Member give me an example of how he was in the Legislative Assembly for the weeks leading up to 31 January, and actually just physically being so busy and caught up in the proceedings of the Legislative Assembly that he completely overlooked it. That goes to show that we are all human and we are never going to devise anything that is perfect. The one thing I would say that does help is getting a notice to pay and it is timely; I got mine some two weeks ago.

I wonder if it might not be something useful to the public to ensure that anyone who has not paid his fee after 31 January is listed as a person who has been struck from the notary list. People do actually obtain this list and use it for the purpose of trying to find a notary. I have had constituents call me and say that they have looked on the Government website and found my name listed as a notary, and that is how they became aware that I was one, and that they needed to get a specific document signed.

Therefore, I wonder if one of the things that could be considered by the Honourable Second Official Member is just how up-to-date that list is, and maybe a person being struck may not find favour, but certainly making sure that the list is updated, especially after the cut-off date of 31 January. From 1 February, persons who have not paid their fee are acting outside the law if they notarise anything. Therefore it is very important for public protection that we ensure that access to a complete, accurate and up-to-date list is available.

I will stop here because some of the other points that I was going to raise pertaining to the other subsections, have already been spoken on, so I would not seek to repeat them. Therefore, Mr. Speaker I thank all Honourable Members for their attention.

The Speaker: Does any other Member wish to speak? The Third Elected Member for Bodden Town.

Mr. Anthony S. Eden: Thank you, Mr. Speaker. I will be brief on this since hearing the opening and the response by the Leader of the Opposition and the Second Elected Member for West Bay. I too, had problems with subsection (d) which reminds me of four or five years ago when I sat in Cabinet and this was being suggested by the Honourable Second Official Member's predecessor. I opposed it vehemently and there is another Member in here who shared my sentiments. I have a feeling that in his own wisdom he will bring the proper changes to the subsection. There are too many people without these specific qualifications in a certain professional field that are responsible and capable of making these decisions. There have been so many them in the past who have provided these services, and I look forward to seeing the change.

My concern, which I feel will now be eliminated, was that many of our Caymanians would have been limited. People, who, in the past, have made significant contributions to the economic development of these Islands, would have been outside of the scope that had been proposed in the present legislation. These people have been overlooked for too long and we should not continue to endorse any legislation that will bring that about. I look forward to hearing and seeing the amendment which will be brought and I encourage all Members to support amending this section of the Bill.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? If not, I call upon the Honourable Second Official Member to exercise his right of reply.

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker. Let me begin by thanking all Honourable Members of

this House for their usual very constructive and helpful debate. It was very engaging. I take on board the point made by the Honourable Leader of the Opposition, as well as other Members, in terms of suggested amendments that would make the Law far more palatable and accommodating.

Let me point out that it was never the intention of the Government, in any way, to exclude persons who would otherwise be ineligible to be appointed as notaries. There is a recognition that some tightening up of the current Law is needed and so the effort is really to ensure that there are proper benchmarks or thresholds in place. However, in the same breath we want to ensure that no one who is considered responsible and mature enough is excluded. In so doing, Mr. Speaker, I wish to point out that the discretion to appoint persons as notaries is vested in the Governor in Cabinet, in other words, upon the advice of Cabinet and not the Governor in sole discretion. The only exception is where the Governor acts as pointed out in section 10.

It is proposed, in keeping with the very engaging debate that has taken place, to put in place two committee stage amendments that will be dealt with at the appropriate time.

Firstly, it is proposed to ensure that the language in clause 3 is wide enough to cover persons who might otherwise, if strict interpretation is given to the current wording, be excluded. It is proposed that there is language which is sort of omnibus and would allow Cabinet to consider persons who are not professional in the forensic sense, but who are very mature, responsible and otherwise competent, to be appointed as notaries. Therefore, Mr. Speaker, the appropriate amendment will be made at the appropriate time.

Secondly, it is proposed to also amend subclause (2) to correct the obvious inadvertence where the Members of the Legislative Assembly were omitted. It could not have been intended that they were not going to be allowed. Therefore, Mr. Speaker, this will also be dealt with by a committee stage amendment.

I also take on board the very helpful suggestion from the Second Elected Member for West Bay. Administrative mechanisms ought to be put in place to ensure that when a person fails to pay his fees before 31 January, and whose registration has consequently lapsed, an administrative process can be implemented which will allow for this fact to be published and to be made available to the public so that such people ought not perform the duties of notaries in the interim. Accordingly, Mr. Speaker, I will speak to the Clerk of the Courts to ensure that all of that is taken on board.

It only falls for me, to thank all the Honourable Members and you, Mr. Speaker, for indulging us with a longer than usual adjournment to have the amendments ready for this Honourable House. Thank you.

The Speaker: The question is that a Bill shortly entitled, The Notaries Public (Amendment) (No. 2) Bill 2003 be given a second reading. All those in favour say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Notaries Public (Amendment) (No. 2) Bill, 2003 given a Second Reading.

The Status of Children Bill, 2003

The Speaker: The Honourable Minister of Community Services, Youth, Sports and Gender Affairs.

Dr. the Hon. Frank S. McField: Mr. Speaker, I beg to move a Bill entitled The Status of Children Bill, 2003.

The Speaker: The Bill has been duly moved. Does the Honourable Mover wish to speak thereto?

Dr. the Hon. Frank S. McField: Mr. Speaker and Members of the Legislative Assembly, I wish to present to this Honourable House the Status of Children Bill, 2003.

On the 15th March, 2001 the Legislative Assembly approved a private member's motion which requested the abolition of the distinction between the succession rights of legitimate and illegitimate children.

After considering the motion and taking into account the Government's policy relating to the protection of the rights of children in the Islands it was decided to draft a bill providing for the equal status of children. The Government has also noted that as far back as 1980 countries such as Jamaica and Barbados have provided for such equal status and that more recently the Bahamas and Bermuda have followed suit.

This Bill therefore seeks to give effect to such reform." By implication "It also seeks to reinforce the principal of gender equality and to recognise that both fathers and mothers play crucial roles in the development of children . . .

Clause 3 provides that for all the purposes of the Law of the Islands the relationship between every person and his father and mother shall be determined irrespective of whether the father or mother are or have been married to each other, and all other relationships shall be determined accordingly.

Clause 4 provides that the parent and child relationship as determined in accordance with section 3 shall for all purposes be followed in the determination of other kindred relationships following therefrom.

Clause 5 provides that unless a contrary intention appears, any reference in an enactment or instrument to a person or class of persons described in terms of relationships by blood or marriage to an-

other person shall be construed to refer to or include a person who comes within the description by reason of the relationship of parent and child as determined in accordance with section 3 and 4.

Clause 6 provides that this Bill shall apply in respect of every person, whether born before or after the commencement of this Bill, and whether born in the Islands or not, and whether or not his father or mother has ever been domiciled in the Islands.

Clause 7 deals with presumptions of paternity. It provides, among other things that unless the contrary is proven on a balance of probabilities, there is a presumption that a male person is, and shall be recognised in law to be, the father of a child in certain circumstances. Some of these include circumstances where –

(a) the person was married to the mother of the child at the time of its birth;

(b) the person was married to the mother of the child and that marriage was terminated by death or judgement of nullity within 280 days before the birth of the child, or by

(c) divorce where the decree nisi was granted with 280 days before the birth of the child; the person marries the mother of the child after the birth of the child and acknowledges that he is the natural father;

Clause 8 deals with the presumptions of parentage arising out of the use of fertilisation procedures. For example, where a married woman has undergone a fertilisation procedure as a result of which she becomes pregnant -

(a) her husband is presumed to be the father of any child born as a result of the pregnancy even if he did not provide any or all of the sperm used in the procedure, but only if he consented to the procedure, and

(b) the woman is presumed to be the mother of any child born as a result of the pregnancy even if she did not provide the ovum used in the procedure."

Clause 9 provides that where a man and a woman, in good faith, go through a form of marriage that is void, they shall be deemed to be married for the period during which they cohabit, and the presumption referred to in clause 7(1) (b) applies accordingly.

Clause 10 deals with applications for declaration of paternity. It provides that any person who-

(a) being a woman, alleges that any person is the father of the child;

(b) alleges that the relationship of father and child exists between himself and any other person; or

(c) being a person having a proper interest in the result, wished to have it determined whether the relationship of father and child exists between two named persons,

may apply in such manner as may be prescribed by rules of court to the court for a declaration of paternity, and if it is proved to the satisfaction of the court that the relationship exists the court may make a declaration of paternity whether or not the father or the child or both of them are living or dead.

Clause 11 deals with applications for declaration of paternity where there is no presumption. Where there is no person presumed under clause 7 to be the father of a child, any person may apply to the court for a declaration that a male person is his father, or any male person may apply to the court for a declaration that a person is his child.

An application may not be made under subsection (1) unless both persons, in respect of whom the relationship is sought to be established, are living.

Where the court finds, on a balance of probabilities, that the relationship of father and child has been established, the court may make a declaratory order to that effect, and, subject to clauses 13 and 14, that order shall be recognised for all purposes. . .

Clause 15 provides for parentage testing orders. In proceedings where the parentage of a child is in issue the court may make a parentage testing order requiring a parentage testing procedure to be carried out on any of the following persons for the purpose of obtaining information to assist in determining the parentage of the child-

(a) the child;

(b) a person known to be a parent of the child; or

(c) any other person, if the court is of the opinion that the information that could be obtained if the parentage testing procedure were to be carried out in relation to the person might assist in determining the parentage of the child.

A parentage testing order may be made by the court on the application of a party to the proceedings, or of its own motion.

Clause 16 provides that where the court makes a parentage testing order it may make such other orders as it considers necessary or desirable-

(a) to enable the parentage testing procedure to be carried out; or

(b) to make the parentage testing procedure more effective or reliable.

Clause 17 provides that in any proceedings in which the parentage of a child is an issue the court may take into account any test taken by a relevant party pursuant to the Immigration Law (2003 Revision) which establishes or rejects paternity of that child.

Clause 19 prohibits the taking of bodily samples by unqualified persons. A "qualified person" is defined as meaning a registered medical practitioner or any other person belonging to a class of persons prescribed by the regulations for the purposes of this clause. . .

Clause 21 provides that nothing in the legislation shall be construed to require the Registrar to amend any prior registration showing parentage other than recognition of an order made under clauses 10, 11 or 13."

Clause 22 repeals section 35 of the Succession Law (1995 Revision) and the Legitimation Law

(1997 Revision). This deals with the rights of illegitimate children.

I propose to move three committee stage amendments to this Bill. One will be a minor amendment to the definition of 'parent' in clause 2 of the Bill and one will be to repeal section 21 of the Matrimonial Causes Law which deals with the declaration of legitimacy in any suit brought under that law. We also have an amendment that will deal with the commencement of this Law and that will be so that the Law shall come into force on such date as may be appointed by order made by the Governor in Cabinet. *[Pause]* The legislation when passed will not affect any determination concerning the parentage of a child made by court before the commencement of the provisions.

According to statistics provided by the General Registry in 2000 there was a total of 618 children born in the Cayman Islands. Of those children 182 were born to mothers never married.

Similarly in 2001 the total was 622 children and 199 of them were born to mothers never married.

In 2002 the total number of children born was 582 which were lower than the previous year with the number being born out of marriage being 173 children.

To date (in 2003), the total number of children born was 477 with 140 of them being born to mothers never married.

As you can see from these statistics, a significant number of children stand to benefit of the passage of this Bill.

I now seek the approval of this Honourable House in passing the Status of Children Bill 2003 subject to the amendments at the Committee Stage.

The Speaker: Does any other Member wish to speak? Perhaps this is a convenient time for us to take the luncheon break and we will return at 2.30 pm.

Proceedings suspended at 12.53 pm

Proceedings resumed at 2.42 pm

The Speaker: Proceedings are resumed. Does any other Member wish to speak? The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker.

It gives me great privilege and pleasure this afternoon to rise to offer my contribution on this very important Bill which is before the House, shortly entitled The Status of Children Bill 2003.

It has been noted in the Object of Memorandum and Reasons that this Bill has its genesis in the passing of a Private Member's Motion on 15 March 2001. That Motion was moved by me and seconded by the Elected Member for East End. The objective of that Motion was to seek to have legislation passed to remove the discrimination between legitimate and illegitimate children in so far as succession rights were concerned.

The Bill currently before the House goes substantially further than that. I am pleased, because the main reason why the Motion, which I brought to this Honourable House more than two years ago, did not seek to go further than that, was because of concerns which my colleagues and I shared about the implications of more general provisions in so far as the issues of Immigration were concerned. Since that time a lot of water has gone under the bridge in relation to Immigration Issues and indeed there is before this Honourable House an Immigration issue which is shortly to be debated. Prior to that, there have been extensive discussions and debates. The Immigration Review Team has done a tremendous amount of work and produced a lot of reports and the concerns and the implications of removing the distinction between illegitimate and legitimate children have been addressed in that new Immigration Bill.

Mr. Speaker, I am happy to see that in this Bill, The Status of Children Bill, the proposal is to remove the distinction between illegitimate and legitimate children, generally.

It might be helpful if I were to briefly remind this Honourable House of what the Motion which I brought, and which was the subject of this resolution, actually said. I will forego reading what the provisions of section 35 of the Succession Law, which the Motion sought to have amended actually said – that is, the detail of it because it is rather long. However, I will quote what I consider to be the pivotal WHEREAS section and the resolutions which were sought.

"AND WHEREAS the above provisions of the Succession Law discriminate unfairly against an illegitimate child whose father acknowledged paternity and supported that child voluntarily, as well as against the natural father of such a child;

"BE IT THEREFORE RESOLVED that section 35 of the Succession Law be amended to extend to all illegitimate children, and to the natural fathers of such children, the same rights and succession on intestacy enjoyed by legitimate children and the fathers of legitimate children;

"AND BE IT FURTHER RESOLVED that the Succession Law also be amended to provide for an appropriate method of establishing paternity prior to, as well as following either the death of the man alleged to be the natural father of an illegitimate child, who had not, prior to his death, been adjudged to be the punitive father of the said illegitimate child under the provisions of the Affiliation Law (1995 Revision), or the death of the illegitimate child."

Mr. Speaker, the situation in the Cayman Islands up to now is, that as a result of, what I regard as antiquated legislation, we have a situation whereby children of fathers who were not married to the mother at the time of the child's birth (or subsequently married

to them) and who were, what I would call, good fathers in the sense that they have always made a contribution to the upkeep and maintenance of the child, were discriminated against by the Succession Law because when they died without leaving a Will, those children whom they had looked after throughout their childhood, were unable to benefit from the deceased's estate in the same way that a legitimate child would have. However, the real irony of that situation has been that where a father has been adjudged by the court to be a putative father, usually as a result of an application by the mother on the basis that the father had not been maintaining the child, a child in those circumstances would be able to benefit from the deceased's intestate estate.

The irony of that is that the children of good fathers, who were not required to be brought before the court to have an order made, did not benefit, whilst children of those fathers who were recalcitrant and were forced before the court to have an order made, did benefit.

That was the main objective of the Motion which I brought to this Honourable House. Underlying that distinction, what currently exists is discrimination based on long, if I might say – I am being very careful less I might be misunderstood as what I regard as outmoded principles – principles which have their basis in the Common Law and in the English Common Law concept of *nullius filius*. Mr. Speaker, it might help again the background to this Motion and indeed to the Bill. I know there will be some anxiety and some discomfiture on the part of certain quarters in the community about the passage of this Bill. None of us should for a moment try to pretend that this is not a significant move on the part of this legislature. Perhaps, hypocritically, many in the community are in recognition of a certain set of affairs and they have tried to either ignore its existence, or worse, continue to uphold it as a basis for discriminating between children. Either the parents are married and the children are legitimate (and thereafter entitled to all of the benefits that that union accorded), or the parents are not married and that child is accorded second class status in the community.

Those, in my respectful submission, are outmoded concepts. They are based on positions and matters which, by and large, no longer have currency, no longer have even a proper basis in the modern society we live in. I hasten to say that this is not by any means a statement which seeks to undermine the importance of the institution of marriage. It is aimed at ceasing discrimination against the innocents who are products of relationships which do not have the benefit of the marital union.

At Common Law, succession was based on the supremacy of the male, the expressed purpose being to produce children of undisputed paternity. The reason for that was that these children would ultimately inherit their father's property as natural heirs.

Mr. Speaker, if I may refer to the *Hansard* of 15 March 2001, which contains the details of my debate which ensued on that Motion back then, and read a short excerpt from it simply because I think it underlines again why the Law is the way it is now, and why it, in my respectful view, needs to be changed to reflect the realities of modern day society.

The Speaker: Please continue.

Mr. Alden M. McLaughlin, Jr.: During that debate I said the following. **"The primacy of succession can be seen reflected in the view of Sir William Blackstone, in his *Commentaries on the Laws of England.* In 1765, and I quote from that text, "The incapacity of the illegitimate child consists principally in this: he cannot be heir to anyone, neither can he have heirs but of his own body for being *nullius filius"*** Which simply means, Mr. Speaker, nobody's child. **"He is therefore of kin to nobody and has no ancestor from whom any inheritable blood can be derived."** [2001 *Official Hansard Report,* p. 93]

That was the Common Law position – the position which would have obtained in Cayman at the time of settlement. The Succession Law, as antiquated as I and others might think it to be, as it currently stands is still a significant improvement on what was the Common Law position. It is time that we moved on to a more modern position and one that is more in keeping with our recognition of the importance and stature of children irregardless of what sort of relationship they are the result of.

In this day and age the welfare of the child and the promotion of the child's interest is the paramount consideration of those who are charged with the responsibility for the welfare of children and indeed by the courts in their consideration of matters which affect the rights of the child.

In the UK as long ago as 1969 they passed the Family Law Reform Act which gave recognition to the succession rights of children in the way that this Motion sought to have section 35 of the Succession Law here amended. In other jurisdictions in the region, Barbados and Jamaica in particular, a long time ago, they moved their legislation and sought to amend the Common Law position to recognise the paramountcy of the interest of the children over any other social concerns or inhibitions which might have existed and might continue to exist which continue to perpetuate this sort of discrimination.

I think it is very useful to outline again what the concerns are that have been around for a long time in other jurisdictions, which have taken the step to do away with the distinction between illegitimate and legitimate children for all purposes. May I again refer to what I did say on 15 March 2001 when I referred to the Law Commissions working paper on illegitimacy published in the UK in 1979. They sought to address some of these concerns and arguments that

are often put forward in favour of maintaining a distinction or, to be more accurate, a discrimination between children in wedlock and those who are not.

They put it this way and I can refer to the *Official Hansard Report* (15 March 2001) [page 93].

The Speaker: Please continue.

Mr. Alden M. McLaughlin, Jr.: The Commission put it this way: 'It is not now easy to put convincing arguments in favour of discrimination, because such arguments would logically justify a return to the strict common law position, and it is difficult to believe that there would be any substantive support for turning the clock back in this way. Nevertheless, arguments in favour of preserving the principle of discrimination may still be used by those who are prepared reluctantly to accept as an accomplished fact, the changes which have already been made toward improving the legal status of the illegitimate child but think that no further reforms should be made. We therefore briefly summarise the arguments in favour of discrimination. There are three in number though they are perhaps not altogether distinct.

"'First, it is said that the legal distinction between 'legitimacy' and 'illegitimacy' reflects social realities. This was certainly true at one time. The birth of an illegitimate child was regarded as bringing disgrace not only on the mother but also on he immediate family. The child could no more expect to be recognised as a member of the family and be received into the family home than he could expect to inherit family property. He was not a real member of the family group. However, although there may still be cases where the illegitimate child is in this position, the evidence suggests that a significant and increasing proportion of all illegitimate children born each year are recognised by both parents, at least the parents have a relationship of some stability...

"'Secondly, it is said that the distinction serves to uphold moral standards and also to support the institution of marriage. In relation to the preservation of moral standards, it is difficult to say how far the fear of producing illegitimate children influenced sexual behaviour in the past; since the risk of an unwanted pregnancy can now usually be avoided by contraceptive measures it seems improbable the such fears still influence sexual behaviour to any substantial extent. Support for the institution of marriage is of course of great importance, especially the present context, because a married relationship between parents should in principle be more stable than an unmarried one, so creating a better environment for the child's upbringing. However, many marriages are not stable, and statistically it seems that marriages that are entered into primarily for the pose of ensuring that an expected child is not born illegitimate are especially at risk. In a large proportion of marriages where the girl is under 20 she also pregnant; and the failure rate of marriage where the girl married young is statistically high. We therefore find it difficult to accept that the institution of marriage is truly supported by a state of the law which the conception of a child may encourage young couples to enter precipitately into marriages which may have little chance of success.

"'The third argument in favour of preserving discriminatory treatment asserts that the legal relationship between the child's parents should be relevant in determining the child's legal status: that as the legal relationship of marriage results in legitimate status for the child, so a relationship which does not accord with the norm should not result in normal status for the child. On this view it is regarded as significant not only that a legitimate child is the issue of a legally recognised union, the incidents of which are fixed by law and which can only be dissolved by formal proceedings but also that marriage, at least in its inception, is intended to be permanent. The relationship of an illegitimate child's parents, on the other hand, is not in; general legally recognised and may never have been intended to be more than transient. However this argument is based on the premise that a child's status ought to be affected by that of his parents. This is the proposition which we do not accept; it is, after all, the child's status, and the nature of the relationship between his parents need not and should not affect this.'

"That, Mr. Speaker, I believe is the most compelling argument of all. I will read it again: 'However this argument is based on the premise that a child's status ought to be affected by that of his parents. This is the proposition which we do not accept; it is, after all, the child's status, and the nature of the relationship between his parents need not and should not affect this.'

"In other words, to quote or misquote scripture – the sins of the father ought not to be visited on the child. Continuing: 'In general, where a child is involved, the law is that his welfare is the first and paramount consideration; transcending even the consideration of doing justice between his parents or between his parents and outsiders. We do not think that the arguments mentioned above in favour of discrimination are sufficiently strong to justify a refusal, as a matter of law, to apply the same welfare principle to children simply on the ground that they have been born out of wedlock. In particular, we see no justification for preserving the status quo . . .'"

Now, Mr. Speaker, the Honourable Minister, when he moved this Bill, did outline what the current statistics are at present in the Cayman Islands in terms of the births where the mother has never been married. I think that the actual number of children born

outside wedlock is probably even higher than the statistics which he gave. His statistics, as I understood them, are based on the number born to a mother who has never been married, but there are a significant number of children born to mothers who were once married and who are no longer married. Those children, for the purposes of the matter under consideration, would be illegitimate as well. Therefore, I think the number of actual births of illegitimate children is probably somewhat higher than the figures given by the Honourable Minister and it would help, not to change anybody's position, the whole context of this debate if those were available. The figures that I had only went up to 1999, so his figures are more up to date than mine.

However, those that I was able to ascertain back in 2001, related to the period 1990-1999. The average of births per annum then was 548 and the average of 43 per cent of those births was outside wedlock. Those were the figures that I was able to obtain. A significant percentage of our population is going to be stigmatized, if births outside the benefit of a marital union continue to be a stigma. I believe we have a duty and a responsibility as members of the Legislative Assembly not to allow that to continue.

There is no basis for it, other than age old prejudices which exist: some for moral reasons; some for biblical reasons where these children would have been conceived against the biblical injunction; some for reasons relating to inheritance; many relating to questions of status in the community; many having to do with the difficulty of being able to prove that children born outside the marital union are children of the father or the male of that union. Most of those concerns, aside from those involving biblical and moral aspects, have gone by the wayside.

These days we have very good means of proving the paternity of a child and, while many of us will still have concerns about what might seem to be a promotion or acceptance of children being conceived outside wedlock, I believe those concerns ought to be outweighed by the welfare of the child, who had nothing to do with where he came from or what the state of the relationship was between his mother and father which resulted in his conception; I think that is the most compelling argument of all. We should not continue to allow mere accident of birth to determine the status of a child; whether a child inherits or does not inherit; whether the child is Caymanian or not Caymanian; whether the child is accorded a certain stature and acceptance in the community or not.

The Honourable Minister who moved this Bill – and I was reminded when I looked through the *Hansard* that he was on the other side of the floor when he supported that Motion, he was seated next to me. At that time I think he often considered himself, the only Member of the Opposition. It is, I believe, a good thing that he is able in his capacity now as Minister having supported the Motion that I brought to be able to move this very important, far-reaching, forward-thinking Bill.

Mr. Speaker, I think I have sought to outline again very briefly the underlying philosophy of the Motion that was brought which has resulted in the Bill, but I would like to take a few minutes now to consider some of the provisions in the Bill itself. Mr. Speaker, if I could have a moment. *[Pause]*

Turning to Part II of the Status of Children Bill, on page 10, entitled "Equal Status of Children", section 3(1) provides: **"Subject to subsection (2) for all the purposes of the Laws of the Islands a person is the child of his natural parents and his status as their child is independent of whether he is born inside or outside of marriage and all other relationships shall be determined accordingly."**

Section 3(2) provides: **"Where an adoption order has been made under the Adoption of Children Law (1996 Revision) or the law of any other jurisdiction the child is in law the child of the adopting parents as if they were his natural parents."**

Therefore, subsection (1) is subject to that provision, which is quite in order. If you adopt a child, the child, for the purposes of the law, severs the natural relationship and his adopted parents stand in the shoes of his natural parents.

Section 3(3) provides: **"The rule of construction whereby in any instrument words of relationship signify only legitimate relationship in the absence of a contrary expression of intention is hereby abolished."**

Those are probably the most critically important provisions in this entire legislation. It is on section 3 that the whole basis of the removal of the distinction of legitimacy and illegitimacy in terms of children is based. If you look at the end of the Bill (which relates to the Laws which are being repealed as a result of this) you will see that section 35 of the Succession Law (which is the section I sought to have amended) and the Legitimation Law (1997 Revision) are repealed. Therefore, as far as the Succession Law section 35 is concerned (with that having been repealed), the distinction between succession rights for children also goes. As far as the Legitimation Law is concerned, legitimation is concerned with where a child is born out of wedlock, but his parents subsequently marry each other; he is not considered to be legitimate but legitimated. With the passage of this Bill, the Status of Children Law, the necessity for the provisions in the Legitimation Law is no longer there and hence the repeal of that.

Now, Mr. Speaker, there is another piece of legislation which I alluded to when I started speaking which also will be significantly impacted by the passage of this Bill and that is the Immigration Law. Under the current Law distinction is made between the rights of legitimate children and illegitimate children for the purpose of determining whether or not they have Caymanian status.

If I may have a moment, Sir. *[Pause]*

I am reminded by my colleague, the Elected Member for East End, of what the Honourable Minister of Community Service said in his debate to which I earlier referred. The Elected Member for East End clearly wanted to make sure that any credit that needs to be given to the Honourable Minister of Community Services is given by me during my debate and so I will read that.

The Honourable Minister of Community Services did actually make reference to the importance of the immigration issue in relation to the removal of the distinction between illegitimacy and legitimacy when he spoke on 15 March 2001. He says, on page [97] of the relevant *Hansard* (referring to me, I think), **"So, I thank him and wish to say also that the Minister for Social Services, the Honourable Edna Moyle, has obviously expressed a long awaited interest in this Motion. I am happy that it has come here. It will coincide brilliantly with my Motion on immigration that also deals with the question of illegitimacy. I am hoping that get as much support for that Motion as I have given this one. Thank you."**

Therefore, Mr. Speaker, there has been recognition, on both sides of this Honourable House, of the importance of resolving that issue. However, as the Law currently stands the distinction between legitimate and illegitimate children, for the purposes of immigration, continues. I should say before I go on, that I am grateful to the Honourable Minister of Community Services, with whom I had a chance to speak before he moved this Bill. He has proposed that the Status of Children Bill, if passed by this Honourable House (as I expect it to be), should not come into effect immediately. I hope it will become clear as I go through this law with your permission, and make a few references to the proposed new Immigration Bill, if I can call it that.

The Speaker: Please continue.

Mr. Alden M. McLaughlin, Jr.: I hope that it will become clear why I believe it is important that when this Bill is passed it will not come into effect until we have also passed and brought into effect the new Immigration Bill. As the Law currently stands under section 21 of the Immigration Law, page 17; **"21. (1) After the 15th October, 1992, any person under the age of eighteen years who is the legitimate child, step-child or adopted child of a person who possesses Caymanian status shall, for the purposes of this Law, himself possess Caymanian status and shall, continue to possess such status unless and until he loses it under any other provision of this Law."**

Translated into 'lay' language this means if any legitimate child, step child or adopted child of a person who has Caymanian status for the purposes of this Law, possesses Caymanian status and shall continue to possess that status unless until they lose it under any other provision of this Law and that relates only to persons who obtain status and essentially who were born after 15 October 1992.

Mr. Speaker, I take that back. I do not think that section applies the way that I have said. That subsection, I believe, applies to any person after 15 October 1992 who is under the age of 18 and who is a legitimate child, step child or adopted child of a person who possesses Caymanian status.

The explanation which I gave in relation to that which is subsection (1) of section 21 actually applies to subsection (2) which is, **"(2) Any person born on or after the l5th October, 1992, whether born in or outside the Islands, shall possess Caymanian status if-**

> **(a) at least one of his parents, at the time of his birth, possesses Caymanian status; and**
>
> **(b) one of his parents, at the time of his birth, is domiciled in the Islands."**

However, the discriminatory section is subsection 1 which relates to only legitimate children, where it says, **"(3) Notwithstanding anything in the foregoing, subsection (2) shall, in relation to an illegitimate child, have effect subject to the following modifications-**

> **(a) subject to paragraphs (b) and (c), the status or domicile of the putative father, or of any person holding himself out as the father of the child, shall not be taken into account, and the status or domicile of the mother shall alone be regarded;"**

Therefore, the result is that as the Law currently stands, the status or domicile of the father of the child, for the purposes of determining whether or not the child is entitled to Cayman status, is not to be taken into account: only the status of the mother. Therefore, that is a discriminatory feature which will be removed in due course by the passage of the Status of Children Bill.

The reason why I have suggested (and I believe the Honourable Minister has agreed) that these two new pieces of legislation need to coincide is that the new Immigration Bill proposes that on page 18 of the Bill, the definition section, 'child' means the biological or adopted child whether or not legitimate.

So while it is arguable perhaps that the discriminatory provisions presently contained in the Immigration Law might be repealed, by implication, by the passage of the Status of Children Bill, 2003, we are hoping to get the Immigration Bill passed by the end of this year. However, I think that it would be unfortunate if we had a situation whereby, for persons who happen to be in this two or three-week period, there was some question of whether or not that particular provision in the Immigration Law had been repealed. I think that it is probably better if we do it very cleanly and make sure that the two pieces of legislation which complement each other go through at the same time and there is no question about the immigration status of children born during this period.

Moving on to the whole question about the establishment of paternity, the Private Member's Motion No. 07/01 (which I have referred to) also sought for legislation to be passed to establish a basis on which paternity could be proven. Mr. Speaker, in section 7, part 3 of the Status of Children Bill, on page 13 there is a fairly comprehensive list of presumptions in which the paternity of a male person is to be determined and some of those relate to presumptions which already exist at Common Law but, many of them go significantly further. Subsection (1)(a) **"(1) Unless the contrary is proven on a balance of probabilities, there is a presumption that a male person is, and shall be recognised in law to be, the father of a child in anyone of the following circumstances -**

"(a) the person was married to the mother of the child at the time of its birth;"

That has been the Common Law position since ancient times. There is a presumption that if there is a marital relationship existing and a child is born to the wife of that relationship that the father is her husband. The presumption is rebuttable but requires significant proof.

"(b) the person was married to the mother of the child and that marriage was terminated by death or judgement of nullity within 280 days before the birth of the child, or by divorce where the decree nisi was granted within 280 days before the birth of the child;"

Some of my colleagues on this side had some debate and concern about the 280 day period. However, I think that those concerns have been allayed since they have come to learn that, in fact, the gestation period of the human being, is not the commonly referred to nine months but, is, in fact, 40 weeks which is what the 280 days relates to. It is also important, in this context, to understand that all of these are presumptions which are rebuttable by adducing evidence and that the standard is only the standard of balance of probabilities.

"(c) the person marries the mother of the child after the birth of the child and acknowledges that he is the natural father;"

Again that is a rebuttable presumption; if there are questions which arise subsequently no doubt those can be resolved by DNA testing.

"(d) the person was cohabiting with the mother of the child in a relationship of some permanence at the time of the birth of the child, or the child is born within 280 days after they ceased to cohabit;"

Where persons are living together in a permanent relationship; the Law will create a presumption that, for any child born to the mother during that period, the father is the man she has been living with. Again, if there is a question about that, the presumption is rebuttable. However, in the absence of any question the child would be presumed to be the child of that man for all purposes including immigration and succession.

"(e) the person has been adjudged or recognised in his lifetime by a court of competent jurisdiction to be the father of the child;"

There should be little question about that.

"(f) the person has, by affidavit sworn before a justice of the peace or a notary public or by other document duly attested and sealed, together with a declaration by the mother of the child contained in the same instrument confirming that the person is the father of the child, admitted paternity, but such affidavit or other document shall be of no effect unless it has been recorded with the Registrar General;"

Therefore, the man can swear an affidavit, make a declaration, and the mother would have had to do the same. If registered, there would be a presumption that the man is the father of the child.

"(g) the person has acknowledged in proceedings for registration of the child, in accordance with the law relating to the registration of births, that he is the father of the child;"

Where the man goes along to the Registrar General and signs the birth certificate there will be a presumption that he is the father of the child.

"(h) the mother of the child and a person acknowledging that he is the father of the child have signed and executed a deed to this effect in the presence of a counsel and attorney, but such a deed shall be of no effect unless it is notarised and recorded with the Registrar General prior to the death of the person acknowledging himself to be the father;"

I think that is quite clear, Mr. Speaker.

"(i) a person who is alleged to be the father of the child has given written consent to that child adopting his name in accordance with the law relating to the change of name;"

Again, Mr. Speaker, that is a very common situation in these Islands where, as time goes on, the man who had not previously been registered as the father of the child at the time of the child's birth, agrees that the child should bear his name and in those situations again there will be a presumption that he is the father of the child.

"(j) a person who is alleged to be the father of the child has by his conduct implicitly and consistently acknowl-

edged that he is the father of the child."

There are quite a number of instances where you can see that he supports the child on a regular basis where he brings the child home to live with him on weekends and holds the child to be his. Again there will be a rebuttable presumption that he is the father of the child. It will make the life of the child that much easier, make the child's social acceptance that much easier as well and the reality is he will acknowledge what is very commonplace in these Islands.

Again, Mr. Speaker, I am at the risk of being tedious in repeating this, but I have heard concerns expressed even with the confines of this Honourable Chamber, these provisions are merely rebuttable presumptions that the Law creates. Therefore, simply because there is a presumption in law that you are the father of the child does not mean that you cannot, through the appropriate course, establish, in fact, it is not yours, even though you were married to the mother of the child at the time the child was conceived as she was having an affair with somebody else. Therefore, that would be one factor that would weigh in the evidence but the one that would be unanswerable is if a DNA test is carried out and it is clear that you could never be the father of the child, the presumption is rebutted and that is the end of the matter.

So, I do not think that we need to be unduly concerned or anxious about the presumptions that are being created by the Law. We need to remember that the reason why the Law would create those presumptions is not about the mother or the father; it is about the child. The welfare of the child is what is of paramount importance to all of us and it is a principle that has been recognised in the Commonwealth for a long time. It is the innocents, who are products of relationships, who should be afforded every opportunity and given every protection under the Law. I am afraid that the mother and father who are grown up and tougher will have to do whatever they have to do to ensure that their rights are protected. If the man is not the father of the child he will have to establish that he is not. For too long it is the children who have suffered as a result of these relationships and these problems which are a result of the human condition.

Now, Mr. Speaker, I should perhaps spend a little time discussing when none of these presumptions apply by which paternity or parentage can be proven under the Status of Children Bill.

In section 9**: "For the purposes of section 7, where a man and a woman, in good faith, go through a form of marriage that is void, they shall be deemed to be married for the period during which they cohabit, and the presumption referred to in section 7(1)(b).."** which is where "**the person was married to the mother of the child and that marriage was terminated by death or judgement of nullity within 280 days before the birth of the child, or by divorce where the decree nisi was granted within 280 days before the birth of the child;"**

The presumption referred to in that section applies accordingly. Therefore, if a marriage is void – and this can happen where the ceremony of marriage is completed but there is some legal impediment to the parties being married. For instance, if the mother is under the age of 16, or if one of the parties is still married to someone else and during the period of cohabitation a child is conceived, a provision such as this is there to protect the child. It will create a presumption that the man is the father of the child and all of the rights which would accrue to a child born within the benefit of a marital union will also apply.

In cases where none of the presumptions apply, section 10 makes provision. Section 10(1): **"Any person who-**

(a) being a woman, alleges that any person is the father of the child;

(b) **alleges that the relationship of father and child exists between himself and any other person; or** [That is in the case of a man]

(c) being a person having a proper interest in the result, wished to have it determined whether the relationship of father and child exists between two named persons, may apply in such other manner as may be prescribed by rules of court to the court for a declaration of paternity, and if it is proved to the satisfaction of the court that the relationship exists the court may make a declaration of paternity whether or not the father or the child or both of them are living or dead."

So the instances that are contemplated are where a woman, who is alleging that someone is the father of her child, can make an application to the court. That has almost always been the case. However, it has never been the case in these Islands that a man alleges that the relationship of father and child exists between himself and any other person.

Also where (c) **"being a person having a proper interest in the result, wished to have it determined whether the relationship of father and child exists between two named persons,"** that is a provision which is giving local standing before the courts to some person who has a proper interest in knowing whether or not this man is the father of this child. They can apply to the court whether the father is living or dead for a declaration that this is the case. This is often important and there has been no mechanism till now in the case where someone who believes he is the child of someone who has passed on. However, because he was not the legitimate child, he was unable to share in the benefit of his alleged father's estate.

Even where the father is dead it will be possible, in appropriate circumstances, for the court to make an order on application by, for instance, the personal representative of his estate, or by the ag-

grieved child, who believes himself to be the natural child of that father, but having been left out of the sharing up, to make an application to the court for paternity to be proven. Whether that has to take place by exhuming the body to get a DNA specimen or whether a specimen can be taken from some other relative which is close enough to make the comparison, it can be done. There is the legal framework in which the application can be made and an order can be made to the court. This Bill is far-reaching; appropriately so. This is not a complaint, but a recognition that this is a significant piece of legislation that is being proposed to be passed.

Mr. Speaker, page 13 section 11 (1): **"Where there is no person presumed under section 7 to be the father of a child, any person may apply to the court for a declaration that a male person is his father, or any male person may apply to the court for a declaration that a person is his child."** Again, where it is a situation that falls outside the presumption which is set out in section 7, if you believe that John Brown is your father you can make an application to the court and the court will then set in train a certain process which will compel John Brown to do whatever the court says is necessary for the court to be satisfied that it can determine whether or not he is your father. That is also the case the other way round where the father can make such an application to the court to seek a declaration that he is the father of a particular child.

The companion to that is subsection 3 of Section 11: **"Where the court finds, on a balance of probabilities, that the relationship of father and child has been established, the court may make a declaratory order to that effect, and, subject to sections 13 and 14, that order shall be recognised for all purposes."**

So, consequently, you get an order from the court saying that you are the father of this child and, for whatever purposes that are necessary, that order is adequate.

Again, to facilitate those orders and the results sought by those orders, section 15 makes provision for parentage testing. Section 15(1) provides: **"In proceedings where the parentage of a child is in issue the court may make a parentage testing order requiring a parentage testing procedure to be carried out on any of the following persons for the purpose of obtaining information to assist in determining the parentage of the child-**

(a) the child

(b) a person known to be a parent of the child; or

(c) any other person, if the court is of the opinion that the information that could be obtained if the parentage testing procedure were to be carried out in relation to the person might assist in determining the parentage of the child."

Therefore, as far as (c) is concerned, it contemplates the sort of situation I alluded to earlier where there is someone who is believed to be a relative of the child, perhaps a sibling, and you want to determine whether or not this individual shares the same parents, then the court could bring alleged sibling before the court and make an order in relation to them that perhaps a specimen be given to assist the court in determining whether or not John Brown is also the father of this particular individual; John Brown known to be the father of this sibling. This parentage testing procedure is bound to meet with some objections or at least resistance and consternation on the part of some people because it is a process by which the court can, and will, order that certain people present themselves and permit specimens to be taken from their person to enable them to carry out their exercise and their function in determining the parentage of a child.

In making those decisions as to whether a testing order should be made, the court under the same section, section 15, an order **"may be made subject to such terms and conditions as the court determines"** and **"in deciding whether to make a parentage testing order, the court shall**

(a) consider and determine any objection made by a party to the proceedings on account of medical, religious or other grounds; and

(b) if it determines that an objection is valid, take the objection into account in deciding whether to make the order.

Therefore, the court has certain latitude in determining whether or not such an order should be made and, if so, subject to what terms and conditions.

In subsection (5) **"Where the court makes an order under this section and a person over the age of 18 named therein refuses to submit to the parentage testing procedure, the person is not liable to a penalty in relation to the refusal to comply with the order but the court may draw such inferences as it thinks appropriate."**

In other words, if you are over the age of 18 and you refuse, which you can do, then the court can draw such inferences as it thinks appropriate which may and are bound to include a provision that the reason why you refused to submit to the test is that you believe that there is a least a risk that paternity could be established. It may not be limited to paternity, but it would most likely establish that you were a parent of the child.

Those, Mr. Speaker, are the crucial provisions of this very important Bill. I hope that what I have said this afternoon in relation to it has provided this Honourable House and perhaps the wider public with a better understanding of the underlying philosophy behind the Private Member's Motion which has resulted in the Bill and indeed, I hope the underlying philosophy behind the Bill itself.

I also hope that I have been of some assistance to this Honourable House in outlining the specific provisions of the Bill and the mechanisms it proposes and that by doing so, we will all have a better understanding and perhaps be a little less anxious and concerned about the implications of the Bill.

Nonetheless, there are bound to be concerns that persist and anxiety that exists for the future because it will significantly affect people's rights. The principal one is bound to be the whole question of succession, because where children are born outside the marriage union, and they have brothers and sisters who, in the present context, are legitimate and would therefore inherit the entire estate of their father, in those circumstances those individuals now would have to share with other persons who, in many instances they know full-well, are their siblings, but because of accident of birth they happened to be born outside the four corners of the marital union.

We will simply have to work through those concerns. We will have to continue to explain to our people that while that is the overall case that those concerns exist; if we are going to build a fair, reasonable and progressive society and community we are going to need all of us, all fathers in particular, acknowledge the responsibility of fatherhood, and that necessarily involves the financial consequences and benefits that flow to the children of those fathers.

In this day and age where human rights are a regular feature, all of us, even those who are the most conservative amongst us, are having to come to realise that we are not living in a homogenous society anymore, not all of us have the same values and mores; not all of us believe in the same institutions – even the institution of marriage. We are going to have to pass legislation which affords to all in the community, particularly the innocents, the same benefits as those who may be born in more recognised and regularised (for want of a better word) relationships.

We cannot continue to perpetuate the old philosophy and the old principles of *nullius filius* where those who are born outside the benefit of the marriage union are considered to be, by and large, nobody's child and are not able to enjoy and derive the benefits which their siblings, who happen again by accident of birth, to be born within the confines of a marriage, do enjoy.

I believe, Mr. Speaker, that this is a very progressive piece of legislation. I again commend the Honourable Minister for having the courage to bring it. It has been some time coming – it is more than two and a half years. I had almost given up hope that we would get there before this term was over, but I commend him for having brought it and offer him the wholehearted support of Members of the Opposition in its passage. I thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? The Honourable Minister of Education, Human Resources and Culture.

Hon. Roy Bodden: Mr. Speaker, I have listened carefully to the arguments which have been adduced. It would be remiss of me if I did not say something in support of this important piece of legislation. It is something that has always been close to my heart, being an advocate of human rights and being someone with a social conscience which was pricked by historical precedence and prejudices, not only in Caymanian society but in many plantation societies in the Caribbean.

Several years ago I read an article about illegitimacy in these societies by a social anthropologist by the name of William B. Goode and I wish that had had the presence of mind to bring the article because I have two of them which he wrote in an anthropological journal. However, I see that there is a companion Bill to be discussed and perhaps I will bring it then, because I think that some of the passages which he wrote can serve to inform us about the necessity to remove these kinds of barriers.

In order to avoid repetition, I want to take a slightly different approach. I am happy that we are doing this because I have taken cognisance of the whole effort by the United Nations in their child protection efforts, particularly as it comes to protecting the rights of the child. I know some years ago the United Kingdom did not ratify that convention and the rights of the child, and since we fall directly under the auspices of the United Kingdom, by inference, it would not have been ratified by the Cayman Islands either. Therefore, it is of critical importance that this legislation is brought – and I want to commend the Honourable Minister for bringing it – because it is long overdue.

Mr. Speaker, this whole business of legitimacy and illegitimacy had its genesis in our part of the world by the kind of settlement patterns that were effected, particularly those emanating out of plantation society and the privileges of the planter class and the oligarchy vis-à-vis those people who were deemed to be less of a social standing and of lesser social importance. Not surprisingly, therefore, a lot of these prejudices and positions were based on skin colour.

You will find that the people who were excluded by these laws were not only of a lesser social standing, but in many societies they tended, for obvious reasons, to be those who were of darker complexions. We have come down from that time. At the very beginning the way these kinds of persons were described told us exactly what was thought of them. It was primarily contemptuous, even for English people who liked to consider themselves 'civilised' for whatever that meant, because in many of the societies these people were termed not only illegitimate but there was a special description for them, "bastards". There were many jurisdictions where the laws were called "bastard laws". They clearly excluded these

people from inheriting properties and they were really maligned. Later on, it was couched in softer, gentler terms in terms of affiliation laws, but it was clearly prejudicial against people born outside of legitimate unions, hence the term that anthropologists used by calling them 'children of illegitimate unions'.

Nowadays, I am happy that situations have evolved where we are not so harsh. Nevertheless, in some societies prejudices still exist. Over the coming online of the United Nations Convention on the rights of the child, which is really an effort to eliminate these kinds of prejudices and these kinds of double standards, it is necessary for societies to craft these kinds of laws. I would suggest that this law, because I have been through the clauses, is far reaching and wide in its scope and certainly will be acceptable in the most liberal of societies. I am happy that we are taking this step because it is entirely necessary.

I listened to the Honourable Mover when he gave his statistics about the number of children born, and the number of children born to mothers out of formal unions – into what anthropologists call informal unions. The statistics do not surprise me. While there are some people who would take a moralistic view and would attempt to use these statistics to come to some kind of position as to the morality of the society, someone of my intellectual bent would shy away from that. What is important to me is that we have some kind of legal mechanism to ensure that the persons born into these kinds of circumstances are not only enfranchised but they are also made capable of inheritance rights – of inheriting properties.

I am happy to see that we are arriving at a more sensible way of accepting paternity because it seems to me that in societies like the Cayman Islands there have always been questions and problems on this whole notion of paternity. I do not want to anticipate future Bills, but I was relieved to see that in a companion Bill we have taken the opportunity to make right what I consider one of the gravest injustices in this society – namely this whole business of the nationality of a child. Suffice it to say that this particular piece of legislation, when it is enacted, we can be assured that we will be up to what the United Nations Convention on the rights of the child anticipates.

It is necessary for us to do this, particularly in light of the fact that it is these kinds of circumstances that make certain people in this society at risk. This is particularly true more so in the case of young men than in young women, who with an absence of a father-figure and absence of role-models find it difficult during some years in their upbringing to adjust themselves. It seems, not being gender biased, that girls and young women find it easier to cope under these kinds of circumstances than young men. When the identity crisis sets in, young women fair much better than young men. I am happy to see that all these things have been taken into consideration in this legislation, and that it is clearly earmarked.

Sometimes, Mr. Speaker, frustrated fathers, or men who purport to be fathers, come up to us legislators — and these men want really to do well, but the way the law was skewed was really biased against them, and there are far too many cases in which, even after expensive exercises like DNA testing, some men who want to be responsible still are not given the kind of support that they would need in admitting paternity and having legitimate paternity rights and privileges.

I am happy to say that this proposed legislation takes this into account and will make it easier for those people who are responsible, because that is another notion that I would wish to dispel. While it is true that there is a lot of irresponsibility and a lot of irresponsible young men, not everyone is so disposed and there are many young men out there who would like to fulfil their paternal obligations to their children.

I also want to say that this is important because many people may not know that per capita the Cayman Islands has one of the highest divorce rates, not only in the region, but in the world. People should check that out and they should be minded to understand that, which speaks volumes about the kind of society we live in and the kind of stresses and pressures that we are under. That is an empirical fact. If you check the court records and do comparative studies with other jurisdictions you will find, and this not my information but information that I gleamed from international journals, that we have one the highest divorce rates in the world – just like we have among young men one of the highest imprisonment rates for young men per capita in the world.

Therefore, this kind of legislation not only has immediate effects but has great prospects for being curative in the long run. I have spoken to many young men who struggle with the fact that there is an absence of a father figure. It does not necessarily have to be a biological parent; it can just be a stand-in person: someone of the calibre that can be respected and can be a role-model and be a source of moral, psychological and emotional support. Hence, again, this is a positive move and along with the proposed companion legislation it can only move us up to the standard which United Nations international conventions require.

I think that the legal aspects of it in terms of the ability to be inclusive, to inherit, to be considered legitimate, have already been very well articulated by persons who are more imminently equipped to articulate this than myself, but I am proud to give it my support. As I said, being a human rights man, this piece of legislation removes one of the primary prejudicial aspects. However, the work is not over because the prejudices still exist in the minds of many people.

Before I conclude I want to say that what is important in a society like ours that is sometimes more puritanical than is necessary to be, is not that we cast judgements on the circumstances into which people were born or out of which they came, but rather that we make provisions for the ability to include them so

that they can be legitimised in our society, so that they can realise some sense of self-worth, and can realise that they have a constructive role to play.

I want to say in conclusion that there are many men out there who will find this inspiring and motivating because it will mean that they now have some protection, some means of legitimacy when they step forward to make their paternity claims, whether those were in a legal union or in a non-formal union, because there are many persons who want to be responsible. In the final instance, of course, it eases a lot of pressure off the Government in terms of the mechanisms they would have to put in place. We do not want to become the kind of society where you have to chase down people and take them to court and execute them to be responsible. However, by setting up a mechanism such as this, we will provide the necessary incentives, and the sanctions, whenever it is necessary to call upon them, for people to be responsible.

I am happy to lend this my support and look forward to the ancillary legislation which would bring us up to the 21st century standards as set by the United Nations Committee on the rights of the child.

The Speaker: Does any other Member wish to speak? The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker. I rise to support the matter of the Children's Bill that is before this Honourable House.

In March 2001, the Second Elected Member for George Town and I brought the Motion that he referred to, to amend section 35 of the Succession Law to legitimise children's status in this country. I welcome, and I must applaud the Minister for bringing this Bill. I know that this Bill, when passed into Law, will probably not be as well received in this community as we would want it to be, therefore I would like to take a little different approach than the Second Elected Member for George Town did. He went through the legal aspects of it, and I think that the time has come that some of us try to explain to the country the real moral reasons why these things have to be done.

Morally, it is right. I too will be affected by this Bill but I have to stand up to the responsibilities that my forefathers and I took on and my father took on (bless his soul). I too have a child that was born out of wedlock but it did not reach the point where I did not acknowledge the child. That child is registered in my name. Thus that part of it does not affect me; however, the other aspect of it which will affect me is from my siblings stand point. Mr. Speaker, many people in this country find themselves in that situation. They say you can pick your friends but you cannot pick your family. If it is your family then there is nothing you can do about it – it has happened prior to your being, or sometimes after your coming into this world. Nevertheless, it is not of your making, therefore you have to accept it.

In most instances they are not acknowledged and it causes something to a human being when they have no father. I am not particularly talking about nowadays where women make that decision to have a child. I am not here to stop any woman, because nowadays women take better care, financially, of their children than most two-member families – husbands and wives. Provisions are made for that in section 8(2). Therefore, I am not here to say that a person's birth certificate should not have a father presented on it, because this is the 21st century and women are very liberated and they certainly are capable of raising children as a single-parent, in a number of instances, better than two parents can.

Therefore, when there was, in the past, the argument surrounding the situation that there is no such thing as a fatherless child, while that can be so considered in today's world, technologically women have made the choices. They have choices now that they can do such on their own. I believe, Mr. Speaker, it reads in section 8(2) **"where a woman (whether married or unmarried) becomes pregnant by means of a fertilisation procedure using any sperm obtained from a man who is not her husband, that man is presumed not to be the father of any child born as a result of the pregnancy."** I totally agree. Women have the ability to make those choices and I wholeheartedly support that.

However, Mr. Speaker, there are many men in our community, like the Minister of Education said, who want to take up that responsibility and, for whatever reason, they were never adjudged to be the father – whether they approved of it, of being the father on a certificate or registry or not - they were never in the position where they can be adjudged to be the father.

I had an experience about a year ago when a young man came to me and said that he had been off the Island at the time of the registration of his child. He subsequently went to get his name placed on the register and he was refused under the law, because no-one can come at a subsequent period and claim their fatherhood on that birth certificate. It prompted me to again look into the matter after having been involved with the Motion in 2001. Upon calling the Acting Attorney General at the time, he assured me that this Bill was with the drafts persons, and, in the not too distant future, it would be brought to this Honourable House. Now, Mr. Speaker, I am glad to be a part of the passage of this Bill because now I can call that young man and tell him that in a few months he will be able to be legitimately called the father of that child, by virtue of signing an affidavit or the likes.

I would also like to acknowledge that there are members of our community out there who – and there is no need for us as citizens of this country, or as legislators to constantly hide our heads in the sand – hide and refuse to take up the responsibilities of being a father. Sections of this new Bill, which I hope will

become Law in the not too distant future, make provisions for anyone to make an application to the courts.

In the past, under the Affiliation Law, if the mother had not taken the unmarried father to court within the first year of that child's life, then it was virtually impossible to get any court order or affiliation order against that father. Now that is, in my submission, certainly unfair to the child. If it can be proven that a person is the father of that child, there has to be some way to ensure that that father takes up the responsibility.

Too much of it is happening. I know it is not unique to the Caribbean, but certainly in the Caribbean, many of us believe in our minds that our status in the community is based on how many children we can father. I cast no aspersions on anyone in this Honourable Chamber or anywhere else because I also said that there are many in our community who are fathers who want to be fathers and there are other mitigating circumstances that will not allow them to do that. However, there are many who will not live up to the responsibility of being fathers. You have children born out of wedlock and the children are left without direction. In most cases, the mother alone cannot support those children. This law goes a long way to try to correct those injustices that are being visited upon the children in our community.

Regarding one of the sections of the Law, I spoke to one of the drafts persons and some of my colleagues, perhaps the Government may be mindful to look at the section Part III (7)(h) where it says **"the mother of the child and a person acknowledging that he is the father of the child have signed and executed a deed to this effect in the presence of a counsel and attorney,…"** I think the drafts-person has indicated that should be 'attorney-at-law' and maybe the Minister can make a change in Committee stage.

Now, Mr. Speaker, another section of the law that I have a little problem with is section 10 (1) and (2) and it reads: **"10 (1) Any person who –**

(a) being a woman, alleges that any person is the father of the child;

(b) alleges that the relationship of father and child exists between himself and any other person; or

being a person having a proper interest in the result, wished to have it determined whether the relationship of father and child exists between two named persons, may apply in such other manner as may be prescribed by rules of court to the court for a declaration of paternity, and if it is proved to the satisfaction of the courts that the relationship exists the court may make a declaration of paternity whether or not the father or the child or both

"(2) Where a declaration of paternity under subsection (1) is made after the death of the father or of the child, the court may at the same or any subsequent time make a declaration determining, for the purposes of section 7(1)(f), whether any of the requirements of that paragraph have been satisfied."

The Speaker: Honourable Member, we have now reached the hour of 4:30 pm and I have received notice that it is the wish of Members that the business of the House should continue until 6:30 pm. I would now call on the Honourable Deputy Leader of Government Business to move the suspension of Standing Order 10(2)

Suspension of Standing Order 10(2)

Hon. Gilbert A. McLean: Mr. Speaker, it having been decided that we should work a bit late this evening to try to finish as much business as possible, I beg to move that Standing Order 10(2) be suspended to allow business to continue past the hour of 4:30 pm.

The Speaker: The question is that Standing Order 10(2) be suspended in order that we may continue proceedings until 6:30 pm. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Standing Order 10(2) suspended to allow proceedings to continue until 6.30 pm.

The Speaker: I propose at this time to take the afternoon break for 15 minutes.

Proceedings suspended at 4.32 pm

Proceedings resumed at 4.53 pm

The Speaker: Please be seated. Proceedings are resumed. The Elected Member for East End continuing.

Mr. V. Arden McLean: Thank you, Mr. Speaker. When we took the suspension I was dealing with application for declaration of paternity and I was going on to explain my understanding of it and ask for some clarification. However, during the break I discussed it with the drafts-lady and now I have a better understanding of it so I will not go into that. I see the validity of, in section 10 (2) where it says **"(2) Where a declaration of paternity under subsection (1) is made after the death of the father or of the child, the court may at the same or any subsequent time make a declaration determining, for the purposes of section 7(1)(f), whether any of the requirements of that paragraph have been satisfied."** Therefore,

Mr. Speaker, I will not go into that area since there seems to be a good reason for doing it.

I was about to conclude as soon as I had made that point and I think all that is left for me to do is to give this Bill my support and hope that it is received by the community in the spirit that it was presented, in that we are trying to ensure that illegitimate children have equal paternal rights in our community; something that has long been outstanding, that under the law has been lacking, and requires equality in order that children born out of wedlock are not considered any less than children born in wedlock. Mr. Speaker, I again commend the Minister for bringing this Bill and I lend my support quite readily to it. Thank you.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? If not, I would invite the Honourable Minister for Community Services to exercise his right of reply.

Dr. the Hon. Frank S. McField: Mr. Speaker, I would like to say in my reply first of all, this very important piece of legislation, The Status of Children Bill 2003, has been given a very thorough examination by the Members of this House on both sides. In particular I would like to recognise the way in which the Second Elected Member for George Town, who brought the Private Member's Motion that initiated this Bill, actually dealt, very systematically, with the contents and the motives behind this legislation.

It is important for us to recognise that the welfare of a child, if it is to be of paramount importance, cannot be supported by laws with the objective of discriminating against children because of the accident of their birth. Therefore, I think we will be very surprised by the reaction of our community to this very progressive legislation. In fact, I am not expecting that our community will reject or be critical of this legislation, but in fact will welcome it with open arms simply because our community recognises at this time how very important it is for us to focus on the development of children – our future – in this society.

When we look at the statistics I revealed of persons that were born to unmarried women, and if we are to accept what the Second Elected Member for George Town said, that if we were also to take the persons that were born to married women but were still regarded illegitimate simply because those persons were not married at the time in which those children were conceived, then we would see that the numbers would even be greater.

If I were to go back and refer to the numbers I gave, as provided by the general registry in 2000, we would see a total of 618 born in the Cayman Islands. Of those children, 182 were born to mothers never married. Even if we were to look at just these statistics we would see that we would be doing a great injustice to a very large segment of our population, and, as the Second Elected Member for George Town noted, the statistics would reveal that there are some 43 per cent of our children born in what had previously been defined as illegitimate birth.

Therefore, I think that the society as a whole will agree with us here today. The fact that the Opposition and the Government have brought this to fruition says something about what the reaction of the society will be. I think that they will, first of all, be happy that the Government and the Opposition have been able to come together and work in the spirit of cooperation and collaboration to achieve something for the general good. I think that they will be convinced that seriously, this is a necessary development for us here in the Cayman Islands.

Again, I would like to mention the fact that this Bill is as a result of the Private Member's Motion that was brought by the Second Elected Member for George Town. I recognise the fact that the Member for North Side had intended to bring this particular piece of legislation, or at least some type of legislation in this particular way. However, as she was the sitting Minister responsible for Community Affairs at that particular time, it was therefore brought by other Members on the Backbench who I also supported at that particular time. I am happy that I am the Minister at this time responsible for presenting this to this Honourable House.

In closing, I would like to thank the Attorney General, the Honourable Second Official Member; this Honourable House; and also the Legal drafts-person who has so ably assisted us with the development of this piece of legislation. I thank all Members for their contributions and the acceptance of this very noble piece of law. Thank you.

The Speaker: The question is that a Bill shortly entitled The Status of Children Bill 2003 be given a Second Reading. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Status of Children Bill 2003 given a Second Reading.

The Children (Amendment) Bill, 2003

The Speaker: The Honourable Minister for Community Services.

Dr. the Hon. Frank S. McField: Mr. Speaker, I beg to move a Bill for a law to amend the Children's Law 2003 and for incidental and connected purposes.

The Speaker: The Bill has been duly moved. Does the Honourable Mover wish to speak thereto?

Dr. the Hon. Frank S. McField: Mr. Speaker, during the debate of the Children's Law 2003 in June of this year, I acknowledged that part 10 and schedule 9 of the law – child minding and day care for young children – did not adequately make a distinction between nannies and child minders. At that time I gave an undertaking to submit an amending Bill as soon as possible, clarifying this matter.

In these Islands most persons who come under the category of nanny are actually helpers and it was not the intention of the Ministry to provide that such persons should be registered under the law. The Children Amendment Bill 2003 seeks to clarify the persons who are required to be registered under part 10 of the Children Law, as well as to clarify the definition of nanny.

The Bill provides that **"A nanny is a person who is employed to look after a child wholly or mainly in the home of the persons so employing him. Further, a person acts as a nanny for a child if he is employed to look after the child by –**

(a) a parent of the child;
(b) a person who is not a parent of the child but who has parental responsibility for him; or
(c) a person who is a relative of the child and who has assumed responsibility for his care."

In passing, Mr. Speaker and Honourable Members, I should advise this House that the Children Law was assented to by the Governor and published in Gazette No. 23 of 17th November 2003. I now seek the approval of this Honourable House in passing The Children (Amendment) Bill, 2003.

The Speaker; Does any other Member wish to speak? Does any other Member wish to speak? The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Mr. Speaker, the amendments that are being put forward by the Honourable Minister are straightforward, and just so that everyone will know, the Opposition is in support of the amendments.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? If not, would the Honourable Minister of Community Services wish to reply?

Dr. the Hon. Frank S. McField: Mr. Speaker, I probably would like to reply just by saying that I wish for more days like this. [Laughter]

The Speaker: The question is that a Bill shortly entitled The Children (Amendment) Bill, 2003, be given a Second Reading. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Children (Amendment) Bill 2003 given a Second Reading.

The Judicature (Amendment) (No.2) Bill, 2003

Motion to change the Order of Business

The Speaker: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker. With the leave of this Honourable House I am going to ask if Item 13, which is the Summary Jurisdiction Amendment Bill, could be taken first and then The Judicature (Amendment) Bill is sort of a consequential amendment if the amendment to the Summary Jurisdiction Law goes through.

T**he Speaker**: The question is that the Summary Jurisdiction (Amendment) Bill, 2003, be taken before the Judicature (Amendment) (No.2) Bill, 2003. All those in favour please say Aye. Those against, No.

Ayes.

Agreed: the Summary Jurisdiction (Amendment) Bill, 2003, be taken before the Judicature (Amendment) (No.2) Bill, 2003.

The Speaker: So ordered. The Honourable Second Official Member.

The Summary Jurisdiction (Amendment) Bill, 2003

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker. I beg to move for the Second Reading of a Bill for a law to amend the Summary Jurisdiction Law 1995 Revision to extend the jurisdiction of this court in civil causes or matters and to make new provisions for rights of appeal in civil causes or matters and incidental and connected purposes.

The Speaker: The Bill has been duly moved. Does the Honourable Mover wish to speak thereto?

Hon. Samuel W. Bulgin: Yes, Mr. Speaker, thank you very much. The Bill, as I said in the introduction, seeks to amend the Summary Jurisdiction Law 1995, among other things, to extend the jurisdiction of the Summary Court and to make new provisions for civil appeals under the Law.

As Honourable Members of this House are aware, the Summary Courts have jurisdiction to hear cases involving civil matters where the value or amount in dispute does not exceed CI$2,000. This figure was fixed in Law 10 of 1975, and it means that

many claims still involving comparatively small amounts must still be heard by judges of the Grand Court. Given the passage of time and inflation, among other things, this limit is clearly impractical in 2003. A Grand Court Rules Committee, after several meetings, invited the Attorney- General's chambers to propose an amendment to the Summary Jurisdiction Law which would increase the limit to a more realistic figure in order to better employ judicial resources and provide a more suitable forum for the resolution of small claims.

The figure which is set out in the Bill before this House is $20,000. In other words, it is proposed that the jurisdiction be increased from $2,000 to $20,000. It is further recommended that a number of other minor amendments to this law, as well as the Judicature Law, which I am to present later, should be made in order to improve the practice and procedures generally; to apply Grand Court cost rules to Summary Court civil proceedings; and to bring the ability of the Summary Court to enforce orders in line with the practice and procedure that currently obtains in the Grand Court.

In keeping with such thinking, clause 2 of the current Bill before the House seeks to amend section 22 of the Summary Jurisdiction Law.

Section 22 currently provides that "Subject to any other law, the jurisdiction vested in the courts shall be exercised . . . in the manner provided by this Law, Rules made under section 53 and by the *[Criminal Procedure]* Code, and in any case for which no provision is made, but subject to any directions given by the magistrate in any particular case, in substantial conformity with the practice and procedure for the time being observed in England . . ."

Clause 2 repeals reference to **"conformity with the practice and procedure . . . observed in England . . ."** because it is felt that there are currently comprehensive local Rules to address the concerns and, as such, there is no need to resort to English practice and procedures in any case.

It should be noted that the jurisdiction of a Grand Court and a Court of Appeal to make orders for costs in respect of civil proceedings is contained in section 24 of the Judicature Law itself. The Rules Committee advised that one of the purposes of the amendment was to give to those courts a statutory jurisdiction to make what is referred to as **"'wasted cost' orders against legal practitioners who are guilty of conducting litigation in a manner that can be described as. . . improper, unreasonable, or negligent . . . ."**

The proposed amendments to section 33 by clause 3 of the Bill will **". . . bring the jurisdiction of the summary court in line with that of the Grand Court and the Court of Appeal in relation to orders relating to costs."** In other words, the Summary Court magistrate will be able to make orders for wasted costs.

"Clause 5 of the Bill repeals and replaces section 35 of the Law to specify the types of order the summary court may make for the enforcement of judgements." I am advised that the magistrates of the Summary Court hold the view that the need to refer a minority of delinquent judgements to the Grand Court is indeed cumbersome and diminishes the authority of the magistrates themselves. Accordingly, it is proposed that magistrates should be given wider powers of enforcement. In so doing so, they will not be given any powers to appoint receivers and to make sequestration orders, but a new section 35 as set out in clause 5 provides **". . . that without prejudice to any other powers conferred upon the court in respect of any case in which any sum is adjudged to be paid as a fine or penalty by a person convicted of an offence, any judgement or order of the court made in a civil cause or matter may be enforced by one or more of the following means –Clause 5(35) (a) by writ of fieri facias;"** [simply means, as I understand it, that the person is supposed to be able to get the bailiff to execute the judgement in their favour. It is really a writ of execution to give effect to the order of the court]

(b) by garnishee proceedings;" [means that if a person is in possession of property for a judgment debtor, then the person who wins the case is entitled to get an order to prevent the person who is in possession of that debt or property from disposing of it so it can be attached in the hands of a third person to be recovered]

(c) by a charging order;

(d) by an order for committal; or

(e) by an attachment of earnings order"

Clause 6 seeks to **"repeal and replace section 39 which deals with civil appeals and clause 7 repeals sections 40 to 46."** and contains provisions relating to appeals to the Grand Court from a decision of the magistrate in civil matters. A look at the current Law tells us that sections 40 to 46 dealing with appeals are lengthy and in some respects inappropriate. It is considered more appropriate to allow the Rules Committee to make rules to dictate the procedures and practice to be employed in dealing with appeals to the Grand Court from the Summary Court.

Clause 8 seeks to repeal section 47 which empowers a judge to remove a judgement into the Grand Court. It is felt that if the Summary Court is given wide enough powers to enforce its own judgements, there will be no need to remove the matters to the Grand Court for the purpose of enforcement. It is also proposed that as part of this enforcement mechanism, the Summary Court will have the power to commit persons to prison for non-payment of debts.

Clause 9 of the Bill before this House also seeks to amend the schedule to the Law **"to provide that the civil jurisdiction of the court shall extend to any proceedings, whether arising in contract or tort (or both) or in respect of trespass to lands where the debt or damage does not exceed**

$20,000." As I said before, part of the problems at the courts is that, because of the relative amount in terms of jurisdiction that the Summary Court enjoys, a lot of unnecessary minor matters go to the Grand Court to be dealt with and the whole purpose is to amend the Law so that more matters can be dealt with in the Summary Court.

That, Mr. Speaker, in a nutshell, is the purpose of the Bill before this House and I therefore commend it to Honourable Members for their support. Thank you.

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

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. I rise to offer just a short contribution on behalf of the Opposition in relation to this very important amending Bill. The Honourable Second Official Member has outlined quite well the purpose and effect of the proposed amendments and I would just like to offer a few observations.

With regard to the effect of the Bill in extending the financial jurisdiction of the Court from $2,000 to $20,000, I think that that is something that will be met with a great deal of enthusiasm by both the legal profession and those whom they represent. It is something that has been called for at least the last decade – as the Honourable Second Official Member has indicated. The financial jurisdiction of the Summary Court was fixed at $2,000 when the Court was formally established in 1975. A lot of water has gone under the bridge since then.

The Summary Court has really been relegated, in the last decade or so, to dealing with very small claims because of that. At the same time, the Grand Court has been forced to deal with claims over $2,000 but not significantly, in many cases, more than $2,000. The result of this, in many respects, has been that the cost of doing business in the Grand Court has become prohibitive, and in many cases claims in that area between $2,000 and $10,000 are not pursued because the costs in the Grand Court are necessarily more than they are in the Summary Court because the procedures are more formal and requires more work and more documentation to be filed.

It is important that the Summary Court is there and that its financial jurisdiction is extended because the process is a lot simpler, a lot more expeditious and in many instances the process there can be handled by persons acting on their own without the need to go and hire the services of a lawyer. Therefore, I think, as I said, that this would be met with a great deal of enthusiasm from all quarters.

As far as returning the ability to the Summary Court to enforce its own judgements, this is something that I personally am very happy to see. Those of us who practised regularly in the Summary Court were never very happy at the amendment to the Summary Jurisdiction Law some years ago, which basically removed the right to enforce judgements to the Grand Court. There was an old process that was called The Summons for Commitment Process which I think went out of the window because many of the judges, particularly those who came from the UK, felt that it was a roundabout way of committing people to jail for non-payment of debt.

Those of us who lived and grew up in this region understood that it was a very effective means of making people who had the means to pay, but who otherwise would not pay, to find the money very quickly. The way the process worked was that the court, having given a judgement, would make an order that this debt be paid by instalments of $100 a week, for instance. If the judgement debtor failed to pay the debt you could then issue a summons for commitment, in which case he had to come to court and show cause why he should not be committed to jail for non-compliance of the order which was in effect non-payment of the debt. However, those who came from other environments thought that this was akin to imprisonment for non-payment of debt and that debtors' prisons were something that had gone out of vogue in the UK some time ago.

Therefore, when the Law was amended in 1995 and when the new Grand Court Rules came into effect, summons for commitment provisions were repealed and many who operated in the Summary Court, myself included, felt that we had made the whole process unnecessarily complicated and expensive, because essentially to enforce many judgements you had to actually have the matter removed to the Grand Court to get various orders made. Consequently, they have taken away a significant amount of discretion and jurisdiction from the magistrates who deal with these things on a day to day basis. It has taken almost a decade but I am glad to be able to say it has finally been accepted that the Summary Court should have the ability to enforce its own judgements and to deal with its own process. I am delighted to see that that has happened.

As far as the wasted cost orders are concerned, these have always been quite controversial. I remember when they were introduced in 1995. In the Grand Court there was considerable resistance from some quarters of the legal profession. It was feared that lawyers would be on the receiving end of wasted cost orders which would require them to personally pay the costs wasted as a result of something they did or did not do in relation to a particular matter. However, I believe that process has worked well; the judges have been very careful and very deliberate in their considerations of these sorts of matters. Some wasted cost orders have been made, but by and large, I think the profession is satisfied that in those instances the orders ought to have been made.

It is important, not just as part of the discipline of the profession is concerned, but it is important that clients do not have to pay lawyers or pay the

other side as well as their own lawyers when lawyers do not do what they are supposed to do, or have behaved improperly, or simply have been negligent in the conduct of a case. It is important that they understand they will face financial consequences when they behave in that manner or do not behave responsibly as they should. To extend that jurisdiction now, Mr. Speaker, to the Summary Court is something that will be accepted. I think it is something that is warranted, and I am sure that the magistrates will be judicious in their exercise of that jurisdiction, much in the same way as the Grand Court judges have.

Therefore, by and large, I can say that I think that the Summary Jurisdiction Law amendment is something that I would also commend to all Honourable Members of this House and to say that the Opposition gives it our wholehearted support.

I feel compelled at this juncture to say that in the short time that the learned Second Official Member has been Attorney General I believe we have seen more of these essential amendments to–

Some Hon. Members: Hear, hear!

Mr. Alden M. McLaughlin, Jr.: –legislation in those four months or so that he has been there than I believe we did in the complete tenure of his predecessor. So again I commend this Bill to Honourable Members and offer the support of the Opposition.

Thank you, Sir.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? If not, would the Second Official Member wish to exercise his right of reply?

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker.

I would like to thank the Honourable Second Elected Member for George Town for his insightful and helpful contribution on behalf of the Opposition and I thank all Honourable Members for their support. Thank you.

The Speaker: The question is that a Bill shortly entitled the Summary Jurisdiction (Amendment) Bill 2003 be given a Second Reading.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Summary Jurisdiction (Amendment) Bill 2003 given a Second Reading.

The Judicature (Amendment) (No.2) Bill, 2003

The Speaker: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Thank you. Mr. Speaker.

I move for the Second Reading of a Bill for a Law to amend the Judicature Law 2002 revision and for incidental and connected purposes.

The Speaker: The Bill has been duly moved. Does the Honourable Mover wish to speak thereto?

Hon. Samuel W. Bulgin: Yes, Mr. Speaker, very briefly.

This is a companion Bill to the Summary Jurisdiction (Amendment) Bill 2003 and the proposed amendments herein are really just consequential. Therefore the Bill seeks to amend the Judicature Law 2002 (Revision) to include provisions in that Law which conform to the proposed amendments to the Summary Jurisdiction Law as set out in that Law itself and the Bill.

There are three clauses and most importantly, clause 2 amends section 30 to provide that summary court may imprison a person for the non-payment of a judgment debt and clause 3 seeks to amend the third schedule to provide that the schedule also relates to charging orders by the Summary Court.

I seek the support of Honourable Members in the passage of this Bill.

The Speaker: Does any other Member wish to speak? The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Mr. Speaker, this one is very simple, as the Honourable Second Official Member has explained, and is consequential to the previous Bill. The Opposition is in support.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? If not, would the Honourable Second Official Member wish to exercise his right of reply?

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker, if I might echo the words of the Honourable Minister of Community Service, I wish for more days like this.

[Laughter]

Hon. Samuel W. Bulgin: I wish to thank Honourable Members for their support.

The Speaker: The question is that a Bill shortly entitled the Judicature (Amendment) (No.2) Bill, 2003 be given a Second Reading.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Judicature (Amendment) (No.2) Bill 2003 given a Second Reading.

Suspension of Standing Order 46(2)

The Speaker: The Honourable Deputy Leader of Government Business.

ADJOURNMENT

Hon. Gilbert A. McLean: Mr. Speaker, with the approval of the House, instead of moving the suspension of Standing Orders at this time there has been an indication among Members that they would like to adjourn a bit earlier than the 6.30 pm agreed originally. There is an event in support of the AIDS Awareness Week and Members would like to attend. Thus, instead of the suspension of Standing Orders I would beg to move the adjournment of this Honourable House until 10 am Wednesday.

The Speaker: The question is that we do adjourn this Honourable House at this time. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 5.38 pm the House stood adjourned until Wednesday, 3 December 2003, at 10 am.

OFFICIAL HANSARD REPORT
WEDNESDAY
3 DECEMBER 2003
10.39 AM

Tenth Sitting

The Speaker: I call on the Second Official Member responsible for the Portfolio of Legal Affairs to grace us with prayers.

PRAYERS

Hon. Samuel W. Bulgin: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together:

Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.

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

Proceedings resumed at 10.42 am

The Speaker: Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies for absence from the Honourable Third Official Member; the Honourable Minister for Tourism, Environment, Development and Commerce and Leader of Government Business; and the Second Elected Member for Cayman Brac and Little Cayman.

Also, I have received apologies for the late arrival of the Fourth Elected Member for West Bay and the Honourable Minister for Planning.

Presentation of cloth bound copies of *Founded Upon the Seas: A History of the Cayman Islands and Their People* By Professor Michael Craton To all Honourable Members of the Legislative Assembly

The Speaker: Honourable Members, this morning we are about to witness a very important event in the history of these Islands, which is the presentation of the book *Founded Upon the Seas* by the Honourable Minister for Education, Human Resources and Culture.

I have allowed this time for that presentation, and I would now call upon the Honourable Minister to make the presentation.

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

It gives me great pleasure on this momentous and historic occasion to present, to you, your good self, and to my honourable colleagues in the Legislative Assembly, cloth bound copies of the text, *Founded Upon the Seas: A History of the Cayman Islands and Their People,* written by Professor Michael Craton.

The Honourable Members of the Legislative Assembly expressed keen interest in this project from its inception until the recent launch, and they share the enthusiasm and the interest of the general public in this work. Since the Members of the Legislative Assembly are the acknowledged leaders of the country, it goes without saying that they are among the most eminent persons; therefore, it is my great privilege and honour to make this presentation this morning.

I crave your indulgence to give you, Mr. Speaker, the Honourable Leader of our Assembly, the first copy. Thereafter, I will present copies to the Honourable Deputy Leader of Government Business, the Honourable Leader of the Opposition, and my other distinguished colleagues in the Assembly.

The Speaker: So ordered.

[Pause]

Hon. Roy Bodden: Mr. Speaker.

The Speaker: Continue, Honourable Minister for Education.

Hon. Roy Bodden: I rise on this occasion to express to you my gratitude and appreciation for allowing us to conduct this important piece of business, although it would not normally fall on the Order Paper of the Legislative Assembly, and to say that, in the interests of time, I would be more than willing to give any inscription or autographing that Honourable Members may require at a more convenient time, if that is their wish.

The Speaker: Thank you very much. I do note that Dr. Philip Pedley, Director of the Cayman Islands National Archives; and Mr. Mitchell Davis, Director of Legal Studies at the Law School, are both here. I believe that Dr. Pedley is also prepared to do some autographing. Because of the importance of this event, I would suspend for 10 minutes to allow Dr. Pedley to carry out this very important duty.

Hon. D. Kurt Tibbetts: Mr. Speaker. I know that you are going to suspend, but if you would, allow me just to say a few words.

The Speaker: Certainly.

Hon. D. Kurt Tibbetts: I simply want to say, on behalf of the Opposition, that we wish to congratulate all of those individuals who have been involved, from the very inception, with the progress of this publication, and also to congratulate the Minister of Education himself.

The publication itself is one that each household in the Cayman Islands should have, and I would encourage the public to get a copy for themselves. I have not read the entire thing through, but I have seen it before and had a look into it; it is a wealth of information for all of us regarding our forefathers and how we got here.

Again, on behalf of the Opposition, I would like to say a very special thank you to the Minister of Education, and all those involved, including the Director of the National Archives, Dr. Pedley, and the Director of Legal Studies at the Law School.

The Speaker: Thank you very much. I would ask Honourable Members not to go too far, because after the procedure of autographing has been completed, I would like to get started promptly.

Proceedings suspended at 10.50 am

Proceedings resumed at 10.58 am

The Speaker: Proceedings are resumed.

Suspension of Standing Order 23(7) and (8)

The Speaker: I would call on the Honourable Minister of Education to suspend Standing Orders 23(7) and (8) so that we can take questions beyond the hour of 11 am.

Hon. Roy Bodden: Mr. Speaker, I beg to suspend Standing Orders 23(7) and (8) in order that we may entertain questions beyond the usual hour of questioning. Thank you.

The Speaker: The question is that Standing Orders 23(7) and (8) be suspended to allow Question Time to continue beyond the hour of 11 am. All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 23(7) and (8) suspended to allow Question Time to continue beyond 11 am.

QUESTIONS TO HONOURABLE MINISTERS/MEMBERS OF THE CABINET

Question No. 94
Deferred Friday 28 November and Monday 1 December 2003

No. 94: Mr. Alden M. McLaughlin, Jr. asked the Honourable Minister responsible for the Ministry of Education, Human Resources and Culture what efforts are being made by Government to address the complaints of local recording artists that local music and songs do not receive sufficient airtime on most local radio stations?

This question deals with a matter that is currently before this Honourable House in the form of a Private Member's Motion. The fact that this question appears on today's Order Paper is something of a happy coincidence, because the question was actually submitted by me about four months ago.

The Speaker: The Honourable Minister responsible for Education, Human Resources and Culture.

Hon. Roy Bodden: Mr. Speaker, in giving the answer I have to apologise for its length. Indeed, its length reminds me of some of the theses that my predecessor offered when he was asked these kinds of questions. The similarity ends at that point.

Summary of Government's Assistance to the Cayman Music and Entertainment Association

The Government has been addressing this issue from a number of different perspectives over the past decade. Funding has been provided to the Music and Entertainment Association since 1998 in order to promote and develop local talent in international forums. The Ministry of Culture has organised workshops and seminars to further develop local musicians. Local bands have been contracted to perform at local and overseas events, and correspondence has been written to various public agencies and private organizations, encouraging them to cooperate more with local musicians for the benefit of the community.

In order to provide a comprehensive response, the following background information is provided, outlining the Government's efforts to address this issue.

1998-2000

Since 1998, the Government has provided funding to facilitate professional development and international exposure for individual artists and the Cayman Music and Entertainment Association (CMEA) through their participation in MIDEM. MIDEM is a significant forum for professional and developing artists to network, share their talents and skills, and learn about new innovations in all aspects of the music and entertainment industry.

Since early 1994, the Association's predecessor has brought to the Government's attention the issue of the lack of airplay of local music on the radio stations. Correspondence was addressed directly to the radio stations, and was generally met with some success immediately after the communication, but the changes were short-lived. This resulted in frequent and often terse dialogue between the Association, individual musicians and the radio stations in an attempt to address the same issue, since 1994.

2001-2003

When the responsibility for culture was transferred to the Ministry of Education in late 2000, we sought to maintain our relationship with CMEA, but changed the focus of our assistance to the Association and individual musicians within the Cayman music and entertainment community.

The Music and Entertainment Association's participation at MIDEM 2001 was again facilitated by funds from the Government and resulted in greater networking opportunities for individual artists and the Association. During that same year, the Ministry received correspondence and met with several musicians to hear their concerns, for which they required our assistance to bring about appropriate redress. Correspondence was sent to the Chief Secretary asking for his assistance to convey these issues to Radio Cayman.

In April 2001, the issue of the lack of airplay for locally produced music was included in the Ministry's contribution to the debate on the 2001 Throne Speech and Budget.

Preparations began in July 2001 to organise a month-long music and education campaign. With the help of an accomplished musician, educator and trainer, the Ministry of Culture produced *Outer Limits* in August and September 2001. *Outer Limits* was a collaborative project to help students, community workers, educators and musicians learn innovative techniques for using music to reach and teach students who were not able to fully realise their potential through mainstream education. This widely successful campaign included workshops and professional development sessions for local musicians; interactive workshops with students and local musicians; and a concert, in which local musicians were featured on the same stage with the professional musician.

Following this campaign, the Ministry provided support for the Music Association's Junkanoo Fete, which was held downtown in late December 2001. This event featured an impressive roster of local bands for an evening of quality entertainment for our residents and visitors.

The year 2002 brought more representations from the Music and Entertainment Association and individual musicians to the Ministry and other government agencies, to review the issue of the lack of airplay of locally produced music. Further, suggestions were made to the Government to develop legislation that required all new and renewed broadcast licences to be granted with the **"requirement to play at least 3 local songs per hour of broadcast"**. With regard to existing legislation, the Music Association pursued and achieved, on their own steam, stipulations to be attached to the granting of work permits for foreign artists and entertainers. These stipulations required the inclusion of local musicians in each production, where possible, and required that a percentage of the fees paid for such permits be paid to the Music Association (a jurisdiction fee).

CMEA and other local artists provided, on several occasions throughout 2002, copies of their work to all of the radio stations. Various correspondences were sent from the radio stations citing reasons why locally produced music was omitted from their music rotation. Reasons included: “lack of proper licensing information; poor quality of recording; format incompatibility; music was not original; and copyright infringement”.

These issues have subsequently been addressed directly by CMEA and individual artists. CMEA has produced, and continues to host, professional development workshops for all local musicians, artists and entertainers.

In 2003, CMEA participated in the Ministry's retreat and detailed their achievement goals, one of which was to address the ongoing issue of inconsistent and limited airplay of locally produced music on

local radio stations. Further, the Ministry continued to receive repeated requests for assistance to help convey these concerns to local radio stations. The Ministry responded by writing a letter to all privately owned stations, asking for their cooperation in addressing this issue. Most radio stations responded in writing and the Association has noted marked improvement in the broadcasting of local music.

With respect to local talent promotion, both the Ministry and Department of Tourism have, over the years, contracted with local bands to perform at both local and overseas functions.

To date, CMEA has confirmed that some success has been achieved through their repeated requests and efforts, but the radio stations have been slow to respond and have yet to be consistent with their actions.

The Ministries of Culture and Information Technology, and the Information and Communications Technology Authority (ICTA) have investigated the feasibility of drafting and enacting legislation "**requiring local radio stations to play a defined number of local songs each hour of each day."** This proposal has met with some legal obstacles, which are outlined below.

If these conditions were **"to be imposed by legislation or even license conditions, enforcement becomes very complicated"** on the following bases:

a. Definitions – What criteria makes a song "local"?
b. Monitoring – Who will be authorised to conduct formal monitoring of radio stations to ensure compliance?
c. Quality – Who will be responsible for determining what is good-quality "local music"?
d. Radio Format – Licence applications must stipulate planned broadcasting format. Should all stations be required to play "local music", irrespective of their stated format?
e. Enforcement – The options that exist for enforcement actions appear limited in number and limiting if imposed.

Unless the **"definitions, monitoring and other procedures were watertight,"** radio stations could very successfully appeal any judgments imposed.

The issue is a very complex one, and requires much research to devise a solution that will bring about redress that will benefit local artists; encourage more amicable relationships between radio stations and local artists; and finally, benefit the community as a whole. To that, the Ministries of Education and Information Technology have been, and will continue to investigate alternative solutions.

Supplementaries

The Speaker: Are there any supplementaries? The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker.

As I alluded to earlier, there is currently before this Honourable House a Private Member's Motion relating to this whole question of local content and locally licensed radio stations. That Motion seeks a resolution of this House to have Government consider implementing legislation to provide for more local content on our locally licensed radio stations.

In his very comprehensive response, the Honourable Minister of Culture seems to be indicating that his Ministry has spent some considerable time and effort investigating whether or not it is possible to legislate in the manner sought by the Motion. He has outlined what his Ministry considers to be some significant obstacles or difficulties in so doing, but I am interested in the last sentence of his response, in which he says that his Ministry will continue to investigate alternative solutions.

My question to the Honourable Minister is this: Is that an indication that his Government has decided that implementing legislation, as has been sought or proposed, is something that he regards as unviable?

The Speaker: The Honourable Minister for Education.

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

It is not so much that I regard it as unviable, as it is that—as I outlined in the answer—it will be difficult to arrive at any effective redress through legislation.

Mr. Speaker, I can say that I thought of legislation. I know that that is what was resorted to in Canada. However, as I indicated in the answer, that, itself, poses a number of problems with which we are going to have to come to grips. What I am trying to avoid is further burdening the Ministry for which I have constitutional responsibility, the Information and Communications Technology Authority (ICTA), or the Ministry with responsibility for Communications, with a burgeoning bureaucracy. Literally, we would have to have someone with headphones on, listening to these radio stations for every hour that they are on air.

I have to admit that there is a fair amount of intransigence among these persons. Some of them are downright arrogant, and I am not pleased. I have been in communication with them myself, on the telephone, in person and through written correspondence, and they are usually very disobliging, arrogant and contemptuous. I really—and I use this word advisedly—resent their attitude. If I can say what my disposition is, I am going to accept the Motion, and rely on our good intellect, if we have to resort to legislation, to craft it in such a way that it is going to be effective. However, I do so realising full well, and hoping, that we could have come to a more amicable solution.

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker. I simply want to ask the Minister if, in the Ministry's research on legislation and the possibility of enacting it, which he outlined in his answer, they found that there was legislation available, throughout the region, to support what we were looking for, and to force radio stations to play local music.

The Speaker: The Honourable Minister for Education.

Hon. Roy Bodden: No, Mr. Speaker, our research did not lead us to that discovery, which is not to say that it does not exist. I can tell you, however, that in other regions where (should I express it this way) the culture and the contribution of music to the culture of the jurisdiction is more pronounced and more developed, such a struggle does not exist at this time. In our Caribbean neighbours, there is a much greater consciousness and awareness of the contribution of local music to the culture and development of the society than exists in the Cayman Islands.

I have long thought that the most effective way of addressing this and bending the ears of the radio station owners is simply by a boycott, if we could ever bring ourselves to boycott—by withholding advertising. I have said to the musicians, "Go and organise; lobby with the people with whom you deal, to boycott these radio stations. Do not give them any advertising and they will soon be off the air because that is what they thrive on—advertising. If they do not get radio ads, they will soon be off the air, or they will have to be more obliging to your requests." However, that is difficult to organise in a place like the Cayman Islands, where we do not have much experience in collective behaviour.

The Speaker: Honourable Members, because all Members will have an opportunity again to debate this issue on the Private Member's Motion No. 5/03, I will allow one more supplementary before we move to the next question.

The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I would simply ask the Honourable Minister of Education if he could let this Honourable House know whether or not the Fourth Elected Member for West Bay, who proposed the Motion, and the Second Elected Member for West Bay, who seconded the Motion, were apprised of his reticence to bring legislation in this regard before they bought this Motion to this Honourable House?

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: No, Mr. Speaker. I did not say that I am reluctant. It is not reticence on my part, because it is something that I have thought about. As I have indicated, I am going to accept the Motion. I only wanted Honourable Members to be aware that legislation, as an option, has with it its own set of intractable issues, which we will have to hurdle.

No, the Honourable Members who brought the Motion did not know, because I did not discuss that aspect with them. In all fairness to them, they did not know. I welcome the Motion, because I think it is high time that this issue is aired through national debate.

Question No. 95

No. 95: Mr. Alden M. McLaughlin. Jr. asked the Honourable Second Official Member responsible for the Portfolio of Legal Administration how many Attorneys-at-Law are currently entitled to practise in the Cayman Islands and of this number –

a) How many possess Caymanian status;
b) How many are employed by Government;
c) Of those employed by Government, how many possess Caymanian status;
d) How many are employed in the private sector; and
e) Of those employed in the private sector, how many possess Caymanian status**.**

Mr. Speaker, I should say again that this was a question that was submitted quite some time ago, so if it seems not to be current or relevant at the moment, that is why.

The Speaker: The Honourable Minister responsible for the Portfolio of Legal Administration.

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker.

Attorneys in the Cayman Islands fall into a number of categories:

A) Attorneys in private practice;
B) Attorneys employed "in-house" by companies or non-governmental organisations (NGOs) – (e.g. ICTA);
C) Attorneys employed in the Chambers of the Attorney General;
D) Non-practising attorneys

A. Attorneys in private practice

1. Are required to be admitted to practice by a Grand Court judge and have their name entered on the Court Roll;
2. Pay an annual practising fee and receive an annual practising certificate;
3. If the attorney does not possess Caymanian status he/she is obliged to have a valid work permit;

4. As at 1 September 2003 there were 268 practising certificates in issue;
5. As at 1 September 2003, 189 work permits had been issued in respect of attorneys in practice with firms of attorneys.
6. Thus 79 practise certificates were issued to persons not requiring work permits to practise as attorneys.

B. Attorneys employed "in-house" by businesses and authorities (ICTA, CIMA, etc.)

1. Businesses and independent public authorities employ “in-house” counsel to handle their legal affairs.

2. Although there is nothing in the law to prevent Caymanian and non-Caymanian “in-house” counsel from being admitted to the Court Roll and obtaining a practising certificate, in the case of “in-house” counsel requiring work permits, the Immigration Board has imposed a condition that they should not apply for or renew practising certificates.

That simply means that once they are “in-house” counsel, they are not entitled to practise otherwise.

3. Nine work permits were in issue to attorneys employed “in-house”.

C. Attorneys employed in the Chambers of the Attorney General

1. Are not required to be admitted to practice nor to be entered on the Court Roll. Attorneys in the Attorney General's Chambers (Government Legal Department) are not required to obtain practising certificates, although all Caymanians have in fact been admitted to the Court Roll, and that is the case with one expatriate attorney in the department as well.

2. Currently there are 13 qualified attorneys employed in the Chambers of the Attorney General, as follows (these do not include persons involved in legislative drafting and in other departments):

Government Legal Department:
1. Attorney General (SB)*
2. Solicitor General (Acting) (SHJ)*
3. Senior Crown Counsel (Criminal)(AR)*
4. Senior Crown Counsel (International Requests)(CR)*
5. Senior Crown Counsel (Civil)(LH)*
6. Crown Counsel (Criminal)(AM)
7. Crown Counsel (Criminal)(SW)
8. Crown Counsel (Criminal)(MA)
9. Crown Counsel (Criminal)(GJ)
10. Crown Counsel (Civil)(KM)*
11. Crown Counsel (Civil)(VE)
12. Crown Counsel (Civil)(SL-L)*
13. Crown Counsel Jacqueline Ziemniak*

There are also three Articled Clerks in the Department and all three are Caymanian.

A. Articled Clerk (LC)*
B. Articled Clerk (RE)*
C. Articled Clerk (JP)*

* = Caymanian

Thus there are a total of 13 practising attorneys employed by Government in the Attorney General's Chambers (Government Legal Department), of whom eight possess Caymanian status. The three articled clerks also possess Caymanian status.

Supplementaries

The Speaker: Are there any supplementaries? The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. Perhaps I missed it, but I thought the Honourable Second Official Member said that the list from which he read (the Government Legal Department) did not include legislative counsel—in other words, legislative draftspersons. I wonder if he could tell this Honourable House how many are employed in that capacity, and if those numbers should not properly be added to the 13 qualified attorneys that he has indicated are employed in the Chambers of the Attorney General.

The Speaker: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker.

There are four as I recall: Ms. Brant, Mrs. Neblett, Mr. Simamba and Mr. Stephen Miller.

The Speaker: Are you asking a supplementary, Honourable Second Elected Member for George Town? The Honourable Second Official Member.

[Inaudible interjection]

Hon. Samuel W. Bulgin: Those are in addition to the 13 that have been named in the answer here.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. I also note that there is no indication in relation to the attorneys who are employed at the Cayman Islands Law School as lecturers. I wonder if the Hon-

ourable Second Official Member could give us an indication as to the numbers there.

The Speaker: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Mr. Speaker, although there are seven lecturers at the Law School, only three of them are, in fact, attorneys.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. I do not want to belabour this point, because this is not the real thrust of the question, but I wonder if the Honourable Second Official Member could explain what that means? I am sure he does mean that they are not legally qualified. Does he mean that they are not admitted in this jurisdiction, or that they are not admitted in any jurisdiction? That is the four who are not, as he said, attorneys.

The Speaker: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Mr. Speaker, my information is that these four are persons with academic qualifications in law, but are not, in fact, attorneys who are on a roll anywhere.

Question No. 96

No. 96: Mr. Alden M. McLaughlin, Jr. asked the Honourable Second Official Member responsible for the Portfolio of Legal Administration how many persons of Caymanian status have completed the University of Liverpool (LLB) programme over the course of the past three years and have been unable to obtain either:

a) Articles of clerkship and/or
b) Employment as Attorneys-at-Law following completion of articles and the required professional qualification.

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker. The answer is:

(a) During the period 2000-2002 the Law School, through which most of these enquiries would have been made, is not aware of any Caymanian graduates of the Professional Practice Course (which, this year apart, is a necessary precursor to registering for Articles) who, being desirous of obtaining Articles, have been unable to do so.

However, the Law School has recently become aware that one Caymanian individual, who completed her academic legal training in England, and two Caymanian graduates of the LL.B programme from previous years, have not succeeded in obtaining articles of clerkship. It is not known for how long such individuals have been seeking training positions, but with respect to the LL.B graduates, it can be no earlier than since early 2003, when such persons became eligible, for a transitional period, to register 12 months of articles prior to completing the PPC/Legal Practice Course (LPC).

During the 2003 academic year it also became apparent that a number of prospective Cayman Islands Law School graduates experienced some difficulty in obtaining offers of articles. In order to assess the extent of the problem, the Director of the Law School wrote to all of this year's prospective Caymanian graduates on 21 March 2003. Seven responses were received by the Director by 26 May. Of these responses, only one spoke of having experienced repeated difficulty (it is understood that this individual has since received sponsorship from a local firm to continue his legal training in the UK), whilst five others indicated that serious attempts to seek training contracts had yet to be made. One respondent replied in positive terms.

Subsequent thereto, there were discussions between the Minister responsible for Labour, the Honourable Leader of Government Business and the Caymanian Bar Association and the Cayman Islands Law Society with a view to addressing the issue.

Following those discussions, it now appears that most persons wishing to register for articles have now been accommodated.

(b) During the period 2000-2003, the Cayman Islands Law School is aware of two Caymanian graduates who were not employed as attorneys-at-law following completion of articles. Of these two, it is believed that at least one has since secured a position as an attorney elsewhere.

Supplementaries

The Speaker: Are there any further supplementaries? The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. I wonder if the Honourable Second Official Member can say, then (as I gather from tenor of his response), that the situation, in relation to the considerable turmoil that has existed over the course of the past few months, is now satisfactory, as far as his portfolio is concerned—that the matter has now settled down; that, as he said, those Caymanians who seek articles of clerkship are being accommodated; and that he does not foresee a problem for the foreseeable future.

The Speaker: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker. I am a bit loath to speak about the foreseeable future. What had happened is that, because there was some necessity to revamp the Law School's Professional Practice Course this year, there was an unusual number of persons who were seeking articles right away. The usual position is that these persons would have had to complete the Professional Practice Course first, and then register for articles. However, because the programme has been revamped, so as not to disadvantage these people, it was agreed that they would be allowed to register for 12 months of articles prior to completion of the PPC course, then return to the PPC course, and after the completion of that, finish their additional six months of articles, as the case may be. That caused unusual traffic this year for articles—it is correct.

At the beginning of the year there were a lot of anxieties and, in some cases, people were claiming that they were actually being discriminated against. There were, as I said, ongoing discussions that took place between the Honourable Minister of Labour, the Leader of Government Business, the Bar Association and the Law Society, with a view to resolving it. What happened is that the discussions actually bore fruit and so, as the Honourable Member rightly says, the problem is now, we hope, behind us.

There is at least one person, of whom we are aware, who is still seeking to have articles registered. I am not sure exactly what is happening to her, but as far as we are aware, the problem has, in fact, abated. Thank you.

The Speaker: Honourable Members, I propose to take one more supplementary on this question.

[Pause]

STATEMENTS BY HONOURABLE MINISTERS / MEMBERS OF THE CABINET

The Proposed Employment Bill, 2003

The Speaker: I will call on the Honourable Minister of Education, Human Resources and Culture.

Hon. Roy Bodden: Thank you, Mr. Speaker. The Employment Bill 2003 is prepared and ready for public scrutiny after wide public consultation.

As Minister, I am satisfied that this Bill has had the widest consultation from its inception, beginning with the Employment Forum, which is a body representing the widest sectors of Caymanian society. No doubt there will be those who will still not be satisfied with the Bill, but I am convinced that it is the best instrument at which we can arrive at this time.

Reactionaries and those who do not wish to see employment issues fairly addressed may choose to thumb their noses at these efforts, but realists and those with a social conscience will breathe a sigh of relief.

Those wishing to apprise themselves of what is in the Bill can receive copies from the Legislative Assembly, the Employment Relations Department or the Ministry of Education, Human Resources and Culture. It is with this underpinning, Mr. Speaker, that I request your permission to table this proposed Bill.

The Speaker: So ordered.

GOVERNMENT BUSINESS

BILLS

SECOND READING

(Deferred)

The Speaker: Honourable Members, I propose to defer the Second Readings on items (1), (2) and (3) under the Second Readings, which are-

(1) the Misuse of Drugs (International Cooperation) (Amendment) Bill 2003;
(2) the Monetary Authority (Amendment) Bill 2003; and
(3) the Companies (Amendment) (Disposition of Property) Bill 2003,

to accommodate the Minister for Community Services, who is to be away on urgent business.

He has the Committee Stage Reporting and Third Reading of his two Bills: the Status of Children Bill 2003 and The Children Amendment Bill 2003. At this time, Honourable Members, I resolve the House into Committee.

House in Committee at 11.42 am

COMMITTEE ON BILLS

The Status of Children Bill, 2003

The Chairman: Please be seated. The House is now in Committee. With the leave of the House, may I assume that, as usual, we should authorise the Honourable Second Official Member to correct minor errors and suchlike in these Bills? The first Bill we will be dealing with is the Status of Children Bill 2003. Would the Clerk please read the Bill and state the clauses?

Clause 1

The Clerk: Clause 1 Short title

The Chairman: The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: Mr. Chairman, in accordance with the provisions of Standing Order 52 (1) and (2), I, the Honourable Minister responsible for Community Services, Youth, Sports and Gender Affairs, would like to move the following Committee stage amendment—That clause 1 be renumbered as subclause (1) of clause 1 and that the following subclause be inserted after that subclause.

The Chairman: The amendment has been duly moved. Does any Member wish to speak thereto?

[Pause]

The Chairman: If no Member wishes to speak, the question is that the amendment stands part of clause 1.

All those in favour, please say Aye. Those against, No.

Ayes

The Chairman: The Ayes have it.

Agreed: Amendment passed.

The Chairman: The question is now that clause 1 be renumbered as subclause (1) of clause 1, and that the following subclause be inserted after that subclause – "(2) this Law shall come into force on such date as may be appointed by order made by the Governor in Cabinet."

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 1 as amended passed.

Clause 2

The Clerk: Clause 2 Interpretation

The Chairman: The Honourable Minister for Community Services.

Dr. the Hon. Frank S. McField: Mr. Chairman, I move that clause 2 of the Bill be amended in the definition of "parent" by deleting the word "father" where it appears for the second time, and substituting the word "mother".

The Chairman: The amendment has been duly moved. Does any Member wish to speak thereto? If no Member wishes to speak, the question is that the amendment stand part of the clause.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Amendment passed

The Chairman: The question now is that clause 2 of the Bill be amended in the definition of "parent" by deleting the word "father" where it appears for the second time, and substituting the word "mother."

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 2 as amended passed.

Clauses 3 to 6

The Clerk:

Clause 3	All children of equal status.
Clause 4	Kindred relationships
Clause 5	Rule of construction
Clause 6	Application

The Chairman: The question is that clauses 3 to 6 stand part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes

The Chairman: The Ayes have it.

Agreed: Clauses 3 through 6 passed.

Clause 7

The Clerk: Clause 7 Presumptions of paternity

The Chairman: The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: Mr. Chairman, I move that clause 7(1) be amended in paragraph (h) by deleting the words "a counsel and attorney" and substituting the words "an attorney-at-law".

The Chairman: The amendment has been duly moved. Does any Member wish to speak thereto? If no Member wishes to speak the question is that the amendment stands part of the clause.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Amendment passed.

The Chairman: The question now is that clause 7 as amended stands part of the Bill.

All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 7 as amended passed.

Clauses 8 to 21

The Clerk:

Clause 8	Presumption of parentage arising out of the use of fertilisation procedures
Clause 9	Determination of paternity in void marriages
Clause 10	Application for declaration of paternity
Clause 11	Application for declaration of paternity where no presumption
Clause 12	Acknowledgement against interest
Clause 13	Effect of new evidence
Clause 14	Appeals
Clause 15	Parentage testing orders
Clause 16	Orders associated with parentage testing orders
Clause 17	Parentage tests under the Immigration Law (2003 Revision)
Clause 18	Rules
Clause 19	Taking of bodily samples by unqualified person
Clause 20	Transitional provisions regarding dispositions
Clause 21	Amendment of prior registration

The Chairman: The question is that clauses 8 through 21 stand part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 8 to 21 passed

Clause 22

The Clerk: Clause 22 Repeals

The Chairman: The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: Mr. Chairman, I move that clause 22 of the Bill be amended by inserting after subclause (2) the following—"(3) Section 21 of the Matrimonial Causes Law (1997 Revision) is repealed."

The Chairman: The amendment has been duly moved. Does any Member wish to speak thereto? The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Chairman. I wish not necessarily to speak on the amendment, but to ask a question. I was wondering whether the Affiliation Law was repealed when the Children's Law came into effect and, if it has not been repealed, whether we should be looking to repeal sections of the Affiliation Law at this stage.

The Chairman: The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: Mr. Chairman, my understanding is that we intend to make consequential amendments to the Affiliation Law, but no, the Law has not been repealed.

Mr. V. Arden McLean: Mr. Chairman, I thought not. There are certain sections in there concerning adjudging a father to be the father of a child when that child is at a particular age—up to one year. I wonder if that would not be a consequential change as a result of this Bill. Since we are doing a section of the Matrimonial Causes Law at this stage, I wonder if maybe we should not—

Dr. the Hon. Frank S. McField: Yes—

Mr. V. Arden McLean: The Minister can reply.

The Chairman: The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: Mr. Chairman, prior to the coming into force of this Status of Children Bill, we will make consequential amendments to the Affiliation Law in the next sitting of this Honourable House.

The Chairman: Does any other Member wish to speak? If not, the question is that the amendment stands part of the clause.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Amendment passed.

The Chairman: The question now is that clause 22 as amended stands part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 22 as amended passed.

Clause 23

The Clerk: Clause 23 Previous court determinations.

The Chairman: The question is that clause 23 stands part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 23 passed.

The Clerk: A Bill For A Law To Reform The Law Relating To Children By Providing For Their Equal Status And For Incidental And Connected Purposes.

The Chairman: The question is that the title of the Bill, the Status of Children Bill 2003, stands part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Title passed.

The Children (Amendment) Bill 2003

Clauses 1 to 6

The Clerk:

Clause 1 Short title and commencement
Clause 2 Amendment of section 21 of the Children Law 2003 - review of provision for day care, child-minding etc.
Clause 3 Amendment of section 72 – registration
Clause 4 Amendment of section 77 – inspection
Clause 5 Amendment of section 79 – offences
Clause 6 Amendment of Schedule 9 – child minding and day care for young children.

The Chairman: The question is that clauses 1 through 6 stand part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 1 through 6 passed

The Clerk: A Bill for a Law to Amend the Children Law 2003 and for Incidental and Connected Purposes.

The Chairman: The question is that the title stands part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Title passed

The Chairman: This now concludes this section of the Committee. The question is that the two Bills be reported to the House.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed that the Bills be reported to the House.

The Chairman: The House will now resume.

House Resumed at 11.57 am

REPORTS ON BILLS

The Status of Children Bill, 2003

The Speaker: Please be seated. The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: Mr. Speaker, I have to report that a Bill entitled, The Status of Children Bill, 2003 has been considered by a Committee of the whole House and was passed with amendments.

The Speaker: The Bill has been duly reported and is set down for Third Reading.

The Children (Amendment) Bill, 2003

The Speaker: The Honourable Minster of Community Services.

Dr. the Hon. Frank S. McField: I have to report that a Bill entitled, The Children (Amendment) Bill 2003 was considered by the Committee of the whole House and passed without amendments.

The Speaker: This Bill has been duly reported and is set down for Third Reading.

THIRD READINGS

The Status of Children Bill, 2003

The Speaker: The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: I beg to move for the Third Reading of a Bill entitled, The Status of Children 2003, and that it be passed.

The Speaker: The question is that a Bill shortly entitled, The Status of Children Bill 2003 be a given a Third Reading and passed.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Status of Children Bill 2003 given a Third Reading and passed.

The Children (Amendment) Bill 2003

The Speaker: The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: Mr. Speaker, I beg to move that a Bill entitled, The Children (Amendment) Bill 2003 be given the Third Reading and passed.

The Speaker: The question is that a Bill shortly entitled, The Children (Amendment) Bill 2003 be given a Third Reading and passed.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Children (Amendment) Bill 2003 given a third reading and passed.

Suspension of Standing Order 46(2)

The Speaker: The Honourable Deputy Leader of Government Business.

Hon. Gilbert A. McLean: I beg to move the suspension of Standing Order 46(2) so that the Bills set down for business can be taken.

The Speaker: The question is that Standing Order 46(2) be suspended in order to take the Second Reading on the three Bills on the Order Paper.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing order 46(2) suspended.

SECOND READINGS

The Misuse of Drugs (International Cooperation) (Amendment) Bill 2003

The Speaker: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker. I beg to move for the Second Reading of a Bill entitled, The Misuse of Drugs (International Cooperation) (Amendment) Bill 2003.

The Speaker: The Bill has been duly moved. Does the Honourable Mover wish to speak thereto?

Hon. Samuel W. Bulgin: Yes, Mr. Speaker, thank you.

The principle of mutual assistance is not a new concept. The giving of legal assistance by one country to another in the administration of justice before the courts has been a feature of public international law for a considerably long time. Before the enactment of the Confidential Relationships (Preservation) Law in 1976 and the Mutual Legal Assistance (United States of America) Law (1999 Revision), the ability of the Cayman Islands courts to assist foreign countries rested in what is usually described as Judicial Committee in public international law. Currently, our ability and legislative framework to provide international cooperation is often described as fragmented. The purpose of this Bill is to try to bring some cohesiveness to the ability of the Cayman Islands to provide assistance to other countries in the fight against international and other crimes.

There are currently a number of pieces of legislation that provide gateways for assistance to foreign countries. We have the Misuse of Drugs (International Cooperation) Law (2000 Revision). In relation to drug-related offences, the Cayman Islands are able to co-operate with other countries at both the investigation and proceedings stages by virtue of the Misuse of Drugs (International Cooperation) Law (2000 Revision). This Law was enacted to give effect to the United Nations Convention Against the Illicit Traffic in Narcotic Drugs and Psychotropic Substances 1988, usually referred to as the 1988 Vienna Convention in short. The Misuse of Drugs (International Cooperation) Law (2000 Revision) prescribes the content of requests and specifies the conditions which it must be satisfied in order for assistance to be provided.

There is also the Mutual Legal Assistance (United States of America) Law (1999 Revision), usually referred to as the MLAT Law. It is a main arm for

legal assistance with the United States of America. This piece of legislation complements the existing extradition arrangements between the United States and the United Kingdom, as extended to the Cayman Islands. Under the MLAT Law, assistance may be provided not only at the stage of criminal proceedings, but also at the stage of the investigation of criminal matter.

The procedure for obtaining assistance is in the form of a request relating to a particular case, which is examined by the Honourable Chief Justice, who is the central authority under the law. He examines it for compliance with the conditions necessary to give assistance. If these conditions are satisfied and there is no objection on the grounds of public interest, assistance is usually granted.

There is also what is known as the Evidence (Proceedings in Other Jurisdictions) (Cayman Islands) Order 1978, which is an alternative means of providing assistance to the requesting country. It is usually characterised by a request from court to court. However, this particular arrangement has some difficulties in respect of criminal matters. Before any assistance can be provided, proceedings have to have been instituted. It follows, therefore, that there is a difficulty, in respect of the Cayman Islands, in providing assistance at the very early stage—which is the investigative stage—when the assistance is probably most required.

There is also the Proceeds of Criminal Conduct Law, which was enacted in 1996. This is another gateway for the provision of assistance to foreign countries. Section 29 of the Proceeds of Criminal Conduct Law (2001 Revision) says that a constable may, for the purpose of an investigation to which this Law applies, apply to the Grand Court for an order that a specified person or entity produce certain materials, documents, etcetera, of a particular description. The obtaining of restraint orders at the request of foreign countries and the registration of external confiscation orders is specifically provided for under Part III and the Schedule to the Proceeds of Criminal Conduct Law (2001 Revision).

If I might, I would touch on what I would describe as the shortcomings of the current Cayman Islands Law. There are certain areas in which the current Cayman Islands Law falls short of generally accepted international standards in the giving of international assistance in criminal matters.

Firstly, assistance in obtaining, in the Cayman Islands, evidence for use overseas at the investigation stages, is unavailable, except in the limited circumstances indicated earlier. Secondly, assistance such as the transfer of prisoners to give evidence, assist investigators, or search for material relevant to overseas investigations is sometimes unavailable from the Cayman Islands because of the gap in the current legislative framework. When one examines the laws in other jurisdictions, it is readily apparent where our weaknesses are.

In the United Kingdom, until recently, there was a piece of legislation described as the Criminal Justice (International Co-operation) Act 1990. This was passed to give effect to the European Convention on Mutual Assistance in Criminal Matters and the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988, or the 1988 Vienna Convention. That legislation, the UK Criminal Justice (International Cooperation) Act 1990, extends to all types of crimes.

Other jurisdictions, such as Anguilla, Bermuda, Jamaica, the British Virgin Islands, Trinidad and Tobago, have all enacted equivalent legislation to the UK Act, and accordingly, are in a position to provide legal assistance, or assistance in these matters, at the early stage.

The current Law that we are seeking to amend, the Misuse of Drugs (International Cooperation) Law (2000 Revision), prescribes the content of requests and specifies the conditions to be satisfied in order for assistance to be given. Where evidence is requested, materials are to be provided or a search is required, an application must be made to the Grand Court. This will provide the necessary safeguard against any potential abuse.

The Misuse of Drugs (International Cooperation) (Amendment) Bill 2003 seeks to extend the ambit of the Misuse of Drugs (International Cooperation) Law (2000 Revision) to enable the Cayman Islands to offer, to Schedule countries, the same legal assistance in relation to all serious crimes as is offered in relation to drug-related offences. The Bill would have the effect of making legal assistance for all indictable offences available, at the investigate stage, to countries that are party to the 1988 Vienna Convention and such other countries as may be specified in the legislation from time to time.

In the usual manner, we have had consultations with our friends in the private sector and their stakeholders, including the Cayman Islands Law Society. Their input has been most encouraging, and has been taken on board.

The Bill before this House reflects a consensus on the part of stakeholders in this exercise. I therefore commend the Bill to this Honourable House and seek support for its passage.

The Speaker: Does any other Member wish to speak?

The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker.

I rise merely to record the support of the Opposition for this Bill before the House, The Misuse of Drugs (International Cooperation) (Amendment) Bill 2003, particularly since the Government has had consultation with the Cayman Islands Law Society and, I suspect, the Caymanian Bar Association as well. Therefore, we gladly lend our support to any cooperation that is necessary internationally.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? If not, would the Mover of the Bill wish to exercise his right to reply?

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker. Before I do so, I have omitted to give notice of a proposed Committee Stage amendment that we intend to move at the appropriate time. Having said that, I would like to record my gratitude to the Honourable Members of this House for their support in the passage of this Bill.

The Speaker: The question is that a Bill shortly entitled, The Misuse of Drugs (International Cooperation) (Amendment) Bill 2003 be given a Second Reading.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Misuse of Drugs (International Cooperation) (Amendment) Bill 2003 given a Second Reading.

The Monetary Authority (Amendment) Bill, 2003

The Speaker: The Temporary Honourable Third Official Member.

Hon. A. Joel Walton: I would ask if the Leader of Government Business could defer consideration of this Bill until later on in this meeting, if that is possible.

The Speaker: The question is that the Monetary Authority (Amendment) Bill 2003 be deferred until a later time during this Meeting of the House.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Second Reading of the Bill deferred to a later Sitting in the Meeting.

The Companies (Amendment) (Disposition of Property) Bill, 2003

The Speaker: The Temporary Honourable Third Official Member.

Hon. A. Joel Walton: Thank you, Mr. Speaker. I rise to move the Second Reading of a Bill entitled, The Companies (Amendment) (Disposition of Property) Bill 2003.

The Speaker: The Bill has been duly moved. Does the Mover wish to speak thereto?

Hon. A. Joel Walton: Yes, Mr. Speaker. It is very brief. The Bill itself has only one amending clause. That is clause 181, which currently allows for the property, or the assets, owned by a company struck from the Register of Companies of the Cayman Islands to be vested in the Financial Secretary. The proposed amendment seeks to make better provision for the disposition of such property, while not significantly altering the substance of the existing provision. It would serve to enhance the language and make it more precise; that is the extent of this proposed amendment.

Thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? If not, would the Mover of the Bill wish to exercise his right of reply?

Hon. A. Joel Walton: Thank you. I would thank the House for its support of this proposed amendment.

The Speaker: The question is that The Companies (Amendment) (Disposition of Property) Bill 2003 be given a Second Reading.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Companies (Amendment) (Disposition of Property) Bill 2003 given a Second Reading.

The Speaker: The House will now go into Committee to consider Bills.

House in Committee at 12.20 pm

COMMITTEE ON BILLS

The Chairman: The House is now in Committee. With the leave of the House, may I assume that, as usual, we should authorise the Honourable Second Official Member to correct minor errors and suchlike in these Bills? Would the Clerk please state the Bill and read the clauses?

The Notaries Public (Amendment) (No.2) Bill, 2003

Clauses 1 to 2

Clerk:
Clause 1 Short title.

Clause 2 Amendment of section 2 of the Notaries Pub lic Law (2003 Revision) – definitions.

The Chairman: The question is clauses 1 and 2 stand part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 1 and 2 passed.

Clause 3

The Clerk: Clause 3 Repeal of section 3 and substitution–authorisation of appointment.

The Chairman: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Thank you Mr. Chairman. In accordance with the provision of Standing Order 52(1) and (2), I, the Honourable Second Official Member, give notice that I seek to move the following Committee Stage amendment to the Notaries Public (Amendment) Bill 2003:

That clause 3 be amended as follows –

(a) in subclause (1), by inserting the following paragraph as paragraph (e) and that the existing paragraph (e) be renumbered as paragraph (f) –

"(e) is considered by the Governor to be otherwise qualified to carry out the functions as a notary public".

Mr. Chairman, there might be a typo. Where (f) appears, there should be (e).

This amendment was put in to address some concerns that were raised during the debate as to whether certain persons might otherwise be excluded. The purpose of this amendment is to ensure that persons who would otherwise be qualified to serve as notaries are not in any way excluded.

It is also being asked that clause 3 be amended as follows–

(b) in subclause (2) by inserting in paragraph (c) after the words "medical practitioner", the words, "a Member of the Legislative Assembly".

The purpose of this is that there was some inadvertence in the list of persons who could certify passport pictures or provide references, so Members of the Legislative Assembly have now been included. It was, as we said during the debate, sheer inadvertence.

The Chairman: The amendment has been duly moved. Does any Member wish to speak thereto?

[Pause]

The Chairman: The Elected Member for North Side.

Ms. Edna M. Moyle: Thank you, Mr. Chairman. This question is to get clarity from the Second Official Member that this amendment to add the words, "Members of the Legislative Assembly" is only for the Members to certify that the photographs are a true likeness of the person applying for notary public licence, and not, as the *Caymanian Compass* carried it, that we wanted to be appointed notaries public. Am I correct?

The Chairman: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Mr. Chairman. The Honourable Elected Member for North Side is correct. The Bill currently before the House sets out a list of things that the Governor may require, in addition to other documents, to be provided by an applicant wishing to become a notary public. Clause 3(2) provides that:

"An applicant shall provide the Attorney General with any further information that the Governor requires in considering an application under this section and such additional information shall include but is not limited to –

(a) two character references;

(b) a police record;

(c) a photograph of the applicant certified by a justice of the peace, a notary public, a minister of religion, a police officer (gazetted), a medical practitioner, or an attorney-at-law [and now, a Member of the Legislative Assembly] **to be a true likeness of the applicant."**

The purpose of the amendment was to include Members of the Legislative Assembly (MLAs) in that list of persons who can give that certification.

The Chairman: The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Chairman. The other section in clause 3(2), as the Second Official Member just read, is that a medical practitioner, as well as other members of the public—such as an attorney-at-law, and the likes—can sign to attest to the true likeness of the applicant. However, when we look at the definition of "medical practitioner" in other laws, and, in particular, the recent Status of Children Bill 2003, which just went through Committee Stage, a "**"registered medical practitioner" means a medical doctor or nurse registered under the Health Practice Law, 2002".**

I wonder whether we are extending such, in this Notaries Public (Amendment) Bill, to nurses as well, and whether the definition of "medical practitioner" includes nurses, because there are different levels of nurses that could be construed as "nurses". I wonder if the Second Official Member can comment on that.

The Chairman: The Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Mr. Chairman. The Notaries Public Law (2003 Revision) does not contain a definition of "medical practitioner". The closest I can come to a definition that can be employed is, "'health practitioner" means a person registered as being authorised to practise in one or more of the health professions". Usually, the use of a particular expression in a law takes its definition from the context. I am not aware that there was any attempt in the Notaries Public Law (2003 Revision) to restrict the definition of "health practitioner" or "medical practitioner." It would take its ordinary meaning, which means persons who are involved in the practice of medicine, in whatever form.

The Chairman: The Elected Member for East End.

Mr. V. Arden McLean: Thank you. I wonder if the Second Official Member could say whether I understood him correctly when he gave his impression of this. Would that mean a doctor, or anyone in the medical profession? My interpretation of a medical practitioner is a doctor. "Health care workers" can also include doctors, but I do not see the parallel between a doctor and a nurse, or someone who is merely working in that profession. I do not think it should be extended beyond "doctor".

While we only need a set of eyes to see that it is a true likeness, I believe this requires some degree of ethical professionalism on the part of the individual who is designated to do so.

The Chairman: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: I was leafing through the Health Practitioners' Law (1995 Revision) to see whether there was a definition of "medical practitioner".

It is correct that some persons interpret the expression to mean "doctors", but I am not aware of any forensic definition that says that "medical practitioner" is confined to doctors. The Schedule to the Health Practitioners Law (1995 Revision), Part 2– Health professions, says:

"The following are the health professions subject to this Law –

(a) medicine;
(b) dentistry;
(c) optometry;
(d) pharmacy;
(e) nursing;
(f) physiotherapy;
(g) radiography;
(h) medical technology;
(i) psychology;
(j) osteopathy;
(k) chiropractics;
(l) veterinary; and
(m) nurse practitioner or physician's assistant.

Perhaps we should use the language "medical doctor" rather than "medical practitioner", if the Honourable Elected Member for East End is more comfortable with that. Would that help?

The Chairman: The Elected Member for East End.

Mr. V. Arden McLean: Thank you. "Medical doctor" sounds much more attractive than "medical practitioner", when you have pharmacists and the like, and all those required to be registered. It gets worse by the minute as the interpretation is read. I do not have a problem with pharmacists, but either we have "medical doctor", or we remove that altogether. Those are the choices we have.

The Chairman: Honourable Second Official Member, were you suggesting that you would withdraw the amendment before the Committee now and substitute "medical practitioner" by replacing it with "medical doctor"?

Hon. Samuel W. Bulgin: Mr. Chairman, I would seek the concurrence of the Committee to do so—to move it on the Floor.

The Chairman: So ordered.

[Pause]

The Chairman: Second Official Member.

Hon. Samuel W. Bulgin: I want to make it clear that I am not withdrawing the amendment. I am merely seeking the concurrence of the Committee of the whole House to make an amendment where the word "practitioner" appears, to delete "practitioner" and substitute therefor the word "doctor". There would still be an amendment except that it would read "medical doctor"'.

The Chairman: The question is that the word "practitioner"' be deleted in clause 3(2)(c), as it appears in the fifth line, and that the word "practitioner" be deleted and replaced by "doctor".

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Amendment to amendment passed.

The Chairman: The question is that the amendment stands part of the clause.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Amendment as amended passed.

The Chairman: The question now is that clause 3 as amended stands part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 3 as amended passed.

Clauses 4 to 7

The Clerk:

Clause 4 Amendment of section 4 – registration of notaries public
Clause 5 Amendment of section 10 – proceedings for misconduct
Clause 6 Amendment of section 12 – notarial acts while suspended
Clause 7 Amendment of the First Schedule – form of application for appointment as notary public.

The Chairman: The question is that clauses 4 to 7 stand part of the Bill.

The Elected Member for East End.

Mr. V. Arden McLean: I think that in clause 7, there would have to be a consequential amendment. In the one that was previously circulated, in clause 2, there was an amendment to include "a Member of the Legislative Assembly", which should also be included here. Also, in "medical practitioner", the word "practitioner" should be removed, as was just done, and replaced therefor with "doctor".

The Chairman: The question is that all consequential amendments be a part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: All consequential amendments be made.

The Chairman: The question is that clauses 4 to 7 stand part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 4 through 7 passed.

The Clerk: A Bill for a Law to Amend the Notaries Public Law 2003 Revision; and for Incidental and Connected Purposes.

The Chairman: The question is that the title stands part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Title passed.

The Summary Jurisdiction (Amendment) Bill, 2003

Clauses 1 to 10

The Clerk:

Clause 1 Short title
Clause 2 Amendment of section 22 of the Summary Jurisdiction Law (1995 Revision)–general provisions as to practice and procedure
Clause 3 Repeal of section 33 and substitution – costs
Clause 4 Repeal of section 34 – execution.
Clause 5 Repeal of section 35 and substitution – enforcement of orders of the court.
Clause 6 Repeal of section 39 and substitution –civil appeals.
Clause 7 Repeal of sections 40 to 46 – unrepresented litigant to be informed of right of appeal, etc.
Clause 8 Repeal of section 47 – judgment may be entered in Grand Court in respect of proceedings determined in summary courts.
Clause 9 Amendment of the Schedule – civil jurisdiction of the court.
Clause 10 Transitional.

The Chairman: The question is that clauses 1 through 10 stand part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 1 - 10 passed.

The Clerk: A Bill for a Law to Amend the Summary Jurisdiction Law (1995 Revision) to Extend the Juris-

diction of the Court in Civil Causes or Matters and to Make New Provision for Rights of Appeal in Civil Causes or Matters; and for Incidental and Connected Purposes.

The Chairman: The question is that the title stands part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Title passed.

The Judicature (Amendment) (No. 2) Bill 2003

Clauses 1 to 3

The Clerk:

Clause 1 Short title
Clause 2 Amendment of section 30 of the Judicature Law (2002 Revision) – imprisonment for non-payment of judgement debt
Clause 3 Amendment of the Third Schedule – charging orders**.**

The Chairman: The question is that clauses 1 through 3 stand part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 1 through 3 passed.

Clerk: A Bill for a Law to Amend the Judicature Law (2002 Revision); and for Incidental and Connected Purposes.

The Chairman: The question is that the title stands part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Title passed.

The Misuse of Drugs (International Cooperation) (Amendment) Bill, 2003

Clauses 1 to 2

The Clerk:

Clause 1 Short title
Clause 2 Amendment of section 1 of the Misuse of Drugs (International Cooperation) Law (2000 Revision) – short title.

The Chairman: The question is that clauses 1 and 2 do stand part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 1 and 2 passed.

Clause 3

The Clerk: Clause 3 Amendment of section 2– definitions and interpretation.

The Chairman: The Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Mr. Chairman.

In accordance with the provisions of standing order 52(1) and (2), I, the Honourable Second Official Member, do beg to move the following amendment to the Misuse of Drugs (International Cooperation) (Amendment) Bill 2003 –

That the Bill be amended as follows –

(a) in clause 3 –

I. by re-lettering paragraphs (a) and (b) as paragraphs (b) and (c), respectively; and

II. by inserting above paragraph (b) the following paragraph –

"(a) in subsection (1) by inserting the following definition in its appropriate alphabetical place –

"'a law corresponding to this Law" means a law of a requesting Party which provides for legal assistance in criminal matters to foreign states and pursuant to which assistance of the kind sought under this Law could be similarly obtained;";

The Chairman: The amendment has been duly moved. Does any Member wish to speak thereto? If no Member wishes to speak, the question is the amendment stands part of the clause.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Amendment passed.

The Chairman: The question now is that clause 3 as amended stands part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 3 as amended passed.

Clause 4

The Clerk: Clause 4 Amendment of section 4 – Central Authority

The Chairman: The question is that clause 4 stands part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it**.**

Agreed: Clause 4 passed.

Clause 5

The Clerk: Clause 5 Amendment of section 8 – refusal of mutual legal assistance

The Chairman: The Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Mr. Chairman, In accordance with the provisions of Standing Orders 52(1) and (2), I, the Honourable Second Official Member, beg to move the following amendment:

(b) by inserting after clause 5 the following clause–

5A The principal Law is amended by repealing subsection (1) of section 10 and substituting the following subsection–

"(1) Subject to sections 8 and 9 –

(a) upon receipt of a request relating to the Convention, the Authority shall execute the request in accordance with Article 7; and
(b) upon receipt of any other request, the Authority may execute the request in accordance with this Law.";

The Chairman: This is a new clause, and under Standing Order 52(8), it would normally have come after other clauses in the Bill have been considered. However, I will take it at this time, since it has already been moved.

Hon. Samuel W. Bulgin: I am obliged.

The Chairman: Does any other Member wish to speak thereto? If not the question is that clause 5 stands part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 5 passed.

The Chairman: The question is that the new clause 5A stands part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: New clause 5A passed.

Clause 6

The Clerk: Clause 6 Amendment of section 14 – protection of persons appearing in response to a request

The Chairman: The question is that clause 6 stands part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 6 passed.

Clause 7

The Clerk: Clause 7 Repeal and replacement of section 23 – conflict of laws.

The Chairman: The Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Mr. Chairman. In accordance with the provision of Standing Orders 52(1) and (2), I, the Honourable Second Official Member, beg to move the following amendment–

(c) in clause 7, in the new section 23(2) proposed for insertion in the principal Law, delete the words "made pursuant to an agreement" and substitute the words "made pursuant to a Law or an agreement"; and
(d) by inserting, after clause 7, the following clause–

"7A.The principal Law is amended by inserting after section 23 the following section –

23A.(1) Where a request has been made for the purpose of -

(a) identifying or tracing proceeds, property, instruments or such other things for the purposes of evidence;

(b) immobilising criminally obtained assets; or

(c) assisting in proceedings related to forfeiture and restitution,

the provisions of sections 32 to 38, and the Schedule, of the Proceeds of Criminal Conduct Law (2001 Revision) shall mutatis mutandis apply, except that –

(i) any reference in those provisions to a designated country shall be construed as a reference to a country or territory specified in the First Schedule of this Law; and

(ii) any reference in those provisions to the institution of proceedings shall be disregarded.

(2) For the purposes of this Law, the powers of the Grand Court under paragraphs 6(1) and 7(1) of the Schedule of the Proceeds of Criminal Conduct Law (2001 Revision) are exercisable where either an external confiscation order has been made or it appears to the Grand Court that there are reasonable grounds for thinking that such an order may be made.".

The Chairman: The amendment has been duly made, I will first take the question on clause 7 and then on the new clause 7A.

Does any Member wish to speak to the amendment? If not, the question is that the amendment stands part of the clause.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Amendment passed.

The Chairman: The question now is that clause 7 as amended stand part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 7 as amended passed.

The Clerk: New clause 7A Insertion of section 3(a) – application of certain provisions of the proceeds of Criminal Conduct Law (2001 Revision).

The Chairman: This clause has been taken to have been read a first time. The question is that this clause be read a second time.

Agreed: Clause read a second time

The Chairman: The question now is that this new clause be added to the Bill as clause 7A, and that subsequent clauses be renumbered accordingly.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause added to the Bill as Clause 7A

Clauses 8 to 9

The Clerk:

Clause 8 Amendment of First Schedule – countries or territories to which mutual legal assistance may be given by the Authority

Clause 9 Savings and transitional provisions

The Chairman: The question is that clauses 8 and 9 stand part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 8 and 9 passed.

The Clerk: A Bill for a Law to Amend the Misuse of Drugs (International Cooperation) Law (2000 Revision) to Enhance the Ability of the Cayman Islands to Offer International Cooperation in Criminal Matters.

The Chairman: The question is that the title stands part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Title passed.

The Companies (Amendment)(Disposition of Property) Bill 2003

The Clerk:

Clause 1 Short title.
Clause 2 Repeal and substitution of section 181 – Vesting of property.

The Chairman: The question is that clauses 1 and 2 stand part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 1 and 2 passed.

The Clerk: A Bill for a Law to Amend the Companies Law (2003 Revision) to Make Further Provision in Respect of the Disposition of Property Belonging to a Company Struck Off the Register of Companies; and for Incidental and Connected Purposes

The Chairman: The question is that the title stands part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Title passed.

The Chairman: That concludes proceedings in Committee. The House will now resume.

House Resumed at 1.01 pm

The Speaker: Please be seated. We have now reached the hour of 1 pm, and before calling for the Report on these Bills, we will take the luncheon break and return at 2.30 pm.

REPORTS ON BILLS

The Notaries Public (Amendment) (No.2) Bill, 2003

The Speaker: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker.

I beg to report that a Bill shortly entitled, The Notaries Public (Amendment) (No.2) Bill 2003 was examined by a Committee of the whole House and passed with amendments.

The Summary Jurisdiction (Amendment) Bill, 2003

The Speaker: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker.

I beg to report that a Bill entitled, The Summary Jurisdiction (Amendment) Bill 2003 was examined by a Committee of the whole House and passed without amendments.

The Judicature (Amendment) (No.2) Bill, 2003

The Speaker: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker.

I beg to report that a Bill entitled the Judicature (Amendment) (No.2) Bill 2003 was examined by a Committee of the whole House and passed without amendment.

The Misuse of Drugs (International Cooperation) (Amendment) Bill, 2003

The Speaker: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker.

I beg to report that a Bill entitled the Misuse of Drugs (International Cooperation) (Amendment) Bill 2003 was examined by a Committee of the whole House and passed with amendments.

The Companies (Amendment) (Disposition of Property) Bill, 2003

The Speaker: The Temporary Honourable Third Official Member.

Hon. A. Joel Walton: Thank you, Mr. Speaker.

I beg to report that a Bill entitled, The Companies (Amendment) (Disposition of Property) Bill 2003 was considered by a Committee of the whole House and passed without amendment.

THIRD READINGS

The Notaries Public (Amendment) (No.2) Bill, 2003

The Speaker: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker.

I beg to move that a Bill entitled, The Notaries Public (Amendment) (No.2) Bill 2003 be given a Third Reading and passed.

The Speaker: The question is that a Bill shortly entitled, The Notaries Public (Amendment) (No.2) Bill 2003 be given a Third Reading and passed.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Notaries Public (Amendment) (No.2) Bill 2003 given a Third Reading and passed.

The Speaker: The Honourable Second Official Member.

The Summary Jurisdiction (Amendment) Bill 2003

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker.

I beg to move that a Bill entitled, The Summary Jurisdiction (Amendment) Bill 2003 be given a Third Reading and passed.

The Speaker: The question is that a Bill shortly entitled, The Summary Jurisdiction (Amendment) Bill 2003 be given a Third Reading and passed.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Summary Jurisdiction (Amendment) Bill 2003 given a Third Reading and passed.

The Judicature (Amendment) (No.2) Bill, 2003

The Speaker: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker.

I beg to move that a Bill entitled, The Judicature (Amendment) (No.2) Bill 2003 be given a Third Reading and passed.

The Speaker: The question is that a Bill shortly entitled, The Judicature (Amendment) (No.2) Bill 2003 be given a Third Reading and passed.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Judicature (Amendment) (No.2) Bill 2003 given a Third Reading and passed.

The Speaker: The Honourable Second Official Member.

The Misuse of Drugs (International Cooperation) (Amendment) Bill 2003

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker.

I beg to move that a Bill entitled, The Misuse of Drugs (International Cooperation) (Amendment) Bill 2003 be given a Third Reading and passed.

The Speaker: The question is that a Bill shortly entitled, The Misuse of Drugs (International Cooperation) (Amendment) Bill 2003 be given a Third Reading and passed.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Misuse of Drugs (International Cooperation) (Amendment) Bill 2003 given a Third Reading and passed.

The Companies (Amendment) (Disposition of Property) Bill, 2003

The Speaker: The Temporary Honourable Third Official Member.

Hon. A. Joel Walton: Thank you, Mr. Speaker.

I beg to move that a Bill entitled, The Companies (Amendment) (Disposition of Property) Bill 2003 be given a Third Reading and passed.

The Speaker: The question is that a Bill shortly entitled, The Companies (Amendment) (Disposition of Property) Bill 2003 be given a Third Reading and passed.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Companies (Amendment) (Disposition of Property) Bill 2003 given a Third Reading and passed.

OTHER BUSINESS

PRIVATE MEMBERS' MOTIONS

PRIVATE MEMBER'S MOTION NO. 5/03

Implementation of legislation to ensure more local content on locally licensed radio stations

(Continuation of debate thereon)

The Speaker: The Second Elected Member for West Bay continuing.

Mr. Rolston M. Anglin: Mr. Speaker, the Motion, moved by the Fourth Elected Member for West Bay and seconded by myself, calls for the implementation of legislation to ensure more local content on locally licensed radio stations.

Having heard the answer to Question No. 94 earlier in this sitting, it is obvious to Honourable Members of the House that the Ministry responsible for Culture has already done quite a bit of work in this area, and has shown a commitment to trying to resolve what has become a vexing issue.

The call by the Cayman Music and Entertainment Association, I might remind Honourable Members, is reasonable. They are asking for two songs to be played during an hour of broadcast time, and, Mr. Speaker, there are some 14-15 songs played per hour. Therefore, their request is not, by any stretch of the imagination, to dominate the programming of any radio station.

What is also encouraging is that they have said they, too, recognise that monitoring this would be inherently difficult without additional expenditure from the public purse, and they do not expect that.

They believe, as the Mover and I do, that having this Motion debated in this forum serves to send a clear message to the general public, and to radio stations, that the Legislative Assembly sees both the importance of this issue and the necessity for greater cooperation in getting to a situation where more of our local artists, here in Cayman, have the possibility to have their music aired on a more regular and consistent basis on the radio stations.

What the Cayman Music and Entertainment Association has proposed is that they themselves would be willing, and indeed, are waiting, to monitor the situation themselves, to see what changes the various radio stations will make in terms of airplay for local artists. That is probably one of the single most important considerations, as Members come to vote on this resolution. It is critical that the general public understands that Government, while it can facilitate and encourage solutions to certain problems, cannot be the be-all and end-all, always expected to provide every single facet of a solution to a problem. Ultimately, the more Government does, the more monies Government has to raise to get things done, the more monies the private sector and the private citizens of this country inevitably have to pay by way of duties and other fees.

From a cultural standpoint, and from the point of view of tourism and simple Cayman pride, this resolution is worthy of the support of Members of this Honourable House.

The support that has been shown to this call, not only by the public, but by businesses in Cayman, should tell us all that there is a need to bring this issue to the consciousness of people. People must understand that it is worthy of debate and consideration; it is worthy of our passing a resolution to say, "This is how we feel about it. We feel that more needs to be done."

Ultimately, there will be those who will argue as to how this should be done: whether it is something that should be statute driven, whether we should be passing legislation, or making conditions on the licenses radio stations get from the Information and Communications Technology Authority (ICTA). People will argue as to the mechanics, but I do not think many of us are going to argue about the need for more to be done. I hope that having this Motion and debate in the Legislative Assembly will go some way—hopefully a long way—towards having people understand more about the issue, and having radio stations act more favourably in terms of addressing it.

I am aware, as are all other Members, that when it comes down to this business of music, there are different tastes. There will be some people who will say, "Well, I like listening to this type of music; I like listening to another type of music. There are certain artists I like and others I do not like". Mr. Speaker, there are artists from other countries on whom, if I am driving down the road, and their music comes on, I change the radio station. There will be people who will argue along the lines that say, "Well, the radio station should be free to play what it wants to play, and if you do not like what they are playing, then you turn the dial and listen to another radio station".

That is not what we are arguing here. We are not saying that people should not have that right. We are saying that locals who are involved in the music industry should have the opportunity to have their music aired more regularly and more frequently on local radio stations.

The Fourth Elected Member for West Bay has outlined the statistics in terms of the numbers of albums and songs that are available from local musicians. When we got the letters from the Cayman Music and Entertainment Association, with the number of available titles, I was blown away—as most members probably are. I do not think most of us ever dreamt that there was that amount of local music available in Cayman. There has also been a dramatic increase in the quality of music that is available here, and that is actually produced and cut here in Cayman.

After all has been said and done, I believe that this Motion deserves the support of the House, the community, and the local radio stations.

I look forward to voting in favour of this Motion, and I look forward to debate, and also support, from other Members for this very important Motion.

I thank you, Mr. Speaker.

Apologies

The Speaker: Before calling on another Member to speak, I have received, this afternoon, apologies for absence from the Honourable Minister for Planning, Communications, District Administration and Information Technology. I would like to have that duly recorded.

Does any other Member wish to speak? The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. It is my honour and my pleasure, this evening, to rise to offer the contribution on behalf of Members of the Opposition in relation to the Private Member's Motion that is before this Honourable House.

As I said this morning, when I was proposing parliamentary question No. 94—which asked what efforts were being made by Government to address the complaints of local recording artists that local music does not receive sufficient airtime on most radio stations—it is a happy coincidence that this question came along at this particular point. It would have been gathered, from both the question and the tone of the supplementary questions that followed, that this issue is one that is squarely in the minds of members of the Opposition, as well as being an issue that calls for redress and action by the legislature.

Much has been said, by those who have spoken before, about the number and quality of local recordings that are available. I do not propose to say very much more about that aspect, save that I think it is remarkable, and very worthy of commendation, that a community as small as this has been able to produce such a quantity of recordings, and, indeed, in recent times, recordings of the quality to which we have now all become used. I am firmly of the view that many of the local recordings I hear are of superior quality, both in terms of production and in terms of the quality of the work itself—that is, the quality of the artistic rendition—to many that come from elsewhere. I have always felt that this posture that the locally produced efforts of our home-grown musicians are substandard is, quite frankly, simply an excuse for not wanting to promote local work.

It has been said many times, not just in the Caymanian context but generally speaking, in the wider world, that efforts emanating from the grassroots of any society take a long time to receive recognition in that particular community. Often it is only when those efforts receive international recognition and accolades that it finally dawns on the communities from whence they have come to say, "You know, this is really good stuff." This is stuff we can be proud of, and material we can be happy to say is a Caymanian product.

I refer to the situation with Miss. Lassie (Mrs. Gladwyn Klosking Bush) of South Sound, who recently passed away. I note that sadly because she was a dear friend of mine. Miss Lassie had been drawing or making her "markings", as she called them, for a long time. As far as the people in this community were concerned, these were the markings of someone who was not entirely *with it,* in the terms of her mental state. She herself acknowledged, in the past, that many people thought she was mad because she drew these strange things all over the place—on the shutters of her home, on an old car, on an old fridge. It did not matter where it was; these were just things that she did because she was moved to do so.

When people from the outside saw these works, and remarked in wonderment about them, acknowledging that they were truly artistic renditions, the Cayman community finally came on board to understand that we had a prize and a treasure amongst us.

That is often the way these things go. In the case of Miss. Lassie, fortunately, the efforts of the Cayman National Cultural Foundation—and Mr. Henry Muttoo and Mr. Dave Martins in particular—served to highlight and promote her work. It did not take legislative action or the like to impress it upon the consciousness of our people that this was important work, worthy of international recognition, that the country could hold up and be proud of.

In the case of our song recordings, that does not seem to be the case. Some of our local songs have achieved substantial success on the charts in other parts of the world. Many have been very popular locally, not only in the recent past, but in the past generally. Notwithstanding that, it seems that there is a certain resistance—a certain lack of willingness—on the part of most of the local radio stations to play local music on a regular and consistent basis. This point has been made before, so I will not belabour it, but the reality is that what makes songs popular is airplay. Unless songs receive significant airplay, they are unlikely to sell many copies. For the radio stations to say that they do not play more of these songs because the songs are not very popular creates a vicious circle from which we will never escape. Unless the songs receive airplay, and people hear the songs and get to like them and associate with them, they are not going to go and buy the records.

A significant effort has to be made by the Government, and a clear message needs to be sent to those responsible for the administration of the radio stations, that it is simply unacceptable, in this community, for local works to be excluded or treated as second-class products.

We have talked many times, in this forum and elsewhere, about Cayman's cultural identity, about the importance of our recognising that we do have one, and the importance of acknowledging, respecting and promoting it. I believe that the challenge to the survival of a distinct Caymanian identity, over the course of the next decade, in particular, is a significant one. It is one that those of us who sit in these Hallowed Halls have a duty to promote, to ensure that Cayman con-

tinues to develop its own distinct identity, so that we do not get lost in the tremendous influences and pressures that are brought to bear on this very small society by exposure to television, radio and other media, which tend principally to promote an American, and to a lesser degree a European, product—and even, Mr. Speaker, (I say this carefully), a regional product that is not truly Caymanian.

Over the years we have taken bits and pieces from all over the world. That is the way Cayman has developed. None of us are indigenous in the true sense of that word. Some families may have had the privilege of having been here (as mine has) for seven or eight generations, but all of us came from somewhere else. Our forebears, and those who have come since, have all brought to Cayman bits and pieces of the places from whence they came, and used what local resources were available to create a culture that is distinct, though subtle. It is so subtle in some respects that it often takes people who come from somewhere else a long time to realise that there are distinctive Caymanian things. It is not only the way we speak, or the foods we eat; it is the way we behave, and the way we interact with each other. If one is sensitive enough, and if one is not so arrogant as to presume that these things do not exist in Cayman, one learns, over time, that this is a distinct culture. This is a society with its own mores and values and culture.

The creation and development of music are important components of all of that—of trying to create something that our people can hold onto, about which they can stand up and say, "Yes, that is Caymanian and I am proud of it. I am proud to be Caymanian and to be associated with that". Music is a truly important medium for the expression of our own cultural identity. I doubt that there is any single medium that is more powerful in moving people, and causing people to feel a certain way about things, than music. We often joke about this. When there is a good soca session happening, I have seen grown men and women of the highest society—not only in Cayman but in Jamaica, Trinidad and elsewhere that I have travelled—simply following the instructions of one man (or woman, as the case may be) who holds a microphone and tells them to jump up on one leg, or bend down. It is not because they believe in that individual so much, or that he or she has such power. It is the power of the music, and the feeling and passion that it creates. It is a powerful medium, for good or for bad.

It is critical that we have the ability to hear, as a country and as a community, the artistic expression of our own people through local recordings, because music is powerful and important as a means of expressing cultural identity. Whether that takes legislation to effect, or debate in the Legislative Assembly, as we have now, we can modify attitudes and conduct. It is sad, Mr. Speaker, that it should come to this—that we have to stand up in the Legislative Assembly and implore those who control the airwaves to give the Caymanian product a chance. We should not have to do that.

Some of my colleagues across the Floor have spoken about its importance as a part of the tourism product. I am not going to spend a great deal of time talking about that again, except to say that I could not agree with them more. When people come here from elsewhere, they do not want to see a mirror image of what they have left back home. They do not want to hear the same things that they could hear back home. What is the point in coming—to get better weather, and access to the beach?

To get a true experience, and the true flavour of the Islands, they need to have an opportunity to experience things that are truly Caymanian. This is true not only about the music, but about the food as well, and about the people. Our community, our country and our society are under tremendous pressure in what I call these "transitional years". All around us, those who have recently come here seek to promote the things with which they are more au fait, the things with which they have better experience: American music and food, British food—even Jamaican food.

We have a duty as a society, if we are not going to get lost in homogeneity. If we are going to have something that is distinct, we are going to have to work at it. We are going to have to mould people's attitudes and open their consciousness so that they start to understand the importance of embracing and promoting things that are home-grown and distinctively Caymanian.

I will talk about some examples of the kinds of music that Cayman produces, and has produced, not only now, but for years. I still have an album that was cut by the Tornadoes when I was a boy. It was cut in the Bahamas, but it is a Caymanian product and the music still sounds good. I no longer have anything to play it on, and I am hoping that someday, someone will produce a CD of the Tornadoes' music. We have been producing music in this country for a long time, and Cayman is one of those places distinct from the rest of the Caribbean. I have never been to Honduras, but I am told we share some common features with them, in terms of the kind of music we like to listen to. As the Minister of Education reminds me, that is because of our common ancestry.

If you go to a Caymanian dance, fete or session, you will hear a full range of music in every genre you could consider—from country to rock-and-roll, from soca to reggae, from dance-hall to soul—because that is the way Caymanians like to listen to music. I have had people say to me, time and time again, "This is a Caribbean island. How is it that you all love country music so much?" Then you explain to them the experiences of our people, how the seamen went off and were exposed to this country music, and brought it back home over the course of the last 40-50 years. It is an important part of our culture and our identity, and the kind of music that we like. At the same time, you do not plan to have any session, or

any party, unless you have soca, reggae and soul as well. That is just the way we are.

I am told that in St. Lucia, they like country music as well, but I have never been there. You can go to virtually any other Caribbean country—and I have been to most of the eastern Caribbean countries—and country music is an alien form of music. They just do not listen to it. Those are important cultural distinctions that are important to us.

When you listen to the Charlie Pride of Cayman music, Andy Martin, you know that that is as good as you get anywhere. It truly is. There is absolutely no one who can justifiably complain about the quality of Andy's work, or its production.

Mr. Speaker, I keep being reminded by my colleagues, as though I need to be reminded of this, that Mr. George Nowak, better known as The Barefoot Man, is largely responsible not only for his own considerable personal success but for the promotion of Caymanian music, and the promotion of the work and efforts of people like Andy Martin. For that, he must be commended. I am sure that it is a labour of love, but it also the devotion of a lifetime, and a continuing one.

The real point I want to make about this is that I can listen to any record that is played on the radio, and no matter what genre it is, no matter what the quality, I can tell if it is a Caymanian piece of work. Whether it is in the country style, calypso, soca, reggae, or even hip-hop, I can tell. Do not ask me how I can tell, because I could not quite put my finger on it. There is something about it, to someone like me who has lived and grown up in this community. I can tell that it is a Caymanian piece of work. It is that critical but unidentifiable component (unidentifiable, at least, to me) that is so important. That is the distinction; that is the reflection of our cultural difference. We take the country music, and it is clearly country music when you hear it, but it has a Caymanian flair and flavour about it. That is true of all the genres. That is what those who come here want to hear. That is what we must continue to instil in the hearts, minds and consciousness of our own people. That is what they should want to hear, what they should be proud of, and what they should be willing to promote.

I am old enough to have been around in the early days of Bob Marley and The Wailers, and to have listened to some of their first efforts. I am also old enough to have grown up in that era when my mother used to quarrel about my listening to *that old ganja-smoking music*. For a long time, the efforts of Bob Marley, who died at age 36 in May 1981, were looked upon as primitive, not only in his own hometown but in the region, and certainly in Cayman. In retrospect, when you listen to some of those earlier recordings, they do sound primitive. There is an absence of all these "synthesisers"—I wish that the Temporary Honourable Third Official Member, Mr. Walton, could help me with this, because this is his field. It is clean and clear, and perhaps stark at times. You could even say "raucous". However, because of his work and efforts—and not just his, but those of Peter Tosh, Bunny Wailer, Burning Spear, Jimmy Cliff, and all of those who battled against the prejudice, the discrimination and the idea that "this is not quite up to what the market requires"—they did succeed.

Reggae music, particularly the work and effort of Bob Marley, has transformed the world. There is nowhere that you go in this world where people do not know who Bob Marley is, now. The important messages that he sent in his short life resonate throughout the world.

There was an event on Monday evening of this week, in Celebration Park, in which a significant number of us demonstrated our support for those who are living with HIV and AIDS, and the work of Cayman AIDS Foundation. One of the things they handed out to those of us who were fortunate enough to be there was a poster. The whole theme was discrimination, and prejudice, and the need to remove these from our minds, our consciousness and our thinking. The poster is of a large group of persons, including some Members of this Honourable House. It was taken on Seven Mile Beach—I am not sure how long ago. Across the top of it was a line from—guess who? Bob Marley. *"None but ourselves can free our minds".*

It is those sorts of things, I am sure, that never occur to the composers when songs are being composed and promoted. Most of us do not even think of the full implications of them either; it simply sounds good for a while. Over time, however, if the message is the right message, it seeps into our beings. We say these lines, or they come through our consciousness, into other things we are doing and thinking, because they are so powerful and important. Cayman will get to that point; of that I am confident. This will be an important source of music regionally, and, in due course, internationally.

We will not forever be—and you and I will be long gone, I am certain—a population of 40,000. Many of these things require significantly larger populations to gain the sort of momentum that is necessary to move the effort, the work and the product into the international market. We have to acknowledge that. However, this important work that is being done now ought, at least, to be given the opportunity to succeed locally. If that requires the passage of legislation to require radio stations to play two songs an hour, then so be it.

I understand that, because he sits where he sits, the Honourable Minister of Education may have some concerns about how easy or difficult it might be to pass legislation that will give the required effect. I do not buy into that. We have passed some of the most complicated legislation, with the most serious implications, in this Honourable House.

In response to my parliamentary question this morning, the Honourable Minister of Education noted that one concern was the ability to define properly what a local song is. We define what a local song is. I do not think that is particularly difficult. Even with my

limited ability, I could create a definition, which I believe would be acceptable, as to what a local song is—it is a song produced by persons who are resident here.

Who would be authorised to conduct formal monitoring of radio stations to ensure compliance? We give people that responsibility. There are not that many radio stations. We do not have to monitor them 24 hours a day, seven days a week, 365 days a year to know whether or not they are generally compliant. We already know who is promoting and who is not promoting Cayman music.

I can say, because I believe that we should be fair, that Radio Cayman and Rooster 101 make a real effort to play local music, though whether it is two per hour I cannot say. That may or may not have been a result of their own initiative; I suspect that some of the pressures that have been brought to bear on them by the Cayman Music and Entertainment Association and other proponents of Cayman music have had a significant impact on their attitude, but that is good.

I am sure that no one in the Music Association, and no one in this Honourable House, would expect Rooster 101, which is a country music station, to play locally produced reggae or calypso. No one is going to be unreasonable about these things. If you are a radio station that is dedicated to one particular genre, as long as you play sufficient numbers of locally produced music from that genre, then you are all right.

I made a quick note to myself a little earlier, and I came up with the following radio stations. If I have missed any please forgive me. There is Vibe; there is Radio Cayman, which has three stations: 105.3, 89.9 and the one that is dedicated to Cayman Brac; there is ICCI; there is Rooster 101; there is Ocean 95; there is Z99 and there is Heaven 97.

Again, no one would expect Heaven 97 to play soca music, unless it was religious. I must say that I do not think soca and religion go too well together, although I have heard it done. There is a certain irreverence about soca music that does not sit very nicely with gospel music, but that is just me and my conservative Caymanian nature coming through.

Mr. Speaker, I hope I have made clear where the Opposition stands on this matter. We are not seeking to be adversarial, or even critical of the Honourable Minister of Education, at this stage. However, we do not believe that the concerns or hurdles that have been identified to him by the Ministry or elsewhere (because we are not suggesting that these are his concerns) are sufficiently large hurdles to warrant the view that legislation is too difficult.

As the Second Elected Member for West Bay has said, I hope that, because this has been identified by both sides of this Honourable House as a matter worthy of the House's time and resources, the clear message will go through to those responsible for the airwaves: If they do not get their own house in order, and if they are not prepared to do what is right, honourable and in the bests interest of Cayman—not only the musicians, but Cayman, its people and those who visit here—then this Legislative Assembly will be prepared to take other action to ensure that local music is properly promoted on our own radio stations.

Mr. Speaker, this is a subject that we could spend considerable time debating, one I hold near and dear to my own heart. I know the other Members of the Opposition do as well. The whole question of Cayman's culture—its cultural experience and our supposed lack of culture—is one that has occupied a great deal of thought and attention in my own mind for many years.

Unfortunately the experience of the musicians is not a great deal different from the experience that many of us in Cayman have to deal with on a day-to-day basis as we go through our lives. This is not distinct to Cayman. I think it is part of the whole exercise of growing up, as countries and as communities, that all of the former colonised peoples have had to go through—and in our case, we are still in that unhappy state. Somehow, if you were born here, if your work was produced here, or if you were educated here, it is not quite up to par with whatever obtains elsewhere. The mere fact that you, or the product, came from somewhere else gives that product a higher intrinsic value than the home-grown equivalent. It is a natural prejudice.

As one who battled through all of the prejudices and discrimination inherent in having an education from the Cayman Islands Law School, I understand that. It is not something I accept. Battle I have done and battle I continue to do. The battle is to prove over and over again that what you do is as good or better than anything anyone else does, is able to do, or can produce.

In my practice as a lawyer in Cayman, I found that, after a while, it ceased to matter to those I represented. However, it is a prejudice that you have to deal with over and over again, and you never quite win. Every morning, you get up and you go back to battle again. Perhaps one day we will reach a point (I will be long gone I am sure) when these things will not matter at all, and the fact that something is from Cayman will be a stamp of approval, and mean that it is a good thing.

In the meantime, as long as we are here and able to carry on the fight, we must send the message to all and sundry as many times as we can, through as many media as we can, that we are going to promote and stand behind the Caymanian product. In this instance, it is local recordings. The unanimous vote of this Honourable House in favour of this Motion should send the message that needs to be sent to all of those who matter, to make them understand: "Do the right thing or we will pass legislation to ensure that you do".

Thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? The Temporary Honourable Third Official Member.

Hon. A. Joel Walton: Thank you, Mr. Speaker.

I have been reminded by my colleague from East End that this is a potential conflict of interest, but be that as it may. Official Members do not normally speak on things like this, but after listening to my colleague, the Second Elected Member for George Town, speak with such passion and conviction and, knowing him as I do and knowing that he has absolutely no musical talent whatsoever, I am forced to my feet. Thank you, Mr. Speaker, for the opportunity.

[Laughter]

Hon. A. Joel Walton: He can actually play the records and listen to music in his car; he is a lip-sync artist.

The other speakers have focused on the cultural and social sides of music, and productions of that nature—the spoken word and so on. I want to talk about the economic side, to try to keep this in line with my responsibilities here.

Local content follows and takes on a broad meaning. It is about songs, advertising jingles, and spoken dialogue, like the words of our own Quincy Brown, for example. It is about news, and it is also about special features and programming. It is not only about songs. The particular Motion was clear on that. It talked about general local content which can come through in many different forms.

Let us take dialogue, for example. As a child, growing up and listening to RJR and JBC, which were Jamaican stations at that time, I can remember listening to Miss Lou and Mas Rannie. Here in our own Cayman Islands, we have Aunt Sookie, Ezekiel, Quincy Brown, and other people who do this type of thing, but it never really gets airplay. Some of the other Members have spoken about tourism—that has economic value, in its integration with the tourism product.

An advertisement, for example, is itself a song. It is a form of production, requiring not only a musician, but also lyricists, arrangers, and producers, that creates new job and career opportunities for people who would be inclined towards that type of activity. However, because that practice is limited here, and because the majority of the advertising is done overseas by people who are not resident on the Island, their ability to make a career in that area is limited.

The music industry is a viable industry in its own right. Take a country like Sweden, for example. Those of us who grew up in the 1970s will remember the group ABBA. I think that at one time, ABBA had a line in the Swedish balance of payments. After them came other groups. More recently, groups such as Ace of Base, and so on, came out after that explosion. The amount of foreign exchange that Sweden earned from the ABBA product has been tremendous. You now have ABBA teens, as well.

I went to school in Canada in the late 1970s and early 1980s and, because of where Canada is, at that time it was suffering a barrage of what we would call imported radio stations. They had Styx, which was a major three-piece rock group at the time out of Canada; they had Burton Cummings who had local interest; they had Anne Murray, of course, and they had Gordon Lightfoot. Outside of that, Canadian music was very much left.

The Canadians took a definite decision that they wanted to promote music as an industry and as a cultural activity for its 23 million people. Yes, it is a difference, but still they did it.

Today you have people like Celine Dion, for example: a mega star. You can certainly argue that without the help of Government in that process it would not have happened.

My colleague mentioned Bob Marley, a major foreign exchange earner for Jamaica. Eddie Grant from Guyana, who made his fame in England with the Equals, actually brought his wealth back to Barbados, but he has contributed. He built a major studio and has a viable industry running out of Barbados. It is hard to conceive of it today, as it would have been 50 years ago in Jamaica, when the majority of Jamaican acts were actually performing covers of American R&B songs.

Another point that gets to me is the continuous criticism that doing cover music is a bad thing. Some of the major artists today got their start covering other people's material. It is bad if you cover it and do not acknowledge it, but covering somebody else's material is not inherently a bad thing.

I was listening to the Second Elected Member for George Town speaking, as he was trying to get a handle on it. I understand his problem. My colleague, the Attorney General, was talking about "knowing the unknown". He was talking about being able to identify local music, and saying that he could hear a hip hop song, a country song, or a soca song, and know it is local. What he was trying to explain is that music is truly global. It is not just international any more; it is truly a global activity.

Every culture—no matter how small it is—brings an inflection, so that someone presents that material in a slightly different light. Of course, the First Elected Member for George Town, the Leader of the Opposition, speaks of it in the context of food, and speaks of its unique flavour. That is the cultural side of this product that we will be able to bring to economics.

The music industry, as I said, employs lyricists, poets, and writers. It promotes the development of studios, arrangers, producers, engineers, and artists to create album covers. Many of my covers have been done by Neil Murray in his personal time. He is an excellent artist, it is a job opportunity for him, and I get my job done.

It creates CD pressing. You have to create the CDs, and that can be done locally. There is packaging—the cellophane that goes on it. There is also distribution, of course.

It promotes the development of radio stations and, in future years, television stations, because videos will come after. As soon as we are able to get a fix on the actual audio material, we will get a whole new industry developing in the form of videos—videos of songs or short skits, of dialogue and so on.

For Cayman, this is like the jewellery industry, which developed here under the radar—I mean the Caymanite and black coral industries. This is a major foreign exchange earner and so, too, could be music. As in the case of film, it is a new industry, and a whole new realm of possibilities for our very small country.

Developing a fledgling industry is always difficult, Mr. Speaker; it always has challenges— challenges of definition. What is local? I like what I have heard before. It allows almost anything produced locally to be considered local. Although the song itself might not have been written by somebody resident here, it would give the opportunity for studios, which are located here, to encourage overseas acts to record here. That brings foreign exchange, because these people have to come and pay for studio time, stay in hotels, rent cars, eat, and so on. It is a much broader vision that we are able to bring to this, to encourage the development.

Mr. Speaker, I think I have said enough. I hope that we can get the message across that the leaders of the country are serious about local content in domestic broadcasts. I know we will by the fact that this Motion has full support by both sides of the House. I hope that, having given that direction, those who are still not quite sure that it can work will be able, at least, to engage in dialogue, to see us doing this sensibly and reasonably, not only for the benefit of musicians, playwrights, poets and producers, and so on, but also for their own businesses, and for themselves.

Thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak?

The Honourable Minister of Education, Human Resources, and Culture.

Hon. Roy Bodden: Mr. Speaker, the Motion on the Floor of the House, and the circumstances that led to its arrival here, are matters with which I am very familiar, having first come face-to-face with the challenge shortly after assuming responsibility for the Ministry. I have a journal of entries, by month and year, of significant steps taken in trying to effect greater exposure from the radio stations for locally produced music.

It is appropriate, and relevant, to ask ourselves what we are seeking to achieve. I often wonder, as I listen to the content of some of these radio stations, whether the owners and the disc-jockeys have forgotten their geography. I wonder whether they realise that we are in the Cayman Islands, in the Caribbean, or whether they think we are some little town in the United States, based on the content they impose upon us. Mr. Speaker, in my contacts with these persons (including the proprietors), the responses I got were arrogant, contemptuous, and down-right insulting. The attitudes and behaviours of the disc-jockeys are but reflections of the dispositions of the owners of these stations, who, when I have been in contact with them, have displayed little or no empathy, and no understanding of the whole business of why locally produced music should receive airplay. I want to give this Honourable House an example of what I consider to be their arrogance and their contempt.

One of the radio stations, which shall remain anonymous at this time, had what they thought was some kind of game, though I called it gimmickry. The name of the game was, “Flush It”. They played a song—a local song; they used only local music—and at the end of the song, one of the disc-jockeys would say, “Flush it”, after which time you would hear the sound of a flushing toilet, and they would proceed to make fun. If that is their sense of humour, then it was very puerile to me. I took it as a gross insult.

I never heard that done to any music of a foreign nature. I did not say anything, because I did not want to incite any untoward behaviour, but I did remark on a number of occasions to some friends and associates, who were in my presence when I heard it, that Cayman was the only jurisdiction where they could have gotten away with that. If that had happened in Jamaica, or Barbados, or any other jurisdiction in the Caribbean, then I know they would have to have been escorted home, more than likely in a helicopter, because they would have gotten pelted—and not with rotten eggs either.

Worse was the fact that these persons were not Caymanians; these were people coming here on work permits, and insulting our production. The direction in which I am going to take my debate is a political direction, because I am very concerned. Many years ago, it was fashionable to talk about imperialism. What they are imposing on us is a kind of cultural imperialism. It is so dangerous and so subtle that it will mesmerise us, and we will not even realise that we are being mesmerised. They are insisting that we be completely acculturated into believing that what we do and produce locally is second-rate or of no value, but that what comes from outside, and is promoted by them, is best for us.

Mr. Speaker, I want to say something else. I do not necessarily believe that enforced behaviour is the best behaviour, but I have come to the conclusion—and I came to this conclusion long before coming here and listening to the debate by Honourable Members—that the only way we are going to solve this problem is to find a way to force a change of behaviour upon these radio stations. As I have said, that

in itself poses some challenges, but we shall have to find a way to get around them.

I have said to officers in my Ministry that I would not like to know that these radio stations have any advertising emanating out of the Ministry of Education, Human Resources and Culture. If they cannot be fair to Caymanian artistes and musicians, then I do not see why the State's funds should be used to bolster their profit lines. I would wish that there could be more people, more entities and more organisations which would take such a line, because I believe that one way of getting our message across effectively is to hit them on their balance sheets and their ledgers.

It is patently fallacious for them to believe that they can treat us with continuing contempt and expect to get away with it. When I threatened them with legislation, a couple of them had the nerve to call me up and threaten that they could get even at election time, when it was necessary, of course, to have an effective campaign. I have never shirked from a good political fight, and I told them, "That is fine, but you had better pray that I lose, because if I win, that will be the time I come for your jugular". It is not an issue to which they are prepared to yield easily. It has come to the point where we shall have to seek redress through legislation.

I would hope that the proprietors of these stations are so busy and so detached with other interests that they do not realise what is happening, and what is being done, for it should never have had to come to this serious a measure. I listened to every one of them. Every one of those stations thrives off local advertising, so it should be, as the old Jamaican saying goes, *hand wash hand*. If they thrive off local advertising, it is only reasonable that they give some airtime to locally produced music. Being a Caymanian, I believe, as the Second Elected Member for George Town says, that all kinds of music run through my veins. I can appreciate a little country at times. The only person's music to which I do not care to listen (for obvious reasons) is a certain Michael Jackson, but any other music, I have ears for.

Mr. Speaker, I do not believe that I am unique as a Caymanian, in that regard. On behalf of the Government, I am prepared to accept this Motion, and to support it. If the only way to get a level playing field is through the law, then that is the business of the State—to ensure that the playing field is level, so that the game can be played by all those who wish to play it. I think that we are deluding ourselves if we believe that every tourist who comes to our shore wants to hear North American rock-and-roll, or North American-type music. Certainly, the fame of The Barefoot Man has spread, and continues to spread. With The Barefoot Man we have the other members of what I call the "Barefoot Tribe", Andy Martin and some others. It is only reasonable that these persons get an opportunity to ply their trades in dignity, and in all seriousness, so that they can realise economic returns for their efforts.

However, it goes even further. Some of the establishments do not want to employ local acts and I have been engaged in that too. They form all kinds of excuses, such as, "The people are not professional". What does that mean? I know that the Music and Entertainment Association has made great strides. The Ministry for which I have responsibility has helped them on a number of occasions. Thank heavens, they are now mainly self-supportive, but they cannot last as an entity unless our radio stations and our establishments give them the airtime and playing time that they deserve.

I want to finish by saying that any organisation or entity that believes that we are not serious can procrastinate, and continue their arrogance and contemptuous behaviour, until the Law comes into play. Then they will understand that these efforts must be acknowledged, and these persons must get the opportunities they deserve.

Thank you.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? If not, does the Mover wish to exercise his right of reply?

Mr. Cline A. Glidden, Jr.: Thank you, Mr. Speaker. My job at this stage is quite a pleasurable one. I only have duty now to thank all the Members of this Honourable House who have contributed towards this Motion for the support that they have given. I especially want to thank the Cayman Islands Music and Entertainment Association for the assistance that they have given in researching this Motion. I want to thank the Second Elected Member for West Bay for his support in moving the Motion, especially, as the Minister of Education has just said, in light of the possibility of political ramifications in the upcoming General Election, when it comes to advertising, and the dependency on the radio stations.

I wanted also to express support, on behalf of the Minister of Planning, Communications, District Administration and Information Technology, under whose portfolio the ICTA rests. I spoke to her earlier, and she was not aware that the Motion was going to be completed today. She is over in Cayman Brac, on official business. She wanted me to express her support for this Motion, and to make it known that she gave her commitment, and that of her Ministry, to ensuring that this issue is dealt with as expeditiously as possible. She wanted to make a contribution as well, Mr. Speaker, but not knowing that it was coming forward today, she is not in the Chamber. However, she wanted to express her continued support for the local musicians in the industry, and her commitment to ensuring that this matter is dealt with.

I am happy to have brought the Motion, which has apparently gained the support of both sides of this Honourable House. I look forward to the radio stations, after this House has successfully passed the

Motion, getting a clear message of support from all the Members of the Legislative Assembly as to the need for some protection being given to our local musicians.

Thank you.

The Speaker: The question is: **BE IT RESOLVED THAT the Government considers implementing legislation to provide for more local content on our locally licensed radio stations.**

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Private Member's Motion No. 5/03 passed.

PRIVATE MEMBER'S MOTION NO. 6/03

Review of all Laws, Regulations and Policies in Regard to Special Needs Persons

The Speaker: The Fourth Elected Member for West Bay.

Mr. Cline A. Glidden, Jr.: Thank you, Mr. Speaker. I bet to move Private Member's Motion No. 6/03, standing in my name.

"BE IT RESOLVED THAT Government considers undertaking a review of all Laws, Regulations and Policies in regards to special needs persons and make the necessary modifications to bring them in line with local and internationally accepted best practices."

The Speaker: Is there a Seconder?

The Second Elected Member for West Bay.

Mr. Rolston M. Anglin: Mr. Speaker, I beg to second the Motion.

The Speaker: The Motion is now open for debate. Does the Member wish to speak thereto?

Mr. Cline A. Glidden, Jr.: Thank you, Mr. Speaker.

This Motion, which I have had the privilege of bringing to this Honourable House, is another of those issues we would have hoped, in the interests of good citizenship, would not have been necessary, because there is an understanding given to what we term "special needs" or "disabled" individuals.

It was not until recently that there was an article in our local newspaper, on Friday, 29 August 2003, with the headline was **"**Reaction to plight of blind girl." With your permission, Mr. Speaker, I would like to read a few lines from that.

The Speaker: Please continue.

Mr. Cline A. Glidden, Jr.: It reads: **"Most businesses spoken to by the *Caymanian Compass* have shown an accommodating attitude towards the plight of a young blind girl.**

"Recent allegations on behalf of the girl and her benefactor, The Lions Club of Grand Cayman, were that local businesses were refusing to admit her with her leader dog.

"Keisha Ram Kisson, the first recipient in the Lions Club of Grand Cayman leader dog programme, is in the process of returning 'Baby' – the leader dog she was presented with last year – to the training school from where he came. According to recent communication from the Lions Club, local shops, restaurants, and public transport vehicles were not allowing the dog on their premises.

"Programme Director Osbourne Bodden observed various George Town food and retail establishments, as well as public buses, on occasion, refused to accommodate Keisha and Baby. 'The most frequent reason given, he stated, was the general objections of customers.

"There is ignorance throughout society on this matter. 'If the customers leave, it becomes a matter of economics at the end of the day,' he stated."

Mr. Osbourne Bodden's response—that the ignorance of society is the reason we had a young lady with a disability, who is basically blind, unable to use a dog that was provided to her by one of the community organisations to try to assist her in her daily life—made me aware of how uninformed society is when it comes to dealing with disabled and special needs individuals.

Perhaps fortunately, I have often been exposed to persons with special needs, having been involved in the Special Olympics for quite a while. Having lived in the district of West Bay, and being a representative of the district, there is a certain amount of exposure to special-needs individuals—which is not necessarily true for the rest of the members of our society. Because of that "unknown", it appears that there is not as much acceptance of the special needs and the difficulties that those individuals have as we would like to believe.

The purpose of my debate and this Motion is hopefully to bring more awareness and to try to clear up some of the ignorance to which Mr. Bodden referred, about the people in our society. As we are a growing society, those numbers will obviously be increasing. My hope is that if we do have more understanding and awareness of those needs, society will be more receptive to the special conditions that may be necessary to allow those people to live more independently.

What I would like to start by doing is defining "disabilities".

"Disability Awareness

"There are several ways of defining disability. The two most widely used definitions are the medical model and the social model (the social model being the one most disabled people themselves, generally, prefer as this emphasises the social restrictions that can prevent disabled people from having an equal opportunity to take part fully in all aspects of life.

"The medical model

"This definition of disability was composed by the World Health Organisation (WHO) in the early 1980s. This definition defines impairment, disability and handicap as follows:

- **Impairment - loss or abnormality in structure or function;**
- **disability - inability to perform an activity within the normal range for a human being, because of an impairment;**
- **handicap - inability to carry out normal social roles because of an impairment/disability.**

"These definitions were initially derived for the convenience of medical personnel. They reinforce the misconception that disability is allied to ill health and that disabled people need the care and attention of the medical profession. These definitions also put the responsibility for functional inability with the disabled person and imply that the answers to solving the problems that arise from living with a disability lie with the medical profession.

"The social model

"The social model looks at the way in which the lives of disabled people are affected by the barriers that society imposes. Having a disability certainly implies that there is some functional limitation that has been caused by an illness, accident or medical condition. In some situations, the limitation is accommodated, i.e. person with hearing loss may use a hearing-aid to restore his/her hearing; short sightedness can be corrected by wearing glasses or contact lenses." Somebody who is blind may use a seeing-eye dog.

"Day-to-day activities may be more difficult for a disabled person because of pain, difficulty in moving or communicating, or because of a learning disability, but an accepting and accommodating society would significantly reduce the effects of disability.

If the social and environmental barriers were eliminated, disabled people would have a more realistic opportunity of living equally alongside non-disabled people." *[From the Disabled Living Foundation's Fact Sheet on Disability Awareness]*

"Types of Impairment

"The subsequent effects of an illness, accident or medical condition upon the way a person functions can be divided into two main categories; visible and invisible. A visible impairment is one that can be seen; for example a wheelchair user has an obvious physical impairment. Consequently, many people associate disability with using a wheelchair when in fact wheelchair users make up only a small percentage of the disabled population. There are many other forms of visible and invisible impairments and some examples are listed below. They should not be considered in isolation; a person with advanced diabetes, for example, may have a visual impairment and mobility difficulties due to slow circulation and loss of sensation.

- **Physical impairment - this denotes difficulty in moving or using all or part of the body. The upper limbs may be restricted making it difficult to reach, grasp and manipulate objects; or there may be a mobility impairment often caused by partial or complete loss of function in the legs, but conditions that affect balance or loss of sensation can also result in mobility difficulties. A person with a mobility impairment may not necessarily be dependant on a wheelchair; he/she may still be ambulant, but find walking difficult."** *[From the Disabled Living Foundation's Fact Sheet on Types of Impairment]*

Then we have sensory impairment, learning disability, communication difficulties, mental illness and other hidden disabilities as well. One of the biggest difficulties that disabled people face is the lack of the social integration. Knowing the difficulties, which may be visible or invisible, and the challenges they create for disabled individuals, I think that as a conscious government, we should consider trying to help bring awareness to our society about the needs of these special individuals.

Mr. Speaker, disabilities can affect anyone. We really have no control as to how we may be affected. Whether it is because of genetics or age, we may some time later on in our lives face some of those same difficulties.

"Cultural and Social Influences

"What will influence whether and to what extent our lives will be affected by disability? The causes of disability are very diverse and will affect people of all social and cultural backgrounds, but there are some factors that will make us more vulnerable to the causes. For example:

- **where we live in the world – e.g. polio and TB are still rife in some developing countries where healthcare provision is inadequate and vaccination programmes have not been fully established;**

- **income - low income families are more likely to live in homes that are poorly heated, have a less nutritious diet etc, leading to a higher susceptibility to some illnesses;**

- **lifestyle – the way we live our lives has a direct influence on our health and wellbeing. Stress, smoking, lack of exercise, recklessness are just a few ways that we put ourselves at risk;**

- **genetic vulnerability—our body make up may determine whether we are susceptible to particular illnesses or diseases."** *[From the Disabled Living Foundation's Fact Sheet on Cultural and Social Influences]*

"Barriers to Ability

"Disabled people argue that if attitudes towards them, the way physical environments are designed and the way society is organised were changed, then the effect of their impairments would be minimised, giving them a fairer chance of equality."

That, Mr. Speaker, is the main purpose for the bringing of this Motion. Although it is not easy to legislate for goodwill, there is a certain amount of legislation that is necessary to ensure that special consideration is given to those individuals. For those Members who may need an example, one that I can think of is handicapped parking.

The Planning Department may enforce that, when someone is building a building, they have to make provisions for a certain amount of handicapped parking. The parking is established and supposedly used by handicapped people. However, when people who are not handicapped and do not have special permission to park in those spaces do park there, the police have difficulty enforcing it. In most cases, that parking is provided on private property, so the police have difficulty ticketing the individual who may be parked there, even though he does not have the required parking permit, or the disabled individuals' permit. Again, because of a lack of consciousness, we have people who do not have the right to park in the specified parking places parking there, making it more inconvenient for the disabled individuals for whom the parking spaces were originally designed.

Although legislation is difficult, and we would like to see it as a last resort, we do recognise that there are instances in which, without proper, enforceable legislation, even the best intent in the world does not serve its designed purpose.

In light of that, I would say that:**"Goodwill should be given criteria for action otherwise it might remain just an expression of good intent, but never try to over-organize it, it thrives on freedom and much of its beauty and spontaneity would be killed off if unduly curtailed by strict rules.**

"Rules should be raised as rare plants nurtured and allowed to grow into strong trees which only then can be called laws. The media (TV, radio, newspapers and magazines) should be extensively used to make people aware of the presence of disabled people, of their difficulties, of what they can do for society and what they can expect in return. It is a whole process of awareness awakening, and positive education about how people can put their natural goodwill to effective use. It is a smooth powerful education by suggestion and spreading of ideas. TV, films, documentaries and interviews are all available or can be accessed on demand. Good use must be made of them until the idea that disabled people are worthy, interesting and productive is well-anchored in the public mind. People with disabilities will then be able to stake their claim to social facilities of which the main one is physical accessibility to places reserved up to now to the non-disabled.

"As an example of progression from awareness to law, take the safety belt. It started as an idea with which inventors experimented until eventually they developed a good reliable safety device. People started to use it; its use was first recommended by authorities then strongly advised and finally enforced by law. People do not begrudge the minor inconveniences of the safety belt because they know it is useful and saves lives. Mobility facilities for the disabled persons should follow the same route." [Rajah, Zorah (2004). *Legislation of mobility facilities for disabled persons as backup to existing goodwill.]*

Suspension of Standing Order 10(2)

The Speaker: Honourable Members, we have now reached the hour of 4.30pm. I have received notice that it is the wish of Members that the business of the House should continue until 6.30pm, or the completion of this Motion that is before this House, which is the last item on the Order Paper for today.

I will now call on the Honourable Minister of Education to move Standing Order 10(2) for the suspension, for us to continue.

Hon. Roy Bodden: Mr. Speaker, I beg to move the suspension of Standing Order 10(2) in order that the business on the Order Paper can move beyond our normal adjournment hour of 4.30pm.

The Speaker: The question is that Standing Order 10(2) be suspended in order for us to continue the proceedings of the House.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 10(2) suspended to allow proceedings to continue beyond 4.30 pm.

The Speaker: The House will continue its proceedings, but I will now take the afternoon break. We will suspend for 15 minutes.

Proceedings suspended at 4:30 pm

Proceedings resumed at 5:06 pm

The Speaker: Please be seated. Proceedings are resumed. The Fourth Elected Member for West Bay continuing.

Mr. Cline A. Glidden, Jr.: Thank you, Mr. Speaker. Before we took the break, I was in wind-up mode. I was making the point that: **"As far as people with disabilities are concerned, law is no substitute for good manners and educated goodwill; it is only there as a guard against those who, through selfishness or for the protection of their money, choose to live at the expense of society. Initiating legislation in view of acquiring"**—Caymanian— **"structures within which disabled people can feel at ease is a must."** [Rajah, Zorah (2004). *Legislation of mobility facilities for disabled persons as backup to existing goodwill.]*

The position of disabled people is that what they most crave is the ability to live and survive in society, and to co-exist as much as possible in an independent fashion. You may ask, "How can we assist with independence and what does living independently mean?"

"It means that services are provided on disabled people's own terms—the choice and control, such as we want it, is ours—it should not be institutionalised and so on someone else's terms.

"At one point in time, independence was seen as independence at home—now for many disabled people it should be seen as independence at work too." *[From The British Council of Disabled People – Improving the Quality of Life for Disabled People.]*

Since this was an attempt to give some education to society, I want to mention what has been given to me as the terminology that is used.

It says:**"The language used when addressing disabled people or used generally to describe disability has an impact on the way disabled people are perceived. It is therefore essential that the language presents a positive image not a negative one, and does not cause offence.**

"The tone of address should also be sensitive to the feelings of disabled people—and accurate. Disabled people are no *braver* than non-disabled people; neither do they consider themselves to be *victims* or *battling against tragedy*. Patronising, sensational, or sentimental words and phrases should be avoided. Disabled people are not self-pitying and their lives are not uninterrupted drudgery. Language that reinforces impressions of apathy or dependence should not be used.

"A disabled person, like anyone else, will have his/her own preferences about how he/she would like to be addressed or described, and it is therefore best to ask the individual concerned. For example, some people may use the term *people with disabilities* in *preference to disabled people*.

"Terminology that is totally unacceptable includes:

- ***handicapped* - this conjures up the image of a subservient person begging for money, *cap in hand*. The label implies that the individual is to blame for the difficulties he/she encounters when it is environment and society that causes the handicap;**

- ***the disabled* - this lumps people together in a group separate from the rest of society. It is stereotyping according to one aspect of a person, not acknowledging that disabled people have individuality;**

- **a person is not a condition - to refer to someone as *an arthritic* or *paraplegic* is dehumanising. When referring to a specific condition use the form person with . . . ;**

- ***invalid* - Invalid is also used to suggest a person who is ill or sickly, and as disability is not the same as illness, the word should not be used as a description of disabled people;**

- ***wheelchair bound* or *confined to a wheelchair* are terms that imply that the disabled person is tied or imprisoned within their**

wheelchair, when the wheelchair itself is purely a way of providing independent mobility and freedom. A wheelchair user is a more acceptable term;

- ***backward, retarded* or *mentally handicapped* are terms that carry a stigma and imply that a person is unable to learn. *Learning difficulty* or *learning disability* should be used in preference;**

- ***normal* to describe non-disabled people - this implies that disabled people are deviations from the normal."** *[From The Disabled Living Foundation – Terminology]*

Those are all terms that tend to belittle or dehumanise disabled people. As a society, it is important for us to learn about, and be familiar with, issues and terminology that is sensitive to disabled people.

What I would like to leave the Members with is this: **"There are ways in which disabled people's quality of life can be improved over which you can have a positive influence. Please use your influence – disabled people have a right to it."** *[From The British Council of Disabled People—Improving the Quality of Life for Disabled People.]*

Thank you.

The Speaker: Does any other Member wish to speak? The Elected Member for North Side.

Ms. Edna M. Moyle: Thank you, Mr. Speaker. I rise to offer a contribution on behalf of the Opposition on this Private Member's Motion No. 6/03 entitled, Review of all Laws, Regulations and Policies in regard to Special Needs Persons.

I stop to pause and say *déjà vu*. I think it was back in 2000 that a Motion of a similar nature was brought to this Legislative Assembly based on the needs of these special-needs persons, and I have yet to see anything put in place. Visibly, we have a few wheelchair ramps and different things, but other than that, there is nothing.

The People's Progressive Movement, at its conference on 6 September 2003, put forward certain resolutions for the parliamentary Opposition to research and to bring to this House. One of those is draft Resolution No.10 – Provision of Special Needs People:

"Whereas the Cayman Islands is a society that believes in God and traditional values, and whereas there are people in our society with special needs;

"And whereas all people are created with equal worth and are entitled to basic human rights:

"Be it therefore resolved that the People's Progressive Movement calls on Government to provide legislation to protect the needs and rights of people with special needs in our community;

"And be it further resolved that the People's Progressive Movement calls on Government to provide the necessary facilities in order to enhance the abilities of special needs persons so that they can lead a full and productive life."

When I read this Motion—and it is to be hoped that when the Honourable Mover is winding up on the Motion, he will clear this up for me—he says: "**BE IT RESOLVED THAT Government considers undertaking a review of all laws, regulations and policies in regard to special needs' persons and make the necessary modifications to bring them in line with local and internationally accepted best practices."** If my memory bears me out, I do not believe that this country has any specific laws in place, or regulations, or a policy in regard to special needs persons. If these are the laws that the Honourable Mover is referring to, it would be incumbent upon him to bring an amendment to this Motion.

The Opposition accepts that we need to undertake something with laws, regulations and policies in regard to special needs persons, but perhaps that amendment should be: "That the Government considers putting in place legislation, regulations and policies in regard to special needs persons."

There is only one Law (I believe under the Development and Planning Law (2003 Revision)), we are required to put in place wheelchair access and special parking. Under the Traffic Law (2003 Revision) there is fine for parking in a handicapped place at any public parking lot.

This Motion deals with an issue that is dear to my heart; the needs of our special needs persons in these Islands. I have been involved with special needs persons from way back when I was on the Miss Cayman Committee. I think it is the Miss World Contest that says that funds must be earmarked to be used for special needs facilities or persons with special needs. When I got involved on that Committee, I met with Ms. Joy Basdeo and Ms. Jackie Balls, and we raised some $14,000 in Hands Across Cayman. If my memory serves me correctly, that is what started the Sunrise Adult Centre. Therefore, these people have been a part of my life for quite some time.

For years these Islands have neglected our people with disabilities. They were shunned and not accepted by the public. We have improved, and made a few strides in education: we have the Lighthouse School. However, my question to the Honourable Minister is: What happens when these special needs persons complete their education and time at the Lighthouse School? Where do they go from there? Are these things that we should be putting in legislation? I am asking the question.

Mr. Speaker, the United Nations on International Norms and Standards relating to Disability states, if I may, says:

"The Legislative Process

"One of the dominant features of the 20th century jurisprudence has been the recognition of law as a tool of change. An important feature of an effective legal system is its capacity to reflect the changing needs and demands of a society in which it operates. Although legislation is not the only means of social control, it definitely is one of the most powerful vehicles of change and development. Continuous law making becomes a natural response of a developing legal system to new challenges and needs. Today, almost every area of national legislative concern is affected in one way or another by international treaty standards."

The question I must ask the Government, when they accept this Motion is: We must ensure that all conventions that the United Kingdom has accepted on special needs persons with disabilities will be extended to the Cayman Islands (or that they will be if they are not already). We must not disregard, and make light of, the importance of national legislation to protect our special needs persons.

The Canadian Constitution was the first Constitution to include a comprehensive equality clause, and if you will allow me, Sir, I will read that.

The Speaker: Please continue.

Ms. Edna M. Moyle: In the Canadian Constitution, it reads: **"Every individual is equal before and under the law and has the right to the equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability."**

I also believe that it is the Constitution of Germany that has added a phrase to their General Equal Protection Clause: **"No one may be disadvantaged on account of his disability."**

I will go further and say that I think it is Uganda that says: **"Society and State shall recognise the right of persons with disabilities to respect and human dignity."**

I say here on behalf of the Opposition, that perhaps it is time we include, under the fundamental rights of our Constitution, clauses similar to what is in the Canadian Constitution.

Throughout the world, persons with mental disabilities suffer abuse. They are mistreated, and in some cases, there is even forced sterilisation of these people. Mr. Speaker, we cannot allow the Cayman Islands to reach this stage with our mental people. Some may have had it done already, but I think it is time for us to walk in a different light.

The Mover of this Motion said—these are not his words exactly—that it is the responsibility of each and every one of us to educate our people on the needs of our special needs persons. I feel that this can be done. Rather than the Government deciding to look only at legislation, let us set up a committee of professionals. Let us research, see what is needed and put in place things that will assist our people with special needs. We could have our districts raise awareness about persons with disabilities, the rights of those persons, their potentials, and their contribution to society.

When I go to the Hyatt Hotel to visit my son, and I see some of the students (as I call them) from the Sunrise Adult Centre being employed, I feel very proud. I know that those persons are proud because at the end of the day, when they get a pay cheque they feel that they have earned it and they can make a contribution to their livelihood. This is the direction that we must go, as far as the Cayman Islands are concerned.

The World Programme of Action Concerning Disabled Persons, paragraph 154, stipulates that: **"disabled persons and their organizations should be given equal access, employment, adequate resources and professional training with regard to public information, so that they may express themselves freely through the media and communicate their points of view and their experiences to the general public."**

I think before we barge into reviewing legislation, there is much research that can be done on this subject so that we, in the Cayman Islands, can end up with a product that really benefits our special needs persons.

The Motion calls for the reviewing of legislation. I believe that before we can put specialised legislation in place, the Government and the Opposition must have all the information about the status of our disabled persons. There must be a clear definition, as the Honourable Mover of the Motion stated quite clearly, of disabled or special needs persons. As the Honourable Mover said, there could be someone with a visual impairment walking along, and we may never realise that such a person is a special needs person because of that visual impairment. We must ensure that all aspects of disability are included in all relevant policy-making and national planning.

I pause to say that one of the first things that we need to put in place, after we have accepted this Motion, is this: we need a social policy that can deal with all social aspects of the Cayman Islands. If we deal with that, we can deal with our special needs persons. There is no policy to do with special needs persons in this country. If I am wrong, and someone can present it to me, I am quite willing to apologise. The disability of a special needs person is not a single issue. There are many arms to that issue. That is why I feel there must be coordination of any work that is going to be done on this issue. As I said before, we need to establish a national coordinating committee to serve as the national focal point on all disability matters.

This committee should be permanent—not a committee that is set up to do what we want to do with

this Motion, and then passes away. This committee must be permanent, and must be based on legal as well as administrative regulation. The functions of the committee would be to research all national and international laws (because these go hand-in-hand with respect to special needs persons), and policy, as well as to coordinate and advise on all activities of all government agents and non-governmental organisations (NGOs) working on the issues affecting special needs persons. The committee should be made up of professionals, as I said before; representatives of relevant organisations; and those persons with special needs. They can tell us what they feel, and how they are treated. We must give them the opportunity to have input into legislation and policies that affect their lives. The importance of such a committee cannot be overstated. We will achieve nothing if we look only at reviewing legislation.

This reviewing of legislation—and as I said before, it can only be the Planning Law and the Traffic Law that have any mention, that I can recall, of the handicapped special needs person—must be a review of all legislation. If necessary, bring new legislation, because at the end of the day, the research could tell us that this country needs a disabilities act to deal with all aspects concerning the special needs person.

I have a gentleman in my district—and I am sure everyone here knows the farmer, Mr. Daniel—who comes to me constantly. He goes to Fosters to shop, to the handicapped parking space and he can find nowhere to park because there is someone like you or me who has no disability, but we have no respect.

[Inaudible interjection]

Ms. Edna M. Moyle: No obvious disability, as my colleague here says—but I have none at all.

They have no respect for that sign that says "handicapped parking", so they park there. It is no use for us to sit here, in this Legislative Assembly, amend the Traffic Law, and say that these handicapped parking spots must be provided at these public places—and I think we went as far as to set a $500 fine, if you were found parking there without your license plate and your handicapped sticker—if they are not going to be enforced. It is a waste of time and of the country's money. It is a lack of respect from those who should be enforcing this for persons with disabilities.

I was happy to have attended, some weeks ago—and I did miss the representatives from West Bay at that function, I must say—the opening of the new facility that has been leased for the Sunrise Adult Centre. I was quite happy that the Minister who took over from me did not remove the funds I had left in the budget to lease a facility for the Sunrise Adult Centre students. I do not know if you have ever visited the facility where those persons were being taught, next to the West Bay Primary School, but it was a total disgrace. It was one of the priorities that I took on board shortly after taking over the Ministry, and it became a reality four to six weeks ago. There is a nice facility.

However, I think the time has come for the country to look at a village concept for our special needs persons, where they can live amongst people like you and I—ordinary people without handicaps, so that we can get them into the workforce. They can make their own money, they can spend it and they can live on their own. However, Mr. Speaker, I stand here today, and I know I will be rebutted.

That facility must be more centralised so that my special needs children in the district of North Side can have access and be able to be in the same school—in the same village—as all the others. We cannot look at it in terms of how it suits us. We must look at the broad picture of what is best for all the districts in the Cayman Islands.

For too long, we have ignored our special needs persons. The Minister who is going to reply, on behalf of the Minister with responsibility for this, is a person who has been pushing. I am going to read, if you will allow me, Sir, Private Member's Motion No. 18/99, Consideration for the Protection and Assistance of the Physically Challenged.

The Speaker: Please continue.

Ms. Edna M. Moyle: This Motion was moved by Miss Heather Bodden, then Second Elected Member for Bodden Town, and seconded by Mr. Roy Bodden, the Third Elected Member for Bodden Town at the time (now Honourable Roy Bodden, the Minister of Education). It said:

"WHEREAS there are a number of persons in our Caymanian society who are physically challenged;

"AND WHEREAS over the past few years physically challenged persons are entering the mainstream workplace and are becoming more integrated;

"AND WHEREAS there is also an increased need for handicapped parking to be provided and demarcated at all buildings catering to the general public;

"AND WHEREAS there is a need to further enhance and promote facilities which provide for the varied needs of the physically challenged;

"BE IT NOW THEREFORE RESOLVED THAT Government considers enacting legislation which ensures that the physically challenged, as well as other special needs groups, are provided for when public buildings are constructed;

"AND BE IT FURTHER RESOLVED THAT Government considers mandating laws for the provision of appropriate handicap access to all facilities and aircraft;

"AND BE IT FURTHER RESOLVED THAT provision for placards, disabled stickers and handicap licence plates be provided for the physically challenged."

One resolve clause that I think has been put in place is the one for the placards, the disabled stickers and the handicapped license plates. The other ones are still in limbo. Mr. Speaker, that is why I said, *"Déjà vu,"* when we started this debate.

The Opposition supports the Motion, but if you would allow me, Sir, at this time I would like to move an amendment to the Motion to read as follows:

[Amendment]

"Be it resolved that Government considers putting in place laws, regulations and policies in regard to special needs persons, and for those laws, regulations and policies to be brought in line with local and internationally accepted best practices".

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I beg to second that Motion.

The Speaker: The Motion made by the Elected Member for North Side has been duly seconded. Does any Member wish to speak on that? If not, I will ask the Mover of the Motion, the Elected Member for North Side, to please continue.

Ms. Edna M. Moyle: Thank you, Mr. Speaker. The reason for bringing this amendment (as I have said in my debate, but I would like to stress once again) is that there are no laws, regulations or policies in these Islands for us to review. Therefore, I feel—and I am certain the Government will understand—that there is a need for us to look at legislation, regulations and policies; to enact those laws and regulations; and to put in place those policies before we can review legislation that affects people with special needs.

Therefore, Mr. Speaker, I would ask the Government to consider the amendment. Remember that the amendment is not based on politics; the amendment is based on the needs of the special needs persons. I am certain that that is why the Mover and the Seconder brought this Motion—because they saw the needs of these people and how they were being affected.

The Speaker: If I may, Honourable Member, do you have a written copy of your Motion so that it can be circulated?

Continue, Honourable Elected Member for North Side.

Ms. Edna M. Moyle: Mr. Speaker, I call on the Government to accept the amendment to the Motion. Let us act as adults, because it is based on the needs of special needs persons. I would hope that there is no Member of this Legislative Assembly who would come here with a Motion for special needs persons, hoping to use it politically. It would not be my dream to see special needs persons in this country become political footballs.

This is for our special needs persons. I would therefore ask all Members of this Legislative Assembly to accept the amendment that I moved.

The Speaker: Honourable Member for North Side, in the absence of a written amendment to the Motion, would you please read it again so that all other Members who intend to debate this would know precisely what they are debating. If you could, read that amendment through again for us, please.

Ms. Edna M. Moyle: Thank you, Mr. Speaker. It would be:

"Be it resolved that Government considers enacting laws, regulations and putting in place policies in regard to special needs persons in line with local and internationally accepted best practices."

The Speaker: Thank you very much.

The Fourth Elected Member for West Bay.

Mr. Cline A. Glidden, Jr.: Thank you, Mr. Speaker. I guess I get a second bite at the apple of debate. I know there is an amendment to the Motion, but I hope I can clear up the intent and the misunderstanding that seems to have occurred with this Motion, because, as the Member for North Side said, I think we are all in agreement with the need for improvements.

The Motion reads: "**BE IT RESOLVED THAT Government considers undertaking a review of all Laws, Regulations and Policies in regard to special needs' persons and make the necessary modifications to bring them in line with local and internationally accepted best practices."**

The Motion is not saying that there are existing Laws, Mr. Speaker. The Motion was being all-inclusive. It means all existing Laws in the Cayman Islands. If there is a vacuum that needs amendment in regard to special persons—for example in a transportation, traffic, labour or immigration law—it is all-encompassing. What we are saying is that instead of making specific legislation for special needs, we should take into account all laws in regard to special needs persons, and make the necessary modifications to any law. It could be as wide-ranging as the Monetary Authority Law. We are saying we want to include whatever law may be necessary. We want a revision to be made to any existing law to take into account the needs of our special needs people.

I wanted to ensure that it was clearly understood what the initial intent of the Motion was. It was not (as the Member for North Side seemed to have misunderstood) that we wanted to review only the existing laws that relate to special needs people. I agree with her; there is an absence of those laws. There are very few in existence. This is meant to review all existing laws that may need to be amended.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. The Honourable Elected Member for North Side has done an exemplary job in outlining the position of the Parliamentary Opposition and the People's Progressive Movement (PPM) in relation to special needs persons. I think she read, verbatim, a Motion that was moved at the PPM Conference on 6 September relating to special needs persons, which I think sets out very clearly and concisely where the People's Progressive Movement stands on the issue of special needs and special needs persons. I have no intention of traversing that ground again.

I would like to deal with the proposed amendment to the Motion that is on the Floor of this Honourable House. I am happy that the Fourth Elected Member for West Bay has said what he said, because it means that he should have no difficulty in accepting the amendment that is being proposed. With the greatest respect to him, I think it is difficult to get, from the Motion in its current form, the meaning which he has urged on us all, and which we are happy to hear.

Forgive me, Mr. Speaker, but the way it is drafted is not a model of clarity. The Honourable Elected Member for North Side is trying to make it quite clear that what we are seeking is to make provision where there is no provision—to assist, promote and protect the rights of special needs persons. Therefore, I would urge Honourable Members of this House—in particular the Mover and the Seconder of this Motion—to accede to the proposed amendment.

This whole question of the needs of this important sector of our community is something that I myself am very concerned about, particularly in the context of those who are visually handicapped, challenged or impaired—whatever term we choose to use. The Fourth Elected Member for West Bay made reference to the very sad situation in relation to Keisha Ramkissoon, and the efforts of the Lions Club of Grand Cayman (of which I am currently president) in obtaining for her a leader dog, and having her go through the training exercises, overseas, to enable her to use this dog. From the outset, we recognised that there were going to be challenges in relation to a leader dog in these Islands, but I do not believe that any of us contemplated that we would be met—or that she would be met, to be more accurate—with the degree of prejudice and discrimination that did exist.

Indeed, I spoke to the Minister of Health some time ago about the need for Government to bring legislation that would give protection to Keisha and persons with her particular impairment in this community, and afford them easier access. We discussed it at some length, but as things transpired, the legislation was not forthcoming, and the sad events that have happened did happen. From a personal standpoint, I can say that one of the most poignant moments for me, in my 14 years as a Lion, was saying goodbye to that dog at the airport a couple of months ago. It really is an indictment on this community, and the caring Christian society that we hold ourselves out to be, that as a people, we were unable to accept and accommodate the use of this dog in Keisha's daily life. That is what it amounted to, Mr. Speaker.

I do not think that the community was able to grasp the concept that this dog was an extension of Keisha. This dog was, in a real sense, Keisha's eyes. Therefore, wherever she went, the dog needed to go. In her work at the Police Station, in trying to get on a bus to get home, or in trying to rent an apartment, she met with the same sort of resistance, prejudices and unwillingness on the part of many people, simply because they objected to a dog being there.

In my view, that comes from the fact that it has not yet seeped into the consciousness and consciences of our people that this dog is not simply some beautiful little pet that Keisha (or anyone with her impairment) carries around because it is a nice thing to do. It is an important functionally part of her being—or it was, I am sad to say.

I contemplated, over the course of this year, seeking to bring a Motion to this Honourable House to deal specifically with the whole question of the seeing-eye dog, or the leader dog, in relation to Keisha. I would have had the support of my parliamentary colleagues in the Opposition and, I am sure, the support of the People's Progressive Movement, but I was loath to do so because of my role as President of the Lions Club. I had some difficulty in seeking to promote what might have been viewed, by some of the more cynical in this Honourable House and outside it, as an effort, on my part, to promote a project of the Lions Club of Grand Cayman (which is my club)—or even worse, to confuse the two positions, or to abuse my office here. I was very loath to do so. I deeply regret not having done so earlier, in relation to that specific matter. I was operating on the premise that the Government would have been able to bring before this Honourable House the legislation that would have afforded that sort of protection. It simply did not happen in time, Mr. Speaker, and I am not seeking to blame the Government—just so they understand that. It is just that it did not happen.

Over the course of that and other events that have been related to us, and following the passage of the resolution at our conference on 6 September, we did propose to bring a Motion along the lines of the amended Motion the Elected Member for North Side is seeking. However, when we learned that the Fourth Elected Member for West Bay had filed this Motion, we decided that we would be able to have the debate we wished to ensue on this matter in the context of his Motion.

This is not about (and should not be about) the promotion of individual political agendas, or seeking to obtain whatever benefits or accolades accrue as a result of it, for either party, for the Government or

for the Opposition—as the Elected Member for North Side has said. This is about some of the most vulnerable, needy, and worthwhile people in our community. I believe we all have their interests firmly in mind. Rather than seek to file a competing motion, we have dealt with it in the manner that we are doing this evening.

Coming back to what I referred to earlier, the insensitivity of the community in relation to the special needs of our people—that hang-up about the whole untouchable, *un-discussable* issue of special needs—is something that has its roots deep in our history. I can attest to this from personal experience. Until quite recently, the whole question of special needs persons, persons who were not quite "normal", as people would say, was seen in this community as a source of shame and embarrassment. Families hid persons with disability from exposure to the wider community. By and large, we have gotten past that, but there is still a certain stigma that is associated with disability—or with special needs, according to the new terminology—that we have not quite gotten past. I believe that the kind of treatment Keisha Ram Kissoon experienced is simply an extension, an expression, of that failure to completely come to grips with the question of special needs persons in the community.

We have made huge strides. The Special Olympics is a wonderful thing, and I think the community as a whole has embraced them. Much worthwhile work has been done, such as the Sunrise Centre, the Lighthouse School. All of these things have worked miracles, not only in terms of how they have allowed people who are challenged in this way to develop, blossom, flourish and become truly productive human beings, but because of what they have done to our sociology, and to the way we view these sorts of people. However, we still have a long way to go.

Keisha Ramkissoon's case is important because Keisha is the kind of individual she is—very vocal, articulate, intelligent, and not afraid to stand up and say, "I have been treated wrongly". She is also very visible. She is not someone who hides away and never has been. That has brought the whole question of special needs people to the forefront of the social conscience of this community.

From the perspective of the Lions Club of Grand Cayman, we are deeply wounded at what transpired—not simply because of the financial investment the Club made in this dog, in her training, in her support—but also because our pride has been wounded. The Lions Club of Grand Cayman is not used to projects not working. That is not an experience that we have often, thankfully. We have resolved, as a Club, that we will not allow this setback to stand in the way of our trying to do a similar thing again, when either Keisha or some other worthwhile and suitable individual is identified for such a project. We had in mind another individual, from Cayman Brac, who we were hoping would be able to embrace this programme. However, we have run into a significant problem now. Leader Dogs for the Blind, which is the institute we deal with, is not used to sending their dogs out of the continental United States, and on this occasion, when they took a chance on us, things have not worked out at all. Luckily, we have been able to return the dog, which has undergone retraining and will, no doubt, be assigned to somebody else. It could have been a lot worse.

The importance of this is that it brought me and the members of the Parliamentary Opposition to understand that what our country needed was not just a piece of legislation to protect the Keisha Ram Kissoons, and promote the interests of the visually impaired, but what the Fourth Elected Member for West Bay was seeking to do, and the Elected Member for North Side is now ensuring happens. We must enact the requisite laws and regulations, and cause to be developed the necessary policies, to protect, promote and further the interests of special needs persons generally. Whatever has to be done to ensure that we bring our legislation up to what has been termed, in the Motion, **"internationally accepted best practices"** must be done.

If we can get that sort of resolve from this Honourable House, and continue to press the Government to issue the necessary drafting instructions to have a Bill brought to this Honourable House before our term of office is over—in the same way that we have addressed the needs of children by passing the Status of Children Bill—then even if none of us return, we would be able to say that we have done our part in trying to make Cayman a better, more caring and more sensitive place for all people to live. The way any country treats those who are most vulnerable, those who operate in this world with daily challenges—particularly physical and mental challenges, and particularly these days, when people are more pressed for time, less helpful, less willing to lend a hand—says a lot about that country, or that society.

It is easy to promote and help people who are "normal" (to use that unfortunate word), because they are the people with whom we are used to interacting. When we reach down and assist those who are less fortunate and more vulnerable than ourselves, those who have to meet challenges daily in getting from point A to point B, that says a lot about the kind of society we are—and from our perspective, the kind of society we are trying to build and promote.

Let us strive to create a society in which the Keisha Ramkissoons can feel wanted, nurtured and accepted. That is what we should strive for, and that, I believe, is what the Honourable Mover of this Motion is seeking to do. That is what the Elected Member for North Side has urged passionately on this Honourable House and the broader community—not just now, but in the past—and that is what the Opposition would like to see.

I hope that we can amend this Motion, as proposed by the Elected Member for North Side, and that we can get a unanimous resolution, which will have

the effect of our enacting new legislation and regulations, and developing policies to promote, further, and protect the interests of special needs people in this community.

I thank you, Sir.

The Speaker: Honourable Members, before I call on the next speaker on this amendment, I would like to make a few comments, and my own observations.

Had I seen the amendment before it was made, I might not have allowed it because in my opinion there is no significant difference between the proposed amendment and the substantive Motion—the difference being that the amendment is asking Government to consider "enacting" and the substantive Motion is asking Government to consider "undertaking a review". One could very well argue that in undertaking a review (as the substantive Motion has stated) any necessary modifications would be brought, which would be *enacting* any necessary legislation that would have to be brought. One could also argue that before one could enact the laws and regulations, one would have to review what was already in place, and make modifications to that. Therefore, had I seen the written text of this, I would have sat with the Mover of the amendment prior to entering into debate on it.

The second point is that it is going to be very difficult for Members to debate this amendment and also debate the substantive Motion without repetition—something that we want to avoid in this honourable House. The text of both motions is primarily the same except for that subtle difference in one calling for "enacting" and one for calling "undertaking a review".

It seems to me that one is complementary to the other, since before enacting, one would need to undertake a review, and one could lead to the other. I am not going to argue this point. I am going to make a ruling on it, but because it seems that one is complementary to the other, I do feel that little further debate should be taken on this. I cannot see a motion being taken on this amendment that would be contrary to the motion that is going to be taken on the substantive Motion, since there is very little difference between them. That is my position on it.

I will have to put the question on the proposed amendment before doing so on the substantive Motion. I am going to do that. I will allow others to speak on this, but I remind you that you could be entering into the danger of repetition since both motions are basically the same, with that subtle difference. I will open it up further for Members to speak, but remind you that if you speak on the substantive Motion and there is repetition, I will call your attention to that.

Does any other Member wish to speak on the amendment?

The Second Elected Member for West Bay.

Mr. Rolston M. Anglin: Thank you, Mr. Speaker. In re-reading the original Motion as the Member for North Side spoke, I realised that there is ambiguity in the way the Motion is worded. The Elected Member for North Side made the argument from the point of view that the Motion, which I seconded, was calling for a review of specific legislation that deals with special needs persons. She is quite right in saying that we do not have a Special Needs Act, or a Disabilities Act, in the Cayman Islands. What the Motion was doing, as the Fourth Elected Member for West Bay pointed out, was seeking for all Laws to be reviewed. If there was a vacuum in a law that did not deal with the lives of special needs persons, then that law would be amended so as to ensure the protection and enhancement of life of people with special needs.

For example, Mr. Speaker, if the Labour Law did not deal with discrimination against special needs persons, we would ensure that that happened. The amendment that has been brought is complimentary to our Motion—as you have said, Mr. Speaker—once our Motion is interpreted in that particular vein. If we are going to be cooperative, and have a motion that will meet its objective of enhancing life for persons with special needs—and that is what we are here for—then we could amend the original Motion to read more clearly, take out the ambiguity and add the amendment that the Elected Member for North Side is proposing as a second resolve clause.

We would anticipate that the final Motion we should be voting on would be something along the lines of:

"BE IT RESOLVED THAT the Government review all current laws, regulations and policies and make the necessary modifications to bring them in line with local and international best practices in regard to the needs of special needs persons;

"AND BE IT FURTHER RESOLVED THAT the Government enact legislation to protect special needs persons that is in line with local and international best practices."

I think the two of those combined achieve both ends of what we are trying to do.

I am not a person who is as technical as I should be in terms of procedure in the House. I did have a few more comments to make. Should I make them now or should I sit down?

The Speaker: Honourable Members, it seems to me that both sides of the House are happy with the compromised position. I am going to take about five minutes and I would ask all Members to remain in their seats. I want to make sure that I get the resolve of the Motions correct, so that when I am placing the resolve clause at the end, I will have the wording correct.

We will take five minutes so that I can have that, and I would ask you all to remain in your seats.

Proceedings suspended at 6.14 pm

Proceedings resumed at 6.31 pm

The Speaker: I would call on the Honourable Minister for Education, Human Resources and Culture to move the Motion for adjournment.

ADJOURNMENT

Hon. Roy Bodden: Mr Speaker, I beg to move the adjournment of this Honourable House until tomorrow at 10am.

The Speaker: The question is that this House do now adjourn until Thursday 4 December 2003 at 10 am.

All those in favour, please say Aye. All those Against, No.

Ayes.

The Speaker: The Ayes have it.

At 6.31 pm the House stood adjourned until Thursday, 4 December 2003, at 10 am.

OFFICIAL HANSARD REPORT
THURSDAY
4 DECEMBER 2003
10.39 AM

Eleventh Sitting

The Speaker: I call on the Second Elected Member for West Bay to grace us with prayers.

PRAYERS

Mr. Rolston M. Anglin: Let us bow our heads and hearts as we pray.

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

Bless our sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially, we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for thy great Name's sake.

Let us say the Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be thy Name, Thy Kingdom come, Thy will be done on Earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 10.41 am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies for absence from the Honourable Third Official Member; the Honourable Minister for Tourism, Environment, Development and Commerce and Leader of Government Business; the Honourable Minister for Planning, Communications, District Administration and Information Technology; and also apologies for the late arrival of the Honourable Second Official Member.

PRESENTATION OF PAPERS AND OF REPORTS

Report and Recommendation of the Minister Responsible for Lands Recommending the Crown Grant (Unclaimed) Block 65A Parcel 47 to the Estate of Tyler Welcome, (deceased)

(Deferred)

The Speaker: The Honourable Deputy Leader of Government Business.

Hon. Gilbert A. McLean: Mr. Speaker, I beg that this Item be deferred until a later sitting in that the Honourable Minister for Planning is not available to lay it and to the best of my knowledge no one else has been deputed to do so.

The Speaker: The question is that the Report and Recommendation of the Minister Responsible for Lands Recommending a Crown Grant (Unclaimed) for Block 65A, Parcel 47 to the Estate of Tyler Welcome (deceased) be deferred until a later sitting.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it. So ordered.

Agreed. Report deferred to a later sitting.

STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE CABINET

Complaints from members of staff of First Caribbean Bank

The Speaker: The Honourable Minister for Education, Human Resources and Culture.

Hon. Roy Bodden: Thank you, Mr. Speaker. As the Minister with responsibility for Human Resources, I feel obliged to inform this Honourable House that I have received numerous complaints from several members of staff of First Caribbean Bank regarding the uncertainty of their job security as a result of the proposed amalgamation and organisational changes. In an effort to address this matter, I have held several meetings with management to attempt to determine the number of employees that will be affected, but even this basic information has not been easy to achieve. We are constantly faced with posturing and delaying tactics by management that are obviously aimed at frustrating the efforts of the Department of Employment Relations as they set out on what is recognised as a difficult task of protecting employment rights in these Islands.

The existing Labour Law regrettably offers limited scope in this area. Therefore, I hope that when the new Employment Bill is brought to this Honourable House it will be supported by all Members because without the new and enhanced set of Employment Legislation in the future, it will be virtually impossible to ensure that our citizens are protected and have access to the best available jobs.

After all, what good is it for our country to have economic success if the average worker cannot participate? Even though the dates of the merger of computer systems and the closure of buildings have been set, the Management of First Caribbean Bank have remained vague and insensitive about the fate of the Caymanian staff, many of whom have worked there all of their working lives.

This situation has the potential to create social unrest and stress, if left unchecked. It is unconscionable that an organisation could think that it could come to a country, use up its human resources and then discard it like fodder when it suits their expediency. That might happen under the watch of another administration, but not on my time. Not while the United Democratic Party (UDP) are the custodians of the good ship Cayman.

We intend to continue to vigorously pursue this matter. Whenever any Caymanian loses his or her job and a non-Caymanian is still employed in the Company in a similar capacity, we will not only question whether it would be in the best interest of the community for the Immigration Board to approve new work permits, but we will also enforce the relevant sections of the Labour Law to the fullest extent possible.

Down-sizing without a thoughtful humanistic strategy can destroy an organisation's effectiveness. Down-sizing is extremely difficult. It taxes all of a management team's resources, including both business acumen and humanity. Typically, the extremely difficult decisions of who must be laid off, how much notice they will be given, the amount of severance pay, and how far the company will go to help the laid-off employee find another job, are given less attention than the start-up of a new computer system or the square footage of new offices. These are critical decisions that have as much to do with the future of the organisation as they do with the future of the laid-off employees.

Far too often we have seen down-sizing executed with a brisk compassionless efficiency that leaves laid-off employees angry and surviving employees feeling helpless and de-motivated. Companies in Cayman must begin to realise that helplessness is the enemy of high achievement. It produces a work environment of withdrawal, risk adverse decisions, severely impaired morale and excessive blaming. All of these put a stranglehold upon good employment relations. Having a clear, well- defined vision of the company is imperative before the lay-off is executed. Management should know what it wants to accomplish, where the emphasis will be in the new organisation and what staff will be needed.

However, based on the uncertainty of the management of First Caribbean Bank, I can understand the concern of the staff over future employment. The methods employed in many poorly executed lay-offs treat employees like children: information is withheld and doled out; managers control over their employees is violated; human resource representatives scurry around from one hush-hush meeting to another. How management treats laid-off employees is how it vicariously treats remaining employees. Everything you do in a lay-off is done in the arena with everyone observing. How laid-off employees are treated, is how surviving employees assume they may be treated.

Apparently, the First Caribbean Bank branch in Cayman does not recognise this. I would like to take this opportunity to advise all businesses in Cayman that I recognise that down-sizing is immensely difficult. However, when the need for a reduction in staff is unavoidable, treat all employees with respect, communicate too much rather than withhold information, research the Labour Law and follow the spirit of the legislation. Afterwards, give employees the psychological space to accept and to discuss what has happened. I thank you, Mr. Speaker.

OTHER BUSINESS

PRIVATE MEMBERS' MOTIONS

PRIVATE MEMBER'S MOTION NO. 6/03

Review of all Laws, Regulations and Policies in Regard to Special Needs Persons

(Continuation of debate thereon)

The Speaker: Honourable Members, before calling on the Elected Member for North Side, I would just like to

say that I was very pleased yesterday with the compromise position that was reached on a bipartisan level between the Fourth Elected Member for West Bay and the Elected Member for North Side on Private Member's Motion No. 6/03; it is most commendable. I feel that I would go further to say that they are to be congratulated for the good spirit of compromise that was demonstrated here yesterday.

The Elected Member for North Side during her Debate of Private Member's Motion No. 6 moved an amendment to that Motion that was seconded by the Second Elected Member for George Town. However, in discussing it, we found that it was so closely related to the substantive Motion that it in fact complemented the substantive Motion; so much so, that it was agreed that it could rightly and properly form one of the two resolutions to the Private Member's Motion. So this Private Member's Motion No. 6 has accordingly been amended.

I will be calling on the Elected Member for North Side to withdraw the amendment which she made, since it is in fact included in the amended Motion. When she withdraws that amendment, the Fourth Elected Member for West Bay will then move an amendment to Private Member's Motion No. 6/03 that will include the amendment which was proposed by the Elected Member for North Side.

The Elected Member for North Side.

Withdrawal of Amendment
Standing Order 25(6)

Ms. Edna M. Moyle: Thank you, Mr. Speaker. Under Standing Order 25(6) I beg to withdraw the amendment I proposed to Private Member's Motion No. 6/03. I would like to thank the Government, particularly the Fourth Elected Member for the District of West Bay, and the Second Elected Member for the same District, for incorporating the amendment moved by me and seconded by the Second Elected Member for George Town in their amended Motion. The incorporation amendment I made, reads in the second resolve –

". . . and be it further resolved that the Government enact legislation in regard to the protection of Special Needs persons and put in place a policy that is in line with . . ." I think the word **"local"** should be amended to read **"with locally and internationally accepted best practices."**

Therefore, I withdraw my amendment.

The Speaker: The question is that the amendment brought by the Elected Member for North Side be withdrawn under Standing Order 25(6). All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Amendment withdrawn.

The Speaker: The Fourth Elected Member for West Bay.

Amendment

Mr. Cline A. Glidden, Jr.: Thank you, Mr. Speaker.

Before moving the amendment I would like to say that I think this is good evidence of the unanimous non-partisan support to show that the best interests of our disabled people are obviously the main concern. In whatever way we have to get that final result, it is obviously the wish of both sides of this Honourable House. I would like to thank the Elected Member from the District of North Side for ensuring that the Motion encompasses all of the required needs and possible amendments that may be necessary to accomplish that.

I, the Fourth Elected Member for West Bay, in accordance with the provision of Standing Order 25(1) and (2), seek leave to move the following Amendment to Private Member's Motion No. 6/03 as follows—By deleting the resolve clause of Private Member's Motion No.06/03 which reads: **"BE IT RESOLVED THAT Government considers undertaking a review of all Laws, Regulations and Policies in regard to special needs' persons and make the necessary modifications to bring them in line with local and internationally accepted best practices."** And by inserting therefor the following –

"BE IT RESOLVED THAT the Government review all existing laws, regulations and policies and make the necessary modifications to bring them in line with locally and internationally best practices in regard to the needs of special needs persons;

"AND BE IT FURTHER RESOLVED THAT the Government enact legislation in regard to the protection of special needs persons and put in place a policy that is in line with locally and internationally accepted best practices."

The Speaker: Is there a Seconder? The Second Elected Member for West Bay.

Mr. Rolston M. Anglin: Thank you, Mr. Speaker. I beg to second the Motion.

The Speaker: The question is: **"BE IT RESOLVED THAT the Government review all existing laws, regulations and policies and make the necessary modifications to bring them in line with locally and internationally best practices in regard to the needs of special needs persons;**

"AND BE IT FURTHER RESOLVED THAT the Government enact legislation in regard to the protection of special needs persons and put in place a policy that is in line with locally and internationally accepted best practices."

The Motion is open for debate. The Second Elected Member for West Bay.

Mr. Rolston M. Anglin: Mr. Speaker, we crave your indulgence, Sir. I think all of us agree that once we have spoken on the original, the amendment, or this current Motion, that we have spoken on the issue. I was in the middle of making a short contribution to this Motion when we took the break yesterday. I would like to finish off by bringing a few points to the attention of Members and making sure that it is clearly understood where the Fourth Elected Member for West Bay was coming from, and certainly where I was coming from, in giving my support in seconding this very important Motion.

Having read and listened to the Member for North Side speak to the original Motion, it was clear that the Motion was indeed ambiguous. In her debate there were a few points brought out that I would like to assure her were not the case.

I think in reading the Motion, and the way that she read the Motion, the interpretation was that there was currently some sort of disability policy that we were seeking to have reviewed. The new Motion now clarifies that we were actually going the other way and wanting to have all Government policy, all laws, all regulations reviewed to make sure that if there was anything in there that either was biased against special needs persons or did not fully encapsulate the needs and requirements of special needs persons, then those laws would be brought in line to ensure that to be the case.

I think most Members in this House who read the newspaper realise that there is a young man by the name of Kevin Anglin from West Bay who has won two or three medals which I am pretty sure were all gold medals at the Special Olympics. Anglin is not the most common last name, so he is obviously my cousin; therefore I am not necessarily bringing this Motion from the same background as the Fourth Elected Member for West Bay who has been involved with Special Olympics and hosted Special Olympics dinners at his house. He did not say that, he did not want to brag about those things, but those are important considerations because he has been involved and it has been something that has meant a lot to him. The Member for North Side has also pointed out that she was involved deeply in terms of this cause from many years ago.

My perspective is slightly different: I have about three family members who this Motion would impact upon. Having seen their lives, I realise how necessary it is for the Legislative Assembly to reach out through laws and policies to ensure that we become the type of modern society we need to become.

I would like to look at the positive side of the ledger. Much has been said about the young lady and the guide dog, Ms. Keisha Ramkissoon, and certainly that was a most unfortunate set of circumstances. Situations like that do prompt and remind us sometimes that maybe we need to think and focus on a particular issue.

However, the Member for North Side mentioned going down to the Hyatt and seeing special needs persons employed there. You can also go by other job sites, Red Sail Sports, the National Trust, the Health Services Authority and you see special needs persons. You see Coby Ebanks at the Hospital; you see Oral Powery – I think he still cares for the National Trust property as he has done for many years; you see Kevin Anglin and others at the Hyatt; you see a young lady by the name of Kimberly (I cannot remember her last name) at Red Sail Sports, I see her walking or riding home from work almost every day.

Therefore, we need to give credence and acknowledge the fact that we do have corporate citizens in this country who are helping, who are not just saying, “once you come from Lighthouse School we are not employing you, we do not want anything to do with you because you are not “normal”.” Much has to be done but I think as legislators, in our debate contributions and in our thought process we need to ensure that we acknowledge the very good work that is happening in this area.

Special Olympics is a very commendable cause. The work of persons like Shari Bovell, Deborah Ebanks, Cindy Scotland and Darrel Rankine must be commended in this country because these are people who have taken their time and embraced this cause. The truth is, this is not one of those things where you are going to get the type of huge public outpouring of time, like certain other activities, because it does take special people, in a lot of instances, to deal with special needs people.

I am reminded of the work of a good friend of mine from High School, Mr. James Myles. I will stop there because if I keep going on I will leave someone out and anyone who is listening if I have left your name out I apologise because when you are on the floor and something pops into your head you cannot list everyone. Accordingly, I apologise to anyone – the Member for North Side and her early work.

For many years many of the incumbents in this legislature have pushed and struggled trying to get monies in the budget. I am sure that I could not even start to name names because I would inevitably leave someone out. However, needless to say, many of the current and past legislators in this country have indeed seen this as a cause that is worthy of their consideration. As the Member for North Side mentioned, there have been Motions in the past. There has been a push for years to have a change in the facility in West Bay for the Adult Care Centre for special needs persons. I think we all know that for years that particular building was condemned by the Fire Service. Therefore, we are progressing, we are moving in the right direction.

I think this Motion now brings back to our collective consciousness and back to a focal point in our minds the need to do more; the need to keep on in

this struggle as we continue to spend those monies. I think it is fair to say that not just this current legislative class, but any future legislative class does struggle when allocating resources and "the normal" majority demands government funds and government services and you do have a much more silent minority a lot of whom cannot even communicate properly with you.

Therefore, sometimes, as you are developing budgets, you do have certain other projects that take priority because of the vociferous nature of the persons who are demanding that particular service. They are out there in the headlines of the *Cayman Compass*; there may be a few boat operators who need a new facility for parking their boats. However, at the end of the day, I think it is good to have Motions like this to bring these important points back to us for us to consider.

Mr. Speaker, I think it is fair to say that this Government is committed to doing whatever it can and being as balanced as it can in ensuring that we do continue to allocate the resources where we can: not only for this proposed law and the review of laws, but for facilities and programmes that will enrich and contribute to a wholeness of life for persons who are special needs persons.

Again, Mr. Speaker, it makes me proud of the ambition and the reliability of the special needs persons who are able to work, because if we had 90 per cent of our school leavers having that kind of ambition and such levels of reliability then I think that all Members in this House would agree with me that a lot of the labour issues that we talk about and lament over would be non-existent in this country, because, Mr. Speaker, they always show up for work. I knew of one who had to be sent home because he was sick – he had to be sent back home by his employer. He knew nothing else but his job and the fulfillment and satisfaction that it gave him. Yet we have many people who are "normal" who look at their employment contract and see that they have 10 sick days and they make sure that they take 10 sick days.

At the end of the day, any reasonable person who will listen to, or read the debate, will understand what I am saying. We have a very, very special group of people in this country. We have to continue the journey.

Just a quick thought on this whole issue of guide-dogs. I remember while in university a young man staying in the apartment building with me, had a best friend who was blind: his first name was Mike. This blind friend also attended university with us. There were other persons like him, but he was the one that I knew and the one that I spoke to. There he was, marching around campus with his guide dog and with his cane, going from class to class and getting his university degree. When you walked around campus you saw people who were wheelchair-bound but still attending university and getting their degrees.

While we have made strides and we are moving in the right direction in the Cayman Islands, we still have a way to go. We need to ensure that we do not just pigeon-hole all special needs persons and say, "You have to now go to the Lighthouse School". We have to get to the stage where some of them are in the mainstream schools because they are mainstream people—they are intelligent people. While the programmes at the Lighthouse School are good programmes and while they do accommodate, what is wrong with a person who is deficient in sight having a guide dog and going to the regular high school if that is where he belongs and can be accommodated? There is nothing wrong with that. There is nothing wrong with these persons being a part of mainstream society and getting a job and possibly going on and getting a university degree. We see it happening in other countries.

I am always tempered in things that I say, Mr. Speaker. I do realise that we are a small society with limited resources, and so the facilities that a country the size and wealth of the United States can build and provide for their population, are different than those in the Cayman Islands because they have millions of special needs persons.

I would also like to say that today is a good day. I actually feel proud to be debating a Motion that has now gone through two different amendments and it is now encapsulating the thoughts of both sides of this Honourable House. This is what the public likes and wants to see, more of. I know it is the Christmas season and that probably has something to do with how congenial and cordial and how accepting we have all been. Mr. Speaker, I truly wish that this type of cooperation and collaboration continues into the New Year because this makes all of us better; it makes what we are doing on behalf of our constituents better—on behalf of our people more effective and more efficient.

I lend my unequivocal support, Mr. Speaker. I do hope that anyone who speaks after me would resist talking about playing politics and so on because I think it is fair to say that no side of this Honourable House is playing politics with special needs persons and those issues. I think genuinely both sides of this House care deeply about the requirements of special needs persons and ensuring that we progress along the lines of making their lives fuller, more enriching and therefore making our community better.

I thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker. I am not going to get into politics in the House of politics because I totally agree with the Second Elected Member for West Bay. This reaches far across the political divide. I certainly would like to congratulate the Second Elected Member for West Bay and particularly the Fourth Elected Member for West Bay and the Elected Member for North Side on their coopera-

tion – as a matter of fact this whole Honourable House between yesterday and today, in particular, when there was absolute cooperation on this issue. What is important about it is that it sends a clear message to the people of this country that this House, contrary to what they may believe, works in the interest of this country. Everyone must be commended for exceptional conduct, especially in the last few days.

I rise to support this Motion, Mr. Speaker, and do so unconditionally. However, I would like to touch on a few things concerning the special needs in this country. Let me go back in time and explain a life-changing experience that I had with the same special needs individuals: I think we call them challenged individuals.

Mr. Speaker, during employment with my former employer, Caribbean Utilities Company, sometime in the early 1990s I was invited by Darrel Rankin (whom the Second Elected Member spoke of having contributed so much to the Special Olympics in this country) to go to one of the special needs tryouts at the Truman Bodden centre. I had a young child about a year and a half old, and two of those special needs people that we are talking about took my child. At first, I was rather apprehensive about it but they took that child for at least four hours. They changed my child's diapers, they fed him, they did everything for him that day and that was a life-changing experience for me.

I went back to CUC and recommended that they adopt the Lighthouse School as their own, when it was next to the Government Hospital. Since that day, there has been no special occasion at the Lighthouse School that CUCs employees have not attended. During the rest of my tenure at CUC I would attend all those events, particularly the Sports Day at the Lighthouse School. This Motion coming now is so convenient. I think it was just two days ago one of the employees of CUC called me and said they were just on the way from having lunch with the Special Needs people. Let me publicly thank and congratulate CUC for adopting those people and continuing to support them. I have never had the opportunity to do that, but like the Second Elected Member for West Bay said, I think the corporate community in this country has done a lot, and those who have done should be congratulated.

One of the things that I have some problems with in this country when it comes to the way we treat special needs is – and while it may sound simple, it is not – it is about parking, Mr. Speaker. I am enraged at times when I go to the supermarket and see 4-6 handicapped parking spaces – those spots that are conveniently placed close to the door for persons with special needs – challenged individuals – being used by seemingly 'normal' individuals. I have gone so far as to call the Police Department, but of course the Police Department says that it has no jurisdiction over the parking lot.

Mr. Speaker, that is one of the things that I think this Motion should include. Those 'seemingly' normal people who park in a handicapped parking are not normal; they are worse off than the people who need the help. If it were left to me they would be jailed. They should serve time so that they will understand what those people are going through who need those spots next to those doors. I see young individuals, because it is convenient, not wanting to walk 200-300 feet to the building from the outer parking spaces. That in itself is downright disgusting in this country. If we do not do something about it we will be as bad as those people are: we will be condoning their actions. The Police need to go into parking lots and prosecute these people together with whatever it takes in legislation. While I realise that this Motion is going through, I trust that the Government will move with much haste to get it back to this Honourable House in order to stop some people in this country who abuse the special needs people of this country. It does not speak well for our society when we treat those who are less able worse than we treat ourselves .

I totally agree with you and anyone else in this Honourable House, in particular the Second Member for West Bay, in saying that we have come a long way; however, there is still much to be done. I know in my short life there was a time that I can recall when these people were locked away. Nobody wanted them to appear in public. We have gone past that now. However, what has happened is that the rest of this country has not embraced them being among them. If it is not your family you could not care less where they park, you could not care less what you contribute to them. We have to become a more thoughtful and caring society – a society that respects its challenged individuals by showing care and thoughtfulness and it will be for a better society; a society that all will be appreciated in.

I too, have [family]—not immediate family, but extended family as you well know, Mr. Speaker, that this will affect. I am not only motivated by them but by all and how they are treated in our country. Mr. Speaker, so many times we see – and I just want to make this clear, without any disrespect to anyone – people who come into this country who are of a different nationality who also abuse the special needs people in our country.

The marriage officers in this country also need to be checked up on because many times it is out of convenience why people marry special needs people. They fall into it as well and it should enrage any right thinking citizen of this country. It is wrong. Mr. Speaker, I have seen it and I have witnessed it. Therefore, I have no apologies to make to anyone. None! Let the chips fall where they may. Those marriage officers who do it know who they are and they have to stop it.

Mr. Speaker, I would like to pay tribute to Mrs. Marge Quinland, former principal of the Lighthouse School, who worked tirelessly to bring some equality to the lives of these people. She, too, is from the dis-

trict of East End. The new principal of the Lighthouse School is now Mrs. Bovell.

Mr. Speaker, I also see Darrel Rankine who is from the district of East End.

My most recent contribution to the Special Needs Olympics was the dinner some time last year and, Mr. Speaker, I recall you being there. Ms. Liz Walton, as well (I think she is the secretary of the Immigration Board); her entire life has been dedicated to helping these people.

Mr. Speaker, we need to bring more people out, but we also need to ensure that those people who are devoting their lives to bringing some kind of equality to the lives of these special individuals have legislation that protects them and assists them with their commitment. Combined with their commitment we can reach some place.

People in this country forever discriminate against these special needs persons. However, let us search ourselves and look at what has happened in the world with special needs persons. I would like to draw our attention to Stevie Wonder and Ray Charles. Mr. Speaker, they do not know what it is to see the light of day, but they have more money than many of us in this country because of their talent that is hidden some place in there. We need legislation in place which will enhance and develop the talents of our special needs persons and give them opportunities.

Yesterday, the Third Official Member spoke of how in Sweden, music (Abba), was a line item in the budget to support them. The special needs persons in this country should be a line item in our budget for that also. In this country, there are certain issues that this Honourable House, regardless of who occupies it, will experience bipartisan support. I would submit that whenever and however that is done, there will be bipartisan support. Mr. Speaker, many of us recognise the need to support these people but never bring it to the forefront. These are the kinds of Motions that need to be brought to the forefront of this Honourable House to raise the conscientious of the people of this country.

We can stand here and speak for the rest of our lives, but that does not mean that it will affect the conscience of people who park in handicapped parking spaces. If their conscience is pricked tonight and they do not park tomorrow, they will be back there on Saturday because they will forget: society is like that. We need laws legislated that can be enforced. People need to know that there is a consequence for whatever they do that deprives the special needs /challenged individuals.

Mr. Speaker, if all of us had the life-changing experiences with these individuals that I have had, then we would understand what it is to get on our knees and thank God for the healthy children that we have. However, we do not have that experience; many of us pass by and never think of them. Perhaps we, as a people, need to start thinking of others in our community who are not as fortunate physically, and otherwise, as we are. Perhaps we need to get back to the basics. My hope is that in the not-too-distant future, more people in this community will see the need to make that contribution, whatever the size, towards assisting our challenged individuals.

There are some of these individuals in East End, not many: I enjoy these people. This is not something that happens only at birth to the individual. I know a young man in East End who, last December, lost an eye and is now challenged. We also have older folks who are challenged, therefore it is not about a kid at the time of birth having some defect. We need to think of these things from a broader perspective. The young individual who lost an eye, but is robust and physically fit, no one considers him a challenged kid. Then there are other individuals who at the time of birth are challenged and that is so unfortunate. As a matter of fact a pair of twins within my constituency has that problem – one has a hearing impairment and the other a visual impairment. It is so difficult for the mother to secure the hearing instruments and the proper glasses. She has a run-around here and a run-around there before these things can be renewed, repaired or whatever the case may be.

This is what needs to be done: people's needs must be put first. We, who call ourselves normal, physically and mentally—I wonder about that sometimes—can wait, but these people should come first. Give them a life that makes them comfortable.

The Member for North Side recommended in her contribution that a committee be set up to look at all of the laws, the international requirements and the likes and I support that. However, it does not make sense for us to set up a committee that is not going to be effective: one that the Government (any government, not necessarily this one) is not going to take recommendations from. It can be made up of people from across the community—and there are people out there who help.

It may sound as if I am the prophet of doom, but that is not necessarily true. Many persons and corporate citizens assist, but where the whole initiative is dying is with the ordinary person on the street who has no respect for these people. They expect to treat them the same way they would treat you and me. However, as the Member for North Side said, that is where the committee would educate and sensitise people to the need to treat these people with some degree of equality.

Mr. Speaker, those that I have come in contact with, do not want our sympathy; they want to be treated equally. They do not need any pity, they just want to be treated as individuals. More persons in this community need to treat these people as individuals.

We heard the Second Elected Member for West Bay talk about these kids and young adults who are challenged and how they go to the Special Olympics and they win medals, achievements, and they work. As he says, if all in this community were ready

to go to work as willingly as the challenged are, we would have a more vibrant community.

These people want nothing from this country other than to be treated equally. Why is it that we cannot enforce that ramps are put throughout George Town? Yes, we have a few ramps and I suspect that from here on in there will be ramps, but what about the other buildings that were built before now with no consideration? Let us get these people to put ramps in too. Let us look at many of the buildings that were built here before and continue to be built with two floors and no elevator. These are the things that we need to ensure that are done so that when those special needs persons walk into that building they go about their business the same way that you and I would do.

I am not going on anymore because I think enough has been said. My appeal is not for the passage or the support of Honourable Members. I know this is going to be passed. My appeal to the people of this country is to treat these people differently. Show them that they are the same as we are. They may be a little slower getting to the car, but leave the spot that is nearest to the supermarket door vacant for those who need to get there to do their shopping. They do not want someone to leave them at home and go out there and do it for them; they want the opportunity to pick that tomato as well. Why should they have to rely on someone to choose a tomato for them? They want to be able to do it and there is nothing wrong with them getting there and doing it. However, they have a physical problem and they need to get a little closer to the door and when they reach there, to see some able-bodied 19 or 20 year-old coming out and jumping into his car, truck, or motorbike and driving off from their spaces, do you think that is fair? We need legislation that can be enforced.

All these people want is the opportunity to get there and you are telling me in this country we cannot afford the challenged persons in this country the right to park alongside the door? Mr. Speaker, woe be to this society because at some stage we are going to pay for our sins and that is one that we will pay dearly for.

For those who cannot read what is on that tire stop, it has a wheelchair painted right in the middle of it and it is in blue. Those are the ones that you must not park in; they are the ones for the vehicles with their licence numbers starting with DV and for the old lady who has come out to shop. That is what they are for. They are not for persons 20 and 25 years old. Let them go park a half mile away and run back getting a little physical exercise and exercise their minds while they are coming.

Mr. Speaker, it is ridiculous. I appeal to this community to treat our special needs people better; treat them with some respect and equality. That is what we need in our community; more caring, more sharing and more thoughtfulness for others.

Thank you, Mr. Speaker.

Some Honourable Members: Hear, hear!

The Speaker: Does any other Member wish to speak?

The Honourable Minister for Education, Human Resources and Culture.

Hon. Roy Bodden: Mr. Speaker, I rise to state the Government's position with regard to the Motion on the floor of this Honourable House. I listened very attentively to the arguments which were adduced on both sides of the House and I notice that there is a unanimous acknowledgment that more effective legislation is needed. Of this I will say more later.

Permit me to say now that we have come a far way from the time when people who were different were treated as some spectacles, freaks of nature and outcasts. I do not know how many Honourable Members know the origin of the word 'bedlam'. Bedlam really originated from an exhibition of people in London who were mentally different. In many cases they were thought to be mentally deficient. History records that it was a source of entertainment where those persons who were normal would go on a Sunday evening or on a weekend and observe these people often in cages or in cubicles, where they were exposed and kept under the most inhumane conditions because that was the norm. They were considered freaks of nature and they were treated inhumanely, the food was thrown to them, the conditions were unsanitary.

Mr. Speaker, as history evolved and the science of psychology and human behaviour became more widespread, it was realised that these people were that way through no fault of theirs: similarly with the physically challenged.

Any number of circumstances contribute to persons who are physically challenged: from medication to oxygen deprivation, to genetic imbalances, accidents, and also it is not necessarily monopoly of the young just like it is not necessarily a monopoly of the elderly.

The important point I wish to underscore however, is that the most effective guarantee against these kinds of people being discriminated against and taken advantage of is an education and an awareness and an appreciation of their worth.

Many years ago when the McDonald Corporation came into existence they had a policy of hiring only smart people; bright high school graduates to do repetitive tasks. It was soon discovered, however, that these people soon became bored and incapable of performing tasks with any significant durability. Someone came up with the bright idea of hiring persons who were mentally challenged and the rest is history as they say.

The McDonald's Corporation still has one of the best records of hiring these kinds of people because it was discovered that these people are very good at doing repetitive tasks, whereas people who were considered normal failed because they soon be-

came bored, lost their concentration and as a result of that lost their speed.

I said that to show that these people have worth even though many people do not recognise and acknowledge it. I believe that we, in the Cayman Islands, have come a long way because there is beginning to dawn upon us an appreciation of the worth of these people.

About two or so years ago, I had the occasion to meet with some hearing-impaired people because I believe that there is an organisation which caters to these people and they were lamenting the fact of there being blatant discrimination in this society against them and their inability to access jobs. One or two of these people have been university graduates and they were lamenting the ignorance in the Caymanian society as to their worth. Spearheading this organisation were some normal Caymanian people who were giving their time to organising these people and while it is true that legislation is necessary, it is my understanding that the current Law which is on the books of the statutes in the Cayman Islands is sufficient to ensure these people are protected.

I think the ideal remedy is something which has to do with a combination of the Law, education and awareness. Often I get complaints and I see it too, about people parking in the handicapped parking spaces. In other countries I have seen severely handicapped people drive. They have special purpose vehicles, their licence plates indicate, or some other information on the vehicle notifies drivers, particularly those in the rear, that it is a handicapped driver. They are allowed all of the privileges and opportunities of normal people once they can function in a way that is acceptable.

It is the mark of the maturity of our society that we recognise these people as having important and necessary roles to play. They are here with us and so we must accept them and appreciate them; thus, the Government is willing to take onboard the resolutions in this Motion.

The Government is willing to do its part to ensure that these people are appreciated, that they do not need pity. They only need opportunities to be equal to perform in dignity, to be able to live in dignity and to be free from the deleterious effects of discrimination. In the proposed Employment Bill we have a section which clearly makes it an offence to discriminate against these kinds of people.

I think it is another matter for us to sensitise business owners, particularly business establishments like restaurants, that they need to have a more open policy when persons come in who have to use guide dogs, or seeing-eye dogs as they are called, to be sympathetic and to make special provisions. Certainly, in the Cayman Islands, I think that business owners and people who build buildings are lucky because in other jurisdictions the requirements are much more stringent. You cannot put up a building or an office without ample provisions for the handicapped. You cannot open a parking lot without specially designated area – and not necessarily only a block saying that this is reserved for handicapped persons, but special ramps and special provisions including special provisions in the event of emergencies like a fire for these persons. To ensure employment practices too you cannot discriminate. The international conventions suggest that these provisions will have to be strictly adhered to.

Much has been elaborated already, therefore I do not need to go into any greater detail – only to say that the Government is cognisant of the role these persons play. The Government is willing to do what needs to be done to ensure that these persons not only exist, but are successful in their lifestyle. The Government also wants to do what is necessary to avoid discrimination and to ensure that when these persons move out into the wider society that they are treated no less dignified than those of us who are normal, and that the facilities which are required for them to surmount their challenges are available.

I thank you.

The Speaker: Does any other Member wish to speak?

The Third Elected Member for Bodden Town.

Mr. Anthony S. Eden: Thank you, Mr. Speaker.
There is not a lot more in depth that I can go into that has not been shared by the previous speakers. I must say that the last two days have been extremely uplifting. I have not seen such unison since 8 November 2001. I must say that my faith is restored in the two freshman representatives from West Bay – the Second and the Fourth Elected Members. They have moved from ‘freshman’, jumped ‘sophomore’ and are now ‘juniors’ in this legislature. The kind of politics that came out of this is what is good and best for those people who so desperately need that help.

I would just like to emphasise as others have, that there is nothing that drives my blood pressure high more than seeing, especially in the supermarkets, the abuse of these parking spaces for the handicapped. A couple of evenings ago at Foster’s Food Fair, I went around a car to see if it had a licence plate and while I was doing that a young person jumped out. As the Honourable Minister of Education has said, education is needed in this area. Perhaps we can put together something like the information on the Immigration Bill and sensitise our people. In the United States you respect the parking for handicaps and it is enforced.

As was mentioned yesterday by the Elected Member for North Side, when the Motion was brought by the Member at that time for Bodden Town, Ms. Heather Bodden, and seconded by the First Elected Member for Bodden Town (presently the Minister of Education), there were some changes made; however, the kind of strength and force that we need to put into this, has not taken place. I recall with a de-

gree of embarrassment, as the then Minister of Health, we had a visiting president of the Nurses Association from the United States who came in on a cruise ship and wanted to stop by the Ministry at the Glass House. Luckily enough, the then Senior Assistant Secretary of the Ministry for Health found out that this individual was physically challenged and was restricted to wheelchair movement. We were able to visit with her over at the Hospital which has been provided with these services.

However, as a Government, starting at the Glass House, and other government buildings, would be a fine example for the public to follow. I am sure that without a doubt they will have them in the new Government Administration Buildings or I certainly hope so. I feel that starting at the Glass House, and in other buildings wherever they may be, as was alluded to by the Member for East End, many of these buildings were built before the requirement for ramps by the Planning Department. Let us go forward with sensitivity that we, as Legislators, will share this with our constituents. There we go again, the new Legislative Assembly Building would be a prime example, it would be a crying shame if we did not take advantage of that opportunity as we move over there, God willing, next year.

I would also like to mention the efforts by Mrs. Mary Trumbach, Ms. Edna Moyle, the Elected Member for North Side, and others in the Lighthouse School, the Sunrise Adult Training Centre, and all of us, as Caymanians who sympathise and try to make the lifestyle of these people more comfortable. I am encouraged and I feel very special that this has brought such cohesion and bipartisan support and may this House continue to function like that.

Thank you.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? If not, would the Mover wish to exercise his right of reply?

Mr. Cline A. Glidden, Jr.: Thank you, Mr. Speaker.

I think that like so many other Members have said, today is a great day in this Honourable House. We have been able to reach consensus on both sides in trying to ensure that our special needs individuals get as much care and comfort as our society can give to them. Therefore, in my wind up I do not propose to spend a lot of time; I think it is obvious that we have support and there are not a lot of questions. Basically our general concern and consensus, from my understanding, is that education and sensitivity are the keys for improving our society towards the special needs individuals and as legislators there is a commitment on our part to do that.

As the Member for East End said, when we get caught up in our normal day-to-day activities we tend to pass these individuals by and it is only when we have those life-changing experiences, those personal encounters, that we tend to recognise the value of those individuals.

One of the things that the Member for North Side made mention of, and it has been represented to me as well, is the need for involvement from people when the decisions are being made, or the legislation is being considered or enacted. We need to ensure that the people involved are people that work with those individuals on a daily basis and in as many cases as possible, we should involve some of those individuals because while we may look on from the outside those people who actually live it on a daily basis are much better prepared in explaining and expressing the difficulties that they themselves have with normal daily activities.

I think it is important to also note that while much cognisance has been given to all of the individuals that work with the special needs people; we can continue with Ms. Bonnie Moxam from the Sunrise Adult Training Centre in West Bay and the dedication that she has shown.

What we may have failed to recognise is the great family support that we get as a society which transcends to the special needs individuals, or perhaps even more so because our families tend to care very well for the individuals with special needs. In some cases that may be the reason why the rest of society does not get involved, because we depend on the family to do it themselves. However, I am happy to see that we do have those organisations like the Special Olympics who have been willing to make the sacrifice and try to, as much as possible, integrate the special needs individuals into society and allow them to make their wishes reality, to just be treated as normal individuals and be given the same opportunities.

It is again evident, Mr. Speaker, that in some cases we, as a society, tend to be just moving along on a fast track and it sometimes takes some specific instance, and I again refer to the instance of Keisha Ramkasoon which was brought, as the Second Elected Member for George Town said, perhaps because of her outspoken ability of not hiding behind the situation. This, again, was a catalyst to make us aware that the Caymanian society is definitely lacking in its sensitivity to the needs of our special needs people. While I am sad to see that, as the president of the Lions Club said, on an initiative that has had a setback, hopefully the positive that will come from it is that Cayman, as a whole, will be more cognisant of the needs of these types of individuals and work more together to ensure that we do not get into those same kinds of situations and have our special needs people continue to suffer.

I know we often talk about legislation coming here and nothing necessarily being accomplished by it. However, I would like to believe that one of the common threads identified in just about all of the debates is the obvious concern that all the Members in here have expressed: the consideration and violation of the handicapped parking spaces.

While we were going through the debate I mentioned to the Honourable Attorney General, the Second Official Member, to try to find out what was actually necessary with regard to legislative changes, because I too have been told that even in one of the Police meetings in West Bay a few weeks ago one of the concerns of one of the parents was that they were having a difficulty with their handicapped son and getting parking for them.

I was happy to see that, according to the Attorney-General, the Law, as it is presently worded, is sufficient according to his interpretation. Being the Chief Legal Advisor to the Government I can only hope that he would be correct. Mr. Speaker, with your permission I just want to go through the stages of the Law as presented by him to me.

The Speaker: Please continue.

Mr. Cline A. Glidden, Jr.: I am quoting from the Traffic Law 2003 Revision.

Section 108 (1) makes the reference to the disabled person's badge. **"There shall be a badge of a prescribed form to be issued by the Director for motor vehicles driven by, or used for the carriage of, disabled persons; and subject to this section, the badge so issued for any motor vehicle or motor vehicles may be displayed on it or on any of them."**

Section 98 (4) of that same Law says: **"The Commissioner may, by notice published in the Gazette, designate parking places on roads for motor vehicles driven by, or used for the carriage of, disabled persons, and such parking places shall be demarcated by lines of a prescribed colour and measurement painted on the carriageway and by traffic signs of a prescribed form and design erected adjacent to the designated parking place."**

Then, if we go to the definition section we will see that, **"'road' means any public place where a vehicle may be driven or parked and such areas adjacent thereto as may be prescribed."**

After that we see that: **"'public place' means any place to which the public has access as of right or upon payment or upon invitation express or implied."**

Therefore, there we have in our current Law, the designation of the special vehicle badge, the Commissioner being able to publish in the Gazette and designate parking spaces, and then in 108 (5)(b) it says, **"Whoever parks a motor vehicle contrary to subsection (4), parks a bicycle or otherwise causes an obstruction in a parking place designated under section 98(4) or uses a badge in contravention of this section is guilty of an offence."**

Section 115 says, **"Whoever contravenes, fails to comply with or is in breach of this Law or any regulation for which no penalty is elsewhere prescribed is guilty of an offence and liable on summary conviction to a fine of five hundred dollars and to imprisonment for six months."**

It appears that where we have the problem is in section 98 (4) where it says, **"the Commissioner may, by notice published in the Gazette, designate parking places on roads for motor vehicles."**

What appears to have been lacking is the Commissioner simply gazetting by notices, publishing in the *Gazette* and designating these parking places. Therefore, while we have been hearing that revisions of the Laws are necessary, it seems that it is a small administrative detail that could have been easily carried out. The definition of roads already includes public spaces as parking lots. The public places were defined in this Traffic Law. However, it appears that what needs to happen is that a notice needs to be published in the *Gazette* designating what the parking places are on roads for motor vehicles.

In speaking to the proposal as to how simple that is, it seems the Commissioner of Police could have requested an extraordinary gazette and we could be enforcing that position, and all the frustration that has been expressed by the Members in here and the members of the general public, and the inconvenience that is being caused to so many of our special needs people may, with a little bit of administrative work, have been at least able to have been enforced. That is a good way of starting our education process.

I know the Third Elected Member for Bodden Town made mention of the Immigration Bill, and the heavy education campaign that was given on that. I too agree. I am sure the Government through the Government Information Systems would have no difficulty – even if they wanted to find a corporate sponsor – they could go out and start putting in place flyers and starting the education process.

Once again, like the Member for East End said, if it did require any funding I am sure we have the full support of this Honourable House to ensure that whatever education purposes, whatever could be done to sensitise our society to the needs of our special needs people, would have the unanimous support of this Honourable House.

Hopefully, Mr. Speaker, our responsible press will use this opportunity as well to not only offer the contributions that were made to this debate, but to do their part, hopefully too, in the educational process of our society, and maybe even sending a warning out to those people that have been parking for so long without enforcement being done. Since we do have the Honourable First Official Member here as well, hopefully in the very near future we will be getting the official gazetting of these parking places, as necessary, by the Commissioner of Police which will allow the Police to enforce the Law for those people who in the past have been so insensitive to those needs.

I could go along again just to say that it is getting down to Christmas and it is good that we are having such unity in the House when it comes to these areas which are so near and dear to each and every

one of us. My plea would be that we, as representatives of the people – and maybe the Christmas is the right time to start – could also start to educate the public as to the sensitivities and the needs of our special needs people and to the importance that they play in society. If we all do our part in encouraging society as a whole to be more inclusive and to encourage the integration of those people, I think we will have a bright, prosperous Christmas and a happy New Year.

Thank you, Mr. Speaker.

The Speaker: The question is: **"BE IT RESOLVED THAT the Government review all existing laws, regulations and policies and make the necessary modifications to bring them in line with locally and internationally best practices in regard to the needs of special needs persons;**

"AND BE IT FURTHER RESOLVED THAT the Government enact legislation in regard to the protection of special needs persons and put in place a policy that is in line with locally and internationally accepted best practices."

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it**.**

Agreed. Private Member's Motion No. 6/03 duly passed.

The Speaker: Honourable Members, I propose to take the morning break at this time and I would ask that each Member try to be back in 15 minutes.

The Elected Member for North Side.

Ms. Edna M. Moyle: Not to correct you in your procedure but to say to you that I think it should have been, "Private Member's Motion No. 6/03 as amended was passed."

The Speaker: Duly noted. Thank you very much.

Agreed. Private Member's Motion No. 6/03, as amended, passed.

Proceedings suspended at 12.20 pm

Proceedings resumed at 12.30 pm

GOVERNMENT BUSINESS

BILLS

FIRST READINGS

The Insurance (Amendment) Bill, 2003

The Speaker: The Bill is deemed to have been read a first time and is set down for Second Reading.

Suspension of Standing Order 45 and 46 (1) and (2)

The Speaker: The Temporary Third Official Member.

Hon. A. Joel Walton: Thank you, Mr. Speaker.

I rise to ask for the suspension of Standing Orders 45 and 46(1) and (2) to allow the Bill entitled The Development and Planning (Amendment) (No. 2) Bill 2003 to be taken at this time.

The Speaker: The Question is that Standing Orders 45 and 46(1) and (2) be suspended to allow for the First Reading of the Development and Planning (Amendment) (No. 2) Bill 2003. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Orders 45 and 46 (1) and (2) suspended.

The Development and Planning (Amendment) (No. 2) Bill, 2003

The Speaker: The Bill has been deemed to have been read a first time and is set down for Second Reading.

Suspension of Standing Order 46(4)

The Speaker: The Honourable Temporary Third Official Member.

Hon. A. Joel Walton: Thank you, Mr. Speaker. I rise to ask for the suspension of Standing Order 46 (4) to allow the Second Reading of the two Bills, the first one being the Insurance (Amendment) Bill 2003 and the second being the Development and Planning (Amendment) (No. 2) Bill 2003.

The Speaker: The Question is that Standing Order 46 (4) be suspended in order to allow the Second Reading on the Insurance (Amendment) Bill 2003 and the Development and Planning (Amendment) (No. 2) Bill 2003. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 46(4) suspended to allow Second Readings of Bills.

SECOND READINGS

The Insurance (Amendment) Bill, 2003

The Speaker: The Temporary Honourable Third Official Member.

Hon. A. Joel Walton: Thank you, Mr. Speaker. I rise to move the Second Reading of a Bill entitled The Insurance (Amendment) Bill 2003.

The Speaker: The Bill has been duly moved. Does the Mover wish to speak thereto?

Hon. A. Joel Walton: Mr. Speaker, yes. I have some brief notes on this Bill which will, hopefully, assist its passage.

In the Cayman Islands we already have in place separate account legislation under Section 7(6)(c) of The Insurance Law (2001 Revision). This is primarily used for long term life and annuity business and seeks to protect policy holders from having their funds intermixed with other policy holders.

The problem that has developed in this area is that while this is a widely used provision in both domestic life and offshore life insurance, the Law only implies protection of the premiums and not of accumulations on those premiums. This weakness is not in line with international practice and it serves to call into question the stability of the domestic market by failing to protect domestic policy holders and, in turn, may make Cayman appear to be less competitive internationally.

Accordingly, The Insurance (Amendment) Bill, 2003, is brought to make explicit that separate account protection extends not only to premiums paid on those particular contracts, but also to end accumulated values that arise from those premiums being held, thus protecting the policy holder.

It also proposes a procedure by which the affairs of an insolvent separate account may be settled. Additional purposes include clarifying that liabilities of a separate account may in no instance be chargeable against the general account, making explicit the proposition that a re-insurance claim is afforded separate account protection.

Thirdly, making explicit the procedure for establishing a separate account.

Fourthly, extending protection to policy holders and beneficiaries as is in the case of many of Cayman's international competing jurisdictions.

The Bill is very short and in light of the merits which I shall attempt to summarise very quickly, I propose that the Bill entitled The Insurance (Amendment) Bill 2003 be given a Second Reading.

Thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? If not, would the Mover wish to exercise his right of reply?

Hon. A. Joel Walton: Just to say, Mr. Speaker, thanks for the support of the House on this short amendment.

The Speaker: The Question is that a Bill shortly entitled The Insurance (Amendment) Bill, 2003 be given a Second Reading. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Insurance (Amendment) Bill 2003 has been given a Second Reading.

The Development and Planning (Amendment) (No. 2) Bill, 2003

The Speaker: The Temporary Honourable Third Official Member.

Hon. A. Joel Walton: Thank you, Mr. Speaker. I rise to move the Second Reading of the Development and Planning (Amendment) (No. 2) Bill 2003.

The Speaker: The Bill has been duly moved. Does the Honourable Mover wish to speak thereto?

Hon. A. Joel Walton: Thank you, Mr. Speaker. Just two quick comments. Honourable Members will recall that a couple weeks back, we made an Amendment via negative resolutions to the Stamp Duty Law to allow the extension of concessions under that Law to continue for a further two months. As has been the case in the past, this Bill seeks to do the same thing in the case of the infrastructure fund fees and the building permit fees, seeking to extend them for the period 22 November 2003 through to 21 January 2004. Thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? If not, would the Honourable Mover wish to exercise his right of reply?

Hon. A. Joel Walton: Thank you, Mr. Speaker. Again, just to say thanks to the Members of this Honourable House for their tacit support of this short Bill.

The Speaker: The question is that a Bill shortly entitled The Development and Planning (Amendment) (No. 2) Bill 2003 be given a Second Reading. All those in favour please say, Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Development & Planning (Amendment) (No. 2) Bill 2003 has been given a Second Reading.

The Speaker: The House will now go into Committee to consider the Bills.

House in Committee at 12:40 pm

COMMITTEE ON BILLS

The Chairman: Please be seated. The House is now in Committee.

With the leave of the House, may I assume that, as usual, we should authorise the Honourable Second Official Member to correct minor errors and such like in these Bills? Would the Clerk please state the Bill and read the clauses.

The Insurance (Amendment) Bill 2003

Clauses 1 and 2

The Clerk:

Clause 1	Short Title
Clause 2	Amendment of section 7 of the Insurance Law (2003 Revision) - general requirements for licensed insurers

The Chairman: The question is that Clauses 1 and 2 stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Question Put: Agreed. Clauses 1 and 2 passed.

The Clerk: A Bill for a Law to amend the Insurance Law (2003 Revision) to make further provision for the segregation of the assets of accounts in respect of contracts to pay annuities on human life and contracts of insurance; and for incidental and connected purposes.

The Chairman: The question is that the Title stands part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. The title stands part of the Bill.

The Development and Planning (Amendment) (No. 2) Bill, 2003

Clauses 1 through 5

The Clerk:

Clause 1	Short Title, commencement and expiry
Clause 2	Application of section 4 of this Law
Clause 3	Amendment of section 38 of the Development and Planning Law (2003 Revision) – infrastructure fund
Clause 4	Amendment of Second Schedule to the Development and Planning Regulations (2003 Revision) – building permit fees
Clause 5	Validation

The Chairman: The question is that clauses 1 through 5 stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 1 through 5 passed.

The Clerk: A Bill for a Law to amend the Development and Planning Law (2003 Revision) to further extend the temporary reduction of amounts payable as contributions to the infrastructure fund; to further extend the temporary reduction of building permit fees; and to make provision for incidental and connected matters.

The Chairman: The question is that the Title stands part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Title passed.

The Chairman: The question is that the Bills be reported to the House. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed that the Bills be reported to the House.

The Chairman: That concludes our Committee stage of the Bill.

House Resumed at 12:43 pm

REPORTS ON BILLS

The Insurance (Amendment) Bill, 2003

The Speaker: Please be seated. Proceedings are resumed.

The Temporary Honourable Third Official Member.

Hon. A. Joel Walton: Thank you, Mr. Speaker. I am to report that a Bill entitled The Insurance (Amendment) Bill 2003 was considered by a Committee of the whole House and passed without amendment.

The Speaker: The Bill has been duly reported and is set down for a Third Reading. The Temporary Honourable Third Official Member.

The Development and Planning (Amendment) (No.2) Bill 2003

Hon. A. Joel Walton: Thank you, Mr. Speaker. I am also to report that a Bill entitled The Development and Planning (Amendment) (No.2) Bill 2003 was considered by a Committee of the whole House and passed without amendment.

The Speaker: The Bill has been duly reported and is set down for a Third Reading.

Suspension of Standing Order 47

The Speaker: The Temporary Honourable Third Official Member

Hon. A. Joel Walton: Thank you, Mr. Speaker. I rise to ask that Standing Order 47 be suspended by this Honourable House to allow the Insurance (Amendment) Bill 2003 to be given its Third Reading.

The Speaker: The question is that Standing Order 47 be suspended to allow for the three readings in one sitting of the House.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 47 suspended.

THIRD READINGS

The Insurance (Amendment) Bill 2003

The Speaker: The Honourable Temporary Third Official Member.

Hon. A. Joel Walton: Thank you, Mr. Speaker. I rise to ask that the Insurance (Amendment) Bill 2003 be given its Third Reading and passed.

The Speaker: The question is that a Bill shortly entitled The Insurance (Amendment) Bill 2003 be given a Third Reading and passed. All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Insurance (Amendment) Bill 2003 given a Third Reading and passed.

Suspension of Standing Order 47

The Speaker: The Temporary Honourable Third Official Member.

Hon. A. Joel Walton: Thank you, Mr. Speaker. I rise to ask that Standing Order 47 be suspended by this Honourable House to allow the Third Reading of the Development and Planning (Amendment) (No.2) Bill 2003.

The Speaker: The question is that Standing Order 47 be suspended to allow for the Third Reading of the Development and Planning (Amendment) (No. 2) Bill, 2003. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 47 suspended.

The Development and Planning (Amendment) (No. 2) Bill, 2003

The Speaker: The Temporary Honourable Third Official Member.

Hon. A. Joel Walton: Thank you, Mr. Speaker. I rise to ask that a Bill entitled The Development and Planning (Amendment) (No. 2) Bill 2003 be given its Third Reading and passed by this Honourable House.

The Speaker: The question is that a Bill shortly entitled The Development and Planning (Amendment) (No. 2) Bill 2003 be given a Third Reading and passed. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Development and Planning (Amendment) (No. 2) Bill 2003 given a Third Reading and passed.

The Speaker: Honourable Members, we have reached the end of the Order Paper for today. I am informed that it is the wish of the Government that the House adjourns until Wednesday, 10 December 2003, and I will now call on the Honourable Minister of Education, Human Resources and Culture to move the adjournment.

ADJOURNMENT

Hon. Roy Bodden: Mr. Speaker, I beg to move the adjournment of this Honourable House until Wednesday, 10 December 2003 at 10 am. Thank you.

The Speaker: The question is that this Honourable House do now adjourn until Wednesday 10 December 2003 at 10 am. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 12:49 pm the House stood adjourned until Wednesday, 10 December 2003, at 10 am.

OFFICIAL HANSARD REPORT
WEDNESDAY
10 DECEMBER 2003
10.25 AM

Twelfth Sitting

The Speaker: I will invite the Honourable Elected Member for East End to grace us with prayers.

PRAYERS

Mr. V. Arden McLean: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: *Our Father who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever, Amen.*

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

Proceedings resumed at 10.28 am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

East End Primary School Students – Years 5 and 6

The Speaker: It is indeed a pleasure this morning to see the number of students (I think 39 in all) visiting us from Years 5 and 6 of the East End Primary School. I want to extend my appreciation to the Honourable Elected Member for East End, Mr. V. Arden McLean, for organising with the teachers for the students to be here with us today. I also want to recognise the Principal, Mr. Daniel, who is heading the group, Ms. Mills, Mrs. Hyre and Mrs. Evans, who is a member of the support staff. Did I miss anybody? I do not think so. We welcome you all and we trust that you will have an interesting morning with us.

Unfortunately, we will not have Question Time today, because the Official Member responsible for answering the question is unable to be with us today. However, we would invite you to come back at another time, when you can experience that part of the House.

Later on, after taking the First Reading of the Bills, we will be suspending for a short while so that you, the students and teachers, will have the opportunity to meet all Honourable Members. I will also have the opportunity to present the children with some of the Commonwealth Parliamentary Association (CPA) turtle pins. I am looking forward to that part of this morning's proceedings.

Apologies

The Speaker: I have received apologies for absence from the Honourable Third Official Member; the Honourable Minister of Tourism, Environment, Development and Commerce, and Leader of Government Business; the Temporary Honourable Third Official Member; and the Honourable Minister of Planning, Communication, District Administration and Information Technology; and for late arrival from the Honourable Fourth Elected Member for West Bay.

QUESTIONS TO HONOURABLE MINISTERS/MEMBERS OF CABINET

Questions Nos. 97 and 98
Deferred

The Second Elected Member for George Town to ask the Honourable Minister responsible for the Portfolio of Finance and Economics

No. 97: What is the total expenditure of Government on Official Travel from 1st November 2001 to present, giving a detailed breakdown of expenditure by Ministries and Departments.

No. 98: What is the total amount of Stamp Duty waived by Government in relation to land transfers from 1st November 2001, to present, giving details by calendar year.

The Speaker: The Honourable Minister of Health Services.

Hon. Gilbert A. McLean: Mr. Speaker, I wish to inform the Honourable House that the Honourable Third Official Member is on Cayman Brac today on official business. It is he who would be answering the two questions. I beg that these two questions be deferred for today and set down for a future meeting.

The Speaker: The question is that Questions Nos. 97 and 98 be deferred until a later sitting during this Meeting.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Question Put: Agreed. Question Nos. 97 and 98 deferred to a later sitting.

STATEMENTS BY HONOURABLE MINISTERS/ MEMBERS OF THE CABINET

The Speaker: I have received no statements from Honourable Ministers or Members of the Cabinet.

Suspension of Standing Orders 45 and 46(1) and (2)

The Speaker: The Honourable Deputy Leader of Government Business.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move the suspension of Standing Orders 45 and 46(1) and (2) so that the business, as set down in Items 1-3, can be taken.

The Speaker: The question is that Standing Orders 45 and 46(1) and (2) be suspended.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Orders 45 and 46(1) and (2) suspended.

GOVERNMENT BUSINESS

BILLS

FIRST READINGS

The Motor Vehicle Insurance (Third Party Risks) (Amendment) Bill 2003

The Speaker: The Bill has been deemed to have been read a first time and is set down for second reading.

The Cadet Corps Bill 2003

The Speaker: The Bill has been deemed to have been read a first time and is set down for second reading.

The Employment Bill 2003

The Speaker: The Bill has been deemed to have been read a first time and is set down for second reading.

The Speaker: Honourable Members, as I mentioned at the start I will be taking a short suspension at this time, for the purpose of allowing the Year 5 and 6 students from East End to meet the Honourable Members and also for presentation of the CPA turtle pens.

Proceedings suspended at 10.33 am

Proceedings resumed at 10:54 am

The Speaker: Proceedings are resumed.

The Honourable Deputy Leader of Government Business.

Suspension of Standing Order 46(4)

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move the suspension of Standing Order 46(4) to allow Items 4 and 5. However, I would like to bring to your attention and to the attention this Honourable House that the Honourable Third Official Member will also be moving Item 4. I would ask that, after the suspension, it be deferred until a later sitting.

The Speaker: The question is that Standing Order 46 (4) be suspended.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed Standing Order 46(4) suspended.

SECOND READINGS

The Motor Vehicle Insurance (Third Party Risks) (Amendment) Bill 2003
(Deferred)

The Speaker: Honourable Members, I have received notice that it is the wish that this item be deferred until a later sitting during this Meeting of the House.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Motor Vehicle Insurance (Third Party Risks) (Amendment) Bill 2003 deferred to a later sitting.

The Cadet Corps Bill 2003

The Speaker: The Honourable Minister for Education, Human Resources and Culture.

Hon. Roy Bodden: Thank you, Mr. Speaker. The Cadet Corps Bill 2003 seeks to establish the Cayman Islands Cadet Corps as a legal entity in the Cayman Islands. The Cadet Corps, as Honourable Members may know, has been in operation for some time now. However, the Corps has not been legally constituted in that this Bill has to be assented to before the Corps can receive its proper commission and be recognised by Her Majesty's Government as a legally constituted entity operating within the Commonwealth.

The Corps is co-educational and it has, as its members, boys and girls beginning at age 11 and extending up to age 19. Initially conceived to operate within the confines of our school system, the Corps was established in conjunction with the Royal Cayman Islands Police Force, and works in close liaison with the Police Force. Indeed, the Commandant and his deputy were seconded from the Royal Cayman Islands Police Force. However, with the assent of this Bill, the Corps will function as an independent entity, operating out of the Ministry of Education and under the auspices of the office of His Excellency, the Governor. This is the case with the Cadet Corps that operate in many other areas of the Commonwealth Caribbean, and especially in the Caribbean region.

It should be stated at the outset that the Cadet Corps, unlike the Boy Scouts, is a military organisation. Its aims, objectives and practices are military and paramilitary, as against the Boy Scouts, the Girl Guides and some of these other organisations for young people. It was thought that the establishment of a Cadet Corps would provide, for the young men and women of high school age, another option and another area of constructive participation. This is especially so since it came into existence predominately in response to what was then deemed an alarming outbreak of youth violence, particularly gang-related violence. There are a number of organisations that cater to the constructive channelling of youthful interests and energies, and the Cadet Corps adds to that repertoire.

Mr. Speaker, in other jurisdictions, the Cadet Corps forms an integral part of extracurricular activities. In Jamaica, Barbados, and Trinidad, as well as other Commonwealth Caribbean countries, the Corps is an important part of activities for young people.

The model for the Cayman Islands Cadet Corps is the Barbados model. I chose the Barbados model especially because, although it is still a military organisation, it does not have the emphasis on the type of military training that the Corps does in Jamaica, for example. We have been working in close liaison with Major Skeete of the Barbados Cadet Corps. We have developed our training manual, and the instructions and practices of our Corps, as a result of consultations with the Barbados Cadet Corps.

I want to give credit to two young Caymanians who were instrumental, when they heard that a Cadet Corps was being formed, in contacting me at the Ministry. Both these young Caymanians are medical doctors, and one, Dr. Sidney Ebanks, was, until recently, a commissioned officer in the Jamaica Defence Force, Naval Wing. This young man gave me invaluable advice in the establishment of the Cadet Corps, and referred me to the United States Code of Military Justice, which is a very important document in the establishment of any kind of organisation similar to the Cadet Corps. The other young man is Dr. Matthew Grant, who, of his own volition, constructed the Cadet Corps Training Manual, complete with logo. Mr. Speaker, I hope that at some future stage, both these young men can find time in their busy medical careers to seek active secondment to our Cadet Corps, so that they can, in their spare time, serve as the positive role-models I know they are to the cohort of young Caymanian boys and girls who have thus far enlisted in the Corps.

The functions of the Cadet Corps include the following — I quote from clause 5 of the Bill:

"(a) to provide a formal, well-regulated and highly disciplined organisation operating within all sectors of the school and youth communities in the Islands;

"(b) to attract as cadets, significant numbers of young people between the ages of eleven and nineteen;

"(c) to instil in cadets, spiritual, moral, national and humane values of honesty, justice, discipline and social responsibility;

"(d) to maximise in cadets, self-respect, self-confidence, self-reliance, self-discipline and loyalty;

"(e) to encourage in cadets, powers of leadership and the ability to work as team members;

"(f) to provide for cadets progressive training of a challenging and exciting nature in order to foster alertness, physical and mental endurance, and camaraderie;

"(g) to provide for cadets, military-style discipline, skills, achievements and values; and

"(h) to establish the highest possible standards in all areas of operation of the Cadet Corps."

The first company of the Cadet Corps was formed at the George Hicks High School. It is a four-year programme. We started with a cohort of approximately 30 cadets. During the passing-out parade, which was held at the Governor's House during the tenure of the former Governor, Peter Smith, we were proud that the youngsters acquitted themselves so well.

There is now a second company of the Cadet Corps, comprised of schoolchildren from various schools. It is my understanding from the Commandant that these candidate cadets will be ready for the passing-out parade in February. The cadets undergo a most rigorous preparation programme. Indeed, they have to sit an examination. It is those candidates who have been successful in that examination who are qualified to pass out as full cadets.

From my experience, the Corps is well supported by parents. I am pleased that the Cadet Corps itself has taken on independence and self-reliance, which bodes well for the future of the organisation. We have a good cadre of volunteer officers. The only two paid members of the Corps staff are the Commandant and his deputy. Because the Corps is a co-educational organisation, the Deputy Commandant is a female.

When the Corps was started, and it was understood that it was a military-type organisation, some persons in the community did not understand, perhaps because they were ignorant to the functioning of a Cadet Corps. I got some calls from some people, the details of which I will not go into now.

What frequently happens in a frontier society is that some people allow their shallowness and ignorance to get the better of them, and, regrettably, have closed and insular minds.

The function and the establishment of the Corps are such that it follows the establishment of Cadet Corps in various other parts of the world, including Britain. While it is true that it falls under the Ministry of Education, that is only borne of convenience. The Ministry of Education is responsible for the education, training, and upbringing of youth, and the Cadet Corps is an organisation comprised of youth. However, Mr. Speaker, in the Cayman Islands, as in other parts of the Commonwealth Caribbean and the wider world, the Corps is under the auspices of other authorities. I, as Minister, have nothing to do with the Corps—no more than that I am the Minister of Education. I am not a commissioned officer in the Corps; I am not even an honorary Cadet Corps member.

In Barbados, especially, Major Skeete emphasised that the ultimate success of the Cadet Corps lies in the participation of teachers. Regrettably, up to this point, there has been little or no interest demonstrated on the part of teachers to help in the Corps. Indeed, I would say that the contrary is true. There seems to be a disinterest or nonchalance. In Barbados, for example, it is mandatory that teachers participate as officers in the Corps. It is recognised that this is the most effective way, because the teachers have first-hand knowledge of the students. The persons with whom we consulted in Barbados and Jamaica said that this is the ideal. I would hope that with the passage of this Bill, we could get more volunteers and contributions from teachers joining the ranks of officers of the Corps.

The Bill sets out the full organisation, including the Officers. It lays out the Cadet Corps Law: the code of conduct for acceptance, promotion, and dismissal; the responsibilities and obligations of officers of the Corps; and their relations with the wider community. Mr. Speaker, I commend this Bill to the Honourable House as an instrument that will serve to provide, for our youth, another means by which they can responsibly demonstrate their role in society—where they can access training, exposure and experience that will prepare them for a 21st century Cayman by building their self-confidence, self-esteem, appreciation for others and respect for law and order—and that will also instil in them spiritual and community values.

I encourage all Honourable Members to give their support to this Bill because it will set out the guidelines for, and establish within legal borders the functioning and the governing of, an organisation that offers great scope for the development of our young people. I thank you.

The Speaker: Does any other Member wish to speak? The Honourable Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker. I rise to make my contribution to the Bill that is before us, to establish the Cayman Islands Cadet Corps. Before I do that, I crave your indulgence in thanking Members, and particularly you, Sir, for accommodating the East End Primary School. It is indeed an historic day, not only in their lives, but in my life, and in the lives of other Members of this Honourable House. As far as I know, today is the first day that the East End Primary School has ever visited the Legislative Assembly to see the proceedings. I am aware that other classes have visited during the time when the House was in recess.

We should all encourage our schools to come here and see the proceedings, because these are the future politicians of this country. I see quite a few in East End that are geared to take over, which is good. It means that the future of this country is bright. I thank you, I thank Honourable Members, and I thank

the staff for making all the necessary arrangements to accommodate the principal, the teachers and the students.

I now turn to the Cadet Corps Bill 2003. I rise to support, on behalf of the Opposition, the Cadet Corps Bill 2003. We believe that a Cadet Corps, such as has been established in the country for some time, is necessary. Mr. Speaker, I have not had any military training, but I have had my experiences with the Sea Scouts, and although that organisation has never leaned toward a military type of discipline, Miss Vernicia had that military intent in her when I was under her command as a boy scout. Those types of volunteer organisations not only bring discipline to the individual, but they also fare well in a community. With no disrespect, and without being sexist, I believe that a community, and a country, is better off when discipline and respect are instilled from a very early age, particularly in boys.

I believe that the Leader of the Opposition is a former member of the Cadet Corps in Jamaica. In his piloting of this Bill, the Minister of Education said that the Cayman Islands Cadet Corps is not inclined as far, militarily, as the one in Jamaica. Although it is not that far inclined (and I do not expect it to be that far), I believe it will serve the country well. The Commandant, whom I know, has his interests rooted right in this country, as does the Deputy Commandant. Their interest is a better future for our country.

There are a couple of things that, perhaps, the Minister can clear up for me in his reply. I am a little perplexed as to the enrollment in the Cadet Corps.

Section 33 says: **"33. (1) Any pupil of a school for which a Unit has been established may apply to be enrolled in the Cadet Corps."**

I wonder if that can be defined. Does it mean that only the schools in which it is established? What efforts are being made to ensure that a unit is established in all schools in this country with students between the ages of 11 and 19?

It is quite fitting that today we have students in our gallery listening to the proceedings—at least half of whom will, in the next school year, be moving on to the middle schools of the country, be they private or Government schools. They will be turning 11, and will be eligible by age to become members of the Cadet Corps.

I am reminded by the Elected Member from North Side that efforts are being made right now to attract the same year group that we have here today—Year 6—for an introduction to the Cadet Corps. Mr. Speaker, those efforts may be carried out; I do not know. If they are not, I would ask that the Minister consider getting the Cadet Corps officers to visit the primary schools, particularly around Years 5 and 6, to get them introduced to its type of fun—and I know it is not all fun Mr. Speaker. Certainly, however, it broadens the perspective of these children, and it further promotes their camaraderie. That is one of the problems our country has always had. the children of the outer districts, in particular, never get the opportunity to integrate with other members of the community (for example, the districts, George Town, West Bay, Cayman Brac, and the likes) until they start getting into that age bracket of 11 years of age. The opportunity to engage the children in Years 5 and 6 would give them some idea of what to expect when they get into the middle and high schools.

It is something for them to look forward to, and for their parents to encourage them to get into. I understand that the principal has to recommend that a student become a Cadet Corps member, but the parents also play a pivotal role. Many parents in this country are searching for that type of institution—not that they become baby-sitters, but parents know that not only will a child going to a Cadet Corps become disciplined, but respect for the community at large, and respect for self-discipline, will be instilled, making that child a better child. I know that many parents will try to leave their children at an organisation for baby-sitting, and consider it a baby-sitting agency. However, a Cadet Corps will never be subjected to that, or perceived as that type of agency.

This is my last point, and it is something I would like to bring to the Ministers' attention. I noted section 5(2) says: **"(2) Notwithstanding the provisions of any Law, members of the Cadet Corps shall be entitled, in the performance of the Cadet Corps' Functions, to carry arms, but no arms shall be carried except with the authority of the Commandant given under and in accordance with the general or special directions of the Governor in Cabinet."**

I see, under section 20, that: **"(1) A person ceasing to be a commissioned officer or a non-commissioned officer shall forthwith deliver up to a person appointed by the Commandant for that purpose or to the officer in charge of the place at which he was last stationed, his commission, identity card, and all arms, equipment, uniform and any other appointments which have been supplied to him which are the property of the Cadet Corps.**

"(2) A commissioned officer or a non-commissioned officer who, having ceased to belong to the Cadet Corps, fails without good cause to comply with subsection (1) is guilty of an offence and liable on summary conviction to a fine of five hundred dollars and to imprisonment for six months, and to pay the value of the property not delivered up, which value may be ascertained by a summary court and recovered in the same manner as a fine or deducted in whole or in part from any credit due to the ex-officer."

I wonder if there is not a need to include, in section 2, some provisions for arms that have been assigned to officers. If an officer has out the property referred to in Section 1, and the property includes arms — as I read in the Bill — then perhaps the provi-

sions need to be there to ensure that the arms, specifically, are surrendered.

We support the creation of the establishment of the Cadet Corps. I only hope that the Minister of Education will reply to the few queries we have had about it.

I look forward to a much larger Cadet Corps than we have. I, too, would encourage teachers, and others in this community, to play their part in volunteering for this much-needed service. I always thought that we could extend the Cadet Corps to the point where we had a compound for the Corps — a permanent home. It could be extended even further to give the Juvenile Court jurisdiction in recommending adolescents to that arm of the Cadet Corps, whereby we could have boot camps, and the likes.

[Inaudible interjections]

Mr. V. Arden McLean: Certainly I do not advocate the mixing of these two different behaviours, but perhaps one day the Minister of Education will be receptive to creating a different arm of the Cadet Corps, an arm that is much more disciplined, as he indicated that this one is not as disciplined as some within the Commonwealth, and in particular, in Jamaica. If we had another arm of the Cadet Corps that could be used by the Juvenile Court, adolescents could be sent there. They would be in barracks, and the likes. That is what I would like to hope we would reach, one day, instead of trying to curb their behaviours with counsellors, as we do currently, or alternatively, and ultimately, behind bars.

Again, Mr. Speaker, we support the Bill, and we look forward to hearing the Minister's reply. Thank you.

The Speaker: Does any other Member wish to speak? The Second Elected Member for Cayman Brac and Little Cayman.

Mr. Lyndon L. Martin: Thank you, Mr. Speaker. As a population, we spend much time criticising our youth, talking of this generation and our lack of hope for the future because of "Generation X". I am pleased to support this Bill, which seeks to create a very positive alternative for channelling the energy of young people. As leaders, we are here providing positive alternatives, rather than simply criticising.

This Bill seeks to establish the Cayman Islands Cadet Corps for the purpose of instilling in our young persons the values of honesty, justice, discipline and social responsibility. I am pleased to see that, so far, both sides of this House sides have voiced our acceptance and support of such a Bill — a Bill that, most importantly, will create a Corps that instils self- confidence and self-respect, as well as respect for community, law and order, and rules.

Self-confidence, or the lack of it, is one of the largest contributors to the social breakdown among our young people. A young person who lacks self-confidence seeks alternatives. He seeks a way to make himself the big man — the man of the hour. If, through the mechanisms of a paramilitary operation like the Cadet Corps, we can instil self-confidence in our young people at an early age (age 11 -19), we are addressing much greater problems. We are addressing problems that are now costing us thousands and thousands of dollars in incarcerating young people in Northward Prison, after they have looked to those alternatives to building up self-confidence.

Young people have a desire to be part of a grouping, network, or team. If we do not provide an option such as the Cadet Corps, they will go towards negative alternatives, such as gang activity, where they feel they belong to, and are part, of a group.

Iit is easy for us to criticise, and say that gang activity is wrong. Yes, it is wrong. However, we must not only look at it as being wrong; we must look at the causes, and look at ways of correcting those causes.

The Cadet Corps has added a spiritual component to their programme, along with the education and the discipline, which is a very positive addition; one that will lead to a fuller individual.

The Elected Member for East End pointed to the need of ensuring that the Cadet Corps concept spread throughout the country. I would like to endorse that wholeheartedly.

I would like to thank the Minister of Education. From the onset of this programme — in his first statement, as well as a at meeting held in my district of Cayman Brac and Little Cayman — he gave his commitment that the Cadet Corps would eventually be extended to the Cayman Brac High School.

I would also like to thank a member of the Cayman Brac community who voiced his support of the Cadet Corps to the Minister of Education at a public forum in the Brac — a gentleman by the name of Mr. Todd Eldridge — for whom I have great respect. For many years, he served in the United States Army, and, during my very short period of being in the Reserve Officer Training Corps (ROTC) at the University of Tampa, he served as my Commandant. I know he is now a resident in the Brac, and has offered to assist once the programme reaches that district. I would use this opportunity to remind the Minister of Education that Mr. Todd Eldridge is available.

There is no more to be said, other than that I am happy to be part of a government that has seen fit to bring this Bill, formalising what has now been in operation for some time and giving to the Cayman Islands Cadet Corps an opportunity for greater recognition. I give the Honourable Minister of Education and his Committee my assurance that we will give whatever support is necessary to have this programme introduced into Cayman Brac. We, too, have situations and issues with our young people in Cayman Brac. We would love to have an alternative such as the Cadet Corps into which to channel our individuals.

We must also look at a more distant option, almost to the point where it is a mandatory pass-through for our students coming through the senior years of high school, to allow all of our Caymanian students to benefit from the discipline of this organisation.

With those words said, I wait for the opportunity to cast my vote and give my support for this Motion. Thank you.

The Speaker: Does any other Member wish to speak? The Third Elected Member for Bodden Town.

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

I would also like to make my contribution to this Bill. I must say that if the Minister of Education had accomplished nothing else but seeing this brought to fruition, he would have done a wonderful thing for the young people of the Cayman Islands.

To the best of my knowledge, I am the only individual in this Parliament who has served three years in the United States Army. I can attest to the discipline that this has brought, and will bring, to our young people.

The eight weeks of basic training that I underwent will always stay with me. It teaches one to listen, and understand commands. At specific times, you do not ask questions; you respond automatically. This is broken into your mind day after day and night after night, because in the event of a confrontation, if you stop to ask why, you may not have the luxury of continuing to live.

This Bill has proven to be a nucleus, and a very firm foundation, for our young people. It is the initial step in the disciplining of our young people. We have all talked about some deterioration in a handful of our youth. This is an excellent opportunity to bring them into line.

I agree with the Second Elected Member for Cayman Brac when he says that consideration should be given to making this training and participation in the Cadet Corps mandatory. I would also suggest that in the Home School Association meetings, the parents should be encouraged to look into this. All the children should be encouraged to go into this, not only those who are having problems with discipline.

I was saddened to know that it is not being fully embraced by some of the teachers. I would not say that it should be mandatory for the teachers, but I suggest that they be strongly encouraged to assist. When we look at the benefits that will come down the line if children participate in that formative stage of their lives, from 11 years upwards, and the relief these Islands will have from some of the disciplinary problems we are now experiencing, it is incredible.

Clause 5(1)(g) says:**"5. (1) "The functions of the Cadet Corps include the following– …(g) to provide for cadets, military-style discipline, skills, achievements and values."**

This is what it is all about; making those children understand the value of life at an early age. The sooner we can get that through their young heads and minds, the better off we will be down the line.

Once again, I give my full support to this Bill. I have been the beneficiary of this type of discipline. And it has stuck with me all of my life. I feel sure that this will be exhibited in those youths who take part in the Cadet Corps, and that we will see some wonderful results as we go forward.

I take my hat off to the Minister. He has been talking about this for many years, from the time I can remember back though the more than 11 years that I have been here. It is good to see something being brought to fruition.

I encourage all of us, as legislators and as parents, to look at this and encourage our children to participate. Thank you.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak?

If not, I will call on the Honourable Minister of Education, Human Resources and Culture to exercise his right of reply.

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

I have listened keenly to the contributions of Honourable Members, and I thank them for their indications of support. In the process of those contributions, Mr. Speaker, there were some areas on which Members requested clarification and amplification, and I have made some notes.

Before I get to that, however, I want to say a little about the general make-up of the Corps and its curriculum.

The curriculum is a four-year programme: star one, star two, star three and star four. Cadets take approximately one academic year to progress from one star level to the next. The subjects of the curriculum are: drill and discipline, first aid, orienteering, map reading, direction finding and self-defence. Students are also taken on periodic camps, in which the camp is structured in military style. They have to stand watches, so some cadets stand watch while others sleep. Each one gets a turn experiencing the responsibilities of setting up the camp, including pitching their tents.

We are in the process of negotiating some land off Frank Sound, which is about 26 acres. It is anticipated that this is where the field quarters of the Cadet Corps will be, so that during the summertime we can have regular camps, and when we have visiting Cadet Corps, as we expect to do, we can bivouac them at that particular site.

The company headquarters is across from here in the old Public Works compound, which is set out in military style. The Commandant tells me that we are still in the process of equipping that headquarters as a military-style headquarters. It will be complete

with a small kitchen and storage facilities, although no arms will be stored there. Rather, the arms will be stored at the Police armoury and will be under the command of the Commandant, working in tandem with the police.

It is only when the cadet has reached the senior level of star four that they will be introduced to the safe and responsible practising and handling of firearms.

The Corps operates under the strictest of disciplines, and absolutely no indiscipline is tolerated. It is a military-style operation, with military code mechanisms for delinquents.

Regrettably, Mr. Speaker, I would discourage any court from sending anyone, and indeed, I would instruct the Commandant not to take anyone, because we want only the best. These are youngsters who are being trained for a specific responsibility. We will have to devise some other organisation for the undisciplined, and for those who are delinquent. I would refer them to the Minister of Community Services. The Corps wants the best people, because these youngsters are going to be introduced to areas of responsibility that only the most dependable, mature and responsible youngsters can handle. Although it is true that I do not wish to see any youngster written off, the Cadet Corps is really not the place for delinquents and those people who break the law.

While we now have a Land Wing, we are later going to introduce a Sea Wing, a naval element, to the Corps. To this extent, it is hoped that we can get one of our own—one of the young doctors of whom I earlier spoke—to head up this section, since it will be in keeping with his experiences in the Jamaica Defence Force.

We set the most serious, the highest and the loftiest ideals for these youngsters to achieve, and so far, both girls and boys have been bearing us out. Mr. Speaker, it is a source of pride to see the progress that the youngsters have made from the inception of the Corps until now. I hope that some time next year, we will get a chance to see our cadets perform in tandem with cadets from other areas of the region and the United States. In 2004, we are planning a military tattoo, in which the people of the Cayman Islands will be able to see our cadets perform in drills and in military-type exercises, in competition and in tandem with other cadets from the region.

I agree with the Elected Member for East End that the Corps should visit primary schools. However, we could not do that until we had a product to show. We do not want to have any shoddiness; the youngsters must be at their best. They are taught all the skills that are necessary, from how to clean and prepare their boots for parade, and they are assessed gradually. On a weekly basis, they are assessed on their conduct, deportment and drill, and turn out is a very important part of this exercise. I would say that the First Company, the Alpha Company, will be ready to set themselves up as ambassadors and models. I will speak to the Commandant and encourage him to have them visit.

However, one of the problems that we have is a logistical problem. As yet, we have no unit of transportation capable of carrying a company of cadets at a time.

Credit is to be given to the Ministry, for when we started this Corps, there was no special provision in the Budget for its establishment. It is a credit to the Permanent Secretary and other members of the Ministry that we were able to do this on what was literally a shoestring budget. The Corps is grateful to receive contributions from corporate citizens, and it is my understanding that there is an account set up by the Commandant to receive these. Not only are financial contributions acceptable, but we will accept other kinds of material that can be useful in preparing the youngsters.

I also agree with the Elected Member for East End that section 20 should include officers of the Corps. Perhaps we could do this at the Committee stage of the Bill.

As to mandatory membership in the Corps, I would prefer that the Corps remain a voluntary organisation. Field exercises dictate that sometimes the youngsters have to be out in the sun doing rigorous exercises for four to five hours at a time. As a result of that, before any youngster is accepted into the Corps, he or she has to undergo a physical examination by a qualified medical practitioner. The Corps is not for any and every youngster; rather, it is for those youngsters who demonstrate willingness, and an interest in joining the Corps. If it were mandatory, what would perhaps happen is that we would get people coming in half-heartedly, who were not interested. We would prefer it if the youngsters themselves demonstrated a willingness to join.

The reason it was not extended to more schools was that at the beginning, we only had a small number of volunteer officers, and those officers, according to the ratios under which we operated, were not enough so that we could include the private schools. Now, however, we are getting a larger officer corps, so we are definitely willing to accommodate any private school that express an interest in having a company set up in their schools.

In many jurisdictions—and I would venture to say that in short order, this would be the case in the Cayman Islands—youngsters applying for scholarships, or any kind of educational training, have their resumés embellished if they are members of the Corps. It demonstrates that, already, they have a sense of responsibility and a sense of seriousness, and that they understand what leadership means. Therefore, I would say that it is a definite advantage to youngsters to join the Cadet Corps, particularly if they are applying for public assistance in future studies.

Mr. Speaker, with the passage of this Bill, I look forward to the Cadet Corps growing in stature and importance. The significance of the passage of

this Bill is that it will allow us to receive a commission from the United Kingdom Government, so that the Cayman Islands Cadet Corps will be eligible for military assistance from the United Kingdom's Government. One of the things we are going to be working on, once we get the commission, is an arrangement so that members of the Cayman Islands Cadet Corps can have access to the United Kingdom's Armed Forces, if they wish. Upon successfully passing out of the Cayman Islands Cadet Corps, if they wish to embark on a military career, we will be eligible for training and material assistance from the United Kingdom Government.

In conclusion, Mr. Speaker, I would like to express gratitude to the Commandant and his staff, and especially to the number of persons who have volunteered to turn out as officers of the Corps. Already, the Cayman Islands Cadet Corps is making a name for itself. On Sunday, I had the opportunity to hand out the prizes at the Second Annual Cayman Islands Cadet Corps Marathon, which is a major fund-raising undertaking set up by the Corps itself. I can say with some pride that the reputation of that event is growing. It is gaining in stature as an international event, because among the runners were several from overseas countries. I have turned out on Saturday mornings to see parents who are very enthusiastic and energetic in coming to support their youngsters in the Corps, and this heartens me. I will refrain from calling names lest I run afoul in omitting some names. Suffice it to say that I am encouraged by the support that parents give. I am encouraged by the support from the wider public, and hope that when the Corps goes on its drive to broaden its mandate and increase its supplies, this public support continues.

I am most grateful for the unanimous support announced by Members of this Honourable House. I am happy to say that at the outset, I received support—moral and otherwise—from several Members of this Legislative Assembly. I would like to single out the Elected Member for North Side, but there were also Members on the Government side who gave their support and encouragement. My colleague of longstanding, now the Minister of Health and I spoke for many years about the possibility of establishing such a corps in the Cayman Islands. I am happy that it could come about during our tenure in the Legislative Assembly.

The Cayman Islands Cadet Corps is not the property of the Ministry of Education or the Minister of Education, but rather it is the property of the youth of the Cayman Islands. Yes, I will honour the undertaking made to Cayman Brac, of which I was reminded by the Second Elected Member of Cayman Brac. Indeed, the very first commandant of the Corps was a police officer from Cayman Brac who has repeatedly expressed to me his interest in returning to the Corps once a unit is set up on Cayman Brac. I hope that within the year 2004, we can recognise this.

I thank all Honourable Members for their support, and wish for the Cayman Islands Cadet Corps that it may grow from strength to strength. Thank you.

The Speaker: The question is that a Bill shortly entitled The Cadet Corps Bill 2003 be given a Second Reading.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Cadet Corps Bill 2003 given a Second Reading.

The Speaker: The House will now go into Committee to consider the Bills.

House in Committee at 11.58 am

COMMITTEE ON BILLS

The Chairman: The House is now in Committee.

With the leave of the House, may I assume that as usual, we should authorise the Honourable Second Official Member to correct minor errors and suchlike in these Bills. Would the Clerk please state the Bill and the clauses?

The Cadet Corps Bill 2003

Clauses 1 to 2

The Clerk:

Clause 1	Short title and commencement
Clause 2	Interpretation

The Chairman: The question is that clauses 1 and 2 of the Bill stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 1 and 2 passed

Clauses 3 through 6

The Clerk: PART II—Constitution and Administration of the Cayman Islands Cadet Corps.

Clause 3	Establishment of Cayman Islands Cadet Corps
Clause 4	Constitution of the Cadet Corps
Clause 5	Functions of the Cadet Corps
Clause 6	Administration

The Chairman: The question is that clauses 3 to 6 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 3 to 6 passed.

Clauses 7 through 14

The Clerk: PART III—Appointments, Enlistments, Service and Discharge

Clause 7	Grant of commission in the Cadet Corps
Clause 8	Appointments
Clause 9	Enlistments
Clause 10	Secondment to the Cadet Corps
Clause 11	Special contracts of appointment
Clause 12	Clerks, store-keepers and other employees
Clause 13	Volunteers
Clause 14	Identity card

The Chairman: The question is that clauses 7 to 14 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 7 to 14 passed.

Clauses 15 through 26

The Clerk: PART IV—Powers, duties and privileges of members of the Cadet Corps

Clause 15	General powers of Commandant
Clause 16	Command of authorised officers
Clause 17	Political activities
Clause 18	Resignations
Clause 19	Discharge
Clause 20	Officer ceasing to belong to Cadet Corps to hand over public property in his charge
Clause 21	Retirement and pensions
Clause 22	Medical privileges
Clause 23	Special pensions in the event of death or incapacity attributable to performance of duty
Clause 24	Authorised officers' funeral expenses
Clause 25	Powers of arrest
Clause 26	Detention of persons arrested without warrant

The Chairman: The question is that clauses 15 to 26 stand part of the Bill.

All those in favour, please say Aye. The Elected Member for North Side.

Ms. Edna M. Moyle: Mr. Speaker, for clarity, I thought that the Honourable Minister of Education, in his winding up, said that an amendment that had been suggested of "officer" being included in clause 20 would be done at this stage. Am I correct?

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: Mr. Chairman, it was suggested by the Honourable Elected Member for East End that section 20 should include "officers", and I gave the commitment. However, upon reading the section, I think that it already includes officers because it says: **"A person ceasing to be a commissioned officer or a non-commissioned officer shall forthwith deliver up to a person appointed by the Commandant for that purpose or to the officer in charge at the place in which he was last stationed, his commission, identity card, and all arms, equipment, uniform and other appointments which have been supplied to him which are the property of the Cadet Corps."**

Therefore, I think that is covered.

The Chairman: Thank you, Honourable Minister of Education. I will put the question again. The question is that clauses 15 to 26 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 15 to 26 passed.

Clauses 27 through 32

The Clerk: PART V—Cadet Corps Committee

Clause 27	Establishment of Cadet Corps Committee
Clause 28	Composition of Committee
Clause 29	Term of office of Committee
Clause 30	Meetings of Committee
Clause 31	Report of Committee
Clause 32	Secretary to the Committee

The Chairman: The question is that clauses 27 to 32 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 27 to 32 passed.

Clause 33

The Clerk: Part VI—Cadets
Clause 33 Enrolment in Cadet Corps

The Chairman: The question is that clause 33 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 33 passed.

Clauses 34 through 38

The Clerk: PART VII—Miscellaneous
Clause 34 Immunity
Clause 35 Failure to obey a lawful order of an authorised officer
Clause 36 Cadet Corps uniform not to be worn without authority
Clause 37 Regulations
Clause 38 Savings and transitional provisions

The Chairman: The question is that clauses 34 to 38 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 34 to 38 passed.

Schedules 1 to 3

The Clerk:
First Schedule Ranks of officers of the Cadet Corps
Second Schedule Commission Conferring Rank Upon an Officer of the Cadet Corps
Third Schedule Identity Card

The Chairman: The question is that the first, second and third schedules stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Schedules 1 to 3 passed.

The Clerk: A Bill for a Law to establish the Cayman Islands Cadet Corps for the purpose of instilling in young persons values of honesty, justice, discipline and social responsibility; to make provision for the organisation, training and discipline of the Cadet Corps; and to make provision for incidental and related matters.

The Chairman: The question is that the Title stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Title passed.

The Chairman: This concludes the Committee stage of the Cadet Corps Bill 2003. The question is that the Bill be reported to the House.

All those in favour, please say Aye. All those against, No.

Ayes

The Chairman: The Ayes have it.

Agreed that the Bill be reported to the House.

House Resumed at 12:07 pm

REPORTS ON BILLS

The Cadet Corps Bill 2003

The Speaker: Please be seated.

The Honourable Minister of Education, Human Resources and Culture.

Hon. Roy Bodden: Mr. Speaker, I beg to report to this Honourable House that the Bill entitled the Cadet Corps Bill 2003 was considered by a Committee of the whole House and passed without amendment.

The Speaker: The Bill has been duly reported and is set down for Third Reading.

Suspension of Standing Order 47

The Speaker: The Honourable Deputy Leader of Government Business.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move the suspension of Standing Order 47 so that the Third Reading can be taken on the Cadet Corps Bill 2003.

The Speaker: The question is that Standing Order 47 be suspended to allow for the Third Reading of the Cadet Corps Bill 2003.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 47 suspended.

The Speaker: The Honourable Minister of Education.

THIRD READING

The Cadet Corps Bill 2003

Hon. Roy Bodden: Mr. Speaker, I beg to move that the Bill for a Law to establish the Cayman Islands Cadet Corps for the purpose of instilling in young persons values of honesty, justice, discipline and social responsibility; to make provision for the organisation, training and discipline of the Cadet Corps; and to make provision for incidental and related matters be given a Third Reading and be passed by this Honourable House.

The Speaker: The question is that the Bill shortly entitled The Cadet Corps Bill 2003 be given a Third Reading and passed.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Cadet Corps Bill 2003 given a Third Reading and passed.

The Speaker: Honourable Members, before we announce the adjournment there is another matter that we wish to deal with today, which is not on the Order Paper. Therefore, procedurally, we will adjourn this House because this Order Paper has been completed. Immediately thereafter, we will reassemble, so that we can deal with this matter. We will adjourn for about five minutes.

The Honourable Deputy Leader of Government Business.

ADJOURNMENT

Hon. Gilbert A. McLean: I beg to move the adjournment of this Honourable House until 12.15 pm today.

The Speaker: The question is that this Honourable House do now adjourn until 12.15pm Wednesday 10 December 2003.

Ayes.

The Speaker: The Ayes have it.

At 12:10pm the House stood adjourned until 12.15 pm Wednesday, 10 December 2003.

OFFICIAL HANSARD REPORT
WEDNESDAY
10 DECEMBER 2003
12.14 PM

Thirteenth Sitting

The Speaker: I will invite the Honourable Second Elected Member for Cayman Brac and Little Cayman to grace us with prayers.

PRAYERS

Mr. Lyndon A. Martin: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Phillip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly that we maybe enabled faithfully to perform the responsible duties of our high office. All this we ask for thy great Name's sake.

Let us say the Lord's Prayer together. *Our Father, who art in Heaven, hallowed by thy Name, Thy Kingdom come, Thy will be done on Earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation but deliver us from evil. For thine is the Kingdom, the power and the glory, forever and ever, Amen.*

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

Proceedings resumed at 12.17 pm

The Speaker: Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies for absence from the Honourable Third Official Member, the Honourable Minister for Tourism, Environment, Development and Commerce and Leader of Government Business, the Honourable Acting Third Official Member, and the Honourable Minister for Planning, Communication, District Administration and Information Technology.

STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE CABINET

The Speaker: I have received no statements from Honourable Ministers or Official Members of the Cabinet.

Suspension of Standing Orders 45 and 46(1) and (2)

The Speaker: The Honourable Deputy Leader of Government Business.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move the suspension of Standing Orders 45 and 46(1) and (2) so that the business on the Order paper can be taken.

The Speaker: The question is that Standing Orders 45 and 46(1) and (2) be suspended.

All those in favour, please say Aye. All those against, No.

Ayes.

Agreed. Standing Orders 45 and 46(1) and (2) suspended.

GOVERNMENT BUSINESS

BILLS

FIRST READING

The Immigration (Amendment) (No. 2) Bill 2003

The Speaker: The Bill has been deemed to have been read a first time, and is set down for a Second Reading.

Suspension of Standing Order 46(4)

The Speaker: The Honourable Deputy Leader of Government Business.

Mr. Gilbert A. McLean: Mr. Speaker, I beg to move the suspension of Standing Order 46(4) so that the Immigration (Amendment) (No. 2) Bill 2003 can be taken.

The Speaker: The question is that Standing Order 46(4) be suspended.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 46(4) suspended.

SECOND READING

The Immigration (Amendment) (No.2) Bill 2003

The Speaker: The Temporary Honourable First Official Member.

Hon. Donovan W. F. Ebanks: Thank you, Mr. Speaker. I beg to move the Second Reading of a Bill entitled, the Immigration (Amendment) (No. 2) Bill 2003.

The Speaker: The Bill has been duly moved. Does the Mover wish to speak thereto?

Hon. Donovan W. F. Ebanks: Yes, Mr. Speaker. There has been much discourse, and we look with much anticipation to the advent of the new immigration legislation. It is perhaps somewhat surprising that we bring an amendment to the existing Law at this very late stage.

The Bill, as the Memorandum and Objects states, simply seeks to repeal the restriction on applications for the grant of Caymanian status imposed by sections 23(6) and (7). The repeal of these subsections will allow persons whose applications for the grant of Caymanian status have previously been rejected to apply, if they wish, under the next and final quota re-issued by Cabinet under the current law.

As we all know, the current Immigration Law (2003 Revision) is to be superseded by new legislation early in the New Year—we would hope on 1 January 2004.

In October, the Government indicated that it would be issuing a final quota for grants of Caymanian status under this Law. It was announced yesterday (and it was in the media yesterday and today) that this quota has been set at 600 grants on the grounds of residency, and 75 grants on the grounds of naturalisation. In setting this quota, the Government was particularly mindful of all those who have aspired to gain Caymanian status. There is a provision in the Law that was meant to prevent, what would be termed "churning of applications", which is the submission of successive applications in successive years. Approximately a year ago, we did amend the Law to allow persons who had been unsuccessful in application under one section of the Law to apply under another section if they gained such eligibility.

As this quota that has now been issued represents the final quota to be issued under this Law, the Government felt that these unsuccessful applicants should, perhaps, be given some freedom to re-apply, bearing in mind that those unsuccessful applicants will invariably be made up of persons who, unfortunately, simply failed to meet the minimum criteria that the Board would have set, but even more unfortunately would include people who, although they met the Board's minimum criteria, were simply unsuccessful because of the limit prescribed by the quota. It is that element of persons—people who would have met the Board's minimum standards, but who simply could not succeed by virtue of the earlier quotas—to whom the Government feels obliged to be fair and equitable in offering this final quota.

As we all know, the quotas started in recent times, in 2001. Those people were barred for two years. The Law has a mandatory bar of one year and a discretionary bar of a further year. The Board exercised that discretion; those people were barred for two years, and that bar expired for those people last Friday. Those people are now free to re-apply, regardless of whether this Bill passes today or not. The persons who applied in 2002 and were unsuccessful were similarly barred for two years, and the persons who applied in 2003, from my information were barred for one year. Whether it is one year or two does not matter. Applicants who were unsuccessful against the 2002 and 2003 quotas are currently barred from re-applying by law.

This Amendment simply seeks to empower those people to re-apply, if they wish. Hence, it repeals the existing 23(6) and (7) and replaces 23(6) with a new section, which says: **"(6) Where an application for the grant of Caymanian status has been rejected prior to the date of commencement of this new Law, the applicant may at any time after the date of the communication of the decision to him make a further application for such a grant."**

Therefore, anyone who was refused prior to the date of commencement of this Law can apply any time after the date of that refusal.

Obviously, it would not be expected that people who had sought to appeal their decision would continue the appeal and make a new application simultaneously. Therefore, there is a provision that a person can discontinue an appeal and make an application, if they wish to go that route.

Finally, the Law in section 17(1) currently makes provision for the Immigration Appeals Tribunal to order costs if it sees fit. That provision is there for the Tribunal to enforce some reasonable respect and to mitigate against frivolous appeals and the wasting

of the tribunal's time. In other words, at the time we set up the Tribunal, the provision was put in the Law that if the Tribunal agreed to convene and hear a matter, but people did not show up, it had the power to order costs. Clause 2 seeks to maintain or preserve that power.

If there is a matter before the Tribunal at the conclusion of which it would have ordered some costs, and the appellant opts to discontinue, then that right, which the Tribunal would have had under the Law (if the appeal had continued to conclusion) is preserved—even if the appellant opts to discontinue the appeal. It does not give the Tribunal any power that the Law does not already give them. It simply preserves the right that the Law already gives them when an appellant opts to discontinue.

I would like to make it clear that if you discontinue, the Tribunal is not going to add up the tab and say, "We spent six or 18 hours considering this matter and these are the costs that we incurred". That is not what is meant by the costs that the Tribunal would normally order. The Tribunal exists to consider the appeals, but if appellants operate in a frivolous way and cause the Tribunal to incur unreasonable costs, the provision is there for them to exercise that discipline and say, "You have to pay us. We turned up at 3.00 because you agreed that it was convenient for you to be heard then. We took our time, and turned up, and you did not show up." We cannot operate like that when we have people volunteering to serve on these Tribunals.

The provision is put there so that the Tribunal can exercise some discipline. It is only in that regard, so I do not want it to be construed that if you discontinue an appeal you are going to get a bill. That does not follow. If there were some reason, and the Tribunal had a basis to levy costs for something at the end, then the fact that you opted to discontinue does not discharge that situation.

Because of the urgency of this matter, and the fact that the deadline for this quota will be on 12.00 pm on 31 December 2003, it is intended that this Law will come into force when it is passed by this Honourable House today. I trust that the purpose behind it is clear, and I would urge Members to lend their support to it.

Thank you, Sir.

The Speaker: Does any other Member wish to speak?

The Honourable Leader of the Opposition.

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

The Opposition is in full support of this amending Bill to the Immigration Law. In fact, when another amendment was brought over a year ago (one to which the Temporary Honourable First Official Member referred) we voiced our opinion that what is being done now should have been done then. Mr. Speaker, we have long held the view that section 23(6) and (7) of the existing Law (which is being repealed now) was not one that led to fairness throughout the system for prospective applicants or for people who have applied. Those sections allow the Board to tell applicants upon refusal that they have to wait one or two years to re-apply. In our view, those sections disenfranchise individuals who are not necessarily any less deserving than the new applicants who would have been able to apply during that window within any quota that was given.

As a matter of fairness, we held the position, as we have always held, that that should not have been the case. We are very happy that the Government has recognised this—albeit belatedly, and under this specific circumstance.

[Inaudible interjections]

Hon. D. Kurt Tibbetts: As the Minister for Education has just said, it is never too late to do what is good. We totally agree. We are happy with it.

I wish to make one quick example to prove a point. I will call no names, but a young man came to me approximately three weeks ago. We all know who the person is. He has been here for 30 years; in fact, he has been here just shy of 31 years. He made an application to the Board this year under the orthodox method, and within the quota. He did not try to get in through the other method, which we will not go into today.

That person showed me the letter. It was not an unkind letter, but it was a letter of refusal. It simply told him that the quota was 200 and that, unfortunately, he did not get in amongst the first 200 so his application had been refused. It then told him that he had to wait for a year to re-apply. He is not one of a few; I am fairly certain of that. If this is not done, then within this quota of 600—which is the final quota before the new Law—someone like him will have to wait out the year from the date of that letter being sent. By the time that year has expired, he will have been here for 31 years. He will then have to apply for permanent residence, if the new Law is passed as it is being presented. He can apply for permanent residence immediately, but then he will have to wait one year to acquire British Overseas Territories Citizenship. After that, he will have to wait five more years before he applies for Caymanian status.

That is one example to show you what would have occurred without this amendment. Therefore, we are very happy that the Government has seen the wisdom of making this amendment, albeit we were strong proponents of the amendment coming in 2001.

I have listened to my colleague, the legal luminary to my left, who subscribes to the belief of the Mover of the amending Bill. In section 3(2), it says: **"3. (2) Where a person discontinues an appeal the Immigration Appeals Tribunal may make such order for costs as it thinks just."**

I have listened carefully to what the Temporary Honourable First Official Member had to say. I cannot stand here, as I was doing vehemently before, to say that I do not agree with him. I cannot say that. But I want to say that I am tested not to disagree. I will explain myself. The immediate thought, Mr. Speaker, is that once this Bill is passed the Law would give an individual the right to withdraw an appeal. One would immediately think that if the Law allows for that now, then it is a clean withdrawal. You go about your business. If the purpose of that exercise is to allow you to apply again, then you withdraw the appeal and you apply. I do appreciate what the Honourable Temporary First Official Member is saying. As it is, the Law allows the Appeals Tribunal to consider this a case of frivolity, as he termed it.

The other question that I have is that even though this amending Bill is being proposed, the section that gives the Appeals Tribunal the authority, as he quoted, is section 17 (1). This reads: **"17. (1) On an appeal, the Immigration Appeals Tribunal may make such order, including any order for costs, as it thinks fit."**

As it reads, to me that does not say that they have to wait until the appeal is concluded. I am no expert, but I am going by what it says. One could argue that if what is proposed in the amendment in section 3(2) is not in there, then section 17(1) is still in force, even when this amendment is passed. If it is the position of the Government and their legal luminaries that it needs to be in there to ensure that it can be done, then perhaps they are right. I am not making a federal case of it, but I could not resist making the point. When the Temporary Honourable First Official Member is winding up what I think will be a short debate, perhaps he would clarify that issue so we can go on about other business.

I wish to make another point. Again, I am not making a strong case, but it is just to think about. In the proposed Bill, section 1(2) reads: **"1. (2) This Law comes into force on the date it is passed by the Legislative Assembly."**

I firmly believe that I understand the reasoning for this. Given the fact that today is 10 December, there is a short window until 31 December. However, if we look in the Constitution, section 39 (1) reads: **"39.—(1) A Bill shall not become a new law until –**

(a) the Governor has assented to it in Her Majesty's name and on Her Majesty's behalf and has signed it in token of his assent; or

(b) Her Majesty has given Her assent to it through a Secretary of State and the Governor has signified Her assent by Proclamation."

It goes on. section 39(3) of the Constitution also says: **"39 (3) This section shall have effect in relation to any Bill passed by the Legislative Assembly subsisting immediately before the appointed day but not assented to before that day as it has effect in relation to Bills passed after the appointed day."**

We are more inclined to ask the Government to put the Legislative Assembly staff and His Excellency on notice to go through the procedure immediately, to ask him to do it within a 24-hour period and get it done that day. The principle of retrospective legislation is one that we should run away from.

Again, this is not the strongest case in the world out of which to make a big argument, but if it is physically possible to make it happen in the other way, then as a legislature we are better off doing it like that. I have seen the odd occasion in my 11-plus years here when attempts have been made to pass legislation retrospectively, and it has caused more problems after the fact than we wished for. I am not suggesting that this is one of those occasions. I am only saying that if we look at the time-span needed to complete the process in the normal fashion, and we only speak of a day, then this is what is going to happen; let me say it. The Government has not said that.

The Honourable Temporary First Official Member may care to say it when he is winding up, but I expect that the Government would have to go on a campaign very quickly so that the individuals who are involved know, or get to know, that they have this right to make their application now. They may be sitting despondently, thinking that they are going to get caught. They are going to have to be advised, and I do not think that a day is going to make a difference. Take that day and let them know. That is my view. I do not want that to cloud the main issue at hand, but I want the Government to consider it because the point that I make is valid.

The Government may wish to reword this section, or simply to extract it and let nature take its course, knowing full well that this is one of those amending Bills that we all desire to happen as quickly as possible. I have no reason to doubt that His Excellency the Governor (or, as the case may be, the Acting Governor), would not put his signature to it very quickly. That is an observation.

So as not to be long and protracted, we support this amending Bill. We believe that it is only fair for those people, such as the individual in the example that I used, who would otherwise have been caught and disenfranchised from security of tenure for an extended period of time, when that should not have been the case.

We wish to commend the Bill and will certainly assist in its safe passage. We wait to hear the Government's position on the other points that have been raised. Thank you.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak?

The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Mr. Speaker, I have a point of clarification. The Honourable Leader of the Opposition queried the status of section 17(1), and the proposed provision as it deals with costs. I want to point out, for the purposes of the House that as it relates to cost, the provision in the proposed amendment is really a transitional provision, as are the other provisions there. They are merely transitional, and will eventually fall away. What will happen is that section 17(1) will remain the provision in the Law as it relates to costs. All of this, including the provision dealing with costs, is transitional.

In respect of the issue of the retrospectivity, it is not unconstitutional to have retrospective provision in the Law. There is a school of thought that says that it is inappropriate; however, that observation is aimed at what is called penal legislation, which might create an offence or charge someone with something. For want of a better term, the powers that be frown upon that sort of legislation when it is penal. In other words, persons who would not have committed an offence at an existing time find themselves committing one, because the Law was passed later and relates back to the period when the transgression took place. I am not taking issue here; I am simply saying that not all retrospective legislation is frowned upon. The problem is when it is penal. When it is purely social or administrative, there is nothing wrong—if it is the wish of the House that it operates retrospectively.

The Law will take its effect when it is passed, even if it is assented to three days later by His Excellency the Governor.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? If not, would the Temporary First Official Member wish to exercise his right of reply?

Hon. Donovan W. F. Ebanks: Thank you, Mr. Speaker. I apologise for the short delay.

I guess there is some truth in the fact that I was told a year ago that we should have been doing something different from what we were doing, but I think that is—

[Inaudible interjections]

Hon. Donovan W. F. Ebanks: No, that is not inconsistent with the normal dialogue here; whatever you are doing is not enough.

I am grateful for the support from the other side, as expressed by the Leader of the Opposition. I am particularly grateful that those concerns that have been rising up in relation to the cost aspect have quietened down. With regard to the effective date of the legislation, we announced yesterday that this was what we were looking to do, and that people who had been unsuccessful would have an opportunity to reapply, if the legislation was successful. The campaign, as such, has started, and will obviously be stepped up once the legislation succeeds.

It is not a lengthy Bill and I would not expect the process required to achieve assent to take long. It could even be assented to before the day is out. It certainly could be assented to tomorrow. At the same time, I do not think it is inherently wrong to say that this is the date that it comes into effect. People who made applications as of tomorrow would not be invalidated, because this Law has not been assented to yet.

Therefore, Mr. Speaker, I hear the concerns, but it seems a bit fine and technical to my ears.

[Inaudible interjection]

Hon. Donovan W. F. Ebanks: My legal advisor over there on my right tells me that I can survive with it as it is, so there is nothing inherently wrong with it.

With those few remarks, I thank the Members for their support. Thank you.

The Speaker: The question is that a Bill shortly entitled the Immigration (Amendment) (No. 2) Bill 2003 be given a second reading.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Immigration (Amendment) (No. 2) Bill 2003 given a second reading.

The Speaker: The House will now go into Committee to consider the Bill.

House in Committee at 12.53 pm

COMMITTEE ON BILL

The Chairman: Please be seated. The House is now in Committee. With the leave of the House, may I assume that, as usual, we should authorise the Honourable Second Official Member to correct minor errors and such the like in this Bill? Would the Clerk please state the Bill and read the clauses?

The Immigration (Amendment) (No.2) Bill 2003

Clauses 1 to 3

The Clerk:

Clause 1	Short Title and commencement
Clause 2	Amendment of section 23 of the Immigration Law (2003 Revision)–Procedure of Board in considering applications for grant
Clause 3	Savings and transitional provisions

The Chairman: The question is that clauses 1 to 3 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Clauses 1 to 3 passed.

The Clerk: A Bill for a Law amend Immigration Law (2003 Revision); and for Incidental and Connected Purposes.

The Chairman: The question is that the Title stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Title passed.

The Chairman: This concludes the Committee stage of the Bill. The question is that the Bill be reported to the House.

All those in favour, please say Aye. All those against, No.

Ayes.

Mr. Speaker: The Ayes have it.

Agreed that the Bill be reported to the House.

House Resumed at 12:55 pm

REPORT ON BILL

The Immigration (Amendment) (No. 2) Bill 2003

The Speaker: Please be seated.

The Temporary Honourable First Official Member.

Hon. Donovan W. F. Ebanks: Mr. Speaker, I beg to report that a Committee of the whole House considered the Immigration (Amendment) (No. 2) Bill 2003 and passed it without amendment.

The Speaker: The Bill has been duly reported and is set down for Third Reading.

Suspension of Standing Order 47

The Speaker: The Honourable Deputy Leader of Government Business.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to suspend Standing Order 47 so that the business can be taken.

The Speaker: The question is that Standing Order 47 be suspended to allow for the Third Reading.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 47 suspended.

THIRD READING

The Immigration (Amendment) (No. 2) Bill 2003

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan W. F. Ebanks: Mr. Speaker, I beg that the Immigration (Amendment) (No. 2) Bill 2003 be given a Third Reading, and be passed.

The Speaker: The question is that a Bill shortly entitled the Immigration (Amendment) (No. 2) Bill 2003 be given a Third Reading, and be passed.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Immigration (Amendment) (No.2) Bill 2003 given a third reading and passed.

The Speaker: The Honourable Deputy Leader of Government Business.

ADJOURNMENT

Hon. Gilbert A. McLean: Thank you, Mr. Speaker. Before I move the adjournment of this Honourable House, I would take this opportunity to inform Members that it is proposed to hold a meeting of the Finance Committee on Monday 15 December 2003. The matters to be dealt with are expected to be circulated to Members today. It is proposed that at 9.00 am on Monday morning, the Finance Committee would meet. The House would resume thereafter, to deal with the Immigration Bill, 2003.

Having given notice of that, Mr. Speaker, I would like to move the adjournment of this Honourable House until on Monday 15 December 2003 at 10 am.

The Speaker: The question is—

Hon. Gilbert A. McLean: Mr. Speaker, before you put the question, may I also say that, as it is expected that the Immigration Bill, 2003 will take some debate, we will work late on Monday 15 December, and onward, for the rest of the days of the week. It has been suggested that we work until at least 8.30 pm.

[Pause]

Hon. Gilbert A. McLean: Mr. Speaker, having taken some advice, I would like to move that the House be adjourned and resume after the Finance Committee has completed its business on Monday 15 December 2003.

The Speaker: The question is that this Honourable House do now adjourn until the Finance Committee has concluded its business on Monday 15 December 2003.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

At 12.59 pm the House stood adjourned until Monday, 15 December 2003, following conclusion of the Standing Finance Committee.

OFFICIAL HANSARD REPORT
MONDAY
15 DECEMBER 2003
2.47 PM

Fourteenth Sitting

The Speaker: I invite the Honourable Minister of Tourism, Environment, Development and Commerce, the Leader of Government Business, to grace us with prayers.

PRAYERS

Hon. W. McKeeva Bush: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 2.51 pm

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies for absence from the Honourable Minister of Planning, Communications, District Administration and Information Technology.

QUESTIONS TO HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

Motion to Defer Questions Nos. 97 and 98

The Second Elected Member for George Town to ask the Honourable Minister responsible for Finance and Economics

No.97: What is the total expenditure of Government on Official Travel from 1st November 2001 to present, giving a detailed breakdown of expenditure by Ministries and Departments.

No.98: What is the total amount of Stamp Duty waived by Government in relation to land transfers from 1st November 2001, to present, giving details by calendar year.

The Speaker: The Second Elected Member for George Town.

Hon. D. Kurt Tibbetts: Mr. Speaker, unfortunately, the Second Elected Member for George Town is outside of the premises and is not available right now; therefore, I would ask that those two questions be deferred to a later sitting in this Meeting.

The Speaker: Is there a seconder to the Motion?

Mr. Anthony S. Eden: I beg to second the Motion.

The Speaker: It has been moved and seconded that Questions No.97 and No.98 be deferred to a later sitting during this meeting.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Questions No. 97 and No. 98 deferred.

STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE CABINET

The Speaker: I have received no statements from any of the Honourable Ministers or Members of Cabinet.

Suspension of Standing Orders 45 and 46(1) and (2)

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Thank you, Mr. Speaker. I move the suspension of Standing Orders 45 and 46(1) and (2) in order to have the two Bills on the Order Paper taken.

The Speaker: The question is that Standing Orders 45 and 46(1) and (2) be suspended.

All t hose in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Orders 45 and 46(1) and (2) suspended.

GOVERNMENT BUSINESS

BILLS

FIRST READINGS

The Immigration Bill 2003

The Speaker: The Bill has been deemed to have been read a first time and is set down for Second Reading.

The Monetary Authority (Amendment) Bill 2003

The Speaker: The Bill has been deemed to have been read a first time and is set down for Second Reading.

Suspension of Standing Orders 46(4)

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Thank you, Mr. Speaker. I move for the suspension of Standing Order 46(4) in order to take the Second Readings of the Bills on the Order Paper

The Speaker: The question is that Standing Orders 46(4) be suspended.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 46(4) suspended.

SECOND READINGS

The Motor Vehicle Insurance (Third Party Risks) (Amendment) Bill 2003

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, unfortunately, there are one or two aspects of the Bill that we need to clarify. Therefore, I am going to ask that at this time, we move this item further down the Order Paper. Perhaps we will get to it, or perhaps we may not get to it until later in the year.

The Speaker: The question is that the Second Reading of The Motor Vehicle Insurance (Third Party Risks) (Amendment) Bill 2003 be deferred until a later sitting of this Meeting.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Motor Vehicle Insurance (Third Party Risks) (Amendment) Bill 2003 deferred until a later sitting.

The Immigration Bill 2003

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, I rise to debate The Immigration Bill 2003—a Bill for a Law to repeal The Immigration Law (2003 Revision); The Immigration (Amendment) Law 2003; The Immigration Regulations (2003 Revision); The Immigration Directions (2001 Revision); The Immigration (Business Staffing Plan) Regulations (2000 Revision); and The Immigration Appeal (Asylum) Rules 2003; to Make Alternative Provisions for Matters Pertaining to Immigration; and for Incidental and Connected Purposes.

The Speaker: The Bill has been duly moved. Does the Mover wish to speak thereto?

Hon. W. McKeeva Bush: Thank you very much, Mr. Speaker. The Bill was originally laid before this Honourable House by me on 25 September 2003. Following a ten-week period of public consultation, it is back

before this Honourable House, in its amended form, for our debate and approval.

Before I move into the merits of the Bill, Mr. Speaker, I want to thank members of the Immigration Review Team for their efforts. More specifically, and especially, I want to place on record my sincere appreciation—and, of course, that of the Government—for the sterling work done by Mrs. Sherrie Bodden-Cowan, the Chairman of the Reform Committee. From the beginning, the work to get this Bill to the House today has taken up a vast majority of her time. In fact, she has been consumed by the work to get this country a new way to handle immigration. We certainly owe her a debt of gratitude for all this work, which she is not being paid to do. She has laboured simply out of love of country, and care and concern for the future direction of these Islands. I would also like to place on record our thanks to the legal people in the Drafting Department, who have worked with her over this long period of time.

As I read earlier, this new Bill proposes to repeal and replace the current Immigration Law (2003 Revision). It will revolutionise our immigration policy and provide a blueprint for the future of these Islands, and our people.

This very important piece of legislation comes at a time when the issue of immigration has become a major area of focus, and a source of some concern in developing countries as well as in those developed countries in Europe, North America, and Australia.

Elections in Europe are often fought with the candidates' stand on the issue of immigration taking centre stage. Assassinations have taken place, and incumbent governments have been ousted. Concerns over losing control of our borders are being expressed by even the most liberal of politicians.

The issue of immigration is an emotive one, Mr. Speaker. It is not an easy subject, or one for which there are easy answers. It is often a case of balancing the need to protect your current citizens (and your country) from being overrun by newcomers, wanting to settle, with the need to ensure that you continue to attract quality labour sufficient to grow and maintain your country's economy. In many countries, the indigenous population is not growing fast enough to fulfil the country's labour needs. That, Sir, is true of our Islands.

Over the past 30 years, with the help of the Almighty, our Islands have grown and prospered beyond the imagination of our forefathers. We have a highly reputable financial community envied by the world — even by those who call us their "partners in prosperity". We have a thriving tourism industry. Our God-given beauty has guaranteed the attraction of world-wide attention from those who dream of visiting our shores.

Therefore, it is not surprising that our population has grown, from just over 10,000 people in 1970, to about 41,000 persons by the year 1999. The number of persons on the Islands who are not Caymanians increased, between 1989 and 1999, from 8,387 to 18,529. Our current work permit force ranges between 14,000 and 16,000 people per annum.

Past governments have tried and failed to resolve this issue. Other governments chose to ignore it. However, Mr. Speaker, as the elected Government of these fair Islands, it behoves us to find an answer, a solution that will work for these small Islands in the middle of the Caribbean. We cannot ignore it, for it will not go away; it is growing every day.

Like others before us, we made promises to our electorate that we would tackle this problem. Unlike the others before us, we will not allow this issue to defeat us. We will make good on our promises. We have produced, for debate in this House, a Bill that will create a new immigration policy of growth management, together with a comprehensive system of progressive rights that will be fair, both to our own people and to those from other countries who work and live amongst us.

On to the Bill.

PART III - ADMINISTRATION

It is a known fact that no matter how hard we legislators work to ensure the success of any policy, the legislation so passed will only be as good as the administrative bodies set up to deal with it. In the past, the Department of Immigration and the Chief Immigration Officer have been responsible for everything from the security of our borders through controlling immigration at our ports of entry, from refugees, to asylum seekers, to the granting of work permits and the granting of trade and business licences. These tasks have often been accomplished with inadequate staff, and with financial restrictions on overtime and salaries.

Immigration is, and always will be, one of the most important departments in government. They are the first people who meet our visitors; they are our protectors against illegal entry into our country; and they organise and operate the entire work-permit system—which, as I said earlier, presently comprises 14,000 to 16,000 work permit holders. We must ensure that under the new Law, this department is properly staffed, and that the duties of the Chief Immigration Officer, and those responsible for the operation of the boards, are carried out.

We have proposed a new structure of boards to deal with the very large volume of work permits, business plans and applications for the grant of permanent residency and status that is expected under the new Law. These boards will be comprised, as before, of a voluntary chairman and members who are willing to give up their free time to assist this country in its Immigration Policy. They will also count, amongst their members, representatives from the Chief Immigration Officer, the Secretariat, the Department of Employment Relations, and the Education Department.

The Work Permit Board will replace the present Immigration Board. This Board will be responsible for dealing with all work permits not issued under business staffing plans. We have decided to keep the usual structure, where members are appointed from the various districts, since persons from each district should know the needs of that district better than anyone else.

As more business staffing plans become approved, this Board will be able to concentrate on the needs of the individual employers, such as those employing domestics and gardeners, and small Caymanian businesses needing one or two work permits, who are usually lost in the present race to get to the Immigration Board for even one work permit application. A separate board will deal with business staffing plans. This Board will draw its members from the private sector.

We believe that Government should have a very close working relationship with the private sector. We should tap their wealth of knowledge and experience whenever possible. Government therefore proposes that six persons, representing a wide cross-section of businesses, be appointed. These people will be in a better position to decide the needs of the large to medium-sized businesses on the Island. They are likely to know whether a certain plan portrays the genuine needs of the business, or whether it is some made-up requirement intended to dupe the Board into granting work permits for positions that any Caymanian could fill, but for which none were considered.

A third board will be created for the consideration of grants of permanent residence and the right to be Caymanian. Often, these more important applications get left on the shelf for months at a time, while the Board deals with the immediate need to feed the present demand for work permits.

Under the new Law, this simply cannot continue. In our modern day, we cannot continue under the present system; we have to modernise. The transition provisions alone will provide the possibility for thousands of persons to apply over the next three years for grants of permanent residency. Whether they are successful or not, a board must dedicate its time to processing such applications.

Under the present quota, we see a number of pictures in the newspaper. These applications, too, have to be processed in the New Year, and processed as quickly as possible.

By expanding the number of boards, we hope to take some pressure off the current members of the Immigration Board, who have carried this weight of work for far too long. It is hoped that persons in the private sector will be more willing to volunteer their time if they can be assured that this will be a weekly, or monthly job, and not an everyday job as it is under the present system. People do not realise the amount of time and work that goes on in this country at the Board level for immigration, or the amount of work that the Immigration Department itself has to carry out. The Board makes a decision and deals with an application, and then all the other work must be left to the Immigration Department, which has done an excellent job, though at times we all complain.

With the privilege of membership, there will, however, be certain duties and responsibilities required of Members. Under this Bill, Members will not only be expected to declare any conflict of interest, but will be required to physically leave the room whilst the matter is being debated. This should ensure that complaints of undue or unfair influence are kept to a minimum. In addition, Members will be under a duty of confidentiality, which, if broken, will be an offence under the new Bill, making them liable to investigation by a constable of the Royal Cayman Islands Police and to prosecution if found guilty.

These boards will be dealing with highly confidential matters involving a person's private business as well as future plans for companies involved in the Business Staffing Plan scheme. Confidentiality is critical if members of the public are to have the confidence in the Boards to go to them with open and honest applications.

It is proposed that the three Boards will be overseen by an administrator, a civil servant who would co-ordinate their work, their secretariats, and the members who sit on them. This is a senior position for someone of the same rank as that of the Deputy Chief Immigration Officer. With it comes responsibilities such as will be legislated in the new Bill.

WORK PERMITS

Without a doubt, the unprecedented increase in immigrants settling here over the past 30 years has contributed greatly to Cayman's economic success and to certain social tensions, which are increasingly evident. It is fundamental that in the development of this new immigration legislation, a clear policy decision be taken by Government in relation to the continued growth of Cayman's permanent population base, and the development of the Islands generally.

The choice is stark: either we accept that Caymanians will continue to be a declining percentage of the country's permanent population, or we develop and implement a policy designed to significantly reduce the numbers of persons who are permitted to remain here for a sufficient length of time that they become entitled to claim security of tenure.

The Law provides for the grant of a work permit to any person (and their prospective employer) who has applied to the Board for the grant of a work permit. At present, there is no limit to the length of time that a person may be continuously employed on a work permit. This has led to the current situation where, when the United Democratic Party came into power, there were more than 6,500 persons present in the Islands who had been employed on work permits for very long periods—some in excess of 20 and 30 years, with no security of tenure.

An illegal moratorium on grants of Caymanian status on the grounds of residency or naturalisation had been put in place in 1991. Although it was lifted in November 1992, the incoming Government saw fit to re-impose it during their eight years of government. Nothing has been done over the last decade to resolve this issue or amend our outdated Immigration Laws in any significant way.

By and large, Caymanians feel increasingly overwhelmed and out of control of their country. Long-term residents have become disaffected and clamour for security of tenure, the right to become fully integrated into our society and the right to vote. Within this Immigration Bill, we have developed a comprehensive and integrated immigration framework, which establishes a graduated system of rights and creates timeframes for the making of applications for the grant of work permits, permanent residence, and Caymanian status. We have set benchmarks which identify the point at which a person will become eligible to apply for Permanent Residence, British Overseas Territory citizenship and ultimately the right to be Caymanian.

Recent experiences have led us to accept that in the future, the Cayman Islands will have to be more mindful of international views on human rights, particularly in relation to the rights of residency and citizenship for long-term residents, including work permit holders. Therefore, Mr. Speaker, we have had careful regard to these internationally recognised standards in crafting our new immigration policy and legislation.

Under this framework, persons who have been resident here for five years or less, or who have not yet arrived, will either become eligible for Permanent Residence and subsequently British Overseas Territories citizenship prior to ten years of continuous residence, or they will leave. It is not intended that these new timeframes will apply to existing work permit holders who have resided here for five years or more—that is, those people who are here presently. They will be dealt with separately, under the transition provisions, to which I will turn in a minute.

This accords with the European Convention on Nationality to which the United Kingdom became a party in 1997, and our own past immigration legislation, which provided for the possibility of applying for a grant of Caymanian status after ten years of residence.

The proposed new framework is as follows, and applies to persons coming into the Islands, not to existing residents who have been here, as I said, over five years:

Between years 1-7:	Work permits would be considered, and may be granted, by the Board on a three to five year basis for a maximum period of seven years.
Between years 7-9:	A final two-year work permit could be granted by the Board to employees identified under the Law as exempted employees, and in exceptional circumstances.
At year 8:	Work permit holders would become eligible to apply for a grant of permanent residence with the right to work in a particular occupation.
At year 9:	Permanent residents would become eligible to apply for naturalisation as British Overseas Territories citizens.
Between years 14-15:	Permanent residents who have become British Overseas Territories citizens would become eligible to make application for the grant of Caymanian status.

Adoption of Term Limits on Work Permits

We cannot continue to grow the permanent population of this country at its present pace by permitting all who come here to work to remain indefinitely—not in the way that we have been doing. Therefore, we have had no choice but to put in place a fixed-term policy that, in the medium to long term, will significantly reduce the number of work permit holders who will qualify for permanent residence and Caymanian status in the future.

We are fully aware that criticisms have been made of this proposed policy. It has been said that it will have a deterrent effect on high-calibre employees coming here to work. However, Mr. Speaker, we have also taken careful note of recommendations made by the Select Committee of the Legislative Assembly on Immigration between 1997 and 2000, the ideals set out by Vision 2008, and the recommendations made by the Immigration Review Team. Even the officials visiting us from the Foreign and Commonwealth Office of the United Kingdom have expressed the view that our current immigration dilemma stems from the lack of a policy regarding work permit term limits.

We are also aware that many other countries have adopted term limits, including Australia, Bermuda, the British Virgin Islands, Guernsey, Jersey and, of course, the United Kingdom itself. We have, therefore, concluded that such a policy could and should be adopted here in the Cayman Islands.

However, in the interests of Caymanian businesses and our key industries, we must strike the right balance between the need to limit the continued growth in the number of long-term residents and the need to attract and maintain a top-quality workforce. The policy that we have developed recognises the diversity of the economy and our reliance on international business as one of its principal components. At the same time, it does not discriminate against small businesses. The potentially negative perception of the term-limit policy can be mitigated by building into that policy a considerable degree of flexibility.

In this Bill, we have made provision for the designation of certain key personnel, who are key figures in a business, as exempted employees. This means, Mr. Speaker that such employees will be ex-

empted from the normal fixed-term policy of seven years.

However, it does not mean that they are exempted from the work permit requirements, or that they are guaranteed to become long-term residents. Such persons must qualify and go through the same process as everyone else, applying for permanent residence once they reach year eight if they wish to remain after year nine. If they do not, they too will have to leave prior to the ten-year ceiling we have set. For an employee to be exempted for the normal fixed-term policy of seven years, his employer must demonstrate that one or more of the following is true:

(a) The employee is recognised as having particular expertise in his field of practice, trade or employment; or

(b) The employee is, or will be when he arrives on the Island, involved in training Caymanians and developing their skills in the field in which he is or will be employed or practises, and his expertise in this regard is important to the effective continuation of such training or development; or

(c) He is, or will be when he arrives, a professional employee whose expertise or skills are not available in adequate measure in the Islands, and it is of economic and social benefit to the business or to the Islands to attract such skills to the Islands; or

(d) His absence from the Islands will be detrimental or cause serious hardship to his employer, to Caymanians, or to the Islands; or

(e) The person has business contacts which are important to the continued success of the business or its contribution to the Islands; or

(f) There exists other economic or social benefit to the Islands by virtue of securing or retaining that person's specialist skills or expertise within the Islands; or

(g) The circumstances of his particular case are considered by the Board to be exceptional and to justify a special reason to employ him or to allow him to be designated as an exempted employee.

As can be seen, Mr. Speaker, this is very stringent criteria. It is intended to ensure that employers are held accountable, and that they cannot easily persuade a board to allow them to retain non-critical employees in the long term—that is, beyond the seven years. Such employees will be found at all levels and in all areas of our various businesses. They will not only be found among chief executive officers, bankers, attorneys, doctors and other professionals, but may be technical, administrative, service or managerial staff, depending on the needs of that particular employer.

It is up to the employer to make the case to the Board that a particular individual or post is crucial to that employer.

Establishment of Transitional Provisions

In looking at this whole issue, one of our main concerns (and that of the general public), was whether and to what extent the policy of term limits should be applied to existing work permit holders. Based on current figures, if all present work permit holders were exempted from the term-limit policy, over 13,000 persons would qualify to apply for permanent residence within the next seven years.

Obviously, the Cayman Islands would not absorb such a large number of permanent residents in such a short period of time without dire social consequences. Therefore, we have created specific transitional provisions based upon the length of time a person has been resident in the Islands on the day the Law comes into effect, and counting any unexpired period on such persons' work permits, to deal with persons who are already here.

In addition, we have seen fit, where we could find special cause, to grant Caymanian status to approximately 3,000 long-term residents and persons who have made outstanding contributions to the community. This has helped to deal with the problem, but there are still approximately 5,000 work permit holders who have been here for over eight years, who will have to be dealt with by the Immigration Board or by the transitional provisions in the Bill.

(a) Work permit holders who have been in the Islands for less than five years in aggregate on the date of commencement of the new Law will be fully subject to the provisions of the new Law. After the seventh year, they will become ineligible to apply for any more work permits unless they have been identified as exempted employees, or in the case of exceptional circumstances, as outlined in the new Law.

(b) For persons who have been in the Islands for more than five but less than six years, or more than six but less than seven years, the Board can, at its discretion, grant additional work permits for up to 36 and 24 months, respectively. For persons here for more than seven, but less than eight years, the Board can, at its discretion, grant work permits for up to 12 months. Again, Mr. Speaker, this allows persons in those categories to get through to year eight, and to apply for permanent residence. If they do not succeed, they will be given a final work permit of 12 months to allow them time to settle their personal affairs and to allow their employers to find replacements.

(c) Special attention has been paid to persons who have been in the Islands between eight and 15 years. This is a large group, which will already be eli-

gible to apply for the right to permanently reside in the Islands under the new Bill. They are our most experienced employees, and concerns had been raised that if this group were forced to qualify for permanent residence within the first 12 months of the Law coming into effect, and assuming most of them did not, employers would be faced with the mass exodus of experienced employees within the next two years.

We understand their concerns; we hear them. Therefore, it is now proposed that at the discretion of the Board, all such persons would be given work permits for three years to allow them a longer period to qualify for grants of permanent residence. In the event that they do not qualify, they would have a final 12 months within which to settle their affairs and leave the Islands. This gives employers a four-year window in which to ensure that those workers qualify for permanent residence, or to replace them, and train their replacements.

However, Mr. Speaker, I would urge employers to take a good long look at their long-term employees and, when the point system is published in the regulations, to make a reasoned judgment as to which employees are likely to qualify and which are not. Do not leave it to the last year and then expect the Board to assist you, if you have not made proper plans and assisted yourselves.

(d) Persons who are within their 15th year, or more, as work permit holders in the Islands on the date of commencement of the new Law will, subject to a thorough test of good character and evidence of substantial contribution to the community, be granted permanent residence with the right to work. In the event that permanent residence is granted and the person becomes a British Overseas Territories citizen, such person will automatically be eligible to apply for a grant of Caymanian status based on the criteria to be set forth in the new Law.

Criteria for the Consideration and Grant of Work Permits

It is fundamental that the new Law sets criteria to ensure that no Caymanian who is able, willing and qualified is deprived, directly or indirectly, of gainful occupation. There must be a requirement that employers provide Caymanians with proper training and opportunities to be promoted to the highest levels possible, according to their abilities.

There needs to be greater clarity of this paramount consideration in the new Law, and comprehensive provisions must be made requiring that, prior to the grant or renewal of a work permit, it shall be the duty of the Board to satisfy itself of certain stringent criteria in relation to both the employer and the worker.

In relation to the employer, the board should satisfy itself that:

i. The prospective employer has a genuine need to employ the person in a full-time position. So often, Mr. Speaker, we hear of permits being held by people who have no work for the person, and no genuine need to employ that person. This leads to the worker working illegally; it is an abuse of the system and the cause of more people being on this Island who cannot afford to support themselves, and whose presence is not a necessity.

ii. They should also have to prove that there is no person of Caymanian status within the Cayman Islands who is ready, willing and able to undertake the job in question, and that the prospective employer has taken all necessary measures, including advertising internally and externally, to ascertain this fact.

iii. They must also show that there is no Caymanian in the employment of the applicant suitable or capable of filling the position.

iv. The prospective employer has established an adequate training or scholarship programme, as well as comprehensive succession planning to ensure that a Caymanian is being trained to fill this position.

All too often, we see employers merely paying lip-service to these requirements. We see adverts appearing in the newspaper of these Islands that are custom-made for the expatriate they have already hired.

Employers must now be held accountable. They must be told that it is no longer acceptable to fob off Caymanians, and the Board, with empty promises. They must step up to the plate and show what they are doing to train Caymanians. They cannot expect to receive any help or assistance from this Government, or from the boards we appoint, unless they are committed to hiring and training our people. This Law will ensure, through these provisions, that the upward mobility of Caymanians is not simply talked about, as it has been for years, but becomes a reality.

Concern has been expressed that the recent grants of status will be to the disadvantage of Caymanians. These provisions ensure that, for the future, Caymanian children will not be left behind. As parents, guardians and elected trustees of this generation, all we have to do is ensure that our children are raised in an environment where they are educated and encouraged, to allow them to take their rightful place in their community, if they work hard at it.

In relation to the worker, the Board should satisfy itself of the worker's character, health, and professional or technical qualifications, and have evidence of his experience and expertise to undertake the position applied for. They should also be satisfied that the worker is receiving sufficient wages to support himself and his dependants, that he is being properly accommodated, and that his presence will bring eco-

nomic and social benefit to the Cayman Islands. The worker should also have a basic knowledge of the English language.

Generally, Mr. Speaker, the Board should also consider the requirements of the community as a whole on such other matters as may arise from the application.

I will now go through some of the other highlights of the new work permit system.

The Admission of Dependants

Work permit holders will have to satisfy the Board that their resources and proposed salary are sufficient to maintain their dependants. In contrast to the current directives, the Board will no longer distinguish between professional, skilled and unskilled workers, as it is unacceptable to discriminate against persons based solely on their chosen professions. In the event that applicants cannot satisfy the Board that they have the resources to comfortably maintain their dependants, the application for the grant of a work permit will be refused. That means that persons with large numbers of dependants or children who propose to come to the Islands to fill unskilled domestic positions, or other skilled positions, will be unlikely to qualify for grants of work permits in the first place.

It is a basic premise of any human rights legislation that the separation of families is unacceptable. Therefore, applicants will no longer be given the choice of leaving their dependent children behind. That is why Caymanians and others applying for work permits must carefully consider the whole package when they select new employees. In the first instance, they must find out how many dependants an applicant has. It is our duty, as representatives here in this House, to say to our people, when they come talking about permits, "Have you considered the full ramifications? Do you really need this person? If you want my assistance, you need to satisfy the criteria of the Law first of all".

We do know that we can get pressured from our constituents in regard to work permits. Although everyone in Cayman talks about the number of people we have here, everybody wants somebody. Everyone wants to have his or her own, and some people have two. Therefore, Mr. Speaker, this new Law is going to lay down the rules, so that without any question, they will have to apply themselves to the criteria outlined in the Law.

Change of Employment, Occupation, Promotion or Re-designation

Whereas it is not the Government's intention to restrict the movement of labour unnecessarily, or to create a system of indentured work permit holders, it must be acknowledged that employers often go to great expense recruiting and then training new employees. This will become even more so, with the fixed-term system. Therefore, it would be unfair to employers to permit such workers to change employers during the term of the work permit, unless there were special circumstances so to do. Therefore, changes of employment during the term of a work permit will only be permitted if:

a) the position has become redundant;
b) the position has been filled by a Caymanian;
c) the employer has changed due to corporate action (for example, a buy-out, take-over, merger, amalgamation, etc.);
d) the worker has been victimised by his employer, or by other employees of that employer; or
e) the worker has been given consent in writing by his present employer, who has no objection to the change of employment.

Once a worker has completed the term of his work permit, he will be free to change employment without the consent of his former employer, within the seven-year timeframe provided for the consideration and grant of work permits.

No employer will be permitted to promote, redesignate or change the occupation of the worker, as described in the work permit, without application to and the prior approval of the Board for any promotion, re-designation or change. Consideration should be given by the Board to such application only after it has satisfied the criteria.

Temporary Work Permits and Business Visitors' Visas

Under the new Law, Mr. Speaker, temporary work permits can be granted by the Chief Immigration Officer for periods of up to six months. This is intended to facilitate short-term workers, who are genuinely coming to the Islands for specific projects, or seasonal workers. As a result, it will no longer be necessary for the Immigration Board to consider short-term, six-month work permits.

In addition, for business visitors who visit the Islands regularly for periods of up to fourteen days at a time, Business Visitors' Visas will be available on an annual basis. This will ensure that visitors such as regional managers, internal auditors and medical specialists are free to come to the Islands on a regular basis, to perform their duties with the least amount of red-tape necessary.

These are in addition to those persons holding or eligible for Cay Passes.

Business Staffing Plans

A new and improved Business Staffing Plan system will ensure that employers are training Caymanians and putting in place proper succession planning for the medium to long-term future.

Within twelve months of the new Law coming into effect, any company, partnership or firm of over 15 work permit holders must submit a plan to the Board containing certain information listed in the regulations. Upon receipt of a business plan, the new Business Staffing Plan Board will consider each plan, with any agreed amendments, and issue a Business Staffing Plan certificate. The Business Staffing Plan certificate will permit that business to submit work permit applications during the term of the business plan in respect of the posts listed, and for the lengths of time stated in the business plan. It will allow employers to identify up front the key positions, and will ensure that work permit holders filling such key positions are designated as exempted employees—meaning that they will be exempted from the fixed-term policy of seven years. I think this is a better system for dealing with work permits for large to medium-sized businesses.

Currently, 25 of our key companies on the Island are operating under the Business Staffing Plan system. This relatively small group, accounting for approximately two thousand of the work permits presently under issue, has reported satisfaction with the new system, although, like any new system, it can always be improved.

Provisions Relating to the Grant of Work Permits to Specific Professions

Work permits for professional employees will be subject to specific restrictions relating to employment in the private sector. The Attorney General, and in the case of health practitioners, the Health Practitioners Board, is to be consulted and advised in relation to such application.

Professional employees are defined as persons qualified as lawyers, teachers, accountants, medical professionals, architects or surveyors, or in any other occupation recognised by the Board as a profession.

No professional should be granted a work permit as a self-employed person, save in exceptional circumstances.

No professional in any company, firm or partnership operating within the Islands should be made a shareholder or partner, whether an equity partner or not, until an application for a change of occupation has been made to the Board, and the Board has approved such change.

In considering such an application, all employers must be able to satisfy the Board that they have established adequate training and sponsorship programmes to ensure that Caymanians are being trained in that profession. The Board must also have regard for the effect such a change of occupation would have on the opportunity for advancement, to partner level, of qualifying Caymanians already engaged in the same profession within that company, firm or partnership.

This will guarantee that our young professional Caymanians, particularly in law firms, accounting firms and so on, do not get left behind, or lost in those firms. Under this Law, they will have to be considered for partnerships as a matter of priority. That is why we say that this Law protects the advancements of Caymanians, and, in fact, gives new opportunity for advancement to Caymanians.

Concluding my comments on the new and improved work permit system, I am confident that our appointed boards will now have the ammunition they need to protect the interests of our younger generation, and, at the same time, to ensure that businesses are encouraged to grown and flourish within our Islands.

INTRODUCTION TO PERMANENT RESIDENCE AND RESIDENCE

We, as a country, must carefully consider the type of persons we would choose to keep as long-term, permanent residents. For our population to grow and diversify, we need all types of persons, from all kinds of backgrounds. At the same time, we must ensure that these people are fully integrated into our society: that they have assumed our culture, instead of us assuming theirs.

The conferment of the right to permanently reside in the Cayman Islands upon any category of non-Caymanians is an important right, guaranteeing the holder and his dependants the ability to permanently establish themselves within the Islands. The present provisions in the Law relating to the right to permanently reside were originally enacted to encourage wealthy retirees to settle in the Islands after having made a substantial investment in a local business or property.

In the early 1990s, Executive Council directives adopted provisions to offer security of tenure to long-term residents intending to continue in gainful occupation. The only requirement of the Law is that a person be resident in the Islands for a period of six months prior to applying for permission to permanently reside in the Islands. This includes the Islands' many work permit holders, as well as persons with close Caymanian connections. The present Law lacks the comprehensive criteria that should be used by any Board prior to determining whether it would be in the interests of the community to grant the right to permanently reside in the Islands to any particular work permit holder.

The new Bill, and the regulations that follow it, will have comprehensive criteria for the grant of permanent residence. It has been carefully structured to ensure that all successful candidates, and their dependants, are expatriate residents we are willing to embrace as long-term members of our community and, ultimately, as Caymanians. Although wealthy retirees, investors, entrepreneurs and, in particular, the spouses of Caymanians will also be eligible to ap-

ply for certain rights of residence within the Islands, only long-term residents will be eligible to apply for the right to permanently reside in the Islands with immigration restrictions or control.

Right to Reside Permanently For Long-Term Residents

1. Time frame

Any person legally and habitually resident within the Cayman Islands for a period of eight years would be eligible to apply, for himself and his dependants, for a grant of the right to permanently reside. This recommendation is based on the term limit policy, as explained earlier. Following the implementation of the transition provisions, the only residents falling into this category who will be eligible to apply for a grant of permanent residence will be those able to justify the continuation of their residency past the normal term limit of seven years for all work permit holders and their dependants.

2. Criteria

The criteria for the granting or refusal of such an application has been created with regard to the following:

(a) the skills, qualifications, finances, character, health, etc. of the applicant;

(b) the needs of the Cayman Islands at any point in time to attract persons with those characteristics to live and remain in the Islands as part of our nation and community; and

(c) the applicant's unwavering commitment and contribution to the Islands, his knowledge of the Islands and the people, and his ability to become part of the local community.

Future grants of permanent residence will be based on a point system similar to those already in place in Canada, Australia and New Zealand and recently adopted, to some extent, by the United Kingdom for entrepreneurs. Such a system would award points in the three categories mentioned above. This system will be set out as a schedule to the regulations in the new Law and not in the new Law itself, allowing more flexibility in the event that the country's needs change over the years.

3. Right to Work

All persons who receive grants of permanent residence will be given employment rights certificates. This will entitle the permanent resident to work with any employer, but should, in our view, remain restricted to a particular occupation, subject to any change approved by the Board. An important part of the criteria upon which permanent residence will be granted will be the skills, education, qualifications and expertise of the applicant. Therefore, it is in the best interests of the community that successful applicants continue to utilise the very skills sought by our Island, after they receive permanent residence.

4. Spouses of Permanent Residents

Spouses of permanent residents can also apply for the right to reside and work in a particular profession within the Cayman Islands, but in the case of that spouse, the right to permanently reside (and any employment rights certificate) would be lost if there is a dissolution of the marriage.

5. Children of Permanent Residents

Once they have reached the age of 18 years, children of permanent residents will, in most circumstances, be granted the right to reside permanently with the right to work. It is only fair that children who have grown up here would be offered the same privilege as their parents. It also prevents any hardship arising from the division of families. Such grant would be made only on proof that the applicant is of good character and conduct. It will be restricted to those children who have resided in the Cayman Islands for at least seven years prior to their application, save for time such persons, who clearly intend to continue to reside in the Islands, have spent abroad in full-time education. Children who reach the age of 18 but are enrolled in full-time tertiary education should, at the Board's discretion, be permitted to remain as their parents' dependants until they complete their full-time tertiary education or reach the age of 24, whichever is earlier. At this time, they will have the same rights outlined in the previous paragraph for 18 year olds, save that the qualifying period of residence should be seven years plus a year for every year past the age of 18 that the applicant spends in full-time tertiary education.

6. Loss of Permanent Residence

If the holder is ordinarily resident outside the Islands for more than 90 days in any 365 day period, he may, at the discretion of the Board, lose his right to permanently reside here. Under the British Nationality Act, 1981, any person outside the territory for more than 90 days in any one year, or more than 450 days in the last five years, would not be eligible to apply for a grant of naturalisation. It is our opinion that, since the whole purpose of granting a right to permanently reside is for people who genuinely want to be a part of the community, the same time period required by the British Nationality Act should apply to our permanent residents. Absences that are the result of involvement in full-time education programs, health reasons or international business will not be taken into consideration.

Residence and Employment Rights Certificates (RERCs)

1. Spouses of Caymanians

Under the current Law, spouses of persons of Caymanian status have no legal right to reside and work in the Cayman Islands. Under the new Law, spouses may be issued with residency and employment rights certificates (RERCs) without restrictions, for a period of seven years, providing they are married to a Caymanian, are of good character and have taken up residence in the Cayman Islands. All applicants, Mr. Speaker, should be subject to a test of good character, and should satisfy the Board that the marriage is genuine and intact, and not entered into for the purposes of settlement in the Islands or to gain an immigration advantage under the law. Marriages of convenience will not be tolerated, and the Board will be entitled to investigate the way the marriage came about. A spouse will lose his or her certificate in the following circumstances:

a) upon the dissolution or annulment of the marriage, unless the holder has been married to a Caymanian spouse for 10 years or more;

b) upon the spouse ceasing to possess Caymanian status;

c) upon the spouse or the holder ceasing to be ordinarily resident in the Islands;

d) when the holder has commenced living apart from the spouse under the decree of a competent court or under a deed of separation; or

e) when the holder is living apart from the spouse under circumstances where, in the opinion of the Board, the marriage has irretrievably broken down.

In the event that the spouse is also the parent of a Caymanian child, application could be made for a continuation of the certificate until the child has achieved the age of 18 years. If the child is enrolled in tertiary education, the parent may apply for a continuation of that certificate until the child has completed tertiary education or reached the age of 24 years, whichever is earlier.

This should ensure that if a non-Caymanian spouse is involved in an abusive relationship they would not be forced to remain in that marriage for the sake of a Caymanian child.

2. Dependants of Spouses of Caymanians

Dependants of spouses of Caymanians, who are under the age of 18 years and who have been declared on the initial application, will be permitted to accompany the spouse and to reside in the Islands, provided that the Board is satisfied that the spouse can maintain these dependants in order to ensure that they do not become a charge on the Government.

They will not, however, become Caymanian as the result of being the step-child of a Caymanian. As you will see in my earlier comments on the automatic rights to Caymanian status, only biological or adopted children of Caymanians will have that right. Should the spouse of a Caymanian move on to acquire status, the children will acquire rights at the same time as their natural parent.

Once they have reached the age of 18 years, the dependants of spouses of Caymanians should, in most circumstances, be granted the right to permanently reside with the right to work, provided that the spouse still possesses a certificate, or has become a Caymanian. This offers the children the same privilege as their parents, and prevents any hardship arising from the division of families. Such grants should be made only after the proof has been provided that the applicant is of good character and conduct, and should be restricted to those children who have remained resident in the Cayman Islands for at least seven years prior to their application, save for periods spent abroad in full-time education.

In the event that the dependants reach the age of 18, but are enrolled in full-time education, they may be permitted, at the Board's discretion, to remain as dependants on the spouse's certificate until they have completed full-time tertiary education or reached the age of 24 years, whichever is earlier. At that time, the dependant should have the same rights as those outlined for the 18-year-olds, save that the qualifying period of residence should be seven years, plus a year for every year past the age of 18 spent in full-time tertiary education.

Mr. Speaker, the provisions will ensure a fairer process for persons married to Caymanians, who will no longer need to be part of the regular work permit system. At the same time, it ensures that any dependants a spouse brings with him or her are tied to that spouse, and cannot automatically gain Caymanian status simply because their parent becomes married to a Caymanian. It changes the whole regime.

Residential Certificates for Wealthy Retirees (RCRs)

One of this Government's goals is to attract to the Islands wealthy retirees who wish to reside in the Islands for the purpose of retirement. It is in the best interests of the economic and social future of the Islands to allow such persons to invest here and to spend part of their year here in the Islands. Mr. Speaker, under the new Law, such persons will be offered a track system, which will entitle them to receive a 25-year certificate from the Chief Immigration Officer, which can be renewed at the end of that time.

In most circumstances, such persons will be over the age of 55 years and of independent means, although the Board will have the discretion to grant it to younger applications. This form of residence will not allow a person the right to work, and will not be issued to any applicant who has dependent children who are younger than 16 years of age. This restriction is intended to ensure that these individuals do not have dependants who also want to reside in the Cayman Islands.

Applicants can only qualify as persons of independent means if they satisfy the Board that they have made a substantial investment in a development in the Islands, or in other local businesses. They must also provide satisfactory evidence of access to a continuous source of income that is available to them without restriction, and without the need to engage in employment in the Islands.

1. Dependants of Wealthy Retirees

Spouses and dependent children over the age of 16 years who are at college, university or some other tertiary educational establishment should be entitled to reside in the Cayman Islands on a Residential Holder's (Dependant's) Certificate. Upon the death of the certificate holder or upon the dissolution of the marriage, a spouse's right to reside should cease, unless he or she applies to the Board for his or her own certificate. In the event that a spouse qualifies in his or her own right for a certificate, application could be made upon surrender of the Residential Holder's (Dependant's) Certificate for a grant of a certificate in his or her own right, subject to the application satisfying the criteria outlined above.

The right of a dependent child to reside in the Cayman Islands with a parent who holds a certificate should cease upon that dependant completing his or her tertiary education or attaining the age of 24 years, whichever is earlier.

2. Loss

A wealthy retiree may, at the discretion of the Board, lose a certificate if any of the following reasons exist:

a) in the event that the holder's investment within the Islands falls below the minimum requirement of investment as provided in the regulations;

b) in the event that the holder's continuous source of income falls below the minimum required sum; or

c) if the holder is not ordinarily resident in the Islands for a period of more than 90 days in any 365-day period, save for educational purposes, health reasons, or international business.

We might look at that in the Committee stage, with a view to cutting it down. Some people have talked to us, feeling that 90 days may be too long. However, this is something I will take advice on before we get to Committee stage.

Residential Certificates for Entrepreneurs and Investors

Additional special provisions have been introduced in this new Bill to attract eligible wealthy investors and entrepreneurs, who can make a significant contribution to the economy, or the cultural or artistic life of the Cayman Islands.

Any person who has a proven track record in business, who has a substantial personal net worth, who has invested substantial funds in a business or development licensed in the Cayman Islands, and who will create employment opportunities for a minimum number of Caymanians will be invited to apply to the Chief Immigration Officer for a 25-year certificate, which will entitle him or her, and his or her spouse, to work in their business investment. This certificate can be renewed thereafter.

1. Dependants

In this category, spouses and dependent children will be entitled to reside in the Cayman Islands with the certificate holders on a Residential Holder's (Dependant's) Certificate. Upon the death of the certificate holder or upon the dissolution of the marriage, a dependant's right to reside should cease. In the event that a spouse qualifies in his or her own right for a certificate, application could be made upon surrender of the Residential Holder's (Dependant's) Certificate for the grant of a certificate in his or her own right, subject to the application satisfying the criteria outlined above.

The right of a dependent child to reside in the Cayman Islands in this category, with a parent who holds a certificate, should cease upon that dependant reaching the age 18 years. Those dependants who reach the age of 18 but are enrolled in full-time tertiary education may continue as dependants on their parent's certificate until they complete full-time tertiary education or reach the age of 24 years, whichever is earlier. Upon loss of this right, the dependant can either apply in his or her own right for a certificate, or apply under the point system for permanent residency with the right to work, if he or she has been resident in the Islands for eight consecutive years prior to the application.

2. Loss

How would they lose that certificate, or that right?

a) Their investment in a business or in the Islands falls below the investment required in the new directives, or they lose of the licence to own and operate the business. (Evidence of the investment should be provided each year in the form of a financial statement).

b) The applicant does not reside in the Islands for a period of 90 days in any 365-day period, save for educational purposes, health reasons, or international business.

This residency requirement has also been the subject of much debate. Under the current Law, a permanent resident need only visit the Island once a year, for a day. Originally, it had been proposed that they be required to spend 180 days here, since they would have to be outside most countries for 183 days in order to receive any tax benefits. It would be in the best interests of the Islands for them to spend that time here. They would shop in our supermarkets; dine in our restaurants; rent a car, perhaps; hire cleaning services and so on. This would be all good for our economy. However, it was pointed out by certain associations that most wealthy persons have several addresses worldwide, and that such a stringent residency requirement may discourage such people from applying.

The Government has therefore proposed to reduce the period to 30 days at Committee stage. This will ensure that such persons spend some time here, that the residency is not used merely for convenience, and that they at least spend a month in every year here. At the same time, it will give such people the flexibility they need to travel internationally. It is intended that this same amendment will be made for the Wealthy Retirees category, as I said earlier.

General Provisions for Loss of Caymanian Residence

In addition to the provisions for the loss of each type of residence, as already explained, residence of any type will be lost in the following circumstances:

a) if the holder organises or engages in subversive political activity, or organises, causes or promotes racialism within the Islands;

b) upon proof that any information applied in the original application was false and concealed any material fact;

c) if the holder has been convicted of any offence under the Immigration Law;

d) if the holder has been convicted of an offence under any other Law;

e) if a deportation order is made in respect of him, or the holder has been previously deported, removed or repatriated from the Islands; or another law within the Cayman Islands, in respect of which a term of imprisonment in excess of 12 months could be imposed, the time for lodging an appeal has elapsed and no appeal is pending;

f) if the holder is repeatedly convicted of lesser offences to those referred to immediately above this recommendation so that, in total, he is sentenced to imprisonment for a period exceeding 12 months;

g) the holder has been convicted of an offence under the laws of another country, and the Board is of a view that as a result of that conviction, the holder's continued presence in the Islands would be contrary and not conducive to the public interests;

h) if the holder becomes a destitute person;

i) if the holder is mentally disordered or mentally defective as defined in the Mental Health Law (1997 Revision);

j) the holder is certified by any medical practitioner to be suffering from a communicable disease that makes his entry in the Islands dangerous to the community;

k) the holder is responsibly believed-

i. to be a prostitute and to have come to the Islands for the purposes of prostitution; or

ii. to be living on, or receiving; or

iii. to have lived receiving the proceeds of prostitution; or

l) the holder is deemed by the Governor to be an undesirable inhabitant of the Islands.

THE RIGHT TO BE CAYMANIAN

The possession, acquisition or conferment of the right to be Caymanian to any person born or resident within the Cayman Islands entitles that person to an unfettered right to reside, to work, and to participate in the economic life of the Islands. Subject to provisions of other laws, the conferment of the right to be Caymanian also gives the person the opportunity to participate in the political life of the country. There is no distinction in the present Law between a Caymanian as of right and a Caymanian by grant. As a result, all persons falling under the above-mentioned categories are called Caymanian status holders.

Prior to debating the provisions in the Bill for the right to be Caymanian, I would like to pause for a minute to clarify the confusion that has arisen in the

community over the difference between being Caymanian and having a Caymanian passport—that is, being a naturalised citizen.

1. Granting of Citizenship

As a result of our somewhat unique position as an overseas territory of the United Kingdom, a person's legal rights as a person of Caymanian status are separate and independent of his right to apply for, or possess, citizenship. In reality, we have no means of controlling who is granted British or British Overseas Territories citizenship as a result of his or her connection with the Cayman Islands. The conferment of such citizenship is dictated by The British Nationality Act, 1981, as amended from time to time in the United Kingdom. The current criteria for the grant of British Overseas Territories citizenship are as follows:

a) the applicant must be resident within the territory for five years;

b) the applicant is settled within the territory for a period of 12 months, save for spouses of British Overseas Territories citizens (BOTCs). That is, the applicant is within the territory without any restriction on his right to remain within the territory;

c) the applicant is of good character;

d) the applicant has physically resided in the territory for 260 of the last 365 days prior to application;

e) the applicant is a minor and is born to parents who qualify as above; and

f) the applicant is a minor who is born within the Cayman Islands.

These criteria ensure that most other nationals ordinarily resident and settled within our territory will qualify for a grant of citizenship within the Cayman Islands after five years. This does not include work permit holders, due to the legal requirement that a person must be settled (as opposed to habitually resident) in the territory in order to be eligible. Persons who are permanently resident, or who possess Caymanian status, are considered settled in the territory and are, therefore, eligible to apply for a grant of British Overseas Territories citizenship.

As a result of the differences between the criteria to become a British Overseas Territories citizen of the Cayman Islands under the British Nationality Act, 1981, and the criteria to apply for the grant of Caymanian status under The Immigration Law (2003 Revision), there are a large number of persons within the Cayman Islands who hold citizenship but not Caymanian status, or vice versa. Now, we have rectified some of that.

The concept of being Caymanian has become fractured over the past years of growth and immigration to the Islands, and is increasingly difficult to define. Descendants of "original settlers"—that is, persons who can trace their ancestry back several generations—consider themselves "true" Caymanians, and are increasingly concerned by the threat that they may be outnumbered by the immigrants, who have continued to arrive in the Islands in large numbers since the early 1970's.

Suspension of Standing Order 10(2)

The Speaker: Honourable Members, we have now reached the hour of 4:30 pm. I have received notice that it is the wish of Members that the business of the House should continue beyond 4:30 pm. Accordingly, I would ask the Leader of Government Business to move the suspension of Standing Order 10(2), and would mention also that I do propose to take the afternoon break of 15 minutes after the suspension.

Hon. W. McKeeva Bush: Thank you, Mr. Speaker. I move the suspension of Standing Order 10(2) in order to conduct business after 4:30 pm. I would think that Members would want to work later into the evening. I understand that that is what was agreed, in order to try to finish up some of the work. Christmas is drawing near and we do not have many days left in the year. We had proposed to work late tonight and, in fact, to come back tomorrow after Cabinet, by 2:30 pm. I think we had said that we would work until 8:30 pm tonight, and I think we need to work, to complete some of this business, Mr. Speaker.

The Speaker: The question is that Standing Order 10(2) be suspended so that the House may continue proceedings until 8:30 pm this evening.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 10(2) be suspended to allow proceedings to continue until 8.30 pm.

Proceedings suspended at 4.31 pm

Proceedings resumed at 5.06 pm

The Speaker: Please be seated. Proceedings are resumed. The Honourable Leader of Government Business is continuing, with 33 minutes remaining.

Hon. W. McKeeva Bush: Thank you very much, Mr. Speaker.

In November 2001, when the United Democratic Party came into office, there were over 6,000

persons living in the Islands who were not Caymanian, but who had resided here for 10 years or more, and over 300 persons who had resided here for over 30 years. These long-term residents, who have settled or resided in the Islands with a fixed intention of remaining here, are concerned with the lack of security of tenure offered by the current Immigration Law (2003 Revision), and many were planning to leave, or to settle elsewhere. In addition, international law, specifically in the realm of human rights, requires jurisdictions to accept certain immigration standards in their treatment of nationals and residents. In particular, as previously outlined, the European Convention on Nationality, 1997 provides that third parties resident in this jurisdiction be given an opportunity for citizenship once they have resided here for 10 years or more.

It was the Government's view that a compromise between these two interest groups was necessary, and provisions had to be made to ensure that those with close ties to the Cayman Islands, whether by birth, descent, or residence, were afforded the right to be or to apply to be Caymanian. In addition, to ensure that there was greater integration generally between all Caymanians, we have decided to abolish the term "Caymanian status" and that instead, persons would be called "Caymanians" if they fall into one of the following categories:

a) persons who possessed Caymanian status under any earlier law;

b) persons who, at the time of their birth, are Caymanian as of right, hereinafter referred to as "Caymanians as of right";

c) persons who have become Caymanian by grant of the Immigration Board, hereinafter referred to as "Caymanian by grant of the Board";

d) persons who, after the date of their birth, became Caymanian by automatic acquisition, hereinafter referred to as "Caymanian by automatic acquisition".

A. Born Caymanians as of Right

1. Definition in Current Law

The present Law provides for persons born in or outside the Islands to persons who possess Caymanian status to acquire Caymanian status at the time of their birth if at least one parent is domiciled in the Islands at that time.

2. Definition in the New Law

Under the new Law, a new definition of "Caymanian as of right" has been created. This definition therefore reads as follows:

a) Any person born after commencement of the new Law, whether in or outside the Cayman Islands, at the date of whose birth at least one of his parents was settled in the Cayman Islands and was Caymanian, as hereinafter defined.

b) Any person born outside the Islands, after the commencement of the new Law, at the date of whose birth at least one of his parents was Caymanian otherwise than by descent, as hereinafter defined.

"Caymanian by descent" has been defined as a person born outside the Islands to a parent or parents who were Caymanian, but were not settled in the Islands. In other words, the power of persons settled overseas to automatically confer the right to be Caymanian on children born outside the Islands will not extend to the children of those children.

Where a person is "settled" has been defined as the place in which that person has his present home, in which he resides, or to which he returns as his place of permanent abode, and not for mere special or temporary purpose. For the purpose of the Law, a person shall not be deemed to be settled within the Cayman Islands unless he resides in the Cayman Islands without being subject, under the Immigration Law, to any restriction on the period for which he remains. A person shall be deemed no longer settled within the Cayman Islands if he voluntarily goes and resides outside the Cayman Islands (except for a special or temporary purpose), with the intention of making his home outside the Islands.

3. Recommendations for the Definition of a Child in the new Law.

It is also important that the new Law contain a clear definition of "child" in its definitions section. The definition of "child" in the new Law includes the biological or adopted child of a person of Caymanian status, whether legitimate or illegitimate. However, the new Law requires proof in the case of an illegitimate child as follows:

a) proof that the child has been legitimated by reason of the operation of the Immigration Law—that was the 1997 Revision, as amended; or

b) where the person of Caymanian status claims to be the father of the child, proof to the satisfaction of the Chief Immigration Officer that he is, in fact, the father of the child, and undertakes responsibility for the maintenance of the child.

If the father of an illegitimate child requires his status as a Caymanian to be taken into account in determining whether a child is Caymanian, he must be held legally responsible for the child's maintenance and support during its minority. To require otherwise,

Mr. Speaker, would lead to a society in which Caymanian men simply fathered children without responsibility. Such children, depending on the circumstances of their mother, could end up relying on the Government of the Cayman Islands for their support and maintenance. We do not have to look far to understand this particular situation. We see it, we know it, and it happens. All of us, as representatives, are sometimes confronted with that situation.

B. Caymanian Status by Grant of the Immigration Board

1. Status on the Grounds of 10 Years' Residency

Under the new Law, any person ordinarily resident within the Islands for ten years will not be eligible to apply for the grant of Caymanian status on the grounds of their residency alone. In view of the fact that a grant of Caymanian status entitles the holder to all the rights and privileges of a Caymanian, it has been decided that such a grant should be reserved for persons married to Caymanians, widows or widowers of Caymanians, persons of Caymanian descent and British Overseas Territory citizens, by virtue of their connection to the Cayman Islands.

2. Status on the Grounds that a Parent or Grandparent is a Born Caymanian

Unlike the old Law, no qualifying period of three years has been retained. If a person is the child or grandchild of a Caymanian as of right, he will be entitled to apply to the Immigration Board for the grant of Caymanian status once he becomes ordinarily resident in the Islands.

3. Status on the Grounds that the Applicant is a British Dependent Territories Citizen

For British Overseas Territories citizens who have been naturalised or registered, a time period of five years from the date of their certificate of naturalisation or registration has been added to ensure a proper waiting period prior to the applications being made by them to become Caymanians.

4. Status on the Grounds that the Applicant is the Spouse of a Caymanian

For spouses, widows, and widowers of Caymanians, the new Law provides that for the first seven years, they will exercise the right to apply for a work permit or residence certificate. After seven years of marriage, they will become eligible to apply to become Caymanian by grant from the Board. Such a right would be lost if they were to divorce prior to attaining ten years of marriage. After ten years, provided the person was residing in the Islands, it would be difficult (if not impossible) to refuse them rights of citizenship.

It should be borne in mind, Mr. Speaker, that at the time that the spouse of a Caymanian acquires the right to become Caymanian, children of that spouse will also become Caymanian by automatic acquisition, provided that these children are ordinarily resident in the Islands at that time.

5. Status on the Grounds that the Applicant is the Widow or Widower of a Caymanian

A provision has been added that the widow or widower must have been married to the Caymanian for at least seven years. This is the same time period as required for spouses. Having regard to the overall timeframes contained in the new Law, it would be inequitable for a widow or widower to have the right to apply to the Board to become Caymanian without any regard for the length of time the applicant had been married.

Under the current Law, in the event that the applicant had been married to a Caymanian for one day, he or she would be eligible to apply. However, accepting the difficult situation in which widows or widowers usually find themselves, the new provisions allow such persons to apply to the Chief Immigration Officer for the right to permanently reside in the event that they were not married for seven years at the time of the spouse's death.

6. Caymanian Status Over the Age of 18 Years

This section has been amended to allow any person whose status would be, or was, in fact, lost on his 18th birthday to apply to the Board for the grant of the right to be Caymanian. In the event that the applicant is over the age of 18 years, the new grant will take effect on the date that it is granted by the Board. This has been varied by the Government because of the difficulties experienced in the past by applicants who possessed Caymanian status until the age of 18 years, but were not aware that they had to apply for a continuation during their 17th year. In view of the fact that many 17-year-olds are busy studying, or may be away at school, it is unfair that the right to be Caymanian should be lost forever. It should be left to the discretion of the Board to decide whether or not to bestow the right to be Caymanian on an applicant who has lost the right at 18 years.

C. Caymanian Status by Automatic Acquisition

Any child of a Caymanian or a Caymanian status holder will have the right to be Caymanian until the age of 18 years, except for children not ordinarily resident in the Islands.

D. The Criteria for the Immigration Board's Consideration on the Grounds of Caymanian Status

All eligible groups should fulfil the following basic criteria:

a) applicants should be of good character and conduct, and there should have been no objections received, from persons of Caymanian status, to the grant;

b) applicants should have sufficient financial means to support themselves and their dependants;

c) applicants should have clean records; they should not have used or been involved in illegal drugs;

d) applicants should not have been involved in financial problems, including bankruptcy or liquidations of companies or entities, especially where creditors have not been repaid the whole of their debts;

e) applicants should be in good health and should not suffer from any form of communicable or mental disease that would make them a danger to the community; and

f) applicants should not have been involved in organising, or engaged in, any subversive political activity; they should not have organised, caused or promoted racialism or any other illegal activities within the Islands.

In addition, Mr. Speaker, each category should have specific requirements as follows:

a. Persons Over 18 Years with Caymanian Parents or Grandparents

Other than the general requirements outlined, applicants under this section should qualify upon proof that their parent or grandparents were Caymanians as of right, and that they now reside in the Cayman Islands.

b. British Overseas Territories citizenship (BOTC) by Naturalisation or Registration

This could potentially be the largest group of applicants. It may include every category of resident, from wealthy retirees who have previously been granted the right to permanently reside, to long-term work permit holders granted that right, as well as those born in the Islands, their spouses and minor children. In order to stagger the integration of such a potentially large group into the economic and political fabric of the Islands, it has been decided that such persons will not become eligible until they have held BOTC for a period of at least five years immediately preceding their application.

In addition to the general requirements outlined above, the Board should also ensure that the following criteria have been considered:

i. the economic situation of the Islands and the due protection of persons already engaged in the same or similar businesses as the applicant in the Islands;
ii. the desirability of retaining, in the control of Caymanians as of right, the economic resources of the Islands;
iii. the number of dependants who would be entitled to reside and/or become Caymanian, were the application to be granted;
iv. the economic and social consequences that would result, were the application to be granted; and
v. that the grant would not be contrary to, and is conducive to, the public interest.

c. Spouses, widows, and widowers of Caymanians

It was earlier stated that in order to be eligible to apply, both categories of applicants should have been married for at least seven years. In addition, all applicants should have to satisfy the Board that:

a) they have been residing in the Cayman Islands for at least three years immediately preceding the application;

b) they are not living separate or apart from their spouse at the time of the application and have not lived separately or apart from their spouse for more than three months during the past seven years immediately preceding the application;

c) the marriage is genuine and intact, and not entered into for the purposes of settlement in the Islands, or to gain an immigration advantage under the Law.

In deciding whether an applicant complies with the above time limits, the Board should take into account any period spent apart from the spouse, or away from the Islands, except where such period was for medical, educational and/or international business purposes.

E. Loss of Caymanian Status

Once a person has obtained Caymanian status, there should be very limited circumstances in which such status could be lost. They are restricted in the new Law to the following:

a) upon the Board being satisfied that any information to the Board was false, or concealed any material fact;

b) upon the Board being satisfied that the holder has been ordinarily resident outside the Islands for a period of five years and in circumstances where he or she is no longer domiciled in the Islands;

c) the holder is a subject of a deportation order made by the Governor in Cabinet;

d) the holder being the spouse of a Caymanian in circumstances where the Board is satisfied that the marriage was entered into to gain an advantage under the Immigration Law;

e) the holder being the spouse of a Caymanian, the marriage becomes dissolved or annulled; or the holder commences to live apart from the spouse under the decree of a competent court or under a deed of separation; or in circumstances where, in the opinion of the Board, the marriage has irretrievably broken down—in all instances within three years of the grant of Caymanian status by the Board;

f) the holder being deemed to possess status by automatic acquisition—that is, by virtue of being the child of a person who is Caymanian by grant of the Immigration Board, but has not been resident in the Islands for a period of seven years immediately before reaching the age of 18 years.

ENTRY AND LANDING

In addition to the new provisions outlined above, Part VI, Part VII and Part VIII of the new Law deal with entry and landing provisions, asylum and deportation. They streamline and modernise the current provisions, bringing our asylum legislation up to the United Kingdom's standards and ensuring that unrealistic requirements—such as the obligations of an immigration officer to meet the passengers of every vessel, including cruise ships, which often preclear their passengers by providing the country with a passenger list in advance—are no longer necessary.

In addition, fines for committing offences under the Law have been increased. It does not take much imagination to understand why a person might risk working without a work permit if the fine for doing so is $2,000, but the cost of a work permit would be $10,000.

CONCLUSION

In conclusion, Mr. Speaker, this piece of legislation has been a long time coming. It is an issue that has been debated and discussed for at least the last decade, and before. It has been the subject of recommendations made by a Committee of this whole House, sitting for three years; Vision 2008; the Immigration Review Team; The Caymanian Bar Association and other private sector bodies who wanted to have an input. This very Bill has recently been through an intensive period of public scrutiny, and various amendments have been made as the result of input from the Council of Associations, the Caymanian Bar Association, the Cayman Islands Law Society, and other private sector groups.

Let it be known, Mr. Speaker, that this United Democratic Party Government will continue to do everything in its power to protect Cayman for Caymanians, be they new Caymanians or old Caymanians. We will continue to ensure that our reputation as a well-regulated country, with sound legislation and good governance, will continue for the sake of our next generations, as well as our own.

I have been questioned as to why the Civil Service is not included. There will soon be a new Public Service Law, and at that point, we will deal with the aspect of civil service.

As I see it, this Law is important. It brings into being a whole new way of governance for immigration, and new policies. Everyone involved has worked tirelessly to get to this day. I ask Members to bear that in mind, and to let us work in one accord on this matter.

Thank you very much, Mr. Speaker.

The Speaker: Does any other Member wish to speak? The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you, Mr. Speaker. The Opposition is glad to see forward movement in regard to the new Immigration Bill. The points I raise will be directly related to the Bill and its various sections. Other Members will concentrate on the broader aspects of the legislation.

In going through the proposed Bill itself, I want to refer to certain sections. In order to save time, I would crave your indulgence to be able to refer to the Bill itself once, and sometimes to be able to read directly from certain sections in short order.

The Speaker: So ordered.

Hon. D. Kurt Tibbetts: Thank you, Sir.

Members of the parliamentary Opposition sat at length and went through the original Bill that was provided to us. We now have the amended version being considered in the Legislative Assembly today; hence in cross-referencing both of these documents, we have some points to raise, some points we wish the Government to consider, and perhaps a few changes that might result in a better document. I am going to refer to those as I move along now.

Definitions: In the definition section of the proposed Bill: "**"professional employee" means a person qualified as a lawyer, accountant, medical professional, architect, surveyor. . .**" and what has been added into this last amended version is **". . . teacher, minister of religion or qualified in any other occupation recognised by the Work Permit Board as a profession;"**.

Originally, we wondered as to the definition. Even though two professions, **"teacher"** and **"minister of religion"**, have been added to the definition, the question in the air is: "How is the Work Permit

Board going to decide what other occupation is recognised as a profession? Is this something that is going to be issued, either in regulations or by directive? Is the Board, from time to time and depending on its composition, going to decide, as a matter of policy within itself, what professions fit the category of professional employee?

It is all a matter of clarity. That is what we are seeking. Although this is specific to certain professions, one might not wish to leave the Board with latitude regarding what they might consider a qualifying profession. Someone could make an application under the category of professional employee, and there is no fixed definition. The applicant might consider himself a professional employee, but the Board counters against it. If we leave it in the air for the Board to decide, from time to time and depending on its composition, or depending on the question that arises, how do we decide who is right? If there is a way of achieving clarity, then it would be good to deal with it now.

We also see in the definition section that "**"step-child" means a child of one of the parties to a marriage born in wedlock to a previous marriage of such party**".

According to this definition as we understand it, if an individual is the child of one of the parties to a marriage, but when that individual was born, both of his or her parents were not married, that individual cannot be considered a step-child. We had a recent amendment to The Status of Children's Law—or rather, it was a new Bill that was passed and became the Status of Children Law, 2003. I am having it cross-checked, but I am of the present opinion that this definition might well run counter to the principles that are applied in that Law in regard to non-discrimination between legitimate and illegitimate children.

If we are to follow that new Law, which speaks to non-discrimination, then I would subscribe to the view that this present definition is discriminatory. If that piece of legislation supersedes this, then there is a question of legality, so we have to look at this very carefully. Without debating it at length, I want to believe that I understand the intention. Understanding the intention, and what obtains when we compare it with the other Law, are matters that cannot be discarded. We need to look at that carefully before we get to Committee stage to ensure not only that this is the intent, but that it is correct for the definition to remain as is. The Status of Children Law that was recently passed was very specific about not discriminating between legitimate and illegitimate offspring. This is doing exactly the opposite: it is clearly drawing the line, and saying that a child, to be deemed a step-child, has to be a legitimate child. This is something that has to be considered. It is well worth raising.

For ease of reference, the green copy of the Law I was referring to was entitled, A Bill for Law to Reform the Law Relating to Children by Providing for their Equal Status; and for Incidental and Connected Purposes. Part II, Equal Status of Children, section 3(1) reads: **"(1) Subject to subsection (2) for all of the purposes of the Laws of the Islands a person is the child of his natural parents and his status as their child is independent of whether he is born inside or outside of marriage and all other relationships shall be determined accordingly."**

"All other relationships" would also mean a case in which the child was illegitimate, and one of the parents was afterwards married to someone else, if, after entering the marriage, that person (other than the father or mother, depending on which is the natural parent) wished for the child to be the step-child within that marriage. Therefore, there is a specific difference that we need to be looking at.

Section 3(2) speaks to adoption; hence, I do not have to refer to that, because we are not speaking of an adoption in the definition here.

Section 3(1) of the Status of Children Law, 2003 needs to be compared with the Immigration Law, to make sure that we have it right within this piece of legislation. From what I have just read, it would appear that it needs to be corrected. It is not right as it is.

Section 8. Meetings of Boards: Moving on, I will read section 8(1) of the Immigration Bill, 2003: **"Each Board shall meet at least once in every calendar month and upon such other occasions as, in the opinion of its Chairman, may be necessary or desirable in the public interest."**

This refers to the three boards to which we speak, not the Cayman Brac and Little Cayman Board. They have their have their special section, which defines it.

Section 8(4)(c) says that **"five members present shall form a quorum."**

When we look at the composition of these boards, the numbers are not consistent. For example: **"The Caymanian Status and Permanent Residency Board shall consist of . . ."**

… a Chairman, a deputy Chairman, one member for each of the six electoral districts, the Chief Immigration Officer or his designate, an Administrator or his designate, a Secretary and an assistant Secretary, which totals 12 people. The Business Staffing Plan Board shall have a Chairman, a deputy Chairman, six representatives from the business community, the Director or deputy Director of Employment Services, the Chief Education Officer, the Chief Immigration Officer, an Administrator or his designate, a Secretary and assistant Secretary, which makes 14.

There is clarity in each subsection as to which members of each board cannot vote. We note that the Chairman, the deputy Chairman and the six other members, at all times, are voting members, but in one board, you have four additional members who cannot vote, and in another board you have six. Therefore, you have eight voting members, and depending on the board, between four and six who cannot vote.

However, section 8(4)(c) says that: **"five members present shall form a quorum."**

It does not say that "five voting members present shall form a quorum."

I am quickly looking for the subsection which refers to which members cannot vote, Mr. Speaker. As I understand it, the Business Staffing Plan Board will have a Chairman, a deputy Chairman and six other representatives from the business community. It also has the Director or deputy Director of Employment Services, the Chief Immigration Officer, the Chief Education Officer, an Administrator or his designate, a Secretary and an assistant Secretary. That Board has six individuals who are not voting members. Unless there is something I am missing here, they are still treated as members. It is just that their membership is qualified, and they cannot vote. If: **"five members present shall form a quorum"**.

Then, as it reads, it is possible for that board to have a quorum without being able to vote. There are six people who are members who cannot vote, but five members present form a quorum. I make that point to say that this needs to be looked at.

Where we see five members forming a quorum, we assume they would be voting members. It needs clarity to ensure that there is no question about it. I am assuming that the five members forming a quorum are simply the majority of those who are present and can vote. If there are eight voting members, a majority of eight is five. If our take on it is correct, then a qualification is required to ensure that the five members present, forming the quorum, are voting members.

Section 9. Duty of confidentiality: This is not a section about which we are complaining, but it is a very important section. With your permission, I will read it. Section 9(1) reads: **"The fact and any particulars of, or relating to, any matter falling for consideration by, or the decision of, a Board shall be treated as confidential by each member of that Board and he shall not disclose any such fact or particular otherwise than in the proper performance of his duties under this Law or in compliance with the order of a court of competent jurisdiction."**

That is crystal clear. Section 9(2) reads: **"(2) The failure of any member to comply with subsection (1)-**

(a) is an offence; and

(b) constitutes a sufficient ground for the termination of his appointment."

I raise that point because we consider it important that all members of the Board, voting or non-voting, are not only aware of this, but are always reminded of it, to ensure that confidentiality remains intact.

That is not the only point. I am sure we all appreciate the reasons why confidentiality should remain intact; I do not have to go into a long story about that. However, there are other individuals who have access to the same information, but are not members of the Board. We hold the view that there should be something in this Law referring to people who have access to this information, but are not members of the Board. They, too, should have to pay cognisance to that fact—meaning that they are not excused from being held liable in the same manner as the members of the Board. It might be that we wish not to include that in the legislation, but I would subscribe to the view that it should be there. When it comes to sensitive information about individuals, or even entities, one may never know whether certain information may be given out—not only publicly, but to interested parties who can benefit or thwart the efforts of such an entity. That is not a fair situation and no Board should have to be party to that, whether directly, indirectly, purposely or inadvertently. There should be some consideration of the liability of all individuals who may have access to such information. We agree with the section regarding the members of the Board. We are saying that perhaps consideration needs to be made for it to go a little further.

We have not been specific with this recommendation, because I cannot stand here knowing exactly how it works, where we would draw the line, or who would have access at any point in time. That is why the recommendation is a general one. In the worst-case scenario, Mr. Speaker, if it is deemed that the legislation is not the logical and practical place for it to be, then something, somewhere, should ensure that those who have access to this information recognise the need to retain confidence, and that there are some sanctions, if that confidence is not retained.

Section 15. Appeals from the decisions of the Boards: Section 15(1) is another important section, and we are happy to see that the latest version has been added to, in regard to the following: **"Any person aggrieved by, or dissatisfied with, any decision of a Board other than a decision under Section 14 . . ."**

When we got the original copy of the Bill, it spoke of someone being able to appeal by way of a re-hearing of the Immigration Appeals Tribunal. We were worried that there were no specific criteria to allow the appeal. We are happy to see that there is a new subsection 15(2), which says: **"(2) An appeal under subsection (1) may be lodged on the ground that–**

(a) it is erroneous in law;

(b) it is unreasonable;

(c) it is contrary to the principles of natural justice; or

(d) it is at variance with the Regulations."

For the purposes of clarity, when I used the word, "allowed", I did not mean that an appeal is granted. I meant that the appeal is allowed to be heard on these grounds. We had questions about the

fact that the Immigration Appeals Tribunal would have to have a complete re-hearing if an appeal were going to be heard, but there were no set criteria to allow that. Now that we have these criteria in subsection (2), we do not have any problems with it. From the point of view of the person who is lodging the appeal, it is fair that the Appeals Tribunal should hear the entire case, and be able to come to a decision on the Appeal with the full information available to it. Beforehand, we had some concerns that what might be termed "frivolous appeals" could be lodged, and could waste everybody's time. Now, at least, it is one of these four criteria that would allow the appeal; otherwise, there is no ability for that appeal to be heard.

The right to appeal is not an automatic one. It is one that has to be made on the ground that:

> **"(a) it is erroneous in law;**
> **(b) it is unreasonable;**
> **(c) it is contrary to the principles of natural justice; or**
> **(d) it is at variance with the Regulations."**

We thought we would raise that point because it is important for it to move forward in that manner.

Section 18. Decisions to be administrative: We move on to section 18(3), which reads: **"Failure of a Board to inform an applicant of the right of appeal referred to in subsection (2) shall not of itself give rise to a right of appeal under section 15 and failure to give reasons as required by subsection (2) when first promulgating its decision to reject an application shall not give rise to such a right of appeal if the Board gives them to the applicant subsequently."**

That is quite fair. However, Mr. Speaker, we believe that if any one of the Boards makes a decision, there should be a defined and reasonable time period in which they shall give those reasons to the applicant in writing. I do not see any other specific section or subsection here. In my view, this is saying that if you were the applicant, Sir, and your application were refused, then the Board would not have to give you any reasons. If you were to do certain things to spur it on, and if, after dragging it on and on, they finally did give you a reason, you would not have any right to appeal.

We believe there should be a specific time-line by which the reasons should be passed on to the applicant. That is only fair, when we look at both sides of the coin. If the Board has sat, and considered, and made a decision, then there must be logical reasons for that decision, one way or the other. There should be no difficulty, outside of physically producing letters, and no reason why the applicants should not be advised. I do not want to proffer here that I would know what this means in actual man-hours. What I do know is that these letters of reply to the applicant are sent out in any case; therefore, they should contain the reasons. I do not want to make a recommendation to say that that is how it must be worded in the Law, because, again, I am not sure about the logistics of that. I can only say it as I see it.

What we can say is fair is that as soon as it is possible, we should make it specific, within the Law, when this information should be passed on. Perhaps those who are involved will have a good feel for that. It has to be less work if the whole thing is done once, rather than in two letters. If one puts one's feet in the shoes of the applicant, it must not be left the way it is. I have heard, on numerous occasions, people complaining about the refusal of applications for work permits. They cannot understand why, and do not know what recourse they may have.

Mr. Speaker, in the new proposed Bill, there is a specific section that speaks of an applicant not having the ability to go back to the Board. I cannot remember exactly which section it is, but I remember reading it. At the least, the person must know exactly why the application was refused. If that person considers that one of the four criteria under which an appeal can be lodged has been met, then that person will have the right to make an appeal.

Our recommendation is that there should be some onus on the boards to have a specific time-line in which to give reasons to the applicant for such refusal.

Section 20. Categories of Caymanians: Mr. Speaker, we move on now to section 20, about which we have had much talk. The new section 20(1)(e) reads: **"20. (1) A person shall, for purposes of this law be deemed to possess the right to be Caymanian if – . . .**

> **"(e) the Governor, in his opinion finding special reason for so doing, grants such right to him".**

We have received letters of input from various individuals and groups, and consistently, every one of them was of the opinion that the Governor in Cabinet should not have the right to deem a person to be Caymanian.

When the matter was at is peak a short time ago, the parliamentary Opposition took the position that if the Governor in Cabinet were to retain this right, then there should be a specific limit set on an annual basis. The limit that we thought was fair and reasonable was the number six. That was twisted all over the place to try to say that we only wanted six grants of status annually, for anyone. However, that position was only to do with the Governor in Cabinet's ability to issue such grants. We thought long and hard about our position on that specific situation, so as not to prevent the Governor in Cabinet from making grants of status. Even if I cannot think of an example now, one could arise in which an individual might not be able to become Caymanian under the other provisions of the Law.

The whole world, including all of us, might agree that it is not only desirable, but the right thing, to make that person Caymanian—depending on what the circumstances are, and perhaps what the specific contribution to society might be.

Rather than say that it should never happen, we are allowing for that possibility, although it may perhaps be a rare occasion. Our middle ground is to set a limit of six for the Governor in Cabinet on an annual basis. That is our recommendation and the Government will have to decide what their position is.

I am making serious attempts to stay focused on what is being proposed, so as not to dilute the thought, as tempting as it may be. However, I wish that Government would give serious consideration to this, because I am totally convinced that when the original law was made, it was made in that spirit. The practice that obtained for years was never one in which more than that were given out on an annual basis—not that I know of. Perhaps the Government can speak about its own position. Our view is that in order to be fair to all the individuals who are eligible under the Law, granting status should be the job of one of the boards.

It allows for double standards, and sometimes triple standards, which aggrieve people. There is only one way to avoid that, and that is to have everybody move through the same process. I am sure that that is why these recommendations from individuals and outside groups have that conclusion in mind. We hold fast to that opinion, and believe that if there is any middle ground, or any compromise, it must be reached through limitations. These limitations would have to be in very small numbers. That is why we have come up with the number six. That would allow any special circumstance to be taken care of, but at the same time, the legislation would encompass the comfort of knowing that there could not be grants in larger numbers, which would be done in a different manner, and be unfair to individuals who would find eligibility under the Law.

This Bill is very specific. Once it is passed, the Law is going to have a definite and specific methodology by which a person can become a Caymanian or a permanent resident. There will be no quotas, and eligibility will be on fixed time-lines once this last quota that was issued is dealt with. Whoever is left after that quota is filled will have to fall in line with the new Law. We accept that, because we know that you have to draw the line somewhere, and you have to deal with it. We are not arguing about that. In fact, that is what we were trying to say from the very beginning.

It makes a difference if you have the open ability to extract individuals from that stream and deal with them differently. If we wanted to be totally fair to all involved, we would ensure that that could not occur. That is our position, and it is based on that principle. At the end of the day, we will have to see whether anybody picks up on it, or whether the Government retains the position that it has.

I was speaking about a clear definition of the way forward for individuals, so they know exactly where they stand. There is a difference between that and what obtains now, with quotas and the lack thereof. I am sure no one can disagree with me when I say that many individuals got to the point where they felt as though they had to know the right people in the right places to get some results. I am sure that the intention of this new Law is exactly the opposite: people know exactly where they stand from the day one and there is no argument about it. No one can say, "This one got this treatment and that one got the other treatment. What happened to me?" There is strength in our argument if one speaks to logic. I wish to make the point.

Section 21. Caymanian as of right: There is a quick point in section 21, where it says:

"In this Part "Caymanian as of right" means a child–

(a) born after the commencement of this Law whether in or outside the Islands, at the date of whose birth at least one of his parents was settled in the Islands and was Caymanian".

I want to be sure of this Mr. Speaker. I cannot say that I am 100 per cent sure, but if there is merit to what I am saying, it is important to raise the point. I will explain myself.

It speaks of a child born after the commencement of this Law. One might subscribe to the belief that a child born before the commencement of this Law would be dealt with; however, when this Bill before us is passed into law, the Law that we are under now will be repealed because we cannot have two immigration laws. The question is: What happens for a child who would fall into this category, but was born before the commencement of this Law, and has not done what was necessary? There may be individuals—

[Inaudible interjection]

The Speaker: Order! Order!

Hon. D. Kurt Tibbetts: As I said, there may be individuals who were born prior to this Law, but who have not gone through whatever process they had to go through to be recognised as a Caymanian. They may be living overseas. The way this reads, Mr. Speaker, it only speaks of the time after the commencement of this Law, which means there would be no window for such individuals, if I limit my thought process to this section. I do not know if there is another window elsewhere.

Perhaps to be safe, it should read, "a child born either before, or after, the commencement of this Law" rather than "born after the commencement of

this Law". That point is simply to ensure that there is no possibility of someone finding himself in an untenable circumstance, with everyone wanting to utilise the Law to regularise his situation, but not being able to do so. As we have seen in the Law that exists now, many times we are so near and yet so far. There is no provision to allow that person to become Caymanian. We wanted to ensure that there is consideration there.

Section 22. Acquisition of the right to be Caymanian by grant of the Board: This may not be right in the fore in the line of importance, but when we use the terminology "ordinarily resident", there is always some type of question as to whether one was ordinarily resident or not. We wonder whether there may not be room for some specific definition of that terminology. It would be good if there could be a specific definition, which would prevent any question arising, or anyone feeling that the interpretation of the Board is unfair.

The Minister spoke about section 22(7). That subsection reads: **"(7) Where the marriage referred to in subsection (6)(a) has not subsisted for a period of seven years or the grant of the right to be Caymanian has been refused by the Board, the surviving spouse may apply to the Chief Immigration Officer for the right to permanently reside in the Islands and the Chief Immigration Officer shall take into account the applicant's health and character".**

What we find strange, Mr. Speaker, is the last phrase: **". . . but such right to reside shall be lost upon the applicant's remarriage."**

Here we have a surviving spouse, either a widow or a widower. The Chief Immigration Officer has examined that individual's position, and has decided to grant him the right to permanently reside in the Islands. The person is not 70 years old, and might be in as good a physical condition as you, yourself. With life being what it is, that person may decide to remarry. What happens if that individual, who has the right to reside permanently, does not marry a Caymanian? It is not impossible. What this law is saying is that if I am the surviving spouse, and the Chief Immigration Officer gives me the right to reside permanently, the caveat is that I had better not get married to a non-Caymanian; otherwise, I will lose that right automatically. I am sure that is not the intention. However, that is what it says.

I cannot see that being the intention, because it serves no purpose—unless we are saying that if the surviving spouse acquires the right to reside permanently, the only way they keep that right is if they marry a Caymanian. Again, I do not think that is the intention, but unless I am missing something, that is what it says to me.

I read again**, "Where the marriage referred to in subsection (6)(a) has not subsisted for a period of seven years or the grant of the right to be Caymanian has been refused by the Board, the surviving spouse may apply to the Chief Immigration Officer for the right to permanently reside in the Islands and the Chief Immigration Officer shall take into account the applicant's health and character, but such right to reside shall be lost upon the applicant's remarriage."**

The reason I said "marry a Caymanian" is that the way this reads, even if he marries a Caymanian, he would lose the right, because it says "remarriage". At least if he were married to a Caymanian, other sections would *trip in* to allow him the right to reside in the country. I think that needs to be clarified, whatever the intention is. Frankly speaking, I want to believe that I understand the intention. However, I would have to totally disregard that last phrase if I said I understood its intention. When I put that into the equation, as my old friend, who is now deceased, would say, it leaves much muddy water.

Standing Order 13(2)

Hon. D. Kurt Tibbetts: Mr. Speaker, I do not know how important it is for a quorum to be here, but there does not seem to be one.

The Speaker: Honourable Leader of the Opposition, if are you bringing the attention of the House to the lack of a quorum, I will take a suspension and ask Members to remain in their seats while we seek to get a quorum in the House.

[Pause]

The Speaker: Honourable Leader of the Opposition, would you please continue?

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

Section 23. Matters for the Board's consideration: In the first Immigration Bill we received, section 23(b) said: **"In the course of processing an application for the right to be Caymanian the Board shall satisfy itself that– . . ."**

> **"(b) adequate consideration has been given to the number of dependants who would be entitled to reside in the Islands or become Caymanian by automatic acquisition should the application be granted".**

I am glad to see that they have cleared up that section. We understood what the intention was, but it did not read with clarity, or even with a full sentence. What has been added now makes it absolutely clear: **"(b) adequate consideration has been given to the number of dependants who would be entitled to reside in the Islands or become Caymanian by automatic acquisition should the application be granted".**

This was in the old Law and was simply drawn into the new Bill, but section 23(e)(ii) says: **"(e) the applicant– . . .**

(ii) has to his credit three good character references received by the Board directly from three respectable Caymanians".

I know this is a word inherited from the last Law, and if we look at the Law that was previous to that, I believe it was there too, but who is a "respectable" Caymanian? We might say we know what we are talking about, but this is legislation. Is it possible to be very clear with that definition, with regard to references, Mr. Speaker?

There may seem to be the school of thought that such trivial matters need not be addressed. However, there are individuals who take issue with specifics such as this when it comes to defining who is a "respectable" Caymanian. If we are going to use that word, then it must be defined; otherwise, let us find a more suitable word, which, in its general application, is more acceptable. It is all relative, and has to do with one's perspective. One does not want to be seen to be making classifications within the society that are unnecessary. That is the point that I wish to raise. If we want to keep it, define it. Otherwise, ditch it. That is the best way I can say it.

Section 24. Procedure in relation to applications for grant under section 22: Section 24(4) is not a position with which we want to argue, but perhaps talking it through for a minute would ensure that we are all straight and clear in our heads. This section reads: **"(4) Where an application has been rejected, the applicant shall not be permitted to make any further application until after the lapse of one year from the date of the communication of the decision."**

I am glad to see, at least, that they have taken out the option for the Board to make it two years. What is proposed is one year, straight across the board, for these applications.

We recently amended the existing Immigration Law (2003 Revision) to delete the section that applies to this, simply because people who were refused in recent times would not have been able to apply before the new Law came into place, which means they would be disenfranchised from being among the 600 in the quota that was issued. That amendment will allow such people to apply.

As for the fact that we will no longer have any quotas, we want to look at it from the point of view that if someone applies and is refused, and if we do not make some specific time-line for it, he might apply the next month, and if refused, keep applying every month until the Board gets sick of him and grants it. That may be a consideration.

I do not think we would want to say that one should not have that specific time-line. We do not have a quota, so it has nothing to do with the quotas anymore, or that he might be as worthy but just did not fit the bill. Perhaps after talking that through, Mr. Speaker, we can agree with that one, without making a case against that. Looking at it in that light, we see that because there is no quota anymore, it would not put any individual at a disadvantage over the next one. It is only a matter of streamlining the application. All right, that one is fine.

Section 27. Revocation on conviction: In section 27, it is also good to see that a word has been changed twice from what was proposed. This is perhaps the only section where the terminology "Caymanian status" can be used, simply because the earlier Law will have referred to "Caymanian Status." Section 27 reads:

"Where the grantee of the right to be Caymanian or of Caymanian status under this or any earlier Law is convicted by any Court of an offence–

(a) for which he is sentenced to an immediate term of imprisonment of twelve months or more, other than for non-payment of a fine; and in respect of which conviction his rights of appeal have been exhausted; or

(b) which, in the opinion"—and previously it was "of the Board"—**"was made possible by, facilitated by or connected with the grant of the right to the offender,**

the grantor [previously "the Board"] **may revoke that right on its own motion."**

In both instances, the word "Board" has been changed to "grantor". It is important to make mention of that, because even though we would wish for the Governor in Cabinet to be limited to a number of grants, the fact of the matter is that the way the Law is proposed, grants made by the Governor in Cabinet in special circumstances are literally irrevocable. The way the Law is proposed, replacing, "the Board" with "the grantor" means that whichever entity makes the grant has the right to revoke it. We are in agreement with that section coming into play.

The Speaker: Would the Honourable Member state specifically which section of the new Bill he is reading from?

Hon. D. Kurt Tibbetts: Right now, Mr. Speaker? Right now it is section 28, or was it the one with the grantor you are talking about?

The Speaker: The one with the grantor.

Hon. D. Kurt Tibbetts: That was section 27, Mr. Speaker.

The Speaker: Could you read through your section 27 to see if it agrees with what I have?

Hon. D. Kurt Tibbetts: Section 27 says: **"Where the grantee of the right to be Caymanian or of Caymanian status under this or any earlier Law is convicted by any Court of an offence-**

(a) for which he is sentenced to an immediate term of imprisonment of twelve months or more, other than for non-payment of a fine; and in respect of which conviction his rights of appeal have been exhausted; or

(b) which, in the opinion of the grantor . . . "

Does your copy say Board?

The Speaker: Yes.

Hon. D. Kurt Tibbetts: Mr. Speaker, if I remember correctly, the Honourable Acting First Official Member sent out a replacement for pages 39 and 40 earlier, which has the change. It was a notice sent out to us last week Wednesday, before we broke until today. I hear what you are saying. Where it says "Board" there, and where it says "Board" on the last line of that section, both of those should change to "grantor". As I said, we agree with that. The reasoning behind that is that it does not make any grant by Cabinet irrevocable, anymore. It allows Cabinet, under the circumstances provided in that section, to revoke.

The Speaker: Thank you, please continue.

Hon. D. Kurt Tibbetts: Thank you.

Section 28. Categories of permanent residence: Section 28(2) says: **"(2) The Chief Immigration Officer may grant the right to reside permanently in the Islands to applicants in the following categories:**

a) wealthy retirees; and

b) entrepreneurs or investors."

We move and cross-reference this to section 35(1)(b). For clarity, let me just read from the beginning of section 35:

"(1) A person who has net worth in the prescribed amount . . ." —and I am assuming that regulations will prescribe that— **" . . . and who–**

(a) has and is likely to continue to have the necessary professional, technical and other knowledge to successfully carry on the business proposed; and

(b) has invested the prescribed sum of money"—again, assumed in regulations—**"in a licensed employment-generating business in the Islands;**

may apply to the Chief Immigration Officer for a Residential Certificate for Entrepreneurs and Investors.

(2) Where the Chief Immigration Officer is satisfied that–

(a) the applicant has a clean criminal record;

(b) the applicant is in good health and possesses adequate health insurance coverage; and

(c) the investment is likely to make a significant contribution to the economic and cultural life of the Islands,

he shall issue a certificate for a period of twenty-five years renewable at the discretion of the Chief Immigration Officer."

What I read are the specific criteria under which section 28(2) can be granted, with the Chief Immigration Officer granting the right to reside permanently in the Islands to an applicant in the category of Entrepreneur or Investor.

With your permission, I will read shortly from the recommendations on page 23 of the Second Report of the Immigration Review Team, their contribution regarding Residential Certificates for Entrepreneurs and Investors (RECs), to make my point.

The Speaker: Please continue.

Hon. D. Kurt Tibbetts: Thank you.

"D. Residential Certificates For Entrepreneurs And Investors (REC's)

It is the IRT's view that the purpose of these provisions should be to attract eligible wealthy investors and entrepreneurs who can make a significant contribution to the economy or the cultural or artistic life of the Cayman Islands.

1. Definition

A person could qualify for an REC who has a proven track record in business, a substantial personal net worth and has invested a substantial sum in a business licensed in the Cayman Islands that will create employment opportunities for a minimum number of Caymanians. Such investment should make a significant contribution to the economy or the cultural or artistic life of the Islands.

Although it is not recommended to legislate the actual sum to be invested or number of Caymanians to be employed, as this would lead to less flexibility in the system, it is recommended that Executive Council [Executive Council is now Cabinet] **set this sum and number through Directives to the Board and that these figures be substantial. For example in Canada a persons net worth must stand at US$5 million and the requisite investment should not in most cases be less than US$I million. In addition employment of at least ten Cay-**

manians should be guaranteed. It would be open to Executive Council to amend these figures from time to time, bearing in mind the country's needs."

I asked permission to quote there because the difficulty I have with section 35 is that the criteria under which the Chief Immigration Officer can grant this 25-year Residential Certificate does not include any protection for Caymanian-owned businesses, with regard to someone coming in and *gobbling them up*, because of their ability. I know we have this principle of *laissez faire,* and *let competition be the order of the day*. However, you could compare that to what we consider, locally, to be the biggest wholesale group: the joint venture between the Foster Group and the Kirkconnells. There are other entities elsewhere of which this group would not be one-hundredth the size. If those entities were allowed to come in here, they could sweep them into non-existence. I do not have to go into a long explanation for that to be clearly understood. With their prices, they could open up competition in the same wholesale business and lose for five years, until these other people go right out of business. They would be able to win the war, despite losing a few battles along the way.

While we want to encourage these entrepreneurs and investors and give them the freedom to come here, spend and invest their money, buy homes and live here, and while it is all well and good for the country, there has to be some balance, even if they employ Caymanians. Part of the criteria means that one makes a judgement call as to the type of business it is, how it would affect existing local businesses, and whether we want to simply encourage it, without making any consideration of what I just spoke about. We believe that it is something that needs to be considered.

There are other sections that speak to all of these things when work permits are applied for, but this specific section does not mention it. I have read out the criteria under which the Chief Immigration Officer could grant this 25-year right to reside permanently. It does not mention anything like that; therefore, there needs to be specific mention. If it is the Chief Immigration Officer, you could easily say that you are confident that that person would bear such matters in mind when considering this, but if it is not in the Law, then that person is not obliged to bear it in mind. If the person does bear it in mind, but it is not in the Law, then someone may be able to appeal, and say that it was unfair because it is not in the Law but the consideration was there.

This is one of those sections in which we might seriously consider letting it be dealt with by a Board, rather than the Chief Immigration Officer. The ramifications are serious. On one hand, we have to encourage investors, but at the same time, we have to balance that activity with our Caymanian enterprises, and their ability to progress, prosper and compete. When the competition is unfair, as it can be, then the whole purpose of having an Immigration Law can be undermined. The Immigration Law may be skewed towards the person coming here, rather than towards us. I am certain that is not the intention. The more I think about it, the more I believe that we should seriously look at this.

Is this a situation we want to isolate to any Chief Immigration Officer, or is this not better served if it is dealt with by a Board, with the same criteria that the Board has to examine when it is granting a work permit?

The issue of wealthy retirees is a whole different matter. The competition of which I speak in this category is not in that one. That is why I would not necessarily want to put both categories in the same kit and caboodle, or to suggest that retirees should be dealt with by the Board. We are not saying that, because there is a difference between the two. I wanted to make that absolutely clear.

Section 29. Persons legally and ordinarily resident in the Islands for at least eight years: Mr. Speaker, section 29(1) reads: **"(1) A person who has been legally and ordinarily resident within the Islands for a continuous period of eight years immediately preceding the application may apply in the prescribed form and manner to the Board for permission for himself and his dependants, if any, to reside permanently in the Islands."**

I am raising this point to ensure that we know where we are going with this. In the definition section, "**"dependant" in relation to a person, means the spouse of that person, or one of the following relations of that person, namely a child, step-child, adopted child, grandchild, parent, step-parent, grandparent, brother, sister, half-brother or half-sister, being, in each case, wholly or substantially dependent upon that person**".

I understand the wide-reaching definition that has been made. You could almost inevitably say that many of us, if not all, have experienced some individual circumstance that relates to one of the categories included in that. I understand that.

However, 29(1) reads: **"A person who has been legally and ordinarily resident within the Islands for a continuous period of eight years** [and who is applying for the right to reside permanently] **may apply in the prescribed form and manner to the Board for permission for himself and his dependants".**

The questions I want to ask will make it clear why I am leaning in this direction. There are immediate questions for that person making the application. Are these dependants resident in the Islands with that person at the time? Have these dependants been resident in the Islands with that person throughout his or her stay here? If not, are we are opening something that we are not so sure we can deal with? If we are conscious of it, and we believe that that is the correct thing to do, then this is fine. However, when we look at that wide-ranging definition, and we look at the fact

that the previous Law (the one that exists now) limited many individuals from bringing their dependants to the Islands, then I subscribe to the belief that many individuals will be eligible for the grant of permanent residence who may well include in their application forms many others who are not resident with them in the Islands.

I bring this up because it does not say anywhere here that if the application has six or eight dependants included in it, it does not stand a chance of being granted. I am not suggesting that that should be the case. What I do not want to happen is for the Bill to become Law in this fashion and then, without anything in the Law saying it, for someone to realise that they do not want this to happen. Then we would find individuals feeling as though they were being discriminated against because their list of dependants was longer than another person's list, when in fact, if we looked at the individuals, we may not necessarily wish for that person to be denied permanent residence. Perhaps if the criteria were crystal clear and set out, that person could continue until such time as he or she acquired Caymanian status, at which point in time several of the individuals (if not all) may well have ceased to be dependants, and the problem would solve itself.

While that is not a situation for which there is any easy answer, we would not want to pass this legislation and leave it up in the air like this, for people to try to make sense out of something on their own. Depending on the mindset of the individual or group of individuals on a Board at any time, we could have different standards being applied. We do not want that.

The Speaker: Honourable Member, you have 36 minutes remaining.

Hon. D. Kurt Tibbetts: Thank you, Mr. Speaker. I am hoping that that point will be addressed.

I am moving on as quickly as I can. Section 29 (6) reads: **"(6) Upon the death of the holder of a Residency and Employment Rights Certificate or upon the dissolution of the marriage, the right of the surviving spouse to reside in the Islands may be revoked at the discretion of the Board but the said surviving spouse may, within a period of three months of any revocation, apply for the grant of a Residency and Employment Rights certificate upon satisfying the requirements of this section."**

That, in itself, is also crystal clear. However, I have had situations come to light to me with individuals in certain circumstances. There is only one question here that we need to ensure is addressed.

Section 29(1) begins: **"Upon the death of the holder of a Residency and Employment Rights Certificate or upon the dissolution of the marriage, the right of the surviving spouse. . ."**

The surviving spouse is what we are talking about now.

In one case, the spouse is married and the partner dies, or there is a divorce, and the remaining spouse does not hold the Residency and Employment Rights Certificate, was not working and does not hold a work permit. Whether it is the survival of a partner's death, or a divorce, that person has 90 days to **". . . apply for the grant of a Residency and Employments Rights Certificate upon satisfying the requirements of this section."**

Does it put that person at a disadvantage to the point where the Law says that he or she does not have the right to reside in the Islands during that interim? Is that person going to be told, "You have to leave"? It is a question.

Section 30. Residency and Employment Rights Certificate for spouse of a Caymanian: Another one I want to look at is section 30(3)(e), which says: **"(3) In considering the application, the Board shall satisfy itself– . . .**

> **(e) that the applicant has sufficient financial means to support himself and his dependants listed on the application as accompanying him."**

Section 30(1) says: **"The spouse of a Caymanian may apply to the Caymanian Status and Permanent Residency Board for permission to reside in the Islands and if such application is successful the Board shall grant to the applicant a Residency and Employment Rights Certificate".**

What section 30(3)(e) is saying is that the Board needs to be satisfied that the applicant has sufficient financial means to support himself and his dependants listed on the application as accompanying him. On the one hand, I understand what that applies to, with the same situation about dependants. However, if the applicant is married to a Caymanian—let us take the situation of the spouse of a Caymanian man who is the breadwinner—do the financial means of which they speak extend to the income of the spouse, or does it speak to the specific individual who is making the application, who is not the Caymanian?

We want to ensure, Mr. Speaker, that there might not be an isolated situation in which the spouse of a Caymanian may be making the application, but may not, at that point in time, have an income. Do not forget that this application is going to allow that person the right to work. When the application is made, the person does not necessarily have an income. I want to ensure that what this refers to would include the income of the Caymanian spouse. Otherwise, if there are dependants, the individual would never meet the requirements. There could be one dependant, and there might be a problem. I want to ensure that we do not have any confusion there, and that the way this is worded does not limit the sufficient financial means referred in subsection 30(3)(e) to that of the applicant solely, but that the income of the Caymanian spouse is included. It says **"the applicant"**. That is what brings the question to mind. We want to ensure that it is clear.

Section 32. Loss of Residential and Employment Rights Certificate: Section 32 says: **"(1) The holder of a Residency and Employment Rights Certificate who is the spouse of a Caymanian or has obtained a Residency and Employment Rights Certificate as a result of his marriage to the holder of a Residency and Employment Rights Certificate pursuant to section 29(5) shall forfeit his rights under that Certificate if** [and I go to subsection(e) (iii) where we come to this funny old one again] **(iii) in circumstances where in the opinion of the Board the marriage has irretrievably broken down."**

Perhaps this is because no one can devise a different way to say, but it is very personal to me. There are existing situations that may cause problems in marriages, and the person who is penalised is not the person who is at fault. I cannot promise anyone that I have the correct answer for it. What I do know is that, inevitably, it seems to be an injustice when this occurs, and what this is saying is that in certain instances, that is exactly what will happen. I will say it in raw terms. If I am the spouse of a Caymanian, and that Caymanian is worthless, and in and out of jail all the time, but I work hard, work my fingers to the bone and even support that person to try to make life halfway better for us, if I cannot take it anymore, I run the risk of losing whatever residency rights I have.

If we want to speak of fairness, I am sure everyone agrees that that is not fair. How that is solved is another matter.

Section 32(1)(e) says: **"(e) in circumstances where in the opinion of the Board the marriage has irretrievably broken down."**

It does not even speak to the reason why; it speaks only to the result, and that is where I have a problem. It means that if you get this small right, you will suffer anything under the sun to retain it, because you want to be able to work here. In my opinion, that is not fair. I am certain that is not the intention of the legislation. There are instances when this will work fine as it is worded, but there are other instances in which justice will not be served. Therefore, I have to bring that point.

Section 35. Residential Certificate for Entrepreneurs and Investors: Section 35(1) says:**"(1) A person who has net worth in the prescribed amount and who–**

(a) has and is likely to continue to have the necessary professional, technical and other knowledge to successfully carry on the business proposed; and

(b) has invested the prescribed sum of money in a licensed employment-generating business in the Islands;

may apply to the Chief Immigration Officer for a Residential Certificate for Entrepreneurs and Investors."

I spoke to that earlier. Section 35(2) says: **"(2) Where the Chief Immigration Officer is satisfied that–**

(a) the applicant has a clean criminal record . . .

(c) the investment is likely to make a significant contribution to the economic and cultural life of the Islands,

he shall issue a certificate for a period of twenty-five years".

Added to what I spoke about earlier, this still does not leave out the possibility of unfair competition to local businesses. I wanted to reinforce that point along with the one I raised earlier.

Section 37. General provisions relating to loss of permanent residency: Section 37(1) says: **"(1) Without prejudice to the rights of the Board to revoke permanent residency under this Law, the holder of a certificate of residency of any kind shall lose his rights under that certificate where – . . .**

(g) he is medically certified to be suffering from a communicable disease that makes his into the Islands dangerous to the community".

This is simply a matter of the choice of words. As far as I am concerned, this person is living here. He is not just coming to enter now. This section says: **"Without prejudice to the rights of the Board to revoke permanent residency under this Law, the holder of a certificate of residency of any kind shall lose his rights. . . ".**

That means that the person holds that certificate and is living here. Where it says **"his entry into the Islands"**, it should read "his continued residence in the Islands", because it is assumed that the person is living here.

The Honourable Leader of Government Business referred to the civil service, and the Public Service Law is supposedly coming. We have not had the benefit of that, but assuming that what the Minister said is what will obtain, I still have a problem with that.

Part V – Gainful Occupation of Non-Caymanians.

Section 38. Persons exempted: Section 38(1) says: **"(1) This part does not apply to-**

(a) (i) a person employed by the Government of the Islands in respect of his employment".

I am assuming that that the Public Service Law refers to work permits. I do not know if that is what it is going to say, but it says that it will deal with them. Whatever happens in that Law, the only way it changes our position is if everything that applies to the private sector in this Law also applies to the civil service in that Law. If that is the case, then we should simply leave it in this Law. Whatever else, the Public

Service Law would then be different with regard to the immigration situation.

One of the very important principles that is applied throughout this Bill, and rightly so, is the protection of Caymanians at all ages and levels, to ensure that there is equal opportunity in the future for upward mobility and training. The civil service is the largest single employer in these Islands. Regardless of all the good intentions of the Government and its various departments (not only central government but the Statutory Authorities and other government-owned corporations and agencies), how can the largest employer subscribe to a different principle than the private sector? It is that same largest employer that wants to make the Law and say, "Do as I say but not as I do". If the Minister of Education were on this side of the fence, he would say, "Physician, heal thyself". That would be the way he would explain it.

I say that without knowledge of what this Public Service Bill is going to be like, or what it contains. However, I cannot see how it will be as all-encompassing as this piece of legislation before us. Otherwise, why go to all of that trouble and not simply include all government agencies under the same terms? I will tell you this: if there are special terms because it is the civil service, we are going to have to see what they are. We will talk about that at length, too, because something does not sound right to me if there are special conditions attached.

We must lead by example. Every single soul who is in here today (and some who are not) knows of instances where there have been unfair practices, especially when it comes to succession planning. I do not have to go into any gory details, but we all know that. That is one of the fundamental principles applied in this piece of legislation. The Government of the Cayman Islands can be no exception. That is our position. It would be one of God's real miracles for this piece of legislation about which they speak—the Public Service Law—to contain everything that will make it right, so that I will shake my head and say, "Yes, that is the way it should be and that is fine." However, I cannot say any more about it at this point in time, because I do not know what it contains. We will have to see.

Section 42. Considerations of application for work permit by Board: Time is going. If we very quickly look at section 42(3)(e), it says: **"(e) his facility in the use of the English language".**

I want to believe that should be "his ability".

Section 44. Responsibility of the Board in processing applications for professional employees: Section 44 reads: **"In considering an application for a work permit for a professional employee the Work Permit Board shall–**

(a) consult with the appropriate authority".

We are a little confused. We have the definition of a professional employee, with which I dealt before. There is also the latitude for whatever other categories the Board may consider to be professional. Our take on this is that these professionals are attached, in most instances, to some organisation; for example, the Law Society, the Bar Association, or the Society of Medical and Dental Practitioners. I do not know if we are right, or which authority they speak of. Where it says that the Board shall consult with the appropriate authority, the simple question is: Will all these individuals be attached to some entity of that nature for the Board to consult? Is this simply a situation of *when it applies*?

Section 46. Grant or refusal of work permit: If we go on to section 46(2)(c), it says: **"(2) . . . the Board may grant a work permit for a period of up to five years to– . . .**

a) persons authorised by the Board in a Business Staffing Plan Authority".

That one must be simple, but it totally evades me because I do not understand it. I do not know exactly what that means.

Section 46(3) says: **"(3) The granting under this section of a self-employed work permit shall confer on the applicant therefor the right to be granted, on the payment of the prescribed fee under the Trade and Business Licensing Law (2003 Revision), any licence required under that Law for the carrying on of the gainful occupation authorised by the work permit, but such grant shall not of itself confer any right to a licence under the Local Companies (Control) Law (1999 Revision)."**

My only question is: Who is allowed a self-employed work permit? I am not 100 per cent sure what categories of persons are allowed self-employed work permits under this section. I think we ought to be specific and clear if these permits are going to continue to exist.

We can look at section 46: **"(46) Subject to section 50, the Board in considering an application under section 40– . . ."**

Section 40 says that a person or his perspective employer may apply for a work permit, which is a normal thing. Section 50, to which section 46 is subject, has a whole slew of different categories. It might seem to be clear, via that section, who is eligible for a self-employed work permit—and also when it refers to section 40. When the Minister is winding up, I would like some reference to this, with regard to a very clear and unambiguous application of who is allowed to have a self-employed work permit.

Moving on, 46(8) says: **"(8) An application for, or the grant or renewal of, a work permit maybe refused or revoked on any of the following grounds"**.

I am glad that that wording has changed, because I see that the word **"refused"** would now apply to an application for a work permit, and the word **"re-**

voked" would deal with the grant or renewal of a work permit. The way it was worded prior to this, Mr. Speaker, was a bit confusing.

Section 49. Prohibition against unauthorised promotion or re-designation: The other thing that is very important, and to which I want to state our agreement here, is section 49, which reads: **"(49) During the currency of a work permit, the holder of that permit may not be promoted or re-designated without having applied for and received the approval of the Board, and the Board in considering the application–**

a) shall satisfy itself that the employer has complied with the requirements of the Business Staffing Plan, if any; and

b) shall have regard to the effect that such promotion or re-designation would have on the opportunity for advancement to that level, of qualified Caymanians already engaged in the same profession or capacity within that business enterprise."

This is the same point that I made before. It is absolutely important to protect our own in the process, and to allow fair opportunity for upward mobility. We are certainly in agreement with that principle being applied.

Section 51. Temporary work permit: Section 51(2) says: **"(2) A temporary work permit granted under subsection (1) shall be for such period not exceeding six months as the Chief Immigration Officer or person granting the permit shall think fit and such grant may neither be extended nor renewed."**

Section 51(1) says: **"(1) The Chief Immigration Officer, or in his absence his deputy, may on application in the prescribed form, accompanied by such documentary or other evidence as may be prescribed, by or on behalf of a business visitor who desires to enter or remain in the Islands temporarily for he purposes of any gainful occupation, grant to such business visitor a temporary work permit in the prescribed form upon the payment of the prescribed fee."**

The question is: Is this the only form of temporary work permit allowed in this new law? If it is not, then I am not so sure that we have thought the whole thing through. We do not have any problem with the fact that it cannot be renewed or extended, and I am assuming from the way it is worded that it does not prevent an employer from making an application for a regular work permit, whether for one, two or three years. I also notice that it may be for less than, but up to, six months. Therefore, the applicant will simply have to make it specific in the application what time period he or she wishes to apply for. I asked the question: If this is the only type of temporary work permit, will it take care of all those we know of who have need of such types of applications?

The Speaker: Honourable Member, you have three minutes remaining.

Hon. D. Kurt Tibbetts: Thank you, Mr. Speaker. There are only a couple more points.

Section 66. Requirements to be satisfied by visitors: Section 66(3) speaks to a non-refundable repatriation fee. I do not know whether all repatriation fees under this subsection should be non-refundable. I think we need to look carefully at that, because it does not say that it is non-refundable for any reasons. It simply says that it is non-refundable. It seems to me that all of the fees under section 66(3) are non-refundable.

Section 67. Safeguards regarding permission to land, etc.: Section 67(1)(a),(b) and (c) need some tidying up.

Section 69. Detention of persons who have been refused permission to land, etc.: Also, Section 69 (2) needs some tidying up, and this is not do with intent but actually how it is worded. It is a bit confusing, and I suspect that it may have simply been picked up from an existing law, and just needs tidying up.

Section 70. Duty of master with respect to removal of person landing unlawfully where permission to land is refused: Section 70(1)(b) is also one that needs tidying up.

Section 71. Register to be kept and particulars furnished by hotel keepers and others: Section 71(2) says: **"(2) It is the duty of the keeper of any premises to which this section applies to keep a register in the prescribed form".**

I know that the existing Law has it. I do not know how it will be enforced now, or if it will be enforced, and I am wondering whether or not that is something that needs to be looked at.

Section 77. Prohibited immigrants: The final thing I want to speak about is Section 77, and I will do this as quickly as I can. Section 77 (e) and (f) read: **"(e) a person who has previously been deported, removed or repatriated from the Islands;**

(f) a member of a class of persons deemed by the Governor on economic grounds or on account of standard or habit of life to be undesirable immigrants and so declared by Order published in the Gazette".

Because of this, we have a situation that exists right now where spouses of Caymanians have had to be separated from their families for 10 to 15 years, with no seeming light at the end of the tunnel

as to whether it is possible or not. I am not trying to suggest that when people do certain things they should not be declared prohibited immigrants. What I do know is that there should be some finite period of time in which a review is made in these instances. Just as we have a parole board for prisoners, there should be some method by which these situations can be examined to see whether, after a certain period of time, these people can be allowed to be reunited with their families. There are children and spouses involved, and there is a lot of turmoil because of the separation of the families.

As we move along, my colleagues will speak about other areas, but I thought it best to bring out these individual and specific points in the Bill that is proposed, to ask the Government to make consideration and to see if amendments are in order. Certainly, we would wish to act in concert with this Bill, so that we can move forward in a constructive manner. However, we also found it very necessary to speak of these individual situations, because we would like to see it tidied up as much as possible.

Thank you very much Mr. Speaker. I do trust that the Bill will have safe passage. Thank you.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak?

If not, would the Mover —

Honourable Member, the next time I will not allow you to speak, because I had given ample time, but you may continue.

The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. Perhaps I can be forgiven, Sir. Having listened to the Honourable Leader of the Opposition for the last two hours, I would have expected that a member of the Government would respond to the substantial number of proposed amendments that he made, and that we on this side would have listened to what they had to say before one of us was required to speak. Since that is not the case, I am forced to my feet at this late hour.

This is a very important Bill that is before the House. In my view, it has come to the House very late in the day. It is a matter that should have been dealt with by the Government as a matter of expedition some considerable time ago. If that had happened, there is no doubt in my mind that we would have avoided the controversy that has raged about the issue of some 2,500 grants of status by Cabinet, and all of the other consequences, social or otherwise, that have followed and are bound to follow that exercise by Cabinet.

My colleague, the Leader of the Opposition, has spent two hours going through the Bill in some detail, section by section. I believe he has proposed, on behalf of the Opposition, a number of important amendments, and pointed out a number of errors, which are inevitable in the course of drafting a Bill as comprehensive and as complex as this one. In what is, perhaps, something of a switch of roles, I am proposing to offer debate on a more philosophical basis, he having done the job which I am used to doing—that is, of analysing the law section by section.

May I have a moment, Sir?

The Speaker: Certainly.

[Pause]

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, immigration has been an important feature of Caymanian society from the very beginning. It is a feature that has, in recent times, created concern, debate and in some instances, alarm. However, it is also the single most important feature that has contributed to Cayman's amazing development and prosperity over the course of the last three decades or so. I do not believe that can be gainsaid.

In 1970, the population of these Islands was just over 10,000 people. Even at that point—or perhaps I should say particularly at that point—concerns were expressed about ensuring that we regulated the number of persons who came here, and the economic activities in which they could participate in this country. The fear was that by their sheer number and wealth, they would be able to pursue the economic advantages of these Islands which had recently become apparent, if proper regulations were not in place.

Therefore, in 1971, our predecessors in this Honourable House passed the Caymanian Protection Law, 1971. It is instructive to have a look at the memorandum and objects of that Bill, passed all those years ago, to understand the basis for the legislation that is currently in place in these Islands, and the rationale that underlies that legislation. I ask your leave, Mr. Speaker, to refer to the Caymanian Protection Law, 1971, Law 23 of 1971, and in particular to the Memorandum of Objects and Reasons.

The Speaker: Please continue.

Mr. Alden M. McLaughlin, Jr.: It reads, Mr. Speaker: **"By reason of the tax advantages afforded to many people by taking up residence in the Cayman Islands, and the unprecedented prosperity of the tourist industry, there has arisen a grave risk that the social character of the Islands as well as the way of life of the population may be adversely affected by the influx of private and business settlers, and other consequential factors. It is sought to enact legislation calculated to control the situation by affording means of protecting the traditional way of life of the Islanders by cushioning the impact of the establishment of international business interests and of settlement here by peo-**

ple who formerly had no interest in the public and private affairs of these Islands.

"It is also sought to take advantage of the opportunity to consolidate and bring up to date the law affecting immigration and deportation."

It may seem to us, this distance from 1971, that those who went before us were prescient, or prophets, or something of the like, for given the smallness of the population at that point, given the limited number of business opportunities that were then available, or seemed to be available, and given the fledgling nature of the financial and tourist industries at that time, it took a special people not only to understand, but to have the courage to put into place legislation that even now, many would claim might have the adverse effect of discouraging investment and immigration, and discouraging people from coming here, setting up shop, and doing business.

Those brave souls in 1971 did have the vision, the fortitude, and the courage to pass the Caymanian Protection Law, 1971, which has formed the basis of our immigration legislation up to this point. It was not passed, Mr. Speaker, all by itself. It was part of a package that involved the Local Companies (Control) Law, 1971 and the Trade and Business Licensing Law, 1971. All three pieces of companion legislation came into effect on or about the same time. All were designed to cause one particular result; that is, to regulate immigration and the doing of business in these Islands by persons who were not Caymanian. They have worked reasonably well. In fact, they worked very well in the early days. In fact, there has only been one truly significant change in the underlying premise of the legislation since then. That was the Caymanian Protection Law, 1984, which many say (me included) simply did not go far enough, at that time, to address the growing concerns these Islands faced.

If we had not had the benefit of the 1971 pieces of legislation, but in particular the Caymanian Protection Law, 1971, one wonders where these Islands would be, in terms of who would be in control of the economic and political fortunes of these Islands. We have not been a people who have been very prolific in producing more Caymanians—not by way of natural increase. Natural increase in these Islands has been very modest, while the overall increase in population has been nothing short of mind-boggling. The majority of that number has been the result of immigration. Indeed, Mr. Speaker, if one has a look at the First Interim Report of the Immigration Review Team, of which I had the honour to be a member, the team has set out a summary of some very instructive statistics.

I am reading from the Report at page 8: **"In 1970 the population of these Islands was just over 10,000. The last census in 1999 placed the figure at approximately 41,000. Indeed, the 1999 census figures demonstrated a population increase of 55.4 per cent over the 1989 figures** [that was a 55 per cent increase in 10 years] **and the census report noted that at this rate of growth the Islands' population would double by the year 2015.**

"More significant than the overall population growth however, is the census finding that only 53% of the population is Caymanian, either through parentage or grants of status. This figure declined from 67% in 1989 with Caymanians now making up a mere 42% of the workforce. Meanwhile, between 1989 and 1999 the number of Caymanians in the country grew from 16,868 to 20,491, a modest increase of 1.9 percent per annum. Over the same period the non-Caymanian population more than doubled, growing at 8.2% per annum. The number of non-Caymanians living in the Islands at the time of the 1999 census was 18,529, up from 8,387 in 1989. On September 14, 2001, there were 13,851 work permits in force."

We see something about the demographics of the growth of the Caymanian population since 1970. Unfortunately, because of the tremendous growth of the population, the tremendous business opportunities and the economic advantages that this population growth and the good management of the country caused, what has happened is that we, as a people, became more and more concerned, understandably, about being outnumbered in our own country, about being overwhelmed by the sheer volume of persons from other places. That is an understandable and reasonable concern for us to have. Even up until now, we, as a people, have not come to truly appreciate that continued development is a pre-cursor to the requirement for more immigration. That is a reality. The fortunes of this country have been tied to development, and development means more people required to build the places, to provide services to the places and then to actually carry on the business in the places that these buildings are built for in the first place.

That is a reality with which we have never been able to come to grips, or to reconcile. If you ask the average Caymanian, they are all going to express concerns about the number of foreigners who are here, and how the foreigners are taking away their jobs and business opportunities. However, the moment you say that you are either going to either restrict or deny work permits for their particular business, there is a huge outcry, "I am concerned about the overall number, but please do not mess with the ones that I need."

That has been the attitude that we have had forever and ever. Either consciously or unconsciously, as a people and as legislators—including, certainly, those who came before me—we have decided that the best thing to do was to do nothing, and simply hope that things would be okay.

Let us restrict the opportunities for these people to participate in the usual activities that one does in any society. Let us restrict their right to vote; if we significantly restrict their right to vote, we will be able

to prevent them from exercising real influence over the political directorate, and who makes up the political directorate of the country—so we have said. If we go further, and make it impossible for persons not born here (or at least not born of indigenous Caymanian stock) to be able to stand for election, we will be secure. This is the situation, so that the political decision-making in the country will be vested in the hands of those who have Caymanian roots, forever and ever, Amen.

The policy has been to continue to restrict the rights and abilities of those who were not born here, or not born of persons who were Caymanian. We did that in relation to the election, as far as the Elections Law (2000 Revision) was concerned, and through the Constitution. We did it by reducing and restricting the categories of persons who were entitled to Caymanian status under the Caymanian Protection Law, 1984, and subsequently the Immigration Law (2003 Revision). If we look at the qualifications for Caymanian status in 1971, it seems unbelievable that it would be so easy to be Caymanian, or to be a person of Caymanian status. If I may refer to it, Sir, the 1971 legislation provides, at section 14: **"14. Every British subject who–**

(a) is qualified as of right for Caymanian status under section 15; [we will have to look at section 15 to see what that means] **"or**

(b) has been granted Caymanian status under section 17, and has not in either case lost such status,

is a person of Caymanian status."

Section 14(b), which I just read, relates to a grant of status by the Board on the basis of residence.

"15. Any British subject who–

(**a) was born in the Cayman Islands or of parents at least one of whom at the time of his birth was domiciled or ordinarily resident in the Cayman Islands; or**

(b) was domiciled in the Cayman Islands at the time of the coming into effect of this Law and has been declared to be so domiciled under subsection (1) of Section 16; or

(c) has been ordinarily resident in the Cayman Islands for a total period of five years out of the seven years immediately prior to the coming into effect of this Law; or

(d) has been and remained a grantee of Caymanian status under section 17 for a period of five years and upwards; or

(e) is the child, or a step-child or an adopted child under the age of eighteen years, of a person to whom any of the foregoing paragraphs of this section apply . . .

(f) is a citizen of the United Kingdom and Colonies by reason of the grant by the Governor of a certificate of Naturalisation under the British Nationality and Status of Aliens Acts 1914-1943, or a certificate of Naturalisation or of registration under the British Nationality Acts 1948-1965 or any Act amending or replacing those Acts,

is a person of Caymanian status, as of right."

Back in 1971, any British subject—any person who was born of a person who was a British subject who was domiciled and ordinarily resident in the Cayman Islands at the time of his birth—was entitled to status. They did not need any Caymanian connection or Caymanian roots. However, even then, the threat that was perceived, and the level of concern and alarm, was nothing near what it has become over the course of the last two decades or so, because the numbers were a lot less.

The reason I am trying to set out this background is so that we understand a little more about the way Caymanians have felt, and the way many still continue to feel about (as some of them say) "giving away the country" to those persons who were not born here, or were not born of indigenous Caymanian stock.

It is important that we understand a little about the indigenous Caymanian. There are those who always say, "Oh, there is no such thing as an indigenous Caymanian". There is no such thing as an indigenous American, or if you go back far enough, an indigenous Englishman, either.

Throughout human civilization, the human species has been nomadic. About the only place in the world that people can claim not to be truly indigenous is Africa: the birthplace of mankind. All of the rest of us, at some point or another, came to someplace from somewhere else.

Simply the fact that we can only trace the settlement of these Islands back to about 1700, which only gives us about three hundred years of settlement, simply means that we were that much later in creating our community, and in developing our society. However, it makes us no less indigenous, because there was no one here before us.

I was having a look at *Founded Upon the Seas*. It is very good work by Michael Craton, which was kindly presented to us by the Honourable Minister for Education. I read the following words, and I crave leave to refer to them at page 33 of that book.

The Speaker: Please continue.

Mr. Alden M. McLaughlin, Jr.: It reads: **"People did not settle permanently on any of the Cayman Islands before about 1700, though, as we have seen, some temporary settlements existed before then. To be truly permanent, settlements require the presence of women and families, and it is only after 1700 that we have certain record of these.**"

It is said also in this book, and elsewhere, that some of the first settlers here were the Boddens (or the Bowdens), and the Walters (or Watlers, as they became)—two of whom are reputed to have been members of Cromwell's disbanded army in Jamaica.

Those people who came to these Islands in the late 1600s and 1700s, who came here voluntarily or were washed up on our shores as the result of a shipwreck, but who persevered in this inhospitable environment—as this place must have been back then—were a different breed of people altogether. To imagine what this place must have been like, in the late 1600s and early 1700s is very difficult, but we know from the Cayman in which I grew up that it was virtually all swamp, that it was mosquito-infested, and that there were few things growing, and little capability to grow things to eat. There were none of the creature comforts that one would normally associate with a civilised society or country. Those people, who came here voluntarily, or who were forced to come but remained and persevered, were a special breed of people—resilient, tough, independent, hard working, God-fearing, and sea-faring people. That is the stock from which we come; that is the stock from which I come. My mother is a double Bodden; both of her parents were Boddens.

I am the fifth generation on my father's side to be born in these Islands. If that does not qualify me as indigenous, then I do not know what else does. With every fibre of my being, I resent suggestions that all those who have just come are the same (and I do not mean legally), or that we have no right, as a people, to determine who we wish to remain here, or to embrace, because we are all just settlers. There are settlers and then there are settlers. There are those who beat mosquitoes or whose forebears beat mosquitoes, and suffered through all sorts of bad times and hurricanes, who built, and struggled, and made this country. Those people, and their concerns and their fears, are real. They should not be simply pushed aside because there are now more who have come over the course of the last 30 years than there are of those who were either born here or born of parents who were born here.

I was reminded by someone just the other day of a letter I wrote to the press back in September of 1998, in which I spoke about tolerance and exploitation. We have taken many licks and received a really bad name internationally, because, they say, of our exploitative and unfair immigration policies. I have been a proponent of immigration reform for as long as I can recall. The records speak from long before I was honoured to take a seat in this House. Let me make it clear: I do not believe it is fair to allow people to stay in your country for extended periods of time, and not accord them the right to apply for the closest thing to citizenship that we can grant.

I was a big proponent for immigration reform. I was a member of the Immigration Review Team that produced these three reports. Let no one believe from the tenor of my argument now that I am against what is in the Bill, at all. I simply need to debunk some of these myths about the kind of people we are. I have said before, and I say again, without fear of contradiction, that Caymanians are among the most tolerant people in God's created Earth. We have gone from a population of 10,000, to approximately 41,000, over the course of three decades. We have welcomed to our shores over a hundred different nationalities, resident currently, with all their different cultures, attitudes and approaches to things. This community is still one of the most harmonious, in every sense of the word, that one could seek to find. Try that anywhere else; try adding that number of nationalities—that sheer number of persons—into any society anywhere else, over such a short period of time, and see if you do not have serious social and racial tensions come into play.

That is a testimonial to the kind of people we are. Do you know why we are like that, Mr. Speaker, in my respectful view? It has to do with our history—not just "ancient" history (if I can use that word in the context of 300 years), but our recent history as well. We have always known the need to go somewhere else to make a living, for there was very little here that we could do. That is why we became seafarers by nature, because it was from the sea that we were able to derive a living. When the time and the opportunity arose that we could go elsewhere, in the 1950's, 1960's and 1970's, when we could sail the high seas on the National Bulk Carrier and different American and other ships, we understood how it important it was to our families, and to the development of this society, that we had the right to go and work in somebody else's country, on somebody else's ship. We also knew how important it was to be able to interact with other cultures, and to be tolerant of other people's ways and ideas. That is what our men, in particular, brought back to this country. Those are the kinds of attitudes and experiences that have contributed to the society that we have. That is why we greet people from anywhere with a smile.

In some ways, we have been too tolerant, and we have been less than courageous in recent times in dealing with the consequences that flowed, and continue to flow, from our tremendous success and development. In some instances, we have allowed people to get away with economic murder and exploitation, because we are afraid that if we take a principled stand, we may drive that business away.

We have now reached a point where we have developed the maturity to understand that we cannot make everybody happy all the time, and that those of us who are charged with that responsibility, having conducted whatever consultation is necessary, have to make the decisions we believe are in the best long-term interests of these Islands. There will always be those who squawk about everything, or about something, that we do.

The Honourable Minister of Tourism, the Leader of Government Business, said that successive governments have failed to address the immigration issue. I could not agree with him more, and for that they should never be forgiven. However, I remind him that he was a part of one of those governments as well, and so should take at least some miniscule part of the blame for the matter not having been addressed thus far.

The reason it has not been addressed up until now is that any time we sought to deal with an immigration matter, particularly in relation to work permits or Caymanian status, there were segments of the community that went up in arms about it. Caymanians feared that if we gave more people Caymanian status, and if we removed the requirement of work permits and the control inherent in those, their rights and opportunities would be stymied. As far as work permits are concerned, the business community does not want you to mess with them. That is their lifeblood. As bad as the system might be or might seem, let us not rock the boat.

I do not know how many select committees on immigration we have had. We have had Vision 2008, with everybody suggesting reform, but it was not until the 2000 Government was elected that the Leader of the Opposition, who was then Leader of Government Business, had courage enough to appoint an Immigration Review Team, which has produced these three reports. Let us give—and I hope they do not take me the wrong way—the devils their due. This Government has had the courage to carry through on most of the Immigration Review Team's proposals, and for that I laud them. I only wish, as I have said before, that they had dealt with this before they took the step to grant status through Cabinet. I would not have had anything to complain about for most of this year, Mr. Speaker, had that been the case.

There are two things that we have to consider. One is the interests of Caymanians—if I can be so bold again, I will call them indigenous Caymanians. We also have to balance the interests of those who have been here for extended periods of time. That includes persons who are on work permits. As a people, and as a nation, we have to recognise how unfair we have been to persons who have been here for long periods of time, and I believe this proposed legislation does so.

I must tell you that I do not feel quite so strongly about persons who came here after the age of majority and made conscious decisions to stay and do various things. I acknowledge that they should get status—I am not trying to say that they should not—but I do not feel quite as powerfully about them, or the unfairness to them, as I do about their children.

All of us know of many persons who, if they were not born here, came here when they were too young to remember anywhere else as home; who have grown up here; who speak like we do; who like the same foods we do; who like the same music we do; who, if you did not know otherwise, you would presume were Caymanian. I have had many experiences with that, not only since I have been here over these past three years, but in my former incarnation. I have been presented time and time again with persons who have an immigration issue, persons I presumed were Caymanian from the time I first saw them, simply from the way they behaved, spoke and looked. Not only is it grossly unfair to those persons to deny them the right to be Caymanian, but we are depriving this society, this community and this country of the benefit of their abilities and talents. Often—and this is where the rubber usually meets the road—many of those young people have tremendous academic potential, but are unable to apply for a scholarship. Virtually every scholarship that I know of in these Islands first requires that the applicant be a person of Caymanian status. Those whose families do not have the economic means to send them to school generally knock about, or in many instances, wind up in the civil service, where they are very useful employees. However, it is not what they really want to do, and it is not what they are most able to do. Without much more than a high school education, it is very difficult for them to progress to where they would like to go.

Again, as a nation, we have to recognise the inequity and the sheer stupidity of marginalising these groups of people. We have to give them a vehicle through which they can obtain the right to be Caymanian, and be able to exploit and benefit from the advantages that this right confers. They, in turn, will contribute much to the further development, progress and prosperity of these little Islands.

They are the ones who really should get status (or the right to become Caymanian—I am going to have to get used to this new terminology). When we embrace those persons, and confer upon them the right to be Caymanian, we do not even notice the difference. Most people have presumed all along that they are Caymanian, because they speak and behave the way we do.

I have always said that we are not producing enough Caymanians the old-fashioned way, so the next best thing we can do is to embrace those who are as much like us as we could want. By increasing those numbers, and adding them to the number of Caymanians, we also reduce this fear that the number of foreigners is significantly exceeding that of Caymanians, because we have made more Caymanians.

That is a very good reason to produce this kind of legislation, which will give those who have been here for long periods of time, who are Caymanian in their outlooks, attitudes and speech, the ability to gain the benefit of being Caymanian. There should not be some long, convoluted process, as is the case under the current legislation. It must be simple and straightforward; it should determine very swiftly whether one is entitled or not. I believe that the legislation, by and large, does have that effect.

In relation to the work permits issue, many have eschewed this question of fixed- or limited-term work permits, particularly in the financial industry. The rationale always put forward is that if we do not have an open-ended provision that allows people believe, at least, that if they come and settle in our country, and pursue their careers here, they will be able to do so indefinitely (and in the case of professionals such as lawyers, accountants and the like, that ultimately they can hope to become partners, live happily ever after and make millions in your country), then you are not going to be able to attract the calibre of person that you want.

I do not subscribe to that. In my experience, which is not insignificant, I have never been party to hiring a lawyer who came here prepared to sign a five-year contract. Virtually no one comes here with the thought in their head that this is where they are going to settle for life. They come here and experience the place, and I have heard many of them say that this place grows on you. There is nothing wrong with that. However, if people come knowing initially that, save in exceptional circumstances, they are not going to be permitted to stay beyond seven years, then they come with that thought in mind. I do not believe that that is going to prevent too many people who wish a jaunt in the Caribbean from coming. I simply do not believe that to be the case.

Even if that were the case, we have to balance that supposed deterrent effect against the situation that we currently face. How long can this society, tolerant though it is, be expected to accept increasing numbers of foreigners as part of its permanent population?

Mr. Speaker, I am not one who believes that 41,000 is enough, that we should chop it off here and the population should not get any bigger, because all sorts of bad things are going to happen. I do not believe that at all. Over time, these Islands are quite capable of sustaining a population significantly larger than 41,000. The risk that we run, if we do not slow the pace at which we are absorbing people as part of the permanent population, is that we are going to destroy the very things that make the place so attractive in the first place. We are already at risk of doing that. This is not today; this is not even as a result of what Cabinet did in relation to the 2,500 grants of status. I think that has exacerbated things, but this is a situation that existed even before that. There is a resentment in certain quarters to "*them foreigners coming here and taking away all our opportunities. They making all the money, and we still suffering".*

The more people there are, as part of the permanent population, who do not speak or act the way we do, who are insensitive to things that Caymanians regard as important, the more we heighten social tensions, and the more we run the risk of developing real problems. If we pace ourselves, if the permanent population is able to grow at a reasonable pace so that people are absorbed and integrated into the community, and if we build the Caymanian population and Caymanian society, good things are going to continue to happen to these Islands. However, if we reach the breaking point—and I do not think we are so far off from it now—where young professionals in this community in particular feel that they are not being given opportunities for advancement because foreigners are being brought in to do things that they could do, and if we do not have provisions in the law, such as there are now in the Bill (which says that before you are promoted to partner you need immigration clearance to do so), we are going to have serious problems in this country.

The first of June next year will be 20 years since I joined my firm. I have knocked around the financial industry in these Islands for some considerable time. I know by experience, and not because somebody else tells me, the inherent prejudices and discriminations that exist. I know the attitudes that are often demonstrated. I have never allowed them to keep me back, nor do I dwell on them, but I acknowledge and recognise them. Unless there are provisions in the law that promote and protect the interests of Caymanians, there will continue to be that kind of discrimination and prejudice, and we are going to wind up with serious problems.

Although this whole question of limited-term permits is controversial, and although I myself struggle with it, because it is going to affect my firm as it is going to affect anyone else's firm, I am confident that in the long term it is the best that we can do. We have to balance one against the other. If it has a deterrent effect on the calibre of persons who come in—which I do not believe it that will have—then we will have to look at it again. I believe that the provisions here allow the Board sufficient flexibility if a firm can make a proper case as to why somebody should be retained beyond seven years.

Perhaps I can explain some of the rationale of the Immigration Review Team when we were thinking this whole thing through. We adopted ten years as the benchmark for a number of reasons. We felt that it is the period by which most people would feel that they belong to a community. It was also the period by which, under one of the European conventions, the United Kingdom was bound, and by extension, we were bound, to offer persons the right to apply for citizenship. That citizenship is British citizenship, not Caymanian status or the right to be Caymanian, but it seemed like an appropriate benchmark, or period, by which we should be giving people the right to permanently reside.

Having established that benchmark, Mr. Speaker, we had to work backwards to come up with a period by which people were either in the system for good, or out of the system. For that period, we came up with seven years, because if people were permitted to remain here beyond seven years, they were then entitled to apply for permanent residence. If they get permanent residence, they can then move on to

British Overseas Territories citizenship, and then, in due course, to status. For all persons who are here, we knew we would create certainty, fairness and an opportunity to participate in the process.

However, we were determined to recommend that the number of persons who got beyond the seven-year mark was significantly reduced. That is the only way we would be able to significantly reduce the number of persons we were going to add to our permanent population base, and ultimately, make Caymanian. There has to be a filter; otherwise, we wind up with a perpetuation of the system we have now, about which we are all complaining. Five years from now, we will have another slew of so many thousand persons who are screaming, yelling and clamouring that they have been here so long they should be entitled to status. If we were ever going to stanch that flow, we had to build in a filter to reduce the number of persons who reached the point at which they would ultimately qualify to apply to become permanent members of this society.

That is a social policy decision. If the Honourable Minister of Community Affairs were here, he would say that it is social engineering. However, a certain amount of that, particularly in a society as small as we are, is necessary. Because we are so small, it can work very quickly and effectively. We will be able to determine what the results are, and if adjustments are necessary, as I am sure they will be, we will make the adjustments. However, we must do something. I think the country as a whole accepted that we could not continue with the status quo. We could not continue this nonsense of quotas of 15 or 18 persons per year, when we have thousands of persons who have been here for well over 10 years. Although the Government should never be forgiven for indiscriminately granting status to 2,500 persons in one fell swoop, the fact remains that a large number of those persons would have to have been dealt with under this legislation. Had this legislation been passed, and had its provisions been applied, we would not have wound up with the significant number of persons who really should not ever have been granted status as a result of that exercise by Cabinet.

However, that is an argument for another day and I am not going to—

The Speaker: Honourable Members, we have now reached the hour of 8.30 pm. May I have a motion for the adjournment from the Honourable Leader of Government Business?

Hon. W. McKeeva Bush: Mr. Speaker, the Member was going so well that I was wondering whether he wanted to finish up another hour.

The Speaker: I am at the mercy of the House, if you wish to go on for another hour.

Mr. Alden M. McLaughlin, Jr.: No, Sir.

ADJOURNMENT

Hon. W. McKeeva Bush: Mr. Speaker, I think that it is the wish that we adjourn on this time, and accordingly we propose to work tomorrow, after Cabinet concludes business. I would think that out of caution, we should say from 2.30 pm until we finish the Bill. Mr. Speaker, accordingly, I move the adjournment of this Honourable House until 2.30 pm tomorrow afternoon.

The Speaker: The question is that this Honourable House do now adjourn until on Tuesday 16 December 2003 at 2.30 pm

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

At 8.30 pm the House stood adjourned until Tuesday, 16 December 2003, at 2.30 pm.

OFFICIAL HANSARD REPORT
TUESDAY
16 DECEMBER 2003
3.37 PM

Fifteenth Sitting

The Speaker: I will invite the Honourable First Official Member to grace us with prayers.

PRAYERS

Hon. James M. Ryan: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 4 pm

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies for late arrival from the Honourable Minister for Education, Human Resources and Culture.

PRESENTATION OF PAPERS AND OF REPORTS

Report and Recommendation of the Minister Responsible for Lands Recommending the Crown Grant (Unclaimed) Block 65A, Parcel 47 to the Estate of Tyler Welcome (deceased).

Motion to defer Paper

Report Deferred Thursday 4 December 2003

The Speaker: The Honourable Minister for Planning.

Honourable Leader of Government Business, do you have any information on the Minister for Planning; whether she will be here?

Hon. W. McKeeva Bush: Mr. Speaker, I think the Minister will arrive later on.

The Speaker: All right, we will have this deferred until a later time during this sitting of the House.

Agreed. Paper deferred until later during the sitting.

QUESTIONS TO HONOURABLE MINISTERS / MEMBERS OF CABINET

Suspension of Standing Order 23(7) and (8)

The Speaker: Honourable Leader of Government Business, would you move the suspension of Standing Order 23(7) and (8)?

Hon. W. McKeeva Bush: Mr. Speaker, I move the suspension of the relevant Standing Orders to ask questions after 11 am.

The Speaker: The question is that Standing Order 23(7) and (8) be suspended to allow for Question Time to continue after the hour of 11 am.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Suspension of Standing Order 23(7) and (8) suspended to allow for Question Time to continue after the hour of 11 am.

Question No. 97

The Speaker: The Second Elected Member for George Town.

No. 97: Mr. Alden M. McLaughlin, Jr. asked the Honourable Minister responsible for the Portfolio of Finance and Economics for the total expenditure of Government on official travel from 1 November, 2001 to present, giving a detailed breakdown of expenditure by Ministries and Departments.

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, the total expenditure of Government on official travel from 1 November, 2001 to 30 November, 2003 is as follows:-

Period	Amount of Expenditure
1 November, 2001 – 31 December, 2001	$308,346
1 January, 2002 – 31 December, 2002	$1,807,826
1 January, 2003 – 30 June, 2003	$1,131,005
1 July, 2003 – 30 November, 2003	$644,059
Total expenditure	**$3,891,236**

Attached is a detailed breakdown by Ministries and Departments for the above periods. Please note that in January 2002 and October 2003 there was a ministerial reshuffle and change in Cabinet responsibilities.

Therefore, it is quite likely that certain expenditures that were previously under departments that were assigned to some Ministries have been moved across based on the newly roll-up position taking into account the changes in responsibilities.

[See tables last page: Total Expenditure of Official Travel by Department; and Total Expenditure of Official travel by Ministry and Portfolio]

Supplementaries

The Speaker: Are there any supplementaries? The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: I wonder if the Honourable Third Official Member can say whether or not these expenditures are in line with the previous expenditures of governments in the past. I know he has been Financial Secretary for some 10 years. The numbers look alarmingly high to me, Mr. Speaker, but perhaps I am somewhat uninitiated. I wonder if the Honourable Second Official Member can give us some insight into these levels of expenditures as to whether they are in the normal range, historically.

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, it is quite likely that the level of overseas travels being reported on, would be consistent with expenditure in previous years. This would be with exception during the more recent three years (since the advent of the Organisation for Economic Cooperation and Development (OECD) and other international initiatives as there would have been an increase in expenditure especially in the Portfolio of Finance and Economics).

I should imagine that within the Ministry of Tourism and other related departments there will be increases (quite likely more recently), but I do not think that the level of expenditure that we have in front of us being reported today is inconsistent with expenditure of previous years.

The Speaker: Are there any other supplementaries? The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker. I wonder if the Honourable Third Official Member can tell us if these expenditures are related to travel expenses only, or are other incidentals included. Is it just for transportation?

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, what is being reported today would cover travel, plus accommodation and all travel-related expenditure, plus allowances for officers who are travelling.

The Speaker: The Honourable Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker. Can the Honourable Third Official Member then tell us how this relates to the budgeted amount for the years in question, that is, is it underspent or overspent in accordance with the budget?

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I would not be able to give a definitive yes because, as the Honourable Member will note, this is a roll-up of reporting being done through the Portfolio of Finance and Economics by way of response to this Parliamentary question today. Therefore, it is a question of checking all of the Ministries and Portfolios, and Departments falling under those Ministries and Portfolios, to ascertain that what is being reported today by way of annualised expenditure would be in line with their respective budgets. Nevertheless, looking at the revised expenditures as reported to this Honourable House for the years in question, I do not think I can recall spe-

cifically any unusual request being made for supplementary expenditure in respect of overseas related travel.

The Speaker: I will allow two more supplementary questions. The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. My quick calculations here indicate that over the course of the last year the Tourism Ministry and the Department of Tourism cumulatively incurred $553,719 in travel-related costs; from 1 January to 30 June this year, a further $323,050 and for the balance of this year until 30 November a further $194,671. Therefore, it seems, Mr. Speaker, that this Ministry alone is spending in excess of half a million dollars a year on travel-related expenses. I wonder if the Honourable Third Official Member can offer some explanation as to why such a significant portion of Government's travel expenses is being incurred by this Ministry.

Hon. George A. McCarthy: Mr. Speaker, I would think that the opposite of this would be of great concern, given the fact that the Tourism industry is one of the key economic pillars that supports the Cayman Islands economy. Given the fact that not only the Cayman Islands Government but other countries, especially in the region, are investing significant resources in terms of promoting their tourism industries, it would be necessary for this level of expenditure to be incurred by the Cayman Islands in terms of promoting the tourism industry and going to various destinations.

I happen to know, Mr. Speaker, that often-times this will not necessarily be in terms of the Director or the Minister travelling, but also other personnel travelling in or from the Cayman Islands. Given the fact that this is a travel-related sector of the industry, in terms of tourism and being a department that is associated with travel and selling the Cayman Islands, it is necessary for (what seems unusually large) expenditures to be incurred. We must bear in mind that a significant sum of money is always included in the budget on an annual basis in order to promote the development of tourism in the Cayman Islands.

The Speaker: One last supplementary. The Fourth Elected Member for West Bay.

Hon. Cline A. Glidden, Jr.: Thank you, Mr. Speaker. I am wondering if the Honourable Third Official Member can give us some explanation as to the breakdown, because I note that the Member for George Town made a point a little while ago of combining both the Ministry and the Tourism Department and I wonder if he can explain the difference between the two.

Hon. George A. McCarthy: Mr. Speaker, the figures that are set out for the Tourism Ministry would be related to travel by personnel and the Ministers within the Ministry; however, the Tourism Department figures would be related to travel by tourism-related personnel. Thank you.

Question No. 98

The Speaker: The Second Elected Member for George Town.

No. 98: Mr. Alden M. McLaughlin, Jr. asked the Honourable Minister responsible for the Portfolio of Finance and Economics what is the total amount of Stamp Duty waived by Government in relation to land transfers from 1 November 2001, to present, giving details by calendar year.

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Thank you, Mr. Speaker. The total amount of Stamp Duty waived by the Government in relation to land transfers from 1 November 2001 to 31 October 2003 by calendar year are as follows:-

Period	**Amount of Expenditure**
1 November 2001 – 31 December 2001	$950
1 January 2002 – 31 December 2002	$18,066.98
1 January 2002 – 31 October 2003	$40,701.49
Total	**$59,718.47**

However, Mr. Speaker, I think it is necessary to say that associated with this are certain exemptions that, quite likely, may be regarded as waivers. The relief granted under the heading of "Conveyance or transfer" in the Schedule to the Stamp Duty Law is not classified as waivers. They are exemptions; therefore, transfers for natural love and affection, no change in beneficial ownership and first time home owners, et cetera, are all treated as exemptions. The only waiver of duty on the instrument of transfer, which can be granted by the Stamp Duty Commissioner, falls under section 20(6), paragraph A of the Stamp Duty Law.

The following is a list of amounts of exemptions granted to first-time home owners detailed by calendar year. These are:

Period	**Amount of Expenditure**
1 November 2001 – 31 December 2001	$89,915
1 January 2002 – 31 December 2002	$301,910.91
1 January 2003 – 31 October 2003	$325,929
Total	**$713,754.91**

I included this information with the answer in order that this could be circulated to Honourable Members as an addition.

The Speaker: Honourable Third Official Member, would you pass copies in order that the information can be circulated?

Hon. George A. McCarthy: Thank you, Mr. Speaker, I will do so.

The Speaker: Honourable Members, I will give a little time in order that the additional information can be read before I call for the supplementaries.

[Pause]

Supplementaries

The Speaker: Are there any supplementaries? The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. In relation to the substantive response, I note in the period 1 January 2002 - 31 December 2002 the amount waived was $18,066.98. That amount has more than doubled during the first ten months of this year. The sum waived thus far is $40,701.49. I wonder if the Honourable Third Official Member can explain the marked increase in waivers this year.

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, what accounts for the sharp increase is the stamp duty assessment on lands that were erroneously vested in the Crown that were subsequently returned to the rightful owners of these properties under the arrangements in place where such claims can be processed by the Lands and Survey Department and then through Cabinet.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. I wonder if the Honourable Third Official Member can tell us how many of those properties have been dealt with and have resulted in the need for waivers.

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, there are three such properties. I can make the information available to the Honourable Member but I would rather not disclose the names of the persons over the air.

The Speaker: So ordered. Please continue — that is, if the Second Elected Member for George Town wishes that answer — please continue, Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I would ask for the normal procedure for it to be tabled but if you will allow, Sir, I will just for ask for the Serjeant-at-Arms to pass it directly to the Member.

The Speaker: So ordered. The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you. Mr. Speaker, just for clarity, could the Honourable Third Official Member state exactly what he meant when he said “lands erroneously held by government”?

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, there is a process emanating from the cadastral survey exercise. There are certain properties that were vested in the Crown where the titles of those properties were not perfected. Subsequently, those titles were perfected and, where it can be demonstrated that these lands were owned by certain individuals, once the claims have been processed, the lands were then returned to these individuals. This has been an ongoing exercise since the advent of the cadastral survey. Therefore, using the word “erroneous” would have been erroneous on my part; a better description would probably be that the land was held by the government in a fiduciary capacity pending the return once the claims could be satisfied.

The Speaker: The Elected Member for East End. Last supplementary.

Mr. V. Arden McLean: Thank you, Mr. Speaker. I would like to ask the Honourable Third Official Member if the transfer of properties out of government to private individuals, as is the case of one on the Order Paper now, does not all come to the Legislative Assembly to be approved by the full legislature. Why keep these so secretive? Did these not all come to the Legislative Assembly?

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: There is nothing secret about this process, Mr. Speaker; they would all have been brought by the Minister having responsibility. I would rather not call the names of these individuals.

STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE CABINET

The Speaker: I have received no statements from Honourable Ministers or Members of the Cabinet.

GOVERNMENT BUSINESS

BILLS

SECOND READINGS

The Immigration Bill 2003

(Continuation of Debate thereon)

The Speaker: The Second Elected Member for George Town, continuing. Honourable Member, you have one hour and two minutes remaining.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. When we took the adjournment last evening, I had been talking about the importance, to the continued prosperity and harmony of this society, that we have immigration legislation which is fair, equitable and which creates the kind of certainty that is so important to everyone in ordering their lives.

One of the main complaints about the application of the current legislation, over the course of the last few years, has been the uncertainty that prevailed, both in relation to persons with distinct Caymanian ties and, probably to a larger extent, persons who had put their roots down here in this society for extended periods of time. That latter category of persons has lived for a long time in fear that their next work permit would not be renewed, or that somehow they would offend someone on the Board, or someone close to somebody on the Board, and that would be the end of their tenure in these Islands.

As a maturing society; a country that prides itself in having one of the most sophisticated financial industries, becoming an important and sophisticated small country, not just in the region but in the world, it is important for us to have progressive, fair, equitable and certain regulations of our immigration system. It is important that people who come here regard the system as being transparent; they can look at it and determine where they stand right from the very beginning. That has been one of the guiding posts of the Immigration Review Team in trying to create and to rationalise our immigration system and legislation.

To make it certain, Mr. Speaker, does not mean that it is going to accord with everyone's view about what sort of system we should have. As I alluded to last evening, there have been, and will continue to be, many complaints about the imposition of a fixed term policy in relation to the terms of work permits. Whatever the criticisms of that system may be, it does confer the degree of certainty which we believe is so important to the creation of an equitable immigration scheme.

Persons who do come here on work permits will come with the full knowledge that unless they can fit into one of the exceptional circumstances provided for in the Law, they should not look to remain in these Islands permanently, and can expect to have a run of seven years. Therefore, we will get away from the expectation that currently exists, where people come and stay on and on and on – most of whom, as I said last evening, Mr. Speaker, never had the original intention of staying in the Cayman Islands for extended periods of time, but the country grew on them and over time it became home.

However, if one is well aware from the outset that one's tenure is going to be limited, then of course that expectation is not created, and the criticisms of unfairness, arguments and concerns which abound under the current system, "… because I have been able to stay here and you have led me to believe that my next work permit would be renewed indefinitely" simply will not exist under this new system.

The Immigration Review Team sought to establish a comprehensive system which would do away with many of the anomalies that are currently the case under the present legislation, and to have an integrated system whereby we would not have people out there somewhere in left field not certain where they were going to end up, living in hope – and in some cases sadly dying in desperation – that they might ultimately get the big prize and obtain Caymanian status, as is the case under the present legislation.

Therefore, what the Immigration Review Team recommended was a system where work permits, and the term limits on work permits, are linked to the broader picture whereby, if an individual successfully passes the seven-year filter, he ultimately goes on to apply for permanent residence. Once he has satisfied the residency requirement under the British Nationality Act of being free of immigration control for 12 months, he is then in the position to apply for British Overseas Territory citizenship by virtue of his connection to the Cayman Islands. That, Mr. Speaker, under the new system, becomes a precursor and a necessary precondition to being granted the right to be Caymanian.

If this system works the way it is hoped, ultimately there will be no one in these Islands for extended periods of time who will not have the right to be Caymanian, except those specific categories of persons who are permanent residents and whose intention is not ever to become Caymanians as of right. Mr. Speaker, I am speaking about people who obtain permanent residence on the basis that they are wealthy retirees, and those who are granted the right to be entrepreneurs and investors – that category of persons. However, if the ordinary (if I can call them) run-of–the-mill persons who hold work permits, get beyond the seven years and make it, they will qualify under the points system and will ultimately move through the stream all the way up to being granted the right to be Caymanian.

While it is proposed that a point system be established by which persons qualify for permanent residence, I believe in reality that once we get through the transitional stages of this Bill (and I will come to

that in a moment because there are going to be significant ramifications in relation to persons who are here for relatively short periods of time – thus far up to five years – as a result of the passage of this legislation), once a person gets beyond the seven years, and the Board is satisfied that he is one of those exceptional cases and should be an exempted person, while a lot can happen in seven years, I think it is more likely than not that those persons would ultimately qualify for permanent residence.

Thus we will get to a point over the course of the next two years, if this legislation is passed and if it works as it is proposed that it should work, where we will not have people floating about indefinitely in the community not quite sure where they stand in immigration terms in these Islands. That is the best that any society can hope for and plan for and seek.

Now, Mr. Speaker, I am going to spend a little time talking about the attempt of the Immigration Review Team, which is, by and large, reflected in the Bill, to rationalise the whole question of the right to be Caymanian.

There has raged in this country, at least from the time that I can remember, this whole question about who is Caymanian, and there was a real distinction between those persons who were granted Caymanian status on the basis of long-term residence here and those persons who would claim to be indigenous Caymanians, or persons with close Caymanian connections having had forebears who were born here.

I do not hear it so often any more, but for a long time the derogatory term was applied to persons who were granted Caymanian status on the basis of residence, as "paper Caymanian". Many of us indigenous Caymanians were very quick to trot that out whenever a person who was not born here did something that we disliked, or did something to offend us, or something that we believed made our lives a little more difficult.

That sort of distinction and that sort of terminology has no place, in my view, in nation-building. I have argued that case strongly for as long as I have been aware of this distinction – that once you confer on persons the closest thing to citizenship that this country can do, we need to stop making the distinction for all intents and purposes, because we cannot build a nation and Cayman, as the Minister of Education often talks about, is very much a frontier society in many respects.

We cannot build a society, we cannot build the kind of country and community that we need to build to continue this run of prosperity if we have a divided camp into which are segregated those who were born here of Caymanian stock and those who were born somewhere else of other stock. Once we have taken the decision that these persons are suitable to be integrated into this society and to be granted Caymanian status, as it is under the current Law, or the right to be Caymanian under the proposed Law, then we have to accept those people as part of our society; we have to accept that they are entitled to participate in all things that are generally available to people in this community.

Now, Mr. Speaker, we on this side have no difficulty with saying that as far as the political process is concerned, and participation in that process at the highest level, having the ability to stand as a candidate to become an elected member of this Legislative Assembly, a person should have, in addition to the right to be Caymanian and British Overseas Territories Citizenship (BOTC), an additional qualification which should be a sufficiently long tenure in these Islands to ensure that they have not only the commitment but that they have the experiences of this community to be able to make the sort of value judgements that are necessary when one is elected to this Honourable House.

That is why we, the parliamentary Opposition, proposed, and the Government had originally agreed, that under the terms of our proposed new Constitution, the qualifications for elected membership should include, and should not be limited necessarily to persons who were born here of Caymanian forebears, "new Caymanians".

However, as far as they were concerned, they should have not only the right to be Caymanian and BOTC but they should have had the right to be Caymanian for 20 years before they would qualify to be able to stand for election to this Honourable House. Unfortunately, that is still up in the air and we do not know which way Her Majesty's Government is going to decide; however, the Government has resiled from the original position in relation to that and has reverted to the provision in the current Constitution which effectively will exclude from participation in the electoral process at the highest level, persons who do not have a direct Caymanian forebear.

Now, we say, Mr. Speaker, that if we are going to seek to be inclusive, if we are going to treat these persons to whom the right to be Caymanian is to be conferred, the same way as all Caymanians, then we cannot create a system which prevents and prohibits them from participation in the electoral process at the highest level. Unfortunately, that is what is proposed now by the Government.

However, I digress a little there, Mr. Speaker, just to talk about the importance of this whole question of the right to be Caymanian. That is why we have been aghast at the alacrity with which the Government seemed to be prepared to dispense Caymanian status indiscriminately over the course of the past few months. This is an important fundamental right that needs to be treated carefully and judiciously.

The Bill that is before this House, based on the report of the Immigration Review Team, I believe, goes a long way to remove some of the inequities and unnecessary complexities attached to this whole question of what is, under the current law, Caymanian status, or the right to be Caymanian under the new

Law. One of the important things that it does, that the present legislation does not, is it creates a category of persons who are Caymanian as of right.

While the current legislation recognised and deemed certain persons to possess Caymanian status if at least one of their parents at the time of their birth possessed Caymanian status, and one of their parents at the time of their birth was domiciled in the Cayman Islands, the Law actually did not create a category of persons who were described as being Caymanian as of right.

I think that is an important recognition and acknowledgement, for historically, many persons who are Caymanian in every sense of the word were simply born somewhere else because of medical reasons, because Caymanians have always been a nomadic people. For any number of reasons they simply were not born in these Islands and it irks many, many people that they actually, under the current legislation, have to apply to the Board to get an acknowledgment of their Caymanianness – if I may use that word, which is not a word. (I know a number of them). Under what is being proposed now, in my view, that would become unnecessary and a person will be recognised as Caymanian as of right in the following circumstances.

Under section 21 of the Bill"**"Caymanian as of right" means a child –**

(a) born after the commencement of this Law whether in or outside the Islands, at the date of whose birth at least one of his parents was settled in the Islands and was Caymanian;

(b) born outside the Islands, after the commencement of this Law, at the date of whose birth at least one of his parents was Caymanian otherwise than by descent; or

(c) acquiring the status of Caymanian under section 21 of the Immigration Law (2003 Revision) or under any earlier law conferring the same or similar rights."

Therefore, what this does is to recognise immediately as a person who is **"Caymanian as of right"** as one who was born outside the Islands and at least one of his parents was Caymanian otherwise than by descent, which effectively means that his parent would have had to be born in these Islands or at least his grandparents would have had to be domiciled in the Islands at the time of his birth.

The Speaker: Honourable Members, we have now reached the hour of 4.30 pm and I understand that we intend to go on until a time later. Honourable Leader of Government Business would you move the suspension, please.

Suspension of Standing Order 10(2)

Hon. W. McKeeva Bush: Thank you, Mr Speaker. I move the suspension of the Standing Orders to be able to work after 4.30 pm and, Mr Speaker, we intend to complete the business on the Order Paper.

The Speaker: The question is that Standing Order 10(2) be suspended in order for us to complete the proceedings as stated on the Order Paper.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing order 10(2) suspended to allow proceedings to continue beyond 4.30 pm until the conclusion of business.

The Speaker: The Second Elected Member for George Town, please continue.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr Speaker.

The Speaker: Honourable Member, I think you have 39 minutes remaining.

Mr. Alden M. McLaughlin, Jr.: Thank you, Sir. Mr. Speaker, the effect of that is we wind up in a situation where persons born outside the Islands, otherwise than by descent, whose parents are Caymanian, are entitled or have the right to be Caymanian, but it does not extend beyond grandparents. The reason for that is there needs to be a real Cayman connection for persons to have the right to be Caymanian. People should not be able to pass the right to be Caymanian down the line indefinitely and there is nothing novel about that provision; there is a similar one, I understand, in relation to British citizenship under the British Nationality Act.

Another important improvement, in my view, is that it removes the complex question of domicile from the legislation because domicile has always been a matter that has troubled the courts in determining where one's domicile was. There are all sorts of wonderful cases about the loss of domicile of choice and the resumption of domicile of origin and all of those nice legal questions which make good issues for examination papers, but dealing with the reality of life creates such uncertainty and problems that I believe they are better left out of the law. Instead, the Immigration Bill has adopted the concept of "settled in the Islands" which is a much easier matter to determine and, I believe it creates an improved provision in the Law and brings to it a degree of certainty which would otherwise be missing from the legislation.

Another improvement in the legislation (and one which I think is in keeping with this move to a more humane, humanitarian and fairer approach to these matters) is the whole question about the rights of the spouse of a person who has the right to be Caymanian. Under previous legislation, while a spouse

could apply for status after five years of marriage, I believe, if that spouse commenced to live apart from the Caymanian spouse within 10 years of the date on which they were granted status – not the date of the marriage: the date they were granted status, which extends the period even further – they would lose their status. It did not even require a decree of dissolution, just living apart, which I have always felt was unfair in the extreme, because I do not believe that one should try to keep people together, keep marriages together by holding the threat of the loss of their status over their heads indefinitely.

While we need to be careful and cautious and to insure that marriages of convenience are not entered into simply to obtain the right to be Caymanian, that is a separate matter in my view which the Board needs to examine carefully at the time when the application for a grant of a right to be Caymanian is being considered. However, to then turn around, as the current legislation does, and say that if you commence living apart from your spouse within 10 years after the date that you got that status - which could be as long as 15 years after the date of that marriage - that your status is lost, I think is inhumane.

I have some personal experience in relation to this: I do not mean that I personally experienced this but I have acted in years gone by for a number of individuals who were very close to the 10-year mark at the time that the divorce petition was presented – and not presented by them but by their spouses. I could tell you that the process and the only means that really works, is to do what one can as a lawyer to delay the pronouncement of the decree. In one case I do recall very well, we put together a defence to the divorce petition and had a long battle about it, not because we thought we would really win, but because we thought that would slow the process down enough in order that the 10 years would elapse before the decree was pronounced.

Any legislation which causes you to have to go through those sorts of machinations to preserve a right of citizenship – or at least the closest thing to citizenship that we can confer in this country – must have something fundamentally wrong with it.

Therefore, I have always been of the view that once the right is conferred, that is it. It must not then be contingent on people staying together and loving each other for ever and ever, Amen. We, of course, would wish that all marriages were like that, but in the harshness of this cruel world that is simply not possible. It is not in touch with reality to expect that this is going to be the case in every instance. Sadly, more marriages end in divorce than continue for the lives of the parties thereto and so this provision in the Bill which says, [in section 22(4)], **"Any person-**

(a) who has been married to a Caymanian –

(i) for at least five years, where the marriage took place prior to the commencement of this Law; or

(ii) for at least seven years, where the marriage took place on or after the commencement of this Law;

(b) whose marriage is not a marriage of convenience;

(c) who is not living apart from his spouse under a decree of a competent court or under a deed of separation;

(e) who is legally and ordinarily resident in the Islands immediately preceding his application;

… may apply to the Board for the grant of the right to be Caymanian."

That is it. Once they get it, they have got it and they can then only lose it in similar circumstances to anyone else who has been granted status; if they commit some serious criminal offence or the like. That is as it should be. Whatever questions we have about the validity of the marriage we ought to ask before we grant the person status and what transpires thereafter is none of our business, quite frankly, Mr. Speaker. That is my view, Sir.

Another important improvement, I believe, in relation to this right-to-be Caymanian issue, is the situation in relation to persons who have status, but who would lose it on reaching the age of majority. Under the present legislation, Section 22 (2) of the Immigration Law (2003 Revision) provides that: **"(2) Any person possessing Caymanian status who has adopted a child in any place outside the Islands, may, if such child-**

(a) is under the age of eighteen years;

. . . apply to the Board for the grant of Caymanian status to such child to take effect immediately upon such loss occurring."

Subsection 22 (3) provides: **"Any person who has attained the age of eighteen years, one of whose parents was born in the Islands, and who has been ordinarily resident in the Islands for the period of three years immediately preceding his application may apply to the Board for the grant of Caymanian status."**

This Law therefore confers the right to apply for status but the improvement which I believe section 22(8) of the Bill brings is that it provides that: **"A person who-**

(a) has attained the age of seventeen years;

(b) has Caymanian status which-

(i) will expire when he attains the age of eighteen years; or

(ii) has expired upon his having attained the age of eighteen years; and

(c) has been legally and ordinarily resident in the Islands for at least five out of the seven years immediately preceding the date of the application, may apply to the Board for the grant of the right to be Caymanian …"

and this is the important date

"… and such application shall be granted, unless the Board has compelling reasons for refusing it; and such grant shall take effect when he attains the age of eighteen years or, where he is already eighteen years, from the date of the grant."

Hence, that will deal, I believe, effectively with children of persons who have come here and who have gotten Caymanian status or who will get the right to be Caymanian. It creates a presumption that this status will be continued beyond the age of 18 unless there is a very good reason for the Board not to do so. Therefore, rather than the situation which we have now where people live in hope that if they have spent the last six or seven years here, they came here when they were 11 years old, say, which effectively means they would have spent their high school years here and those are the critically formative years on how people think, I believe, will no longer be living in hope that they may not get status or have their status continued when they pass the age of 18.

This has important implications for many young people because it affects their ability to apply for scholarships. We all know of instances where there are persons who were not born here but who effectively grew up here but who lost their status when they reached age 18 and therefore lost their qualification to be able to apply for a scholarship because virtually every scholarship system that operates in these Islands requires that the person must be a person of Caymanian status.

I have spent a fair bit of time on how important it is to the building of this nation that we do not discard those who have grown up in the society who understand and appreciate our culture and our values. Many of them are bright and promising stars but, as I said yesterday, often their parents simply do not have the economic means to send them on to university. If we continue to perpetuate a system which precludes them from being able to avail themselves of the benefits of a scholarship, whether it is a government scholarship or otherwise, then I think that we are being foolhardy because these are the young people who can help contribute to the continued prosperity and growth and improvement of this society, this community, this nation. Mr. Speaker, I really think that is a section that significantly improves the position in relation to persons under the age of 18 who have Caymanian status but who stand otherwise to lose it when they reach the age of majority.

I am sure I am running a bit short on time if I can crave your indulgence, Sir, to have one moment just to review a few . . .

The Speaker: You have 24 minutes remaining.

Mr. Alden M. McLaughlin, Jr.: . . . points in order that I make sure I have covered all of them. This is a small point and one which I will make for the benefit of the drafts persons. I have already spoken to one of them, I think, but I believe this Bill was drafted before we actually passed the status of Children Law which removed the distinction between legitimate and illegitimate children for all intents and purposes. Mr. Speaker, because of that I think that section 20(2)(c) will need to be amended because that section still refers to a child being subsequently legitimated for reason of the operation of the Legitimation Law (1997 Revision) and one of the effects of the Status of Children Law, which was recently passed, was to repeal the Legitimation Law. However, I think the sub-section will still work very well with the removal of that provision. I do not think any further amendment to it would be required other than the deletion of the reference to legitimation and the Legitimation Law. That is on page 38 of the Bill, section 20(2)(c).

One of the major disappointments with this Bill, which I have and which Members of the Opposition share and I believe even some Members of the Government Back Bench perhaps even some of the Front Bench who were on the Immigration Review Team with me, is the fact that the Law excludes its application to persons employed by the Government of the Islands.

Quite frankly, I think that is a disastrous proposal. I keep referring to the Minister of Education and I know where he sits and how difficult life must be out there for him sometimes, but he is absolutely right. I keep saying we cannot have one country and two systems and I know he must try hard to preach that to his colleagues on the other side. Thus far he does not seem to be doing very well.

Hon. W. McKeeva Bush: That is true — to you all on the other side.

Hon. D. Kurt Tibbetts: [Inaudible comment]

Mr. Alden M. McLaughlin: I spent a significant amount of time yesterday talking about how important it is to the continued harmony and reputation of these Islands that we have a system which continues to promote tolerance, civic mindedness, and fairness among our people and how critically important the right sort of immigration scheme is to that equation. I spoke about the attitudes of Caymanians and the attitudes of those who visit here and how those attitudes have undergone significant change (and not change for the better) over the course of the past few years as pressures have built with Caymanians feeling more and more threatened and overwhelmed by the sheer number of persons who come here and set up residence permanently.

I also spoke about the attitudes of foreigners, both to us and to the Immigration Legislation which currently exists and how the whole objective of this Bill and the whole mission and vision of the Immigration Review Team was to create a system of immigration and provide immigration reform which addresses those two concerns: hence the reason for the recom-

mendation for term limits in relation to work permits. We had to dispel this impression: this expectation that all who come here to live and work would be allowed to stay indefinitely. By creating this filter to which I have referred a number of times in my debate, we would reduce the number of persons who would reach the seven-year mark and thereby qualify to apply for permanent residence and then move on through British Overseas Territories citizenship and ultimately to Caymanian status.

Now, if we are going to impose a system of term limits to have that desired effect on the private sector, how, how can we exclude the largest employer in the country, the Cayman Islands Government, from that scheme? The records which I have been able to obtain, indicate (exclusive of statutory authorities and Government companies – I do not have the numbers for those) the number of persons employed by the Cayman Islands Government which includes civil servants and group employees as at 7 November 2003, stood at 3,283, of whom 67.5 per cent were Caymanian and 32.5 per cent non-Caymanian. Therefore, as I said, excluding the statutory authorities and the Government companies, approximately 1,000 persons are employed by Government, who, if they were working in the private sector, would require a work permit.

We are saying, that by excluding the application of this legislation to the Government of the Islands, those 1,000 persons are entitled to continue in this country, on the basis, and with the expectation that in due course they will be able to obtain Caymanian status. They will not be subject to any term limits on their tenure here and they can come and work indefinitely – the same situation that exists across the Board now. This is plainly wrong. Here we are telling the private sector that whatever discomfort will be experienced it is for the greater good that term limits be imposed because this is what is necessary to ensure that we continue to have the kind of society which has attracted business and people here and which make these Islands a delight in which to live.

However, we, the Government, who are imposing it, are not going to be subject to its provisions because the private sector must make sacrifices while we continue our merry ways free to do as we wish. It is wrong, Mr. Speaker, it has always been wrong that Government employees are not subject to the provisions of the Immigration Law, of having to meet the requirements of the Immigration Board as do employees, and employers as well, in the private sector. It is wrong: it is plain and simple, wrong.

The employment prospects of Caymanians in the private sector are no more important than the employment prospects of persons in the civil service and the degree of disgruntlement in the civil service, as far as upward mobility is concerned, is no less than that heard in the private sector. What possible justification can there be for excluding the provisions of this law, particularly those in relation to work permits, from applying to the civil service?

It is not sufficient in my view, to say that we have a public service law or bill coming and that we have to consider the ramifications of the whole reform of the public sector. There is no reason if we have now created a policy document, moved it to the stage of a Bill whose passage is eminent, that that same policy, those same regulations, should not be made to apply to the public sector whether it is encompassed in a public sector bill or whether it simply with this law applies to the public sector.

How can we really stand up and defend the position of term limits to those in the private sector who say, "Oh, you're going to deter good quality, good calibre candidates from coming and taking up the jobs in the laws firms, accounting firms, the businesses and the banks and trust companies, because anyone who is going to give up the prospect of a partnership of a law firm in the UK wants to be at least reasonably certain that if they apply themselves in the Cayman Islands they will wind up with a partnership."

That is what the private sector has been saying from the time this issue was mooted many years ago. However we, I believe, collectively, have the political will and the determination to ensure that what we believe, after careful thought, consideration and consultation, is in the long-term best interests of these Islands should be made to happen. I urge the Government to reconsider this matter. We are *ad idem* on just about everything in this Bill. Let us do the right thing and make these provisions in relation to term limits applicable to the civil service as well.

There are also going to be concerns expressed about the fact that a promotion from associate to partner is considered to be a change of employment and therefore subject to the scrutiny of the Immigration or the work permit board as it is going to be termed under the new legislation. Again, I believe this is a critically important change necessary to ensure that the prospects of Caymanians are at the forefront of the minds of those in charge of the big and small law firms, accounting firms, banks, trust companies and the other important businesses in this community.

If these matters are not within the province of the work permit board, I fear that often deserving Caymanians would be overlooked because you see, Mr. Speaker, notwithstanding our tremendous success and prosperity, the reality is that the upper echelons of the financial industry in these Islands continue to be governed by non-Caymanians and quite frankly it is not perceived by many of them, to be in their best interests to add Caymanian partners to their number. To do so means to give up a certain degree of control over the operations of that enterprise and that is something that many of them are reluctant to concede. That again I believe is an important improvement in this proposed new legislation.

The last matter that I will seek to address in these short minutes that I have remaining is this whole question of what is now termed "exempted employ-

ees" in the Bill. These are not the provisions, which permit certain employees to be exempted from the term limit provisions of the law, that the Immigration Review Team recommended. The concept the Immigration Review Team developed was the concept of the key employee and it is something that we borrowed from the Bermuda legislation. However, it was felt by many in the business community, in particular those who made representations to me that the provisions as proposed by the Immigration Review Team were too restrictive and would mean that not many persons would qualify to be designated as key employees and therefore be exempted from the term limit policy and, for the reasons which I articulated a little earlier, the need to get the right calibre persons to come and work here; it was felt that additional flexibility was required.

I do not take a great deal of issue with what has now been proposed in the Bill, except to say that although it does increase the flexibility, it also permits in my view the possibility of a lot more abuse.

The Speaker: Honourable Member, you have four minutes remaining.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. It also permits abuse of the provisions, I believe, unless the Board is extremely vigilant and very careful in how it applies to sections, because it says in section 47(3) of the Bill: **"Before the Board can designate a worker or prospective worker as an exempted employer it shall satisfy itself that he fulfils one or more of the following requirements:**

(a) he is recognised as having particular expertise in his field of practice, trade or employment;"

Unless one takes quite a rigid view of that section virtually everybody who comes to work here could be let in. Everybody will claim that they have a particular expertise in their field, or practise, trade or employment. As I read the section though, Mr. Speaker, it does not mean that the Board is bound to exempt every employee who does have a particular expertise. It says that before the Board can designate a worker they must be satisfied that he has one or more of the following requirements and that is my concern.

I do not have the time to go through all of the other requirements in the few minutes that I have left. However, that is my general concern about these new provisions which have been substituted for those which have been proposed by the Immigration Review Team. Yes, they do permit a lot more flexibility than we had envisaged, but we were deliberately stringent in the provisions that we recommended because we did not want the whole system to fall apart.

If, in fact, this filter does not work and virtually everybody who comes here manages to be exempted, then we are going to be right where we are now. Except this time, we no longer have the quota system, therefore we have created a vehicle whereby virtually everybody who comes here will ultimately move on to get Caymanian status and that would be an even greater disaster than the one that we now contend with.

I have not come to the end of all that I could say, but I have come to the end of the time I am permitted and I would just like to close by saying that I am very proud and privileged to have had the opportunity to play a part in developing the policy that has resulted in this particular piece of legislation. I wish to pay credit to, and to commend the other Members of the Immigration Review Team who took part in this important exercise.

This, Mr. Speaker, was truly a bipartisan work even when the roles were reversed because the Immigration Review Team was appointed by the Honourable Leader of the Opposition, my colleague the First Elected Member for George Town, when he was there. Its work then was bipartisan and its work after he demitted office in November of 2001, was bipartisan. I believe that in time to come, the reports will be viewed as important historical documents.

It is not often I laud the Government, but I believe that its vision, foresight and courage to pursue what was started by the Leader of the Opposition to bring this Bill to this House at this controversial point; and both sides joining ranks even though there are one or two issues with which we disagree on this important matter, is again something that we can all be proud of. I believe, Mr. Speaker, that this will be judged by history and by the historians to be a signal time in the critically important evolution of these Islands.

I thank you, Mr. Speaker, for your patience in listening to me over the course of these two hours. Thank you, Sir.

The Speaker: Does any other Member wish to speak? The Honourable Minister for Education, Human Resources and Culture.

Hon. Roy Bodden: Thank you, Mr. Speaker. I rise to make my contribution to a Bill for a Law to Repeal the Immigration Law (2003 Revision); The Immigration (Amendment) Law No. 11 of 2003; The Immigration Regulations (2003 Revision); The Immigration Directions (2001 Revision); The Immigration (Business Staffing Plan) Regulations (2000 Revision); to Make Alternative Provisions for Matters Pertaining to Immigration; and for Incidental and Connected Purposes.

There is an old Jewish wish that goes something like this: "May you live in interesting times." These are indeed interesting times for those of us who are present as Members in this Chamber now, have come to witness perhaps one of the most momentous developments in the history of an evolving society, and certainly in the history of political affairs and matters pertaining to the Legislative Assembly since the 1980s.

Much credit has to go to the Immigration Review Team members and the last Speaker, the Second Elected Member for George Town, who cast it accurately when he said that it was a bipartisan effort. Mr. Speaker, I am not going to dwell so much in the merits of the clauses of the legislation because that was done by persons far more eminent and able than I am, although I am, from time to time, going to make some reference to some of the clauses.

What I would like to do is to cast this whole business of Immigration Review and Reform and the products of those efforts, namely this Bill, The Immigration Bill 2003, in a light and to say why it was necessary for us to come to this conclusion at this time and why I think that this is of significant historic import in the development of the Caymanian society.

It is interesting that two of the most able and prescient colonial administrators that the Cayman Islands have ever seen, namely Allen Cardinal in the 1930s, and in the 1950s a man by the name of Andrew Morris Gerrard, warned Caymanians about letting in large numbers of outsiders. The archives hold interesting records of the addresses these colonial administrators gave to the Caymanian people and it is worthy of note that the advice they gave at that time was both appropriate and relevant. However, we are living in different times now; the geopolitics and the economics of our existence have significantly changed. Indeed, not only of the Cayman Islands but of the region and of the wider world and consequently it is necessary for us to take a broader and more cosmopolitan view.

I want to mention, and return time and time again throughout my debate to one of the things that we have never been able to come to a mature grip with. It is the fact that Caymanians have always felt that they are vulnerable to being out-numbered and out-manoeuvred and this is so for two reasons. The first is, that if you check it out, the early history of the Cayman Islands was a history in which the Islanders were very much left to themselves and so they developed rather insular and peculiar attitudes towards outsiders with whom they only came in contact when they were merchant mariners roving the seas, namely the western Caribbean, and much later when they went abroad in greater numbers seeking an economic livelihood.

Therefore, it was natural for Caymanians to be reticent and reluctant to merge and mingle and to encourage outsiders. Many Caymanians express the belief even now, that they are going to be outnumbered and that they are going to be disadvantaged.

There was also a genre of politicians who did not understand that the world was changing and they encouraged Caymanians to feel this way by not helping them to understand that the Cayman Islands were no longer the Islands that time forgot but were, indeed, part of the wider world. Therefore, when we made our first attempt at some form of immigration regulation, it was mistakenly called the Caymanian Protection Law. It is largely out of that, that Caymanians arrived at the conclusion that they were somehow a special breed of people, delicate and on the brink of extinction that had to be protected.

While I give credit to the well-meaning legislators, I contend that it was a misguided and a mistaken notion. What should have been done was to have inculcated in Caymanians that the world was changing and they had to prepare themselves for competition. Not only for competition among fellow Caymanians but competition from outsiders. Thus, we move from that point in the ’60s up until the ’80s.

When I first became a member of this House in 1988, in 1989 we had the first review of the Immigration Law and we went through subsequent reviews until we came to this most recent one and a most peculiar phenomenon occurred throughout all of these reviews that I had the privilege of being a part of. The political directorate at the time went to great pains in the Select Committee and we had persons come in. We heard the most heart-rending stories, people broke down and cried, there were tales that would melt even the hardest iceberg of a heart and yet at the end of the day, nothing tangible was achieved.

Therefore, it seemed to me that the exercise was only meant to be a spasmodic exercise which was full of perhaps not so honourable intentions. It was just a way of easing oneself out of a dilemma because every time we came to the conclusion… There was one time when there was great hope, however the political directorate administering the review got swept out of power and I think a great mistake was made by the electorate when they did that. Nevertheless, the people exercised their democratic rights. The succeeding political directorate then put a moratorium on grants of Cayman status.

Prior to that, grants had been made of 12 per year. When the moratorium was put on the grants by the succeeding political directorate in 1992, no corollary moratorium was placed on applications. Subsequently, what transpired was that while no grants were being made, applications kept piling up until they numbered in the thousands. That shows us how shortsighted even the most brilliant of legal minds can be, when our intentions are not honourable, because someone should have seen that to balance the equation, if there were no grants of citizenship, there should have been a corresponding moratorium on grants of application.

Thus matters grew worse and there were those of us who said it is against natural justice, it is against human rights, to have persons living in the community for all these years, hard-working, law-abiding citizens. Indeed, there were persons here, three and four generations, in this society who, if challenged, held no legal rights according to our law. There were also all kinds of quirks in the system; some people were here long enough and they could vote, some people were here for a long time but they

could not vote and we had all kinds of variations on the theme.

I join too in commending the vision of the persons who took over the political directorate in 2000. Regarding the comment made by the last speaker about the similarity, I have always believed that in this Legislative Assembly there is more than a symbiotic relationship with the Government and the Opposition. If the truth be known, what really happened after 2000 was that there virtually was a one-party state because the old order was swept away by the persons who currently inhabit this House.

Therefore, I am really not surprised, as was the last speaker, by the similarity of philosophy between Government and Opposition when it comes to these things because I believe we share the same philosophy, as far as some natural and human rights are concerned. Often I believe the only difference is between the two Leaders, and maybe that is a matter that they should settle personally.

We had come to the point where the situation was unbearable and it was realised, quite rightly, that something had to be done, therefore, the Honourable Leader of the Opposition established this Immigration Review Team which happily was continued, after roles in the Assembly changed, and we have come to this.

Why is it necessary, Mr. Speaker, to have a modern Immigration Law at this time? Well, the most fundamental reason is that it is necessary because Caymanian society cannot continue to labour under the confusing situation where there are thousands of people in the country who are not sure of their tenure, of their status in the country, of their ability to ever become completely entrenched in the Caymanian society.

I want to say as one, if not the only Member of this House, who has voluntarily immigrated to another country, that I am in a good position to view the coin from both sides. On the one hand we have to be fair to those persons who are from outside, who have laboured and contributed. On the other hand, we have to do things in such a way that 'established' Caymanians, as I call them – as against what I hear people describing as 'indigenous' Caymanians. Mr. Speaker, there is no such thing as an indigenous Caymanian; all of the people here believe you me, are expatriated. I make the distinction between Caymanians of generations like myself and the other Honourable Members in here as established Caymanians vis-à-vis the newer Caymanians. So, we have to at the same time let Caymanians feel that they are not going to be significantly disadvantaged by this incorporation of all these new citizens. I contend that there is an economic advantage to be gained by incorporating these persons into our society. Therefore it is necessary to craft a new law: one which is clear and unambiguous; one which spells out the rights and responsibilities; and one which brings the Cayman Islands as a developing society in line with internationally required and respected obligations in terms of human rights and natural justice.

I believe, too, as a Caymanian, that many Caymanians hold certain views which may not necessarily be without prejudice with regards to certain elements in the society. Therefore this law is good again, in that, while it may not eliminate completely the possibility of those prejudices surfacing, it certainly curtails significantly any possibility of those prejudices rising to the point where it would be inimical to the interest of the majority of people in the society.

Any prosperous society has to set out clearly how people can attain membership in that society. It was fashionable sometime ago to be exclusive; indeed there were few countries in the world that did not employ restrictive immigration policies, and I say now, as I have always said, that my model for fair immigration is the Canadian system. It is a system which I know and it is a system which is recorded to be the fairest, the most progressive, and the most prosperous system in terms of setting out clearly an immigration bill which is understandable and fair and which encourages people to immigrate there. Canada can well do that, because it is a large country with few people.

The Cayman Islands, however, cannot take in everyone who wishes to come here, therefore it is necessary for us to set in place some legislation which distinguishes and differentiates and sets out clearly and unequivocally those persons and the criteria that we set for accepting them into our society.

There are, however, things that I would like to see done differently and I would hope that when a new law comes around, it eliminates this business of payment for citizenship for I believe that citizenship is a privilege and when it is bestowed, those persons receiving it should be made to understand that it is a privilege. It is a priceless commodity thus I hope that the next law, whenever it comes, will remove any necessity to pay any monies. I like the way it is done in other jurisdictions where when you acquire a citizenship, you are called as a successful candidate. Some places demand an examination; you have to know about the history of the country, the politics, and even some aspects of the culture. You have to swear an oath of allegiance before a Magistrate or a Judge and you are given a packet with the national flag, national anthem, national symbols and you get your photograph taken with your family: a source of pride. In addition to the Certificate of Citizenship, many people have a photo which they can keep for posterity, as a source of pride.

That is the next step and I hope we can get to that before I transpire, Mr. Speaker. This effort is commendable; this Bill is a far cry from what we laboured under, robbed people and deluded ourselves for so long. "For when the chickens come home to roost" — and the signs are that they are coming home now — we shall have to ask ourselves whether we have not, in the long run, cheated posterity and future

generations of Caymanians, as well as committing an immorality, by making it difficult for all those persons who came here with honest intentions to labour and contribute to wait for so long before we recognised their efforts.

I believe that when it is explained, the majority of established Caymanian people will understand this new Immigration Bill and the Law; they will understand the necessity for it and they will understand how it is going to improve the Caymanian society in a number of ways.

Before I go into the individual clauses, Mr Speaker, I want to crave your indulgence to speak about this whole notion of citizenship and what it means. One of the things that this Bill purports to do is to remove the distinction between established Caymanians and those who some people contemptuously refer to as "paper Caymanians" and then there will only be one basis of citizenship. Mr. Speaker, I want to read a little from a book called *Citizenship in a Global Age: Society, Culture And Politics* by author Gerard Delanty.

"Citizenship and the struggle for equality.

"The concept of citizenship as a legal status based on rights was the Roman development, but with its roots in Greek thought and practice. For the Greeks there was no clear distinction between morality and legality, citizenship and democracy. A citizen was an essentially political being, by which was meant both a moral and a legal entity. Citizenship was an inherited privilege and clearly marked the boundary between non-citizens and citizens, for the polis was based on a restricted principle of equality as well as on a clearly defined territory."

It goes on to say, **"Equality was not central to the Greek conception of citizenship, which was ultimately a privilege. For the Greeks, the citizen achieved equality in the public domain, the world of 'speech' where he was free to engage in political discourse freed from the burden of household or the world of 'things', the confine of women, children and slaves. No account of citizenship can evade the fact that it was originally constructed in order to exclude and subordinate people."**

All of that leads me conveniently to make the point that it is necessary for the law to clearly set out the criteria for becoming citizens. For it would be most unwise and impolitic of us to believe that we can be liberal enough to accept everyone who would seek to become citizens. This brings me to the point that it is necessary, once and for all, to clear up the back-log of outstanding applications we have and to operate off a clean slate with clearly constructed rules, and parameters in order that all those who come in the future can understand and can make informed decisions based on the laws that are in place.

I make passing reference to the recent grants of Caymanian status. While it is a contentious issue, let me say that it was a bold and wise move on the part of the Government. We may argue about the methodology but certainly there is no argument about the results which were sought to be achieved, for those results meant that those persons who had laboured here for all those years were recognised for their diligence and their conscientiousness. I contend that it places us now in a more favourable position to implement the clauses in this Law and to move on to the next stage. When history is written the historian shall surely conclude that the United Democratic Party took a wise and bold move in making those efforts.

I am happy that I played a small part in that after all the time wasted on select committees on immigration; after all the pristine promises made by past political directorates; after all of the disappointments people who were deserving had to experience year after year, election after election, and at last a Daniel came to judgement and decided that it was time to take the bull by the horns.

With regard to this Bill, that even the Opposition is quick to associate with, the differences they have by their own admission are small and insignificant. This Bill allows the Cayman Islands the long-awaited opportunity to get on with the business of building the society through a sensible immigration policy, which is not to say that it is without challenges because we have heard some queries raised; however, those have to be taken against the fact that we could not, in the first instance, come with a wide sweeping and omnibus bill.

I have heard questions raised about the difference between the government and the rest of civil society. Of course I subscribe to the notion that there should be no "one country, two systems" but one has to realise that you cannot handcuff the government either in some cases. The government operates under some exigencies that civil society may not have to contend with; this whole business of the state, national interest, national security issues, issues of the greatest delicacy. Therefore while it is, I suppose, democratic to question why the state should not be subject to work permit restrictions it is understandable that the state has to have certain flexibilities in order to offer the guarantees which the state is called upon to offer. Hopefully, the time will emerge when the Public Service Law will reflect much of what is contained in the Immigration Law and the gaps can be narrowed. For now though, I would say it is quite logical and acceptable in this early phase to expect that the state is going to retain for itself certain flexibilities.

From information I have, many people seem to take some umbrage to the clause concerning exempted persons. Wisdom born of experience would suggest that this is an area which could be exploited and should be kept under the strictest of observation. Particularly from the perch which I inhabit, trained and educated Caymanians often complain that they are sometimes passed over and when they are seeking jobs if they have qualifications they are told they need experience. However, they cannot get the experience

readily because other persons currently occupy the positions which they are seeking to fill. Mr. Speaker, I think that it would be interesting to see if this is not one of those clauses which would permit certain people, whose interests may not be genuine, to manipulate the situation in order to give themselves permanent advantages.

However, I believe again that in jurisdictions such as the Cayman Islands, businesses must be given the opportunity to access staff which can help them maintain a competitive edge and continue to experience success. In the long run, Mr. Speaker, the best insurance we can give our people is to ensure that they have opportunities for education and training. No law will be without its flaws; however, I am satisfied that this Bill goes further than any law we have had in the past to the creation of a fair and equitable system.

I believe that it is right for us to reserve these privileges until we are certain that the persons who earn them are completely ready for them. In many countries, even when you are bestowed citizenship, there are certain offices which are restricted. In the United States, only born Americans can contest the presidency. In Canada, for example, one can only work for the Federal Government once one is bilingual, that means, fluent in both French and English. Therefore, it is not uncommon, even when citizenship is bestowed, for states to place restrictions until they are certain that the persons who claim these privileges have met the entire criterion.

From a cultural perspective, one of the things that we need to evolve – now that we are on the way to an Immigration Bill – is a philosophy of what Caymanian society will become, culturally speaking. Whether we are going to be so robust in what we consider Caymanianness and the Caymanian tradition as to prescribe that it be adopted by all who come here, or whether we are going to have a mosaic where persons maintain elements of their own identity while at the same time being blanketed by a loose form of Caymanianness. It is important in the sense that Caymanian people are not large procreators and if we are not careful what can happen is that cultural aspects for which we have been known will be completely obliterated.

Therefore, it is for us to consider how we are going to promote and protect the cultural aspects of what we consider the Caymanian society to be and promote them in such a way that new-comers will find them attractive and will be quick to adopt.

People often say to me that Caymanian society is one of a few unique societies in that you come into the jurisdiction and there seems to be an ease in relationships between all elements in the society. It is most noticeable in the schools where we have a rainbow of children and there is no tension, no hostility, and no segregation.

Mr. Speaker, believe you me, that is an important quality even in our region. I had the privilege of visiting a jurisdiction in this region, the identity of which is not important to reveal at this time. However, I was flabbergasted by the tension that existed between the elements in the society, particularly the peoples of Afro-West Indian origin and the peoples of East-Indian origin. I stayed in that jurisdiction for a week and it was beyond anything I could have imagined, even although I had heard about the tension which existed. I said to my colleague, who was the Minister of Education, "How in the world can this society continue to thrive if this is the situation which exists between these two largest elements in the society?"

Mr. Speaker, we are fortunate in the Cayman Islands to have such a harmonious situation, which is not to say that there are not prejudices and manifestations of prejudices, but, happily, as we have seen recently with the Oath of Allegiance taken by those people who were bestowed Caymanian status, there is willingness among all elements in Caymanian society to co-exist. I wish to say that this Immigration Bill will enhance that willingness.

This Immigration Bill will remove the distinction between the different Caymanians. This Bill will make it possible for those persons who are awarded Caymanian citizenship to be able to live in this society and to feel that they are genuinely equal and welcome.

I commend the Bill. I am privileged to have been a witness and a participant to this historic occasion and I look forward and will forever labour to make the Caymanian society the most democratic, the most fair, and the most cosmopolitan society, not only in the region, Mr. Speaker, but in the world.

I commend my colleagues on both sides of the House and look forward to the passage of this Bill, to Caymanian society moving even to greater heights. I am not as ambitious as some of my colleagues who class the Cayman Islands as a nation. I do not believe we have reached that step quite yet. What I will say is that the Cayman Islands are prosperous and as a society they have the potential to become a great nation, although it is a jurisdiction of about 40,000 people.

I am happy that this Bill will allow many to say what I borrowed from Sir Walter Scott on Heroes Day, 27 January 2003:

" … Breathes there the man with soul so dead
Who never to himself hath said,
This is my own, my native land!"

The Speaker: Honourable Members, I propose to take the afternoon break at this time, but would ask all Members to be back promptly in 15 minutes. Thank you.

Proceedings suspended at 5:51 pm

Proceedings resumed at 6:16 pm

The Speaker: Proceedings are resumed. Does any other Member wish to speak? The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker. I know we are all anxious and hope that we all curtail our time here this evening; that I will do.

I rise to make my contribution to the Bill to repeal The Immigration Law (2003 Revision); The Immigration (Amendment) Law, 2003; The Immigration Regulations (2003 Revision); The Immigration Directions (2001 Revision); The Immigration (Business Staffing Plan) Regulations (2000 Revision); and The Immigration Appeal (Asylum) Rules, 2003; to make Alternative Provision for Matters Pertaining to Immigration; and for Incidental and Connected Purposes.

When this Bill was circulated some 10 weeks ago, or thereabouts, the parliamentary Opposition spent many long hours going through it. The Leader of the Opposition was assigned the responsibility of dealing with the different sections of the Bill; and then the Second Elected Member for George Town did some as well, therefore I do not propose to repeat any of those areas but I consider it absolutely necessary that I make my contribution to it.

Much has been said about the bipartisan agreement on this Bill, and what it represents to this Honourable House and the people of this country; to know that across the political divide we have recognised the need to reform our immigration policies in this country. I might add that that should be the case in all issues relating to the future of the people of this country. I have always supported, and will always support, whatever is in the best interests of this country. However, the Bill as presented, no matter what we do, is going to have some opposition to it. I can say that the Bill in its current form is much more appealing than the one that was proposed 10 weeks ago.

One previous speaker spoke of the Bill promoting the removal of the distinction between indigenous and paper Caymanians. While that is what we would like, I certainly do not believe, no matter what happens, that in our lifetime we will see any significant ease in that direction. Unfortunately, that is the situation we currently have. I certainly would like to hope that it happens but we would be asking a little bit too much. Too much water has passed under the bridge and many Caymanians have complained of being disadvantaged in their own country and certainly they believe it comes directly as a result of expatriates being able to move into their territory.

In any country there is a need to grow. Mr. Speaker, cultures evolve. Unfortunately, we, in this country, and successive governments, have ignored the need to ensure that the culture of this country evolves in a timely manner. Too much time has been wasted on lip-service to the people of this country.

While, as the Second Elected Member for George Town said, the Government does not give us many times to applaud them, I do when it is necessary, and I applaud them for their boldness to continue the work started in 2001. I recall in the previous administration, that is before 2000 and other administrations prior to that also, much talk about how we needed to reform immigration policies in our country. Perhaps if those other administrations had been bold enough we would not be where we are today.

Too many people have immigrated to this country under the work permit system. At the end of the day this country does not necessarily owe these people anything. I too took up the time-proven profession of Caymanians which was seamanship and worked for an American company for many years. I was reminding someone recently that for us to get recognition for the times we put in at sea with that company; it had to take Mrs. Consuelo Ebanks to promote the Southwell years. Nobody owes anybody anything.

However, we cannot really expect to allow these people to stay here for 20 to 30 years and at the end of the day have no security of tenure. The only security of tenure this country has ever had was either having a work permit or becoming a Caymanian. This new Bill promotes a timely phasing in of all rights and privileges of a Caymanian such as permanent residency and the like. Mr. Speaker, I believe that is the right thing to do.

There is one side of the coin in this country which says we do not want the expat in our country. On the other side of the coin, there is not one indigenous family in this country that has not been touched in recent times by an expat. We are quick to get on the street and on the front porches, and talk about how the foreigner takes away our jobs, but at the same time we are sitting on our front porch with a foreigner who is married to our cousin or brother or sister or someone within our family. Certainly, we do not want to encroach on that person's ability to maintain his marriage and children and the right to raise a family in this country that we call ours. Sometimes it appears like we are a little sympathetic with murder if it does not happen on our own doorstep. I understand that, and I hear the people of this country crying as a result of that. There are times when they are justified in their cries against the foreigner who comes to this country and refuses to assimilate with us. They are justified. I have witnessed that, Mr. Speaker.

I have had experiences in my life, right here in this country, where a foreigner has said to me that I have a chip on my shoulder. Of course, with my youthful exuberance, I said to him, "It is not a chip – it is a Georgia pine." I have a right to have a chip on my shoulder in my own country, and likewise anyone else. Conversely, I have also had good experiences with expats therefore I would not promote the painting with a wide brush of them all. I must admit that I have matured to that position. My appeal to Caymanians, my own people, is that we all need to reach that point. However, I hasten to appeal to the person who comes

to this country to understand that there is a uniqueness about us that they must respect also. There are many who do not do that. This Bill, hopefully, will weed those out.

Many years ago, prior to the broadcast of this Honourable House, I will never forget hearing Mr. Warren Conolly, during his political heyday say at a public meeting, "Cayman is not for everyone." I keep reminding myself of that. No matter what this Bill does, we have to ensure that we know who we are getting on the shores of this country and in the population expansion of this country.

Much has been said about the recent grants by Cabinet. I too have opposed that. Some try to justify it by saying we had to do something. If this Bill is so fair in doing something, then I see no need for them doing something so early and then not utilising this Bill that we are all promoting. In other words, why could we not have waited until now? We would have known that those under 15 years in this Law would have had the additional process to go through and those over seven years under this Law would have received permanent residency. Mr. Speaker, I believe that there are many Caymanians who respect the fact that we need expatriates. They have become an integral part of the lives of Caymanians.

Talking about expats, Mr. Speaker, one may say that this Bill has very little to do with me as a Caymanian except if I marry a foreigner. That is the only thing in this Bill that is going to affect me. It is about immigration. Immigration means someone coming here; this is the reference point that I have to use. The foreigner has to understand that when he comes here. Those who do not know that by now, have to understand that while I might have been able to trace back many generations, it is not totally my responsibility to integrate with them. They have a responsibility to integrate with me. That is their responsibility. When I went to America and I lived in America, I had to integrate with the Americans, or I could not live.

We have always been a tolerant society, and I have said this before, and I believe in this Honourable House as well. Absolutely no country in this world would put up with having 50 per cent, or thereabouts, of its population being of a different nationality. If we were to drop 50 per cent of the population of America, England, Jamaica or any country for that matter right into it, in such a short time, it would cause unrest. We are a tolerant society. This Bill, while one may say that the roll-over policy of seven years is harsh; this promotes our tolerance to allow people into our country. Those who say otherwise should look at how tolerant this Bill is, and look at the 18 Honourable Members of this Chamber who are promoting this and handing this to our people and saying, "This is what we believe is fair," and asking our people to extend that tolerance even more so.

Mr. Speaker, we have to be fair: everyone talks about being fair to the expat – the immigrant – the word expat sounds vulgar. We talk about being fair to the immigrant. We also have to remember that we have to be fair to our own people. I agree with the Minister of Education that if we are at that point in our development where we have to do something, and we are asking our people to tolerate these immigrants, and allow them to continue their lives and share the Caymanian way of life with them, then the best thing we can do as a government, as a people and in particular as legislators, is to prepare our people for what is to come by ensuring that the educational standards in this country are second to none in the Caribbean.

We can do that; it is a matter of political will. If we have the political will, we can provide the educational standards for our children in order that they can compete with anyone. I am not just chatting to hear myself chat. There are many of us who have families; who are fathers; who grew up in a time in this country when there was no schooling; where the only opportunity was to leave and to go to sea. Many became captains and engineers not having finished high school.

I am saying that Caymanians can do anything they want to do if given the opportunity. We, as a people, must provide those opportunities in order that it will allay some of the fears of integrating and allowing the immigrants to integrate in this country.

I understand the economic advantage that we say this brings. Yes, I agree that in many instances those who come to our shores will save all that they make and we have an economic drain. Giving those people the opportunity to live in our country, we would certainly assume that the economic gains would be that they would go out, build homes, spend the money here, and the likes, and Caymanian businesses would benefit as a result.

That advantage pales in comparison with the need for harmony in this country. That is what we have to promote; the assimilation of these people and the promotion of harmony. I do not believe that our people have been educated sufficiently on what that economic advantage is. I applaud the Government for their media blitz on trying to get the people to understand what this Immigration Bill is all about. I think that is a perfect example of what can be done to educate the people of this country on new legislation, and the effects it will have on their lives.

I think I should pause here and applaud, congratulate and thank the Immigration Review Team (IRT) and all its members and, in particular, the Chairperson, Mrs. Cowan. If there was ever a time that I saw someone dedicated to their resolve and their goal, it was during the promotion of this Bill. I have not had an opportunity to read through most of the reports, nevertheless I think they did a splendid job. I think this country owes them a debt of gratitude for being so diligent and so resourceful in bringing a Bill of this nature to this Honourable House.

I will now speak briefly on the section about the Government being exempt from work permit requirements Mr. Speaker. I understand that Govern-

ment operates under a little different situation than the private sector and that Government needs to be given some kind of flexibility to get the job done. I also hear the Minister of Education saying that the Public Service Employee Relation Law terms of employment will hopefully narrow that margin. However, I am still concerned that there are many Caymanians in the civil service and public service —young, enthusiast, intelligent, extremely educated —who need the opportunity to be a part of the decision-making process in their country. I believe one of the handicaps they have is that the Government employs many immigrants with experience thus preventing the young Caymanian from the succession ladder, or stagnating them on that succession ladder.

Perhaps we can reflect on the past and think of how the Government was run in recent memory, not immediate recent memory, but certainly in the last 50 years. In my memory there were people like Mr. Desmond Watler, they were all Caymanians at the top level. I am not saying that there are not Caymanians now, Mr. Speaker, but certainly somewhere between the newly-educated Caymanian and those at the top, we have to ensure that we do not put the immigrant worker in those slots to the detriment of those who are just coming in to the service or who have been there for short periods of time.

I believe the Government needs to rethink that one. This is only one of the areas that we have some differences with. Certainly, there are ways to arrest that situation and it may be that Government will come at a later stage and arrest that by doing the Public Service Law and Succession Planning and the likes.

The other area that has come under contention again is section 20 which dictates the categories of Caymanians. Section 20(1)(e) of the Bill states, **"… the Governor, in his opinion finding special reason for so doing, grants such right to him, ... "**

This is one of the categories of how one can become a Caymanian. Again, the Opposition has not changed or waivered its position that there should be limited amounts, unlike what transpired recently in our Motion to this House where we said six. Of course, that was twisted to try and let the country believe that we only wanted six per year, period. Mr. Speaker, there was nothing further from the truth. I believe that it needs to be looked at.

While I support this Bill and I call on all Caymanians and non-Caymanians to give this Bill a chance to work, and to understand that we will all have difficulties in our future, we at some stage have to live with these people. My appeal to Caymanians is to get out and do what is necessary in order that you do not feel disadvantaged in your own country.

My appeal to the immigrants is to respect our culture: respect that we have our own unique culture. Many of us can tell the difference in the manner we speak; we can walk the streets or go anywhere in this country and identify a Caymanian by his accent; and we can even go as far as knowing the district they come from. I would venture to say that we are capable of doing that with 90 per cent of Caymanians. Certainly, for a long time to come, immigrants in this country, while they might not be accepted as Caymanians, they should be tolerated as a part of the country.

I appeal to both sides to learn to live in harmony and I appeal to the Government to look objectively at Government being exempted from the Law. I thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? The Second Elected Member for West Bay.

Mr. Rolston M. Anglin: Thank you, Mr. Speaker. I will be very brief in my remarks as my voice is a bit under the weather and so I certainly will not, even if I wanted to, go on for long.

It is the Christmas season and a few of my colleagues are in the jovial mode, and while in that mood I would first like to thank the Government for bringing this important Bill. I would like to congratulate the Leader of Government Business for bringing a Bill of most important significance to the history of Cayman. We have heard a lot of talk about immigration for a long time and nothing substantial was done, at least certainly not substantial enough to have averted the current "crisis" in immigration, but I will get to that in a minute.

I would like to thank my colleagues who were on the Immigration Review Team. I would like to congratulate all of them for working so diligently to get the work of the review completed in a timely manner because we have also had the penchant in the Cayman Islands to have many reviews of immigration legislation without being able to come to a position where we could come to Legislative Assembly and be able to put forward a comprehensive immigration regime that would serve the country.

I would like to thank Ms. Suzette Ebanks, who served as the Executive Assistant to the Immigration Review Team; Mrs. Sheena Frederick-Westerborg; Mr. Orrett Connor, who was Chief Immigration Officer during his period on the Review Team; the Deputy Chairperson, Mr. Patrick Schmidt; my elected colleague the Second Elected Member for Cayman Brac and Little Cayman, Mr. Lyndon Martin; the Honourable Minister of Health, Mr. Gilbert McLean, who served on the Review Team for the initial period until he assumed his position in the Cabinet; the Second Elected Member for George Town.

Last, but by no means least, I would like to thank Mrs. Sherri-Ann Bodden-Cowan who, as has been said before (but it is worth repeating), really took this task to heart, sometimes too much, perhaps. She certainly lived it with a passion. Mr. Speaker, with everyone being busy, living such a fast life in Cayman these days, without that sort of passion and drive and commitment, we probably would not have reached this point in time if it were not for her grabbing the

bulls by the horns in saying, "Ok, team we have a section to do. I am going to draft the section, distribute it, everyone review it and give me your input."

There were certain times when we were in the Legislative Assembly and it was difficult for the Members who served on the Review Team to get to meetings. There were also times when Members travelled. When you look at the background of each of these people, all of whom are successful young Caymanians, therefore, by default, they live extremely busy lives. Again I would like to thank Mrs. Sherri-Ann Bodden-Cowan for the type of stalwart effort and dedication that she put in to this process. I will always remember, as she continues to say, she is interested in this for one reason and it is for her children.

At the end of the day, when we look at the current crisis in immigration in the Cayman Islands, there could be no greater reason for us to have reached this stage and be able to propose now an Immigration Bill that is going to allow us to not repeat the errors of the past.

This country is still in excess of 5,000 people who have been here over ten years. That is a significant number, given the fact that we have a population of only 40,000 people. Twelve and a half per cent of our population have been here for over ten years and have no legal security within the country. If tomorrow the Immigration Board decided they were not going to issue a work permit to that person; if tomorrow an employer said he is going to revoke the work permit, more than likely those people would have to leave this country, irrespective of their contribution and dedication to the Cayman Islands.

I would like to cover four very brief points: Firstly, to look at the general philosophy of what this Bill is trying to achieve from the point of view of the Immigration Review Team and our deliberations. I would like to touch on this whole issue of the civil service and whether or not they should be covered by this Law at this particular point in time. I would also like to look very closely at two sections in the Law; term limits and the transitional provisions.

The Review Team had much to look back on by way of recent work that was done regarding review of immigration. We had the Vision 2008 immigration Review Round Table Report, we had two select committees of this entire House reports, all of which included public input. The public was invited to make their views known. We had all those materials available to us. We also had the immigration regimes in numerous countries to look at in order to try and craft something that would suit Cayman, to draw on ideas that seem to work elsewhere once we felt it could work in the Cayman context.

Given all of that, we felt very comfortable as a legislature that we did not need to have the type of select committee process that seemed to always bog down the immigration process, to stall and effectively kill it. Therefore, no change came and with each passing day more and more people were here for longer and longer periods of time and the cry grew louder and louder for security of tenure.

I think there are many people in the Cayman Islands who do feel as though, when it comes to security of tenure, that we do not owe anyone anything because they have come here on a work permit and they understand that. While legally and technically that is true, I think the vast majority of Caymanians do appreciate and recognise and feel within themselves that the right thing to do is to grant security of tenure to long-term and/or deserving citizens. We must always remember that persons could be here for 30 years and their impact could be a whole lot less than those who have only been here a year or two. It is based on how much those persons decide they want to integrate and to be a part of and assist in nation-building with us in the Cayman Islands; hence, that distinction is critical. You are not just talking about long-term residents – although that is the issue that is most vexing – but you are talking about security and a clear and progressive system of rights for persons who arrive on the shores of the Cayman Islands. This Bill achieves that monumental and critically important goal. Gone are the days, once we pass this law, where people simply come to Cayman, hang about, wind up being here for 30 or 40 years with no idea in the world whether or not they are going to have their next permit revoked, turned down. We now have a clear system that people can look at and say "these are our duties and obligations once we come to the Cayman Islands: this is how immigration works within the Cayman Islands."

We, on the Immigration Review Team believe that given the numbers we currently have, and given the integration process we have outlined and suggested in our transitional provisions (which are contained in section 50 of the Bill), that if combined with the sheer numbers we currently have we could introduce term limits at this important point in our history; we believe that it was wise and critically important for us to do so.

There are people out there who say term limits are going to destroy their business or their sector within the economy. We hear lawyers and law firms, in particular, talking about the fact that they are no longer going to be able to recruit and retain the brightest minds from outside the Cayman Islands to come and work within their businesses.

What seems to always evade people who hold that opinion, and what always seems, therefore, to be their direct opinion, is that there is not the type of talent within the Cayman Islands from our indigenous stock, that can adequately service their businesses, rise to the rank of partners and be great leaders within that industry. I refuse to accept that. The largest and most successful accounting firm in this Island is run by a Caymanian. The managing partner is a Caymanian. This is an international firm that boasts of having over a hundred thousand employees globally, yet in the Cayman Islands they could find a Caymanian – in fact

four of their five partners are Caymanians – who could be their managing partner and yet there are others in other industries who say they cannot do the same.

Legislative action, in my humble submission, should always be the last resort because people should make it through life; people should be successful based on their individual merits, based on their effort. However, there comes a point in time where the legislators have to look at their economy and their business sectors and decide if there is the type of prejudice within certain industries that should cause concern.

I believe this entire country, not just this legislature, does feel that there are certain industries in the Cayman Islands that do not give Caymanians across the board the type of opportunity to succeed; the type of structured approach that allows success.

When I say structured support, it means that when a person comes into the office he is given the staff handbook that shows where he is at the associate level; the core competencies; and the skills he has to develop to become a senior associate or to be a partner.

I can remember before getting my scholarship in 1990 from Price Waterhouse: in my interview the first thing that I was given was my career handbook which showed a general timeline and all the skills and prerequisite experience and qualifications that were needed to be promoted to the various ranks within that firm. Mr. Speaker, that is the type of support system and infrastructure that I am talking about. We have certain firms in this Island in other professions who do not give this type of structure to the Caymanians; they shift the goal posts continually and create rules and levels and bars to suit a particular situation in order that a particular person might not achieve a certain level of seniority.

That is the type of behaviour that should cause concern for all of us Mr. Speaker, because then you start to get the festering of this feeling of who are we developing for? Who are we having all this growth for? In any country if the indigenous population does not reasonably feel as though they have a fair opportunity through – again, Mr. Speaker, I say through their hard work; through their study; and through their effort to make it. They should not be given anything simply because they are Caymanian, but because they are willing to work hard; because they are talented and they deserve it.

When we look at section 49 of the Bill we see a provision and with your permission may I read it, Sir?

The Speaker: Please continue.

Mr. Rolston M. Anglin: Section 49 reads: **"During the currency of a work permit, the holder of that work permit may not be promoted or re-designated without having applied for and received the approval of the Board, and the Board in considering the application –**

(a) shall satisfy itself that the employer has complied with the requirements of the Business Staffing Plan, if any; and

(b) shall have regard to the effect that such promotion or re-designation would have on the opportunity for advancement to that level, of qualified Caymanians already engaged in the same profession or capacity within that business enterprise."

In the current law there is a similar practice. Section 49 is serving to try and tighten up and ensure that Caymanians are not unfairly overlooked for promotion opportunities.

I agree with some of the things said by the Elected Member for East End, but this is one area that I do not agree with him on. I do believe that there is much in this Bill that is about Caymanians and for Caymanians. Section 49 is of critical importance to Caymanians. Section 49 is there for Caymanians. It is not there for non-Caymanians. When you read section 49(b) it clearly says that the Board will consider Caymanians and the impact the promotion of a non-Caymanian would have on the opportunity of a Caymanian to rise and progress within that business enterprise.

Term limits; why term limits and why now? As I outlined earlier, because we have not had any natural roll-over within the work permit sector in the Cayman Islands, we have had this huge build-up. When the Review Team was doing our work, there were some 6,700 work permit holders who had been here over 10 years. I draw reference to the fact that we only have 25,000 workers in the Cayman Islands. This is a very material number when you compare that to the workforce, which is in excess of 25 percent, in excess of 1 in every 4. Therefore, because we understood that if you left the system alone all that would happen was that you would eventually integrate all those people, but everyone else who is coming through the ranks would wind up in the same situation 10 years from now.

Who comes to the Cayman Islands and wants to leave? There are some, but they are few and far apart. Once people come to the Cayman Islands they love it and they want to stay. Given the fact that we have accumulated quite a big base that offers us the type of base to increase our population to a reasonable level, to integrate a reasonable number of people, there could be no better time for term limits. Term limits now allow persons to know what their rights are when they come to the Cayman Islands. This is about fairness not only to Caymanians but fairness to the non-Caymanians who come here. This is about fairness for all when it comes to immigration in the Cayman Islands.

There are also those who, either without reading and understanding the entire Bill or just being

downright mischievous, have drawn reference to the fact and compared our Bill to Bermuda where Bermuda instituted term limits and they have had difficulties with them. However, as I said, the Immigration Review Team had the Bermuda Law and knew the situation, and we were certainly not going to be silly enough to bring to this country a system that seemed to have difficulties in another jurisdiction that is somewhat similar to Cayman. Our term-limit system is flexible in that it involves a key person provision which allows certain types of people to be able to make it through and be exempted from the term limit.

Hence, this argument, that if a person is so significant and could be such a great contributor to the Cayman Islands, that a business would not have the opportunity to hire or retain that person, is false. The term-limit system that we have gives the opportunity for a person to qualify. On the one hand, persons – often non-Caymanians – have said that term limits were going to be detrimental. On the other hand, from Caymanian quarters, the argument was made that this window being left open could run into the whole area of abuse.

No piece of legislation is going to be perfect. Given the nature of our economy and our society and what it is that we try to achieve in the Cayman Islands with our service-based economy, no system is going to be perfect. A perfect piece of legislation is not necessarily going to be crafted. We, present and future legislatures, have to ensure that we put the types of people on our Immigration Board who are going to carry out this Law effectively, and who are not going to allow the Law to be abused.

This is our country and this is something that we simply have to do, therefore I will not even go any further into that point, because I am confident as a Caymanian that we know how to run our country how to make it successful. Just look at what we have achieved with the base population in this country thus far. This Immigration Bill is going to allow us and help us to achieve greater things in the future.

With regard to the transitional provisions, we again see that we have a clear and fair system to deal with people who are currently in the Cayman Islands. For anyone who has been here over 15 years and who is not successful in acquiring Caymanian status under the last quota under the current Law, we see that under section 50(2)(e) of the Bill those persons are going to be given the opportunity to apply for permanent residency. I know that this has been a major concern within the community.

There are many Caymanians who have friends, work colleagues, there are many non-Caymanians themselves who are in this situation who have come to me (and I am sure that they have come to other members of the Legislative Assembly) and said, "Well, if I do not make it under the next quota which is only 600, then what is going to happen to me?" If you look at that subsection it recognises the tenure of those persons who will be given the opportunity to apply for permanent residency with the right to work. However, the qualifying provisions state that this application be determined by the Board and in so doing, the Board will consider if the person is of good character, has made a positive economic contribution to the community and has shown a willingness to be assimilated into the community. Unless there are exceptional circumstances he/she shall be granted permanent residency.

That section is worded that way because we have to go along the lines of logic. The logic has to be, if persons have been in the Cayman Islands for 15 years or more, that they have not caused major problems within the country, but again this section does give the Board the opportunity to refuse that application if the person, for some strange reason, had been one of those who had slipped through the cracks, who caused problems and yet continued to get work permits given or approved in their name. Between 10-15 years (which also falls into the eight years and over group), those persons will also be able to apply for a grant of Caymanian status under this final quota, and for those who are not successful in that, they are under the new Law, and within three years of the commencement of the new Law, will have the opportunity to apply for permanent residency but under a point system. This goes along the lines of what I outlined earlier – a progressive immigration bill. We are going to craft the types of categories that we feel are important considerations before a person should be allowed to permanent reside in the Cayman Islands. That person will be graded based on their application on those specific criteria, and they either pass or they fail.

The one fear out there, especially among persons who are in the non-professional category of non-Caymanian workers, is that if they do not have a home or property that they would not be able to pass the point system. That, too, is not true because the point system is going to look at all major contributions, not just money, and the ability to buy land; not just the ability to build a house, but it is also going to look at the contribution made to the community. It is also going to look at how much a person has assimilated in the community and been involved and what their connections are within the community. This Bill provides the type of immigration reform that this country has been thirsty for for all too long.

Persons who have been here seven to eight years would be able to apply for another final work permit, and if it is granted, they too would reach year eight and be allowed to apply for a grant of permanent residence under the point system. There are the persons who are between five to six years who may make another grant for the renewal of a further work permit which again would be at the discretion of the Board of course, for a period that would not exceed three years, and enable that person to then get up to year eight. Therefore, the persons who are caught under section 50(2)(a) would be subjected to the term limit.

At the end of the day the Immigration Review Team felt as though we needed to allow integration but we had to ensure that there was not just a free-for-all wide-open system. I do not believe, in a community of this size, that was a sustainable or a sensible approach. I believe that these transition provisions are extremely fair and clear. People know where they stand.

I turn lastly to this whole issue of the civil service, Mr. Speaker. While I agree that we should have one country with one immigration system that applies to all persons within the country, we have to be careful that the thought process be somehow skewed to lead people to believe at this point in time that subjecting civil service to work permits is going to cure that problem. I say civil service and not government because people use that word "government" loosely, sometimes wisely, because when you say "government" a lot of times people think of the elected government, but the elected government has no constitutional responsibility administratively for the civil service — that falls under the Governor. It is not our responsibility; it is not the politicians who will decide or who will cause (as has been said by other speakers) certain Caymanians in the civil service to be purportedly treated unfairly.

Subjecting the civil service to work permits is not going to cure that problem. We hear the same cries from Caymanians in banks, in accounting firms, in law firms, in restaurants, in every facet of our community we hear Caymanians say, "We are not being treated fairly; we are not having the opportunity to progress; we are not having the opportunity of training that we should have to be able to make the most that we can out of our lives."

Why is it that we, all of a sudden, believe that if we subject the civil service to work permits that everything is going to be all rosy, all hunky-dory, all Caymanians are going to rise to the top, all Caymanians' lives are going to be peachy-creamy and we will live happily ever after?

That is simply not true, Mr. Speaker. I believe that the speakers who spoke earlier were very unfair in terms of painting one side of the picture. My wife worked in the civil service and I know the experience that she had, and I know the decision she made as a very young person to leave the civil service, and have to pay back a government bond of over $20,000, which if she had stayed for 18 more months she would not have had to do. However, her life was so miserable that she just could not take it any longer. Therefore, I understand these things and I have seen these things up close.

Again, having the civil service subjected to work permits is not going to cure that. As I said earlier, the previous speakers did not also paint the picture that when you look across the civil service, we do have many Caymanians in various senior posts. Look at our permanent secretaries, Collective Customs, the former Chief Immigration Officer and the designate Chief Immigration Officer, the head of the Company Registry, head of the Education Department, the Statutory Authorities are all headed up by young Caymanians. Mr. Speaker, human resource issues in the Civil Service need to be addressed and dealt with under the Public Service reform that is currently on the way.

I am of the view that it would not be wise to now subject the Civil Service to yet another level of bureaucracy without the benefit of that review. A question was asked, "After a review has taken place how are you going to force the civil service to do it?" The last time I checked, drafting laws is not rocket science and unless the Honourable Attorney General would correct me, I believe that provisions within the new Public Service Bill could simply say "persons who are applying for jobs to be awarded to non-Caymanians would be subject to the provisions of the Immigration Law." Perhaps I am an accountant and look at the Law too simply but that would seem to be able to cover us. Therefore, I do not think there needs to be any huge alarm that the current Bill does not cover civil servants.

In fact, Mr. Speaker, I might add that in the First Interim Report of the Immigration Review Team, which was signed off by all members of the Review Team which included government members, elected members, and elected members from the Opposition, we said on page 15 it is recommended that Government continue under the new Law to be exempted from the requirement to apply for work permits in respect of its employees.

However, the IRT is of the view that Government employees whether contracted or not, should be subject to term limits. To exclude Government employees from the term-limit provisions would create anomalies in the system that would include discrimination between the private and public sector and perpetuate existing immigration difficulties that the new term limit provisions seek to address.

Clearly, the one area that the Review Team did feel should be included or applicable to the civil service was the whole issue of term limits. Again, I believe the personnel reform that is on the way, hopefully, will be concluded in the not too distant future and will allow us to be able to look at this situation and deal with it. I do not believe that there needs to be any strong alarm.

When we look at this Bill and at immigration, I think it is important for all members in the country to realise that this, yet again, is another difficult and nationally important issue which the United Democratic Party Government has addressed. It has grabbed the bull by the horns, twisted them around and said "Come here, you are under control because we provide this country with decisive and strong visionary leadership." Popularity cannot be won, as far as I am concerned, with immigration.

Throughout the world, every time governments touch immigration in any country, we see that

controversy clearly ensues because the incumbent people always feel threatened any time the status quo is changed. Look at the United States, a country that is as large as that country is; whenever immigration is touched, it causes alarm.

We did not go into this believing somehow that we were going to come with an immigration law that was going to be a big political winner. We came to this Immigration Law because it was the right thing to do for ourselves, for our children, for our grandchildren. This Immigration Bill deserves the support of not only all Members in this House, it deserves the support of the entire Caymanian community. Those people on the outside who continue to be detractors against this Immigration Law I believe, in my humble submission, are either just missing the point or are not acting in the best interests of the Cayman Islands. This Immigration Law is needed. I am going to be extremely proud someday to look back and to have been a part of a government who brought about this milestone change in immigration.

I thank you, Mr. Speaker, and I thank Honourable Members.

The Speaker: Does any other Member wish to speak? The Second Elected Member for Cayman Brac and Little Cayman.

Mr. Lyndon L. Martin: Thank you, Mr. Speaker. I too, like my colleague from the district of West Bay, the Second Elected Member, am very proud to be a part of this process to bring about a change, a new Immigration Law. Like previous speakers I would like to thank the Immigration Review Team, that I was a part of, and its leader Mrs. Cowan for her guidance, expertise, enthusiasm and knowledge; and all members of that time. I think the end result is one that we can all be proud of. I have a very short contribution to make to this very important Bill.

It is a new day in the Cayman Islands and a bright day. I have spoken on many occasions in this parliament on the economic model of the Cayman Islands and the importance of immigration, education and labour management towards our continuation and our evolution as a nation. I will not bore this parliament by repeating this model but would simply say that today we are about to pass a very important ingredient into what makes the Cayman Islands economic model work.

It is a bright day for the Cayman Islands because we have seen evidence of a very co-ordinated, managed, strategic attempt to bring the Cayman Islands into the next millennium, onto the next plateau. We have not simply come with just the Immigration Law – this is only one part of the great big puzzle. Simultaneously, the Government is bringing about Employment Reform legislation in the Cayman Islands. The Minister of Education has announced to this parliament and this nation his introduction of a university in the Cayman Islands in the very near future, the upgrade of the community college to ensure that we are educating our "well-established" (as he referred to them) Caymanians, or, as we know them, the "indigenous" Caymanians to equip them, to gear them, to compete in this market. He is also looking at larger education reform, investing greatly into education infra-structure, the introduction of the Italic System to ensure that we are properly educating our people to be able to compete in this market head-to-head with any nationality.

As a young Caymanian, and one who is part of this Honourable Legislative Assembly, I am proud to see the transition that we have made, even in this parliament, where we have young qualified Caymanians representing the people of this country. It shows me that we have evolved to a point, as a nation, where we are now ready to take on the immigration issue, to simply say we are putting term limits, requirements in place, to ensure that our Caymanians are given a balance between being protected under the legislation and that they are given opportunities because it would become financially and strategically prudent for the employers in this country to look at the Caymanian employees for their long-term development.

The Government has also looked at the development of vocational training in this country. Recently, the United Democratic Party Government, under the leadership of the Minister of Education, held a vocational training convention (the VOTECH programme), again looking at gearing our Caymanians to be able to compete in this market place. We have tabled in this Legislative Assembly very aggressive Employment Reform Legislation that will seek to provide protection for the employees of this country. All of these things move together and for the first time in the modern history of the Cayman Islands the country can see that the country is being moved in one direction with all parts of Government coming together to ensure that the Caymanian people are protected and that our nation remains competitive.

I would like to congratulate previous administrations, including that headed by the now Leader of the Opposition, for starting many reviews. Yes, they all started, but it took the United Democratic Party under the leadership of the Leader of Government Business to bring this issue to finality. Therefore, when the Opposition attempt to draw and to partner themselves with this effort, I thank them because they should. It is a good effort, but it is the United Democratic Party who brought this issue to finality, to the point where a Bill is before this House which will soon be passed into Law in the Cayman Islands.

I recently attended the review sessions with teachers at the two schools my children attend. As a parent, I felt proud that my children performed well. I also look to their future to ensure that when they come to an age that they want to enter into employment in this country, that they are given a fair opportunity. Therefore, like the Chairman of the Immigration Re-

view Team, my motivation as a member of the Review Team in supporting this Bill before the House is not me; it is not other members of this parliament; it is not politics; it is our children.

Like my colleague from West Bay stated, I was a bit dismayed at the Member for East End's assertion that this Bill has nothing to do with him; that this Bill does not affect him; that it does not affect Caymanians. Mr. Speaker, nothing could be further from the truth. This Bill governs how our labour market works because it controls and gives guidance to a very large component of the labour market. Accordingly, I urge the Opposition in this House not to be guided by such insular thinking, and I hope that that thought is isolated to one fifth of their parliamentary representation. He also asserted that it was not Caymanians' responsibility to go out and integrate. Integration, by its definition, has to be a two-sided action and I urge all Caymanians —

Point of Order

Mr. V. Arden McLean: Mr. Speaker, on a point of order.

The Speaker: Elected Member for East End, would you state your Point of Order.

Mr. V. Arden McLean: Thank you, Mr. Speaker. I know it may not be intentional, however, the Member is misleading the House because I did not say that it is not my intention, it is not my responsibility to go out and integrate. I said while I have certain responsibilities, the immigrant has a greater responsibility.

The Speaker: I am not quite sure that that is a legitimate Point of Order. I think it is more elucidating the point that you had made. Honourable Second Elected Member for Cayman Brac and Little Cayman, I would ask that you move on to another point in your debate.

Mr. Lyndon L. Martin: Thank you very much, Mr. Speaker.

The Immigration Bill before us has many components that I am extremely excited about as a Caymanian. I am a Caymanian that truly loves Cayman and everything Caymanian. I like and always like to be associated with Caymanians. There are certain components that I have chosen for the sake of brevity of my presentation to elaborate on and I will go towards those points at this moment.

Previously, student visas were not covered under our legislation, and there was nothing in our past Immigration Law that guided student visas. This particular Bill adds student visas under section 78 and I think together with the recent introduction of St. Mathews University, the intention of converting the community college to a full four-year university, the continued development of the International College of the Cayman Islands, and the introduction of other learning institutions, it is very important that this aspect be added. It adds to our marketability as a country for people to come and study. I take this opportunity to elaborate on that point on its inclusion into this Bill.

As a British Overseas Territory we must always be cognisant of the British Nationality Act 1981 and its impact on the Cayman Islands. One of the future development issues that faces the constituency of Cayman Brac and Little Cayman that I represent, is our ability to attract individuals to reside and retire on our islands, and to add foreign investments into our islands. Hopefully, these are individuals who will come and add to, but not necessarily compete for, the few jobs that we have available. However, we must always be careful to create that balance, because individuals who come to the country and become settled under the British Nationality Act have various entitlements; "settled" is defined as living without immigration control and restrictions. Hence, this Law introduces the Residents Certificate which has an expiry date of 25 years, and creates immigration control and restriction, and prohibits individuals from classifying as settled in the jurisdiction. Therefore, for my constituency, which hopes to attract these wealthy retirees, these entrepreneurs to make investments into the country, this particular section is very important to us.

I first would like to applaud the section for the introduction of Residential Certificates for retirees, and Residential Certificates for entrepreneurs creating the 25-year certificate; it allows us to go out and promote Cayman Brac and Little Cayman as a location that individuals of substantial means can come to and retire in. The section gives quite stringent guidelines that these individuals should have attained the age of 55, have no dependents under the age of 16, and be able to satisfy the requirements of this section, which include having substantial means of income to support themselves without employment.

The reports from the Immigration Review Team, which this Bill is based on, also recommended, and I am informed will be coming in the regulation section, that these enabling components of this legislation will be modified under the regulations to make special provision for Cayman Brac by giving lower thresholds that individuals could qualify for permanent residence certificates of 25 years. Under the enabling section 33(3) it says,

"(a) he has a continuous source of annual income in the prescribed amount without the need to engage in employment in the Islands;

(b) he has invested the prescribed sum in developed residential real estate in the Islands; and

(c) he has made other local investments in the prescribed amount."

These prescribed amounts under the regulations will be different for Grand Cayman versus Cayman Brac. The amounts will be lower for Cayman

Brac to give greater incentive for individuals to take up permanent residence in Cayman Brac.

Cayman Brac needs individuals who are not competing for the jobs, but spending in our grocery stores, buying at our gas stations, spending money in our community, and have taken up residence. It is my position, and the position of the Government, that Cayman Brac is ideally suited to market itself for such retired individuals because we have the infrastructure sitting there waiting for such development. It is a development that will blend nicely with the long-term aims and objectives for Cayman Brac, as stated under the Vision 2008 document that was well prescribed to by the Cayman Brac community.

Therefore, this particular section and the second section 35(1) that deals with Residential Certificates for entrepreneurs and investors make me very excited for the people that I represent, because such certificates allow these individuals to come, — not on visitors' visas as they currently come; they come and they stay and they get three months stamped in their passports and must go to Miami for a day to turn around to come back for another three months or four months without any security — stay at their homes they have built and developed, to garden their yards without the worry of immigration. It will allow them to stay; to spend a longer period of time; to invest more money in the Island; to contribute, through their involvement in the non-profit organisations and the service clubs allowing them to become a greater part of our community. This particular section of the legislation is one that I am quite pleased with.

I would like to mention at this point, that as part of the review process, the Immigration Review Team went over to Cayman Brac, and met with members of the Immigration Board of Cayman Brac and Little Cayman, and canvassed them for their input and suggestions. This is one of the outcomes from that discussion. I mention that point to simply elaborate that it included input from the island of Cayman Brac and Little Cayman that I represent.

The Bill before us is one that can add greatly to our continued development and our evolution as a nation. It is one that I am proud to have been a part of. It is one that I would like to congratulate the Government on bringing about. I would like to once more state that it is simply one component of a full array of efforts being made by the Government that will ultimately result in a better Cayman for our children and for their children. Mr. Speaker, I strongly recommend this Bill to this country and to this Parliament. I thank you for your time.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other any Member wish to speak? If not, I would invite the Honourable Leader of Government Business to exercise his right of reply.

Hon. W. McKeeva Bush: Thank you very much, Mr. Speaker. I want to thank all Members who participated in the debate and all others who did not speak. The Opposition did not have any substantial changes to offer to the Bill although there are a number of areas they raised to which I will reply. I would like to begin my response by addressing the technical points made by the Leader of the Opposition prior to addressing the general, and often misleading, comments made by the Opposition.

Turning to the Bill, I will quote from each clause of the Bill without referring to the Bill after each clause. The Leader of the Opposition made some minor technical points which he felt should be clarified in the Bill. We, too, agree that where there are areas of uncertainty they should be clarified in committee. However, the changes are minor and do not change the substance of the Bill or Government's intentions.

In the definition clause, particularly that dealing with "professional employee" as can be seen from the list of professions a professional employee is someone who has a profession as a result of a post-graduate qualification or tertiary education.

For clarity we could exclude the discretion of the Board to add "professions" and state that if there are other categories of professions they need to be prescribed by regulation.

I see that most of the Opposition are absent and I guess when we go the committee they are going to expect me to repeat all that I will say now. I am giving notice that that will not happen because the Opposition do this too often. They speak and then they do not want to hear what anyone else has to say and they leave the room and the poor Member from Bodden Town all by himself. When it comes to committee stage we will simply put our amendments without any repetition.

In the definition clause and the aspect dealing with keepers, referring to keepers of accommodation, the definition could be limited to keepers of accommodation licensed under the Tourism Law. This ensures that whereas hotel keepers, condominium managers, guest houses, and the like, will have to keep records, not everyone who rents a room will be legally obliged to keep a list. It is important to note that clause 71(2) which talks about keepers has a marginal note as follows: **"Register to be kept and particulars furnished by hotel keepers and others."**

This clearly indicates to whom it is intended this requirement should apply; the legal and ordinary resident. The Opposition said, Mr. Speaker, that ordinary residence was not defined but it has been defined. It was recommended by various qualified lawyers through their association that the definition used throughout the law should be **"legally and ordinarily resident"**. This Bill uses this uniform term throughout all clauses. It is defined in the definition clause as, **"Legal and ordinary residence" means the voluntary, physical presence in the Islands for a period of time without legal impediment of a person**

(other than a tourist visitor or transit passenger) during which period he regards the Islands as his normal place of abode for the time being, save that absences abroad for purposes of education, health or business during such period shall count as residents in the Islands;".

I think that makes it very clear and I do not understand why the Opposition would say otherwise.

On the matter of a step-child, it has already been pointed out that the legislation passed last week in this Honourable House, The Status of Children Law, subsequent to the Immigration Bill being approved and published makes it necessary to delete the following words from the definition of step-child; **" … born in wedlock to a previous marriage of such party;"**

It also means that section 20(2)(c) will have to be changed from the Legitimation Law (1997 Revision) to The Status of Children Law 2003.

In clause 8(4)(c), of course, it was intended that the quorum at a meeting of the Boards will be made up voting members. I know that the Member went on quite a bit about that, however, we will add the word "voting" between the words **"five"** and **"members"**.

In clause 18(3) we agree that there should be reasonable time within which a person should expect a response from the Board giving reasons for the rejection of their application. We are suggesting the following words be added to this clause: "within thirty days of making a decision".

I do not think I have a quorum; perhaps the Serjeant could call those Members who like to sit outside while they are being responded to.

Standing Order 13 (2)
Objection to Quorum not present

The Speaker: Serjeant, would you please ask the Members in the Common Room to come in to form a quorum?

[Pause]

The Speaker: Honourable Member, please continue.

Hon. W. McKeeva Bush: As I was saying, regarding clause 8(4)(c), the Opposition had raised a question on a matter of quorum. Of course, it was intended that the quorum at the meeting of the Board would be made up of voting members. We will add the word "voting" between the words **"five"** and **"members"**.

In clause 18(3) we agreed that there should be reasonable time within which a person should expect a response from the Board giving reasons for the rejection of their application. We are suggesting the following words be added to this clause: "within thirty days of making a decision"

I should say that these minor amendments should be circulated by now for committee stage amendments. I am hoping that they would soon have them in your hands.

Clause 20(1)(e); we are confident that with the combination of the clean-up exercise undertaken by the Government earlier this year in the grants of status, and the introduction of this new legislation, this will mean that grants through the Governor in Cabinet would not need to be done in the numbers seen earlier this year. Of course, the Opposition could not refrain from getting into that earlier debate. I should say that none of us can know the future. We do not know when or in what circumstances special reasons for making a grant of status through the Cabinet may arise. We are the duly elected Government. Any Cabinet making such decisions would also be the duly elected Government of the Islands. This right has existed in the immigration laws for decades and we do not believe that it would be in the best interest of the country to limit such right going forward from here.

No matter what the Opposition might say, the impression they gave to the public of this country was that they were only going to do six. They knew what they were doing because they knew it was an emotive issue and they wanted to stir up people. They did that and they succeeded in doing it but what good did it do to the country; what good did it do them; what good will it do the future? They have now come and talked from both sides of their mouth in regard to status and rights for people and what people should and should not get. They should be ashamed of themselves. I will deal with that before I am finished.

Clause 21(a) and (b). The Leader of the Opposition stated that he is concerned with the words: **"(a) born after the commencement of this Law … "**

He claims this will result in previous rights of children under the Repeal Law being lost. I cannot understand why in the world he would make that assumption. It is nothing like fact; I would suggest that he reads clause 21(c), the definition of "Caymanian" clause 20(1)(a) and clause 103(4).

All of these clauses repeatedly save the rights of all persons, children or adults, acquired under the 2003 Law or any earlier law. Therefore, how can the Opposition expect a new section with new provisions to make apply to children born before this definition existed? It makes no sense whatsoever.

Clause 22(7) says, **"… but such right to reside shall be lost upon the applicant's remarriage."**

I know they went to town on that one. It was always been the case that such a right would be lost upon remarriage. It is contained in the old regulations. It would be dangerous for someone to marry a Caymanian and after, even one day, if that Caymanian died they could obtain permanent residence and then re-marry a non-Caymanian right away. The residency was intended to assist widowers who were on their own following the death of a Caymanian spouse, but in view of Human Rights issues we will remove these words from the end of the subclause.

In clauses 23(e)(ii) we accept that the word **"respectable"** should be removed when referring to Caymanians. Clearly, the intention of the Bill and the previous law was to ensure that Caymanian referees were persons of good character. Since Caymanians are respectable, we propose simply to remove the words so that subsection would now read;

"references received by the Board directly from three Caymanians."

Clause 28(2)(b) and clause 35 state that whereas we share the Opposition's concerns regarding the danger of permitting wealthy investors and entrepreneurs to settle in the Island and compete against Caymanian business, the grant of a 25-year certificate by the Chief Immigration Officer would not give such people the right to start up and own their own business in competition with Caymanians. I do not know how, again, the Opposition can make that kind of assumption. That is just the Opposition misleading and they know better. I hear the Member across the floor talking about people understanding. He does not have a prerogative on all the brains in this House you know.

[Inaudible interjection]

Hon. W. McKeeva Bush: Well, Mr. Speaker, if prerogative is not the right word then he does have the brains in the House. Is that clear enough?

The Local Companies Control Law would not permit such persons to become the majority owners of a business. The only business these people could invest in would be a Caymanian business to the benefit of the Caymanian who owns that business. They could only become up to a 40 per cent owner of a business unless they were granted a local companies control law licence. Hence, it is not going to be where they just up and get a certificate and means that they can run around and do any business. That is nonsense for anyone to even have suggested that.

However, I am glad that the Leader of the Opposition raised this matter because it is one that we are looking at. It is not something that we need to fix in this new Immigration Law; we need to ensure that our Trade and Business Licencing Law and the Local Companies Control Law are amended to ensure that all businesses and in particular, certain businesses, are protected for Caymanians. That is what we intend to do. If the entrepreneurs wish to help Caymanians by settling here as residents and investing in our businesses so much the better for us and these Islands.

However, Mr. Speaker, we want the Law to be clear; we therefore, propose to add at committee stage a provision that the grant of permanent residency shall not, of itself, concur any right to a licence for that business under the Local Companies Control Law or the Trade and Business Licensing Law. As I said, any person getting such a certificate does not mean that he has the right to go out and do any business; he will simply get it to have a right to do business but he will have to get a licence to do whatever particular business he wants to do.

Clause 29(1) was mentioned wherein only dependants listed on an application for permanent residence would be considered in an application for a grant of permanent residency.

That is what the clause says; we would not want dependents from overseas who have not resided on the Islands to be included in the application. However, for clarity we proposed at committee stage to do the following:-

1. add the words "resident in the Islands" after the word "dependants" in subclause (1); and
2. in subclause (2), add (e), which would read "the number of dependants listed on the application who would become entitled to reside in the Islands permanently should such application be granted."

This would clarify the fact that the Board should consider the number of dependants when dealing with any application for permanent residence. It is our view, that in considering an applicant's ability to support himself, dependants would have to be considered by any Board. This amendment, Mr. Speaker, puts it beyond a reasonable doubt.

In clause 29 (6), where it has been accepted that when a Board revokes a spouse's right to remain and within three months that spouse applies for a grant in his or her own right, the applicant's right to reside should continue until application was determined by the Board.

It states the same thing in subclauses 33(6) and 35(5). The same wording will be added at the committee stage as a new subclause (7) to this clause.

Clauses 30(3)(e) was also mentioned. Of course, the Caymanian spouse's income would be taken into consideration. He or she could write a letter to the Board assuming financial responsibility for his or her spouse. This is what happens now. This would be part of the evidence of the applicant's financial resources. It does not say his or her salary. Applicants financial resources may come from various sources including their spouse. However, we propose to add the words "and his spouse" in committee to put it beyond a reasonable doubt.

In clause 37(1)(g). the words **"his entry into"** have been changed to "continued residence" as it is accepted that such persons would already be resident here.

Clauses 32(1)(e) and 32 (3) were also brought into question. It is only right that a person married to a Caymanian should lose a right to a residency and employment right certificate if they divorce, are separated or their marriage has irretrievably broken down. These certificates give persons in genuine marriages to Caymanians serious rights in our country. Remember, they can work wherever they like, for whoever they like without immigration restriction or control. Why would we want to continue that right if the per-

sons are no longer together? I just believe that the Opposition picked up on those points that they figure people would get upset about, and to draw attention to those things, minor though they be,

It is ridiculous to suggest that we should leave it to a Board to decide whose fault it was that the marriage failed. Even the Courts of our Islands have a hard time figuring that out. How could a Board decide such things? I do not think that is the work of the Board. The Leader of the Opposition says he has no answer to his own question. That is just the problem with the People's Progressive Movement; they come up with all these things, and question and nit-pick; they fling out questions having no idea what they want and he admitted that, he says he had no answer to his own question.

We have an answer. It is in Clause 32(2) which says this is provided that if the non-Caymanian spouse loses his or her certificate but has a Caymanian child, he or she can apply for that Certificate to be continued until that child reaches the age of majority.

Otherwise, the answer is if you are in an unhappy marriage and you have no child or children for that person, it is up to you to decide whether to stay and put up with it or leave. These are adults we are talking about who can exercise their own free will. What we cannot do is get rid of the Caymanian spouse, worthless or not, he or she belongs to these Islands. We cannot get rid of them but we must make provisions for any other situation.

It was not the recommendation in clause 38(1)(a)(i), Mr. Speaker. I wish that the Member for George Town, who has so much clack and carries on so much in this House making everybody believe that he has more sense than anybody else, was right in this Chamber at his desk. However, I hope he is in ear-shot because it was not the recommendation of the Immigration Reform Team (IRT) that Government employees be included in this Bill and I do not know how that Member could say that. I will read what they said. This is the recommendation of the First Interim Report of the Immigration Review Team and proposed changes to the Immigration Law 2001 Revision and I quote from page 15. I only have this copy but I can give it to you afterwards. I quote here, in dealing with the adoption of term limits on work permits, says, **"It is recommended by the Immigration Review Team that Government continue under the new law to be exempted from the requirement to apply for work permits in respect of its employees".**

That is what they said. However, the IRT is of the view that Government employees, whether contracted or not, should also be subject to term limits. As I said, it was not the recommendation of the IRT that Government employees be included in the Bill and we have said that the new Public Service Bill will mirror the requirements of this Bill in its requirements to train and recruit Caymanians. I do not think that he is right at all.

In section 44 the definition at the beginning of the Law states, **""appropriate authority" means a body or other entity charged with the responsibility for regulating the particular profession; and the appropriate authority in the case of an application for a work permit-**

(a) for an attorney at law, is the Attorney General; and

(b) for a health practitioner, is the Chairman of the Health Practitioner's Board."

There is no intention to consult with any private sector body prior to granting a work permit to a professional. That would not be appropriate for the Board. The only body that would be consulted would be the persons responsible for the regulation of that profession. As I said, the Attorney General (AG) in the case of a lawyer and in the case of some health practitioners someone from the Chairman of the Health Practitioner's Board.

Since not all professions are currently regulated only the Attorney General and the Health Practitioner's Board are currently referred to. In the future, should other regulatory bodies be created for other professionals, then the definition is wide enough to cover those new regulatory bodies.

In clause 46(2)(c) persons authorised by the Business Staffing Plans, applicants whose positions are included in a Business Staffing Plan, we have added the words "whose position" to clarify this. In other words for a person whose work permit position has already been established by the Business Staffing Plan Board there is no reason not to grant them a permit for the same length of the plan which will usually be five years.

In clause 46(4) it is the normal practice of the Board to only grant self-employed work permits to persons who are married to Caymanians and, in exceptional circumstances, only such as for music teachers, musicians, private tutors and nurses. It would be impossible in the law to provide for every possible circumstance which would give rise to the grant of a self-employed work permit. We have however, proposed a committee stage amendment to add a new subclause which provides that only in exceptional circumstances should a self-employed work permit be granted by the Board unless it is to a spouse of a Caymanian who, now that they will be able to apply for a certificate of residency, will probably not need to apply for a work permit.

The second Elected Member for George Town ended his contribution by challenging the wording of Clause 47(3) pointing out that it was not the same as the wording recommended by the Immigration Review Team. As I said in my address in opening this debate, the first draft of this Bill has gone through an intense period of public consultation. What quickly became evident as he admitted, is that across the Board the private sector rejected the definition, recommended by the Immigration Review Team, for a key person as being too stringent. It gave employers

very little, if any hope for ever having an employee appointed as a key employee.

In addition, the private sector could point to the fact, as someone mentioned already, that the IRT definition was taken directly almost word for word from the Bermuda legislation where that particular definition has proved unhelpful and has been deemed by many in their industries in that country, and in the international press also, to be a failure. We understood that the wording used by the IRT was the only wording that could be found to exist in any other jurisdictions and so it was agreed that the advice of the private sector in redrafting these provisions should be sought. Recommendations were made by many organisations and associations including the one that the Second Elected Member for George Town is a Member of. At least the legal one, maybe he is in another association. It is ridiculous for him to say that every work permit holder has a particular expertise in their field. The word particular means "special". How could every member of the work force who is unskilled, that is, 35 per cent of the persons working in the hotels, the dive shops, the hairdressers, even all accountants, lawyers, teachers, or doctors, show that they have special or particular expertise in their field?

I agree that the interpretation will depend on the Board. That is true of the original definition also. Under the old definition, a Board could have identified everyone as a key employee or exempted, that would defeat the purpose of the Law. That is not, however, something that can be dealt with in the legislation. The important thing is; that we now have a provision which the private sector and the Government feel will achieve our intention and is one which we can work with.

However, where the section refers to, or will be in quotes, we propose to add the words "at the time of his employment in the Islands". This will make it abundantly clear that it will not be enough for an employer to show that an existing employee may at some point in the future develop these skills, but that if they are here they already possess those skills or that at the time they arrive in the Island they will have those skills. While we have made it clear in this Bill that Caymanians must be trained and promoted, it is of paramount importance that this country continues to attract high calibre and specialist skills to the Islands if our industries are to continue to succeed.

I do not want it left where that particular Member from George Town made it sound like we were leaving out young Caymanians and not giving them ample opportunity or protection because the criteria for the consideration and grant of work permits ensures protection of Caymanians and as I said in opening it is fundamental that the new law sets this criteria which ensures that no Caymanian who is able, willing and qualified, is deprived either directly or indirectly of gainful occupation. There must be a requirement that employers provide Caymanians with proper training and the opportunity to be promoted to the highest level possible according to their ability. There needs to be greater clarity of what is an important consideration in the new law and comprehensive provisions made requiring that prior to the grant or renewal of a work permit it shall be the duty of the Board to satisfy itself of certain stringent criteria both in relation to the employer and the worker. This Bill gives us that kind of protection for our people.

We did say that Caymanians will be protected through the Business Staffing Plans. As I said, I do not want it left in the air from that Member's debate which sounded like the Government was not offering that protection to young Caymanians. A new and improved Business Staffing Plan system will ensure that employers are training Caymanians and putting in place proper succession planning for the medium to long-term future.

Any company, partnership or firm of over 15 work permits, must submit a plan to the Board containing certain information listed in the Regulations within 12 months of the new law coming into effect. Upon receipt of this business plan the new Business Staffing Plan Board will consider each plan with any agreed amendments and issue of business staffing plan certificate. This will ensure that work permit holders filling key positions are designated as exempted employees, meaning, as I said earlier, that they will be exempted from the fixed term policy of seven years. This is a better system of dealing with work permits for large to medium-sized businesses, thus our people will be protected.

No professional in any company, firm or partnership operating within the Islands would be made a shareholder or partner whether an equity partner or not until an application for a change of occupation has been made to the Board and the Board has approved such change to become a partner. It is not going to be as easy as it was before to deny people and just move certain people up. They will now have to apply to the Board and in considering such an application all employers must be able to satisfy the Board that they have established an adequate training and sponsorship program to ensure that Caymanians are being trained in that particular profession. The Board must also have regard to the effect that such change of occupation would have on the opportunity for advancement to partner level of qualified Caymanians already engaged in the same profession within that company, firm or partnership.

We would not want it left in the air to sound the way it did from the debate of the Member for George Town who likes to do that, to leave things unclear, to make it look like the Government is not protecting Caymanians and be that as far from the truth as east is from west. This Law will guarantee that our young professional Caymanians do not get left behind or lost in those firms. They will have to be considered as a matter of priority for partnerships. Therefore, Mr. Speaker, I would like the Second Member for George Town to go out and spread that word.

The Second Member for George Town went on at length, and as I listened to him I realised he was trying to put salve on the many areas they had debated in the past several weeks on immigration, in particular the grant of status. However, they were trying to put salve on the many hard words the Opposition had spoken about people and their children who had received Caymanian status. I recognised he was pandering to the gallery, but their hard words and accusations and downright falsehoods will not be easily forgotten by all the good people whom we had the courage, as a Government, to ensure their security of tenure in this country. This Government only had the courage to clean up a mess that we inherited. It was the right thing to do.

I just want to read one letter from a priest who received Caymanian status.

"May I take this opportunity to thank you and all others involved in the decision to grant to me Caymanian Status. It is an exceptional honour which in effect has made me the first "Caymanian" priest of the Catholic Church in history. I assure you, I will always be true to the Cayman Islands.

"Upon reflection, that which The Government in Cabinet has undertaken is quite remarkable. It is, I believe, part of an historical process, which began with the liberating works of Wilberforce and others, one hundred and seventy years ago. The abolition of slavery, and the attempts to establish a universal franchise, initialled a period of debate, anger, consternation and even disbelief. Despite these things, the actions of the government, and others, were a truthful recognition of human dignity and right. It was a protection of those with no possibility of being heard. It was the responsible and just thing to do. It was for the common good.

"As I, a priest, think upon these things in twenty first century Cayman, it is as the though the "Anawim" of today, "the little ones, the poor, those without a voice," have been similarly protected. Fortunately, your decision does not demand the intervention of the Royal Navy, but there will, I am sure, be a great deal of debate and discussion for some time to come. You have nevertheless secured a place in history, and Caymanians will learn of these things five hundred years from now."

I would like to table that letter, Mr. Speaker.

The Speaker: So ordered.

Hon. W. McKeeva Bush: Mr. Speaker, the Opposition can carry on as much as they like. We believe that we have done the right thing in granting those statuses. Their problem is they do not know what to do when they get in a problem like that. They want the support from those people, and they want to kick the Government for doing it, therefore they have, at all times, got themselves in a confused state and say things that they have to come to this Honourable House and try to put salve on or try to correct – like the aspect of the six people, the impression they left when they made that statement, in the first instance, was that was what they were going to do.

Therefore, the Second Member for George Town, while trying to be kind at times, could not resist his bad habit of criticising for the sake of criticism. He had the audacity to criticise or chastise the Government for bringing this Bill this late. You know, Mr. Speaker, I had to listen to that Member and the audacity and hypocrisy of him.

We have been in office since November 2001. I want to add here, for those of us who were in Cabinet will recall, I hear him exalting and talking about his (the Leader of the Opposition) starting this process. He went on quite a bit about that. What I recall was that what was first proposed by the Leader of the Opposition when he was the Leader of Government Business was another select committee of the House, and we all said "No, no more select committees, take all the reports of the House: the Vision 2008 and other material, and set up a committee to make proposals for reform". We chose the Chairman, there and then, not him. Therefore, Mr. Speaker, do not leave it with any cloud, or any act of valour, what the First Member for George Town did as Leader of Government Business, because that is not what he started. That was not the first proposal.

We have been in office since November 2001. In fact, I would like the Members to listen to this. The Immigration Review Team, of which he was a part, did not finish the work until late this year. He, who yaps so much, did not sign the last report until about two or three weeks ago. So, Mr. Speaker, how could the Government have brought this Bill earlier, I ask that Member? Why does he not be true to himself, and if he cannot be true to himself, be true to this Honourable House?

I recognise that this Member will do anything, anywhere, to try to make me and the Government look bad, even when he is grinning the place down with some Members of the Government. However, that will not help him because people have seen that Member coming from the time he stepped off the dock.

I listened to that Member chastising Government for the provisions in the Bill and the proposals for the Constitution in regard to the giving or granting of Caymanian status and membership of the Assembly. How can that Member talk so much about Government giving people status yet say it takes away privileges for Caymanians and disadvantages Caymanians and further to say that we should change the present provisions of who can and cannot run in the current Constitution?

If that Member – I will include the whole People's Progressive Movement – if they are talking about protecting Caymanians, do you want to really open the door for all and sundry to gain entrance to a seat

in this Honourable House? They must stop talking out of both sides of their mouths. They must stop being hypocritical. They are not protecting Caymanians in that way. Really, they are fooling no one. Everyone, by now, sees the Second Member for George Town coming.

The last point, Mr. Speaker: the amount of goodwill that radiates throughout these Islands today, because of the grants of Caymanian status that we as a Government took upon ourselves to do, is self-evident and you can feel it. It goes down to everyone; people are giving more. Day by day we see it; people are investing more. This can only benefit Caymanians, that is all it can do. However, they cannot have their cake and eat it too; to come in here and tell us who we should be giving Caymanian status to, and then say that the grants that we have made have disadvantaged Caymanians.

I hear them exhorting both sides to work in harmony – that is, Caymanians and people who have come to live amongst us. This is what we also ask. All of us need to be mindful of that when we get on a public platform with a microphone. You need to be mindful of that harmony, as I heard the statements coming from them on the Courthouse steps, how people were denigrated at that meeting. Therefore, they must stop talking out of both corners of their mouths.

I believe that this piece of legislation bodes well for the future. Mistakes were made in the past, we cannot help that, but we must look now to the future. I believe that this is going to build a Cayman Islands for the future that we will all be proud of and can live in, in peace and in harmony. What a better way to end this Old Year and look forward to the New Year.

I do want to thank everyone who made a contribution, including, as I said, the members of the Immigration Review Team, all the members and persons of the Immigration Department, and the Chief Secretary who we forgot to mention but who played a big role in getting this thing to this point, and the Attorney General and his department (and we can see members of his department still here working) and I would like to thank that gentleman on behalf of Government for his input in helping us reach thus far.

Down the years yet, this may have to change because we living in a changing world and we do not know what tomorrow is going to bring. However, one thing we do know is now. We know that there had to be changes, and therefore we move towards the future, better prepared, I believe, for the legislation that will work for the interests of all concerned.

Thank you very much, Mr. Speaker.

The Speaker: The question is that a Bill shortly entitled The Immigration Bill 2003 be given a Second Reading.

All those in favour, please say Aye. All those against, No.

Ayes

The Speaker: The Ayes have it.

Agreed. The Immigration Bill 2003 has been given a second reading.

SECOND READINGS

The Employment Bill 2003
(Deferred)

The Speaker: The Honourable Minister of Education, Human Resources and Culture.

Hon. Roy Bodden: Mr. Speaker, I crave your indulgence in having this Bill set down for a date to be announced later.

The Speaker: The question is that The Employment Bill 2003 be deferred and be set down for a date to be announced at a later time.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Employment Bill 2003 deferred to a later sitting.

The Monetary Authority (Amendment) Bill 2003

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I beg to move the Second Reading of a Bill entitled The Monetary Authority (Amendment) Bill 2003.

The Speaker: Does the Honourable Member wish to speak thereto?

Hon. George A. McCarthy: Thank you, Mr. Speaker. This Amendment that is before Honourable Members tonight seeks to revise the Monetary Authority's power of disclosure; to provide for the indemnification of the Monetary Authority's directors; and to make provision for incidental and connected matters.

In looking at the rationale for the Bill, Mr. Speaker, following the amendments to The Monetary Authority Law in December 2002 to give effect to the operational independence of the Monetary Authority, it has become apparent that there is a need to fine-tune some of the provisions of the Law in order to give full effect to the proper implementation of the Law, and to further enhance the operation of the Monetary Authority.

The Bill seeks to make important changes with respect to the ability of the Authority to disclose information for law enforcement purposes; to provide an indemnity for directors; and to provide for the Au-

thority to enter into memoranda of understanding for purposes other than consolidated supervision. This provision would relate to such as an arrangement to provide assistance to the Security and Exchange Commission in the United States (SEC).

The amendments outlined in the Bill are described in the Memorandum of Objects and Reasons for the Bill. Dealing with the Memorandum of Objects and Reasons of the Bill, this Bill seeks to amend the Monetary Authority Law (2003 Revision) and the changes are to be found in the following clauses:

Clause 2 of the Bill amends section 2 of the Monetary Authority Law (2003 Revision) by redefining the term "regulatory functions" to make it clear that the reference to regulatory functions, as it relates to an overseas regulatory authority, means, functions corresponding to the functions of the Monetary Authority, as is specified in section 6(1)(b) of the Law. This will not result in any change in the existing functions of the Monetary Authority as set out in section 6(1)(b).

Clause 3 of the Bill amends section 19(1) of the Monetary Authority Law (2003 Revision) to set out the circumstances in which members of the committees appointed by the Board of Directors will be regarded as having a pecuniary interest in any matter for the purpose of determining when a conflict of interest exists. This change will create consistency with section 18 of the existing Law which sets out the general rules relating to conflict of interest affecting directors, members of the Management Committee or other committees appointed by the Board of Directors.

Clause 4 amends section 43 of the principal Law to extend, to a director, immunity in respect of his functions when discharged under the regulatory authority laws, as well as under the principal Law.

Clause 5 inserts into the principal Law a new section 43A. to **" . . . indemnify a director against all claims, damages, costs, charges or expenses incurred by that director in the discharge or purported discharge of his functions under this Law and the regularity laws, except claims, damages, costs, charges or expenses caused by the bad faith of that director."**

Clause 6 amends section 49 of the existing Monetary Authority Law to make clear that the Authority can make disclosure of information to the Attorney General or local law enforcement agencies for the purpose of criminal investigations and proceedings.

The existing provision in section 49(2) only makes reference to disclosures made to a person pursuant to the money laundering regulations. The amendment will also set out the circumstances in which a Monetary Authority can consent to onward disclosure of information by an overseas regulatory authority to which it has already provided information for regulatory purposes for limited use in related criminal investigations.

The Monetary Authority will only be able to consent to onward disclosure of information for these purposes where it has received advice from the Attorney General that the conditions in the Law have been met. In addition, where the request involves a jurisdiction that has a Mutual Legal Assistance Treaty (MLAT) with the Cayman Islands, the permission of the Cayman Authority (in the case of the United States, Cayman MLAT means the Chief Justice) must be obtained.

Clause 7 amends section 50(1) of the existing Monetary Authority Law to allow the Cabinet to give approval for the Monetary Authority to enter into memoranda of understanding (MOU) with overseas regulatory authorities for purposes other than consolidated supervision. The existing Law restricts the purpose for which the Monetary Authority can enter into an MOU to provide assistance for consolidated supervision purposes only. Consolidated supervision typically involves supervision of entities with a presence in both the requesting and requested jurisdiction. The amendment will allow for the Monetary Authority to enter into MOU for purposes of assisting in the carrying out of regulatory functions which may not involve consolidated supervision, for example, where a regulated entity exists in one jurisdiction in only one of the jurisdictions involved.

This would be the case, for example, where Mutual Funds which are registered in the United States may establish a transaction here in the Cayman Islands. That Mutual Fund, while it may not be registered here as such it may, through its activities, establish an account here in the Cayman Islands, and it could be that something emerges whereby assistance is sought through the Authorities here in the Cayman Islands by way of information being provided. Although it is not a registered entity here in the Cayman Islands this would not preclude such information being provided, and this is what this amendment is seeking.

This is the extent of the amendments and I commend this Bill to Honourable Members.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? If not, would the Honourable Third Official Member wish to exercise his right of reply?

Hon. George A. McCarthy: Mr. Speaker, just to thank Honourable Members for their tacit support.

The Speaker: The question is that a Bill shortly entitled The Monetary Authority (Amendment) Bill 2003 be given a second reading.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Monetary Authority (Amendment) Bill 2003 given a second reading.

The Motor Vehicle Insurance (Third Party Risks) (Amendment) Bill 2003

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Thank you very much, Mr. Speaker. I beg to move The Motor Vehicle Insurance (Third Party Risks) (Amendment) Bill 2003.

The Speaker: Does the Honourable Mover wish to speak thereto?

Hon. W. McKeeva Bush: Thank you, Mr. Speaker. The Motor Vehicle Insurance (Third Party Risks) (Amendment) Bill 2003 is necessary as the international reinsurance companies have made the decision to cease providing unlimited liability protection to insurers at the end of 2004. It is deemed more important presently, Mr. Speaker, because the local insurance industry has already started preparing for this by no longer offering the unlimited liability coverage. This decision was made for a number of reasons they claim.

1) there is an obvious impracticality of a company with limited liability purporting to offer unlimited liability cover;
2) shareholders of insurance companies are now applying greater demands on managers to better manage their company's liabilities; and
3) the provisions of unlimited liability go beyond realistic demands.

Historically, unlimited liability was not established to create an unknown, unquantifiable limit, but rather to establish a known limit allowing the legal system to determine quantum based on judicial precedent, adjusted for inflation as well as other factors that could influence quantum without having to amend a legal limit every couple of years. While this system worked well for many years there is now a need to provide for a limit in the law. The Motor Vehicle Insurance (Third Party Risks) (Amendment) Bill does just that, Mr. Speaker.

Sections 1 and 2(a) and (b) of the Amendment Bill are for the most part consequential amendments. Section 2 (c) provides the policy of insurance, **"insures such person, persons or classes of persons, as may be specified in the policy ... in respect of any damage to any property caused by, or arising out of, the use of the motor vehicle on a road; and"**

(c) covers liability –
- **(i) of not less than one million dollars in respect of the death of, or bodily injury to, any person; and**
- **(ii) of not less than five million dollars in the aggregate in any one event."**

What this does is to mandate that insurance companies provide coverage of not less than what is prescribed in the Law – minimum coverage if you will, rather than the unsustainable unlimited liability coverage that they have now discontinued.

Customers will now have the ability to purchase coverage which they have been denied in recent times, and will have the additional option of purchasing coverage beyond the minimum amount, if they require it and can afford it.

Section 2(d) of The Motor Vehicle (Third Party Risks) (Amendment) Bill, 2003 amends the proviso in section 41(1) of the principal Law: **"… by repealing the words "one hundred thousand dollars" and substituting the words "two hundred and fifty thousand dollars"."**

The amended paragraph will in effect read: *"…* that provided that such a policy shall not be required to cover liability exceeding in the aggregate two hundred and fifty thousand dollars in respect of the damage to any property arising out of any claim or claims in respect of any one event."

Finally, I can advise Honourable Members that the Cayman Islands Insurance Association was consulted throughout the drafting process and proposed amendments which are now before this Honourable House. I trust that Members will give the Bill due regard.

Thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? If not, would the Honourable Leader of Government Business wish to exercise his right of reply?

Hon. W. McKeeva Bush: No, Mr. Speaker, I think everyone is in agreement. Thank you very much.

The Speaker: The question is that a Bill shortly entitled The Motor Vehicle Insurance (Third Party Risks) (Amendment) Bill 2003 be given a second reading.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Motor Vehicle Insurance (Third Party Risks) (Amendment) Bill 2003 given a second reading.

The Speaker: The House will now go into Committee to consider the Bills.

House in Committee at 9.12 pm

COMMITTEE ON BILLS

The Chairman: The House is now in Committee.

Honourable Members while there is a policy that Bills are not broadcast, it has always been a policy of the House not to remove the press from the premises therefore they will remain in the Honourable House and in Committee.

Honourable Members, the first two Bills to be dealt with in Committee are the Terrorism Bill 2003 and The Information and Communication Technology Authority (Amendment) Bill 2003.

As Honourable Members are aware, the Terrorism Bill 2003 was passed with amendment by this Honourable House on 24 July 2003 and the Information Technology Authority (Amendment) Bill 2003 was passed with amendment by this Honourable House on 3 October 2003.

Both of these Bills were amended in order to provide for a Judge of the Court to authorise an interception order rather than the Governor in his discretion. These amendments received the unanimous approval of all Members present on those two occasions. I have subsequently been advised by the Attorney General that his Excellency has refused his assent to the Bills as amended and has requested pursuant to section 40 of the Constitution, which gives him the power to refuse his assent and to return this Bill back to the Assembly, that the Assembly reverse the amendments to the original status whereby such interception orders of telephone et cetera would be made by the Governor in his discretion.

Specifically, His Excellency has recommended that section 55 of The Terrorism Bill 2003 be amended so as to provide for an interception of communications order to be made by the Governor, in his discretion, rather than by a judge of the Grand Court.

Similarly, that clauses 24 and 25 of The Information and Communications Technology (Amendment) Bill 2003 be deleted, so as to provide for an interception order which would be authorised in obedience to a warrant or order issued by the Governor rather than by a judge of the Grand Court.

The two Bills, as directed by His Excellency, have therefore been returned and are accordingly now being re-submitted for consideration of those specific amendments by all Honourable Members in accordance with Standing Order 57(1).

At the conclusion of the proceedings in Committee on these two Bills, the Honourable Leader of Government Business will move that the Bills with or without amendments on re-committal be reported to the House.

Honourable Members, these two Bills, or Bill 5; The Terrorism Bill 2003, and Bill 6; The Information and Communications Technology Authority (Amendment) Bill 2003 have been recommitted for your consideration. The consideration being that His Excellency the Governor wishes to have the provision for "a judge of the Grand Court" to make an interception order, deleted and that "the Governor in his discretion" be reinserted. This is now open for debate.

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, from what we understand, Members prefer not to make any changes to the Bill as was passed.

The Chairman: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Chairman. These two provisions, section 25 of The Information and Communications Technology Authority (Amendment) Law 2003 and section 55 of The Terrorism Bill 2003 are provisions that have been placed in those Bills as a result of concerns, as I understand it, of all Honourable Members of the House, relating to the invasion of privacy of persons in this country. While we recognise that, in the interest of the prevention of terrorism and for other legitimate purposes, it may well be necessary for telecommunications to be intercepted, particularly in light of what has transpired in recent times, having had the experience of the Euro Bank trial fiasco, we are duty-bound to ensure that if such interception is necessary that it has the benefit of judicial scrutiny. We do not repose any trust in the judiciousness of that exercise by Her Majesty's Government, of whom His Excellency the Governor is our representative, and therefore, Mr. Chairman, on behalf of the Opposition, we are not prepared to amend these Bills, as is urged upon us by His Excellency the Governor, and we wish that position to de duly recorded and reported to His Excellency in due course.

We mean Him no disrespect, but we are charged with the responsibility for representing the interests of the people of this country, not the people of any other country. If Her Majesty's Government is insistent that these provisions should go, then they will have to do what they have to do in that respect. I must say that from our perspective their insistence on the removal is ominous, or appears to us to be ominous. Thank you, Mr. Chairman.

The Chairman: Does any other Member wish to speak? I now call on the Honourable Leader of Government Business to move the Motion.

Hon. W. McKeeva Bush: Mr. Chairman, I move that the two Bills be reported to the House without change; The Terrorism Bill 2003 and the Information and Communications Technology Authority (Amendment) Bill 2003.

The Chairman: The question is that the Terrorism Bill 2003 and the Information and Communications Technology Authority (Amendment) Bill 2003 be reported back to the House without any changes made.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. The Terrorism Bill 2003 and The Information and Communications Technology Authority (Amendment) Bill 2003 reported to the House without amendment.

The Chairman: Honourable Members, since we are waiting on certain amendments to be made to the Immigration Bill 2003, I propose to move that further down and to deal at this time with The Monetary Authority (Amendment) Bill 2003 and The Motor Vehicle Insurance (Third Party Risk) (Amendment) Bill 2003 and to then revert to the Immigration Bill 2003.

The Monetary Authority (Amendment) Bill 2003

The Clerk: The Monetary Authority (Amendment) Bill 2003.

Clauses 1 to 7

Clause 1	Short title.
Clause 2	Amendment of Section 2 of the Monetary Authority Law (2003 Revision) - definitions.
Clause 3	Amendment of section 19 - pecuniary interests for the purposes of section 18.
Clause 4	Amendment of section 43 - immunity.
Clause 5	Insertion of section 43 A - indemnity.
Clause 6	Amendment of section 49 - confidentiality.
Clause 7	Amendment of section 50 – memoranda of understanding.

The Chairman: The question is that clauses 1 to 7 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 1 to 7 passed.

The Clerk: A Bill for a Law to Amend the Monetary Authority Law (2003 Revision) to Revise the Monetary Authority's Powers of Disclosure; to Provide for the Indemnification of the Monetary Authority's Directors; and to Make Provision for Incidental and Connected Matters.

The Chairman: The question is that the Title stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Title passed.

The Motor Vehicle Insurance Third Party (Amendment) Bill 2003.

The Clerk: The Motor Vehicle Insurance Third Party (Amendment) Bill 2003.

Clauses 1 to 2

Clause 1	Short title
Clause2	Amendment of section 4 of The Motor Vehicle Insurance (Third Party Risks) Law (1997 Revision) Requirements in respect of Policies

The Chairman: The question is that clauses 1and 2 of the Bill stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 1 and 2 passed.

The Clerk: A Bill for a Law to amend the Motor Vehicle Insurance (Third Party Risks) Law (1997 Revision) for the purpose of setting a Liability Minimum and Liability Limit in respect of the death of or bodily injury to a person, caused by the use of a motor vehicle on a road; and to make provision for incidental and related matters.

The Chairman: The question is that the Title stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Title passed.

The Chairman: Honourable Members, I propose to take a suspension now for 10 minutes until the amendments to the next Bill have been prepared. I will change that to five minutes.

Proceedings suspended at 9.27 pm

Proceedings resumed at 9.38 pm

The Chairman: Proceedings are resumed in Committee. Madam Clerk.

The Immigration Bill 2003

Clause 1

The Clerk: Clause 1 Short title on Commencement

The Chairman: The question is that clause 1 of the Bill forms part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 1 passed.

Clause 2

The Clerk: Clause 2 Definitions

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, what I was actually going to propose was that Members have these amendments in their hands and that we take all the amendments and we pass these amendments and agree for the Clerk to record them as necessary.

In accordance with the provisions of Standing Order 52(1) and (2), I, the Leader of Government business, give notice to move the following amendment to the Immigration Bill 2003, that the Bill be amended as follows:

(i) In clause 2 in the definition of **"keeper"** by deleting the words **"receives"** and substituting the words "is licensed under the Tourism Law to provide accommodation to";

(ii) In clause 2(2) in the definition of **"professional employee"** by deleting the words **"recognised by the Work Permit Board as a professional"** and substituting the words "that may be prescribed";

(iii) In the definition of **"secretary"** by deleting the words **"one of the Boards**" and substituting the words "the pertinent Board" and;

(iv) In the definition of **"step-child**" by deleting the words **"born in wedlock to a previous marriage of such party"**.

The Chairman: The question is that clause 2 as amended stands part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 2 as amended passed.

Clauses 3 to 7

The Clerk: PART II —Administration
Clause 3 Appointment of Immigration Officers
Clause 4 Immigration Boards
Clause 5 Cayman Brac and Little Cayman Immigration Board
Clause 6 Appointment and functions of Committees
Clause 7 Appointment of Immigration Boards Administrator and functions of Boards

The Chairman: The question is that clauses 3 to 7 stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 3 to 7 passed.

Clause 8

The Clerk: Clause 8 Meetings of Boards

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman I move that in clause 8(4) the Bill be amended by inserting after the word **"five"** the word **"voting".**

The Chairman: The question is that the amendment stands part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 8 as amended passed.

Clauses 9 to 17

The Clerk:
Clause 9 Duty of confidentiality

Clause 10	Remuneration and immunity of members of the Boards
Clause 11	Immigration Appeals Tribunal
Clause 12	Meetings of Immigration Appeals Tribunal
Clause 13	Application of sections 9 and 10 to Immigration Appeals Tribunal
Clause 14	Appeals from decisions of Immigration Officers
Clause 15	Appeals from decisions of Boards
Clause 16	Conduct of appeals
Clause 17	Orders of the Immigration Appeals Tribunal and appeals from its decisions

The Chairman: The question is that clauses 9 to 17 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 9 to 17 passed.

Clause 18

The Clerk: Clause 18 Decisions to be Administrative

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, I move that clause 18(c) is amended by deleting the word **"subsequently"** and substituting the words "within 30 days of having made the decision".

The Chairman: The question is that the amendment stands part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 18 as amended passed.

Clause 19

The Clerk: Clause 19 Rules relating to Appeals

The Chairman: The question is that clause 19 stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 19 passed.

Clause 20

The Clerk: PART III—Provisions relating to Caymanians
Clause 20 Categories of Caymanians

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, I move that a Bill be amended in clause 20(2)(c) by deleting the words from **"or the child"** to the words "(1997 Revision)".

The Chairman: The question is that the amendment stands part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 20 as amended passed.

Clause 21

The Clerk: Clause 21 Caymanian as of right.

The Chairman: The question is that clause 21 stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 21 passed.

Clause 22

The Clerk: Clause 22 Acquisition of the right to be Caymanian by grant of the Board.

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, we move for the amendment of Clause 22(7) by deleting the words: **"but such right to reside shall be lost upon the applicant's remarriage"**.

The Chairman: The question is that the amendment stands part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 22 as amended passed.

Clause 23

The Clerk: Clause 23 Matters for the Board's consideration

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, I move that clause 23(e)(ii) be amended by deleting the word **"respectable"**.

The Chairman: The question is that the amendment stands part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 23 as amended passed.

Clauses 24 to 26

The Clerk:

Clause 24	Procedure in relation to applications for grants under section 22
Clause 25	Record to be kept of applications and grants
Clause 26	Loss of the right to be Caymanian

The Chairman: The question is that clauses 24 to 26 stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 24 to 26 passed.

Clause 27

The Clerk: Clause 27 Revocation on conviction

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, I propose to amend Clause 27(b):

(1) by repealing the words **"of the right to the offender"**;
(2) by repealing the words **"that right"** and substituting the words "the grant".

The Chairman: The question is that the amendment stands part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 27 as amended passed.

The Clerk: PART IV —Permanent Residence
Clause 28 Categories of Permanent Residence

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, we move that clause 28(2) be amended by repealing the words: **" … the Chief Immigration Officer may grant the right to reside permanently"** and substituting the words: "Subject to sections 33 and 35 the Chief Immigration Officer may grant the right to reside …"

The Chairman: The question is that the Amendment stands part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 28 as amended passed.

Clause 29

The Clerk: Clause 29 Persons legally and ordinarily resident in the Islands for at least eight years.

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, I move that clause 29 be amended by re-numbering subclauses (7) to (10) as subclauses (8) to (11) and inserting after subclause 6, the following new subclause.

"Where an application for a Residency and Employment Rights Certificate has been made within the said period of three months from the date of any revocation, the applicant's right to reside in the Islands shall continue upon the same terms and conditions until the Board determines the application."

The Chairman: The question is that the amendment stand part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 29 as amended passed.

Clause 30

The Clerk: Clause 30 Residency and Employment Rights Certificate for spouse of a Caymanian

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, I move that clause 30(3)(e) be amended by deleting the word **"has"** and substituting the words "and his spouse have".

The Chairman: The question is that the amendment stand part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 30 as amended passed.

Clauses 31 to 33

The Clerk:
Clause 31 Dependants of Residency and Employment Rights Certificate Holders

Clause 32 Loss of Residency and Employment Rights Certificate
Clause 33 Residential Certificate for Retirees

The Chairman: The question is that clauses 31 to 33 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 31 to 33 passed.

Clause 34

The Clerk: Clause 34 Revocation of Residential Certificates for Retirees

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, I move that Clause 34(b) be amended by deleting the words: **"he was resident outside the Islands for a period of more than 90 days"** and substituting the words: "he was not resident in the Islands for a period of 30 days".

The Chairman: The question is that the amendment stand part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 34 as amended passed.

Clause 35

The Clerk: Clause 35 Residential Certificates for Entrepreneurs and Investors.

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, we move that Clause 35(1) be amended by adding after the word "**investors**", the words: "but such Certificate shall not of itself confer any right to a licence under The Local Companies Control Law (1999 Revision) or The Trade & Business Licensing Law (2003 Revision).

The Chairman: The question is that the amendment stands part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 35 as amended passed.

Clause 36

The Clerk: Clause 36 Revocation of Residential Certificate for Entrepreneurs and Investors

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, we propose to amend Clause 36(d) by deleting the words: **"he was resident outside the Islands for a period of more than 90 days"** and substituting the words: "he was not resident in the Islands for a period of 30 days.".

The Chairman: The question is that the amendment stands part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 36 as amended passed.

Clause 37

The Clerk: Clause 37 General provisions relating to loss of permanent residency.

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, we propose to amend Clause 37(1)(g) by deleting the words **"entry into"** and substituting the words "continued residence in".

The Chairman: The question is that the amendment stands part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 37 as amended passed.

Clauses 38 to 45

The Clerk: PART V—Gainful Occupation of Non-Caymanians
Clause 38 Persons exempted
Clause 39 Who may be gainfully occupied
Clause 40 Application for work permit
Clause 41 Application of sections to the Cayman Brac and Little Cayman Immigration Board
Clause 42 Consideration of application for work permit by the Board
Clause 43 Business Staffing Plans
Clause 44 Responsibility of the Board in processing applications for professional employees
Clause 45 Employers in need of domestic helpers

The Chairman: The question is that clauses 38 to 45 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 38 to 45 passed.

Clause 46

The Clerk: Clause 46 Grant or refusal of work permit

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, we propose to amend Clause 46, (i) in subclause 2(c) repealing the words: **"persons authorised by the Board in a Business Staffing Plan Authority"** and substituting the words "workers for positions authorised by the Board in a Business Staffing Plan Certificate" and;

(ii) by renumbering subclauses (3) to (9) as subclauses (4) to (10) and inserting a new subclause (3) after subclause (2) as follows: "(3) Unless the applicant is married to a Caymanian, the Board shall not, except in exceptional circumstances, grant a work permit to a person wishing to enter into self-employment.".

The Chairman: The question is that the amendment stands part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 46 as amended passed.

Clause 47

The Clerk: Clause 47 Exempted employees

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, we propose to amend clause 47(3) by adding after the word **"requirements"** the words: "at the time of his employment in the Islands,"

The Chairman: The question is that the amendment stands part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 47 as amended passed.

Clause 48 to 49

The Clerk:

Clause 48 Change of employer

Clause 49 Prohibition against unauthorised promotion or re-designation

The Chairman: The question is that clauses 48 and 49 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 48 and 49 passed.

Clause 50

The Clerk: Clause 50 Term limits

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, we propose to amend clause 50(2) –

(i) in paragraph (d) by repealing the words from **"and if"** to the end and substituting the words "in accordance with section 29, he shall be granted permanent residence."; and

(ii) in paragraph (e) by repealing the words from **"and if"** to the word **"community"**

The Chairman: The question is that the amendment stand part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 50 as amended passed

Clause 51

The Clerk: Clause 51 Temporary work permit

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, we propose to amend clause 51(1) by deleting the words: **"or in his absence his deputy"** and substituting the words "or his designate at or above the level of Assistant Chief Immigration Officer".

The Chairman: The question is that the amendment stand part of the clause.

All those in favour please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 51 as amended passed.

Clause 52

The Clerk:

Clause 52 Business visitors' permits

The Chairman: The question is that clause 52 stand part of the Bill.

All those in favour please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 52 passed.

Clause 53

The Clerk: Clause 53 Work permit fees

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, I move that clause 53(1) be amended -

(i) by repealing the words **"prescribed fee which fee"** and substituting the words "the work permit fee and the administrative fee, which fees"; and

(ii) by inserting after the words **"refund of the**" the words "work permit".

The Chairman: The question is that the amendments stand part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 53 as amended passed.

Clause 54

The Clerk: Clause 54 Offence to engage in gainful occupation or to employ persons in contravention of this Part

The Chairman: The question is that clause 54 stands part of the Bill.

All those in favour please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 54 passed.

Clauses 55 to 66

The Clerk: PART VI— Entry, Landing in the Islands, etc

Clause 55 Discretion of Chief Immigration Officer and duty of persons arriving in the Islands

Clause 56 Duty of local agent of vessel to give notice of arrival

Clause 57 Inward passenger and crew manifests

Clause 58 Control of landing from vessels

Clause 59 Outward passenger and crew manifests

Clause 60 Government vessels

Clause 61 Governor may issue entry permit

Clause 62 Duty to produce passport, etc

Clause 63 Certain persons deemed not to have landed in the Islands

Clause 64 General prohibition from landing in the Islands without specific permission of immigration officer

Clause 65 Entry be persons other than Caymanians or persons legally and ordinarily resident

Clause 66 Requirements to be satisfied by visitors

The Chairman: The question is that clauses 55 to 66 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 55 to 66 passed.

Clause 67

The Clerk: Clause 67 Safeguards regarding permission to land, etc

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, I move that clause 67(1)(c) be amended by deleting the word **"may"** and substituting the word "is".

The Chairman: The question is that the amendment stands part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 67 as amended passed.

Clause 68 to 69

The Clerk:

Clause 68	Disembarkation and embarkation cards
Clause 69	Detention of persons who have been refused permission to land etc.

The Chairman: The question is that clauses 68 and 69 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 68 and 69 passed.

Clause 70

The Clerk: Clause 70 Duty of master with respect to removal of person landing unlawfully where permission to land is refused.

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, I move that clause 70(1) be amended by deleting the words: **"as owned or operated the vessel by which such person arrived in the Islands"**.

The Chairman: The question is that the amendment stands part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 70 as amended passed.

Clauses 71 to 78

The Clerk:

Clause 71	Register to be kept and particulars furnished by hotel keepers and others
Clause 72	Re-entry permit
Clause 73	Offences relating to illegal landing and powers of arrest
Clause 74	Register of non-Caymanian
Clause 75	Application of other laws
Clause 76	Establishment of stop list
Clause 77	Prohibited immigrants
Clause 78	Student visas

The Chairman: The question is that clauses 71 to 78 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 71 to 78 passed.

Clauses 79 to 80

The Clerk:	PART VII—Asylum
Clause 79	Application for asylum
Clause 80	Limitations on rights of appeal under section 79

The Chairman: The question is that clauses 79 and 80 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 79 and 80 passed.

Clauses 81 to 91

The Clerk:	PART VIII—Deportation
Clause 81	Non-application of this Part with respect to Caymanians
Clause 82	Report preliminary to deportation order
Clause 83	Power of Governor to make, vary or modify a deportation order and duty to report to the Secretary of State
Clause 84	Form of deportation order
Clause 85	Service of deportation order and power to detain deportees
Clause 86	Duty to comply with deportation order
Clause 87 to	Duty to afford transportation of deportee place outside the Islands
Clause 88	Harbouring deportee
Clause 89	Arrest of person contravening, etc., this Part
Clause 90	Evidence in proceedings taken under this Part
Clause 91	Proceedings to be sanctioned by Attorney- General

The Chairman: The question is that clauses 81 to 91 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 81 to 91 passed.

Clauses 92 to 102

The Clerk:

Clause 92	Identification cards PART IX —General
Clause 93	Regulations
Clause 94	Directions to Board and Chief Immigration Officer
Clause 95	Power to put questions and require production of documents
Clause 96	Obstruction of persons acting in execution of Law
Clause 97	Authorisation to carry arms
Clause 98	Offences relating to false documents, etc
Clause 99	Punishment for offences for which no penalty is provided
Clause 100	Offence to enter marriage of convenience
Clause 101	Offences against Law by corporations, liability of officers, etc
Clause 102	Evidence in proceedings taken under, or in connection with, Law

The Chairman: The question is that clauses 92 through 102 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 92 to 102 passed.

Clause 103

The Clerk: Clause 103 Transitional provisions

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, we propose to amend clause 103 – (i) in subclause (1) by repealing the words: **"a gainful occupation licence or a temporary gainful occupation licence"** and substituting the words: "A work permit or a temporary work permit" and (ii) in subclause (6) by inserting after the words **"a grant of"** the words "a work permit or of".

The Chairman: The question is that the amendments stand part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 103 as amended passed.

Clauses 104 to 107

The Clerk:

Clause 104	Application of general provisions to Cayman Brac and Little Cayman Immigration Board
Clause 105	Conflict with other laws
Clause 106	Savings of other laws
Clause 107	Repeals and savings

The Chairman: The question is that clauses 104 to 107 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 104 to 107 passed.

Schedule

The Clerk: Schedule: Certificate of Right to be Caymanian

The Chairman: The question is that the Schedule stand part of the Bill.

All those in favour please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Schedule passed.

The Clerk: A Bill for a Law to repeal The Immigration Law (2003 Revision); The Immigration (Amendment) Law, 2003; The Immigration Regulations (2003 Revision); The Immigration Directions (2001 Revision);

The Immigration (Business Staffing Plan) regulations (2000 Revision); and the Immigration Appeal (Asylum) rules, 2003; to make alternative provision for matters pertaining to immigration; and for incidental and connected purposes.

The Chairman: The question is that the title stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Title passed.

The Chairman: This now concludes the Committee on Bills. The question is that the Bills be reported to the House.

House resumed at 10:10 pm

REPORTS ON BILLS

The Speaker: Please be seated. This Honourable House is now resumed.

The Terrorism Bill 2003

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, I have to report that a Bill entitled The Terrorism Bill 2003 was recommitted and was examined without changes.

The Speaker: The Bill has been duly reported and set down for third reading.

The Information and Communications Technology Authority (Amendment) Bill 2003

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, I have to report that a Bill entitled The Information and Communications Technology Authority (Amendment) Bill 2003 was recommitted without changes.

The Speaker: The Bill has been duly reported and is set down for third reading.

The Immigration Bill 2003

The Clerk: The Immigration Bill 2003.

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, I have to report that a Bill entitled A Bill for a Law to repeal The Immigration Law (2003 Revision); The Immigration (Amendment) Law, 2003; The Immigration Regulations (2003 Revision); The Immigration Directions (2001 Revision); The Immigration (Business Staffing Plan) regulations (2000 Revision); and the Immigration Appeal (Asylum) rules, 2003; to make alternative provision for matters pertaining to immigration; and for incidental and connected purposes, was examined in Committee and changes were made to several clauses.

The Speaker: The Bill was duly reported and set down for third reading.

The Monetary Authority (Amendment) Bill, 2003

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I am to report that the Bill shortly entitled the Monetary Authority (Amendment) Bill, 2003 was considered by a committee of the whole House and passed without amendment.

The Speaker: The Bill has been duly reported and set down for third reading.

The Motor Vehicle Insurance (Third Party Risks) (Amendment) Bill 2003

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, I have to report that a Bill entitled The Motor Vehicle Insurance (Third Party Risks) (Amendment) Bill 2003 was examined in Committee and no changes were made.

The Speaker: The Bill has been duly reported and set down for third reading.

Before calling for third readings I would like to make the point that Official Members will not be voting on The Terrorism Bill 2003 and The Information and Communication Technology Authority (Amendment) Bill 2003.

THIRD READINGS

The Terrorism Bill 2003

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, I move that the Bill entitled The Terrorism Bill 2003 be given a third reading and passed.

The Speaker: The question is that a Bill shortly entitled The Terrorism Bill 2003 be given a third reading and passed.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Terrorism Bill 2003 given a third reading and passed.

The Information and Communications Technology Authority (Amendment) Bill 2003

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, I move that a Bill entitled The Information and Communications Technology Authority (Amendment) Bill 2003 be given a third reading and passed.

The Speaker: The question is that a Bill shortly entitled The Information and Communications Technology Authority (Amendment) Bill 2003 be given a third reading and passed.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Information and Communications Technology Authority (Amendment) Bill 2003 given a third reading and passed.

The Immigration Bill 2003

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, I am proud to move that a Bill shortly entitled The Immigration Bill 2003 be given a third reading and passed. An historic day for these Islands.

The Speaker: The question is that a Bill shortly entitled The Immigration Bill 2003 be given a third reading and passed.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Immigration Bill 2003 given a third reading and passed.

The Monetary Authority (Amendment) Bill 2003

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I beg to move that a Bill shortly entitled The Monetary Authority (Amendment) Bill 2003 be given a third reading and passed.

The Speaker: The question is that a Bill shortly entitled The Monetary Authority (Amendment) Bill, 2003 be given a third reading and passed.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Monetary Authority (Amendment) Bill 2003 given a third reading and passed.

The Motor Vehicle Insurance (Third Party Risks) (Amendment) Bill 2003

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, I move that a Bill shortly entitled The Motor Vehicle Insurance (Third Party Risks) (Amendment) Bill 2003 be given a third reading and passed.

The Speaker: The question is that a Bill shortly entitled The Motor Vehicle Insurance (Third Party Risks) (Amendment) Bill 2003 be given a third reading and passed.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Motor Vehicle Insurance (Third Party Risks) (Amendment) Bill 2003 given a third reading and passed.

The Speaker: This brings us to the end of the Order Paper for the meeting and I will now call on the Honourable Leader of Government Business for the adjournment.

ADJOURNMENT

Hon. W. McKeeva Bush: Mr. Speaker, this has been a long Meeting: one that we have had to sit late at

times to conduct and complete business ensuring that everything was handled according to the requests from various departments. It speaks to how busy we all are. We apologise to all staff and to you, Mr. Speaker, for having to sit late with us, but this could not be helped.

It is the Advent season and on behalf of Government and indeed all Members of the House, we want to wish you, Mr. Speaker, and your family a very healthy, happy Christmas, and a healthy New Year. We want to wish the staff (who have had to put up with us during this past year) blessings from Almighty God. It is Christmas time: it is a time of good feelings; a time of giving; a time of loving and forgiving; and a time of colours.

We want to wish for all of our constituents the very best. This has not been an easy year. We have had some changes in government; however, it has all been for the good. The country has gone through some changes. These are challenging times and we look forward to the New Year with, as one Christmas carol puts it, "Hope". That is what we look forward to in 2004. We pray for world peace and we consider all those around us who have it much worse than we do. We should examine our own surroundings and environment to see how well we are faring in comparison to a world that is torn with strife: people cannot travel; people are starving; children are left lonely with no home or parents. These Islands have fared well in this past year amid a world that is topsy-turvy. Nevertheless, we look to Almighty God for guidance and we pray that 2004 will find us at least as blessed as we have had it for 2003. We pray for our people and we thank them for their assistance and we ask God's blessings on everyone.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. In the unavoidable absence of the Leader of the Opposition, it is my privilege and duty to, on behalf of the Opposition, also join the Leader of Government Business in wishing all within the sound of my voice, a blessed Christmas season and a happy and prosperous New Year.

We are particularly grateful, as the Leader of Government Business has said, to the long-suffering members of the staff of the Legislative Assembly, for the long and tedious hours they have to put in on more and more regular occasions now, to assist us with dealing with the important business of this country and of this Honourable House. We are indebted to them and we thank them. We are also conscious of the fact that they are spending a lot of time away from their families, particularly at an important time like this in preparation for the Christmas season.

This has been, as the Leader of Government Business has said, a challenging year. Indeed, I believe, this entire term, for those of us who have been elected here, has been perhaps the most challenging that Members of this Honourable House have faced in the history of this country. Debate in this Honourable House has been always robust, sometimes tumultuous, sometimes, even acrimonious. However, I believe that we have sensed a growing maturity on the part of all Honourable Members of this House.

We are becoming more conscious and more accepting of the respective roles of the Government and of the Opposition. We can take very divergent positions in relation to matters and even though some of us may shout and some of us may use language which is perhaps intemperate at times within these Chambers, outside these Chambers I think the relationships between us have been forged. Even though some of us might prefer not having others of us here, or indeed not where they are in the political scene, we recognise that all of us are contributing Caymanians who all seek to benefit this country and to promote the interests of the people of these Islands. We may disagree, and we often do, at how that should best be done; I believe that everyone within these hallowed Chambers earnestly believes that what he is doing is in the overall best interests of these Islands. I think it is important for all of us that we have now come to a point where we recognise that and while we may, to use the language in this House, "beat up each other" in here and take different political positions, we respect each other as contributing members of this Honourable House, and we respect the roles that we each have to play.

I take this opportunity to wish each and every Member of this Honourable House, on behalf of the Opposition, and indeed all of our respective constituents, the very best for this Christmas Season. May the Cayman Islands long be blessed with peace, prosperity, goodwill and good government.

Thank you Mr. Speaker.

The Speaker: Honourable Members, before replying, on behalf of the staff and myself, I would just like to let you know that a member of our staff today is having a birthday; one of our hardworking staff, Ms. Nana Bothwell; I am sure you would wish for me, on your behalf, to wish her a very happy, though belated, happy birthday.

On behalf of the staff, I wish to thank you all most kindly for your kind words. I can vouch for the fact that they are very hard-working individuals. It has been my pleasure to work with each one of them. My work would have been much harder without their efficiency and their assistance. So I want to also share with you in thanking them most sincerely for their support of my position as Speaker.

On my own behalf I want to thank you all very much for the kind manner in which you have accepted me as Speaker of the House. Having assumed my position some months ago, I feel like I have been here for quite some time. From the love I feel from each one, the respect, and I am sure you know that this is

reciprocated, I feel very happy to be in this position. I want you to know that I am proud to be the Speaker of the House with such fine representatives, such fine Members of the House.

I know that at times things get a little hot, but remember I was also on both sides of the House, so I understand when those things happen. I also know that this is a pre-election year. We are almost in an election year and I know that tempers will sometimes flare. I believe that all-in-all, having visited other Houses of Parliament, in particular the House of Commons, that we are well behaved compared with the House of Commons. Therefore, I want to thank each one of you.

I know I share in the views, that there has been a noted maturity in the House. I have seen it in debates. It is a pleasure to sit here and listen to the level of debates I have heard coming from Members. I am able to now appreciate it more that I can listen better. When I was a Member, a Minister of Government, I was too anxious to have a rebuttal, therefore I did not listen enough. However, now I am able to listen and hear the quality of the debates. I know that this will grow from strength to strength and will get better.

I would ask that as we go into the Christmas that we never forget what Christmas symbolises. It symbolises love – the love of God to human beings in sending his Son, Jesus, as a baby, and later to die for the sins of each one of us. Let us remember that Christmas is symbolic of love, and it commemorates this love that God exhibited towards each one of us. Let us also have in our heart forgiveness for each one.

As the Second Elected Member for George Town said, he recognises that each one of us is really doing our best to represent our people. That is who we are here representing. We are not here to insult each other; we are here to give the very best representation that we can to our people. Nevertheless, above all, let us do it with respect because remember, respect begets respect. As we move into this Christmas and into the New Year, let us come back to this House with a heart full of love for each other, and let our actions show that this love also reflects the respect that we should have for each other.

I know that I will be shortly calling on the Leader of Government Business to move the motion of adjournment and to tell us when we are returning. However, before doing so, I want to remind everyone that the staff has prepared a fête for Honourable Members on Monday, 22nd December 2003 and I am looking forward to seeing each one of you present for a 2 pm luncheon that is being prepared for the staff. We have Members, even the Sergeant-at-Arms, who is preparing a cake, so we cannot miss out on this. We will have the Leader of Government Business doing a rendition, and other people, so we have to be here for that. We will be very disappointed – I know the staff will be very disappointed – if you are not here to join in this, our Christmas luncheon, for the parliamentarians. Honourable Members, I ask that you all turn out. I would like to correct that I said 2 pm. I understand that most people will be starved by 2 pm; it is really 1 pm on Monday, 22nd December and we expect to see each one of you here.

Honourable Members, again I wish you all the very best for the Christmas and a happy and prosperous New Year to you and your families.

Honourable Leader of Government Business would you move the adjournment?

Hon. W. McKeeva Bush: Mr. Speaker, before I move the adjournment, we want to extend our expressions of thanks to the members of the press who have been here with us day after day, for giving us the opportunity for our people to be able to hear something from us via the written press.

We would also like, of course, to extend our thanks to all of our departments, ministry staff, for all that they do to keep the country going. Many of them work early morning hours and late evening hours to get the country's business completed, and we want to thank them.

I want to place on record our thanks for the work done by Mrs. Sherri Bodden-Cowan for, as we have already recorded, the work she did on the committee for immigration, and to thank her for staying this late with us to see the Bill through all its stages.

Thanks and good Christmas wishes are also extended to the legal draftsmen for being here with us and assisting us in this process time and time again.

Hopefully we will see each other during the nocturnal activities this Christmas season, and again on Monday at 1 pm. Having said that, we ask everybody to drive carefully at this time of the year.

Finally, I move the adjournment of this Honourable House sine die.

The Speaker: The question is that this Honourable House now adjourn sine die.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

At 10.35 pm the House stood adjourned sine die.

Appendices to Parliamentary Question No. 97

TOTAL EXPENDITURE OF OFFICIAL TRAVEL BY DEPARTMENT

DEPARTMENT	1 NOV – 31 DEC 2001	1 JAN – 31 DEC 2002	1 JAN – 30 JUN 2003	1 JUL – 30 NOV 2003
Agriculture Dept.	-3,693.48	9,086.03	16,081.19	9,953.49
Audit Office	3,517.44	11,377.17	4,054.21	5,600.61
Community Admin. Ministry	4,028.30	37,162.71	18,999.82	23,278.03
Cabinet	0	0	0	6,839.81
Computer Services	3,785.74	17,434.08	13,294.46	5,355.11
Customs	12,262.56	19,474.53	50,999.52	8,015.67
District Admin.	5,726.96	25,857.50	13,601.76	7,098.61
Education Admin. Ministry	30,159.64	108,380.12	68,386.59	67,520.52
Education Dept.	8,832.37	67,556.36	54,860.45	16,957.78
Dept. of Environment	278.49	2,440.82	5,184.61	4,345.96
DVES	0	891.97	2,214.00	0
Environmental Health	306.4	12,324.11	7,469.07	1,789.95
Economics & Statistics	177.64	3,491.88	1,090.01	4,545.35
Finance Admin.	51,678.15	275,820.11	95,218.34	68,892.09
Fire Dept.	12,297.78	11,592.92	24,630.91	4,774.41
General Registry & Shipping	43,846.50	143,536.06	159,311.04	66,302.05
HE The Governor	7,197.99	17,950.31	17,356.59	0
Health Admin. Ministry	16,568.40	42,665.64	24,392.20	21,566.35
Immigration Admin.	58.18	2,896.39	5,731.24	3,374.56
Internal & External Affairs	4,313.89	9,721.91	12,869.99	20,666.28
Judicial	3,221.78	31,354.22	9,005.87	844.70
Labour/Employment Services	96.6	15,057.26	5,328.74	2,207.51
Lands & Survey	5,921.43	23,931.75	6,752.70	2,508.82
Legal	9,255.77	58,405.52	73,203.59	24,410.06
Legislative Assembly	1,757.28	90,636.04	0	0
Mosquito Research Control Unit	4,605.09	10,680.88	3,967.08	2,282.34
Personnel	-1,771.26	8,098.11	1,069.00	389.47
Planning Admin. Ministry	20,146.86	49,828.69	9,054.33	12,885.22
Planning Dept.	1,779.24	12,892.59	6,333.84	1,664.00
Police	6,269.74	75,913.92	45,070.82	24,879.36
Postal	3,136.36	21,626.14	9,852.42	4,659.02
Prison	2,068.19	6,489.75	11,525.32	4,204.92
Public Works	0	3,291.15	5,316.09	4,844.77
Radio Cayman	0	7.62	2,259.02	271.00
Social Services	4,099.74	21,198.06	11,696.58	11,171.05
DOSAS- Substance Abuse	0	1,457.57	317.10	1,595.82
Tourism Admin. Ministry	24,513.47	166,764.40	93,201.79	45,779.82
Tourism Dept.	19,807.34	386,955.22	229,849.65	148,892.72
Treasury	124.1	1,029.90	5,553.74	1,565.55
Youth & Sports	1,971.24	2,547.06	5,901.40	2,126.37
Total	**308,345.92**	**1,807,826.47**	**1,131,005.08**	**644,059.15**

TOTAL EXPENDITURE OF OFFICIALTRAVEL BY MINISTRY AND PORTFOLIO

MINISTRY/PORTFOLIO	1 NOV – 31 DEC 2001	1 JAN – 31 DEC 2002	1 JAN – 30 JUN 2003	1 JUL – 30 NOV 2003
Office of The Governor	13,937.21	60,681.70	0	0
Audit	0	0	4,054.21	5,600.61
Cabinet	0	0	0	6,839.81
Judicial	0	0	9,005.87	844.70
Ministry of Community	10,099.28	68,855.15	48,440.22	42,376.19
Ministry of Education	39,088.61	190,993.74	128,575.78	86,685.81
Ministry of Health	20,354.14	77,616.79	56,334.17	36,635.61
Ministry of Planning	32,201.90	152,901.36	64,673.09	38,243.07
Ministry of Tourism	56,897.08	567,753.36	352,447.86	203,792.91
Portfolio of Finance	108,088.95	443,352.48	312,172.65	149,320.70
Portfolio of Internal & External Affairs	18,422.98	187,266.37	82,097.64	49,309.67
Portfolio of Legal	9,255.77	58,405.52	73,203.59	24,410.06
Total	**308,345.92**	**1,807,826.47**	**1,131,005.08**	**644,059.15**

OFFICIAL HANSARD REPORT
FRIDAY
13 FEBRUARY 2004
11.07 AM

First Sitting

The Speaker: I invite the Fourth Elected Member for West Bay to lead us in prayers.

PRAYERS

Mr. Cline A. Glidden, Jr.: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Cayman Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together*:*

Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come. Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For thine is the Kingdom, the power and the glory, forever and ever, Amen.

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

Proceedings resumed at 11:10 am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies for absence from the Second Elected Member for Cayman Brac and Little Cayman.

STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE CABINET

The Speaker: I have not received any statements by Honourable Ministers or Members of the Cabinet.

The Honourable Leader of Government Business is to move the suspension.

Suspension of Standing Order 24(5)

Hon. W. McKeeva Bush: Thank you, Mr. Speaker. I move for the suspension of Standing Order 24(5) in order to take Government Motion No. 7/03 entitled, the UK Position on European Union Savings Directive (EUSD).

The Speaker: The suspension of Standing Order 24(5) has been moved. I would like to read that Standing Order for clarity, so that all Members are aware of exactly what it states:

"(5) Subject to the exceptions specified in paragraph (9), no Member shall make a motion unless he has given notice in writing of that motion either at some previous sitting of the House, or to the Clerk, not less than five clear days prior to the commencement of the meeting of the House at which such motion is to be made."

The Honourable Leader of Government Business has moved the suspension of the Standing Order.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 24(5) suspended.

GOVERNMENT BUSINESS

MOTIONS

GOVERNMENT MOTION NO. 7/03

UK Position on European Union Savings Directive (EUSD)

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, I move the following Government Motion No. 7/03, standing in my name, which reads as follows-

"BE IT RESOLVED THAT in accordance with the negotiated agreement with the United Kingdom (UK) Government, the terms of which are contained in the letter dated 12 February 2004, from the Paymaster General of the UK to the Hon W McKeeva Bush, OBE, JP, Leader of Government Business, the Government recommends to this Honourable House that appropriate legislation be enacted on or before 30 June 2004 for the implementation of the European Union Savings Directive (EUSD), subject to the condition that the relevant measures of the EUSD come into effect at the same time in European Union Member States and named third countries and dependent and overseas territories."

The Speaker: The question is: "**BE IT RESOLVED THAT in accordance with the negotiated agreement with the United Kingdom (UK) Government, the terms of which are contained in the letter dated 12 February 2004, from the Paymaster General of the UK to the Hon W McKeeva Bush, OBE, JP, Leader of Government Business, the Government recommends to this Honourable House that appropriate legislation be enacted on or before 30 June 2004 for the implementation of the European Union Savings Directive (EUSD), subject to the condition that the relevant measures of the EUSD come into effect at the same time in European Union Member States and named third countries and dependent and overseas territories."**

The Motion is open for debate. Does the Honourable Leader of Government Business wish to speak thereto?

Hon. W. McKeeva Bush: Thank you very much, Mr. Speaker.

Honourable Members, and by way of the broadcast, the good people of these beloved Cayman Islands, I take this opportunity to inform this Honourable House of developments in relation to the European Union's Directive on the Taxation of Savings.

All Honourable Members are aware that the Savings Tax Directive is something that appeared on the horizon more than five years ago. Over the past two years, I have provided to this Honourable House, and indeed, to the country, numerous updates dealing with the progress of discussions.

It is no secret that Government has consistently taken a firm stance on this matter. We did this based on extensive consultation with the private sector, and with the endorsement of this Honourable House at all times. As I have indicated in previous statements, our objective has consistently been to secure the best interests of these Islands.

Following those discussions, Mr. Speaker, and following various negotiations and letters, I sat down with the Paymaster General of the United Kingdom shortly before Christmas and explained our determination to protect the interests of the Cayman Islands. That was the second time that I had had an opportunity to speak directly with the Paymaster General. The first time was in May of 2002; some Members will know about it. As usual, we reported on that matter. Other Ministers — including you, as the Minister of Planning and the Deputy Leader of Government Business at the time, and part of the negotiating team — went to the United Kingdom to meet for the first time with the Paymaster General.

We recognise and remember that that meeting did not end in the usual fashion in which a negotiating meeting would end, because the Cayman Islands refused, at that time, to sign or agree to anything. We also recall that when the Paymaster General came to that room, she said that in accordance with what had taken place in the British Virgin Islands (BVI) the year before, she expected us to agree and to sign the document at that time. Mr. Speaker, that was not on the books for the Cayman Islands; you remember how the meeting was conducted and how it ended.

That was the first time. The second time I had a chance to sit down for a personal, face-to-face talk with the Financial Secretary and the Cabinet Secretary, who was in attendance also, was in December. Those discussions, which were politician to politician, achieved a breakthrough in our long-running negotiations with the United Kingdom. The United Kingdom finally agreed to discuss our long-standing concerns.

There followed from those talks a series of technical level negotiations aimed at setting out measures which the United Kingdom would be willing to put on the table in our discussions of the Savings Tax Directive. Those talks carried on until 23 January this year.

As I indicated in a public statement earlier this week, following those technical level discussions, there were a number of issues that we felt required written clarification and conformation prior to bringing anything to this Honourable House.

Yesterday, 12 February 2003, we received from the Paymaster General a very detailed letter setting out the position of the Government of the United Kingdom.

With your permission, Mr. Speaker, I will read that letter into the record of this Honourable House in

a few moments, and I will ask permission to lay it upon the Table of this Honourable House.

The Speaker: Please continue.

Hon. W. McKeeva Bush: First I would like to highlight a few of the main points set out in the Paymaster's General letter.

The Paymaster General's letter confirms in writing the undertakings provided by the United Kingdom, but makes the implementation of those undertakings conditional on the Cayman Islands introducing legislation to implement the measures required of us in the Savings Tax Directive.

I want to reiterate this most important condition, for emphasis. The Paymaster's letter confirms that the United Kingdom accepts the position of Government that the Cayman Islands will not implement any legislation unless all of European Union (EU) Member States, the third countries, and the other Territories specified in the Directive do so as well. That covers the level playing field, to an extent. If even one of these countries does not implement the Directive, neither will the Cayman Islands.

The Paymaster's General letter also makes it very clear that if the Government does not commit to the enactment of legislation to implement the Savings Tax Directive by the end of June 2004, then the Government of the United Kingdom will legislate for the Cayman Islands, with the result that the Cayman Islands would then likely be in a protracted confrontation with the United Kingdom, from which no one would benefit.

At that point, we, in this Honourable House, would not have any say or input into the United Kingdom's legislation. They would legislate solely on their own, as they are threatening to do through the House of Commons. Neither would we have the opportunity to negotiate any bilateral agreements with any country in the European Union. Mr. Speaker and Honourable Members, that means that we would continue to remain on the lists of those countries that have put our Islands on their black lists, while still having to cooperate with them in the provision of tax information.

The Government's position has always been pragmatic. We have held out for every possible benefit we could obtain. The Government of the United Kingdom is now offering undertakings covering a variety of subjects. These include:

1. obtaining a wider access to the United Kingdom and European markets for Cayman Islands financial services products;
2. recognition of the Cayman Islands Stock Exchange to help Eurobond and debt products listing and 'designated investment exchange' status for the Stock Exchange;
3. the negotiation of a comprehensive treaty relating to access to the treaty networks;
4. the United Kingdom Government actively promoting what we all know to be true: our high standards of regulation and financial rolls that meet international standards (this will help our global reputation);
5. having the United Kingdom Government use its influence with other countries to remove Cayman from their blacklists, thereby providing access to markets from which we are presently excluded;
6. a greater role in international meetings that affect our interests (who better to tell the world about these Islands than ourselves?); and
7. the United Kingdom's promotion of our tourism industry in Europe.

Having provided that background, I would now turn to the Paymaster General's letter, and read that letter into the record of this Honourable House.

This is addressed to me, and dated 12 February 2004. I quote:

"Dear McKeeva,

"Thank you for your letters of 30 January and 4 February. I have also seen George McCarthy's e-mail of 6 February to David Richardson, and your news release of 5 February.

"I am pleased that your Government has decided to recommend to the Legislative Assembly that it approve legislation to apply the same measures as in the Savings Directive, and that you are confident that this legislation can be enacted by June 2004.

"As we both recognise, an important condition in relation to the Savings Directive is that the relevant measures come into effect at the same time in EU Member States, and the named dependent and overseas territories. No one should be expected or required to go to first.

"To ensure this level playing field, the Savings Directive sets a strict timetable for agreeing the start date. The Directive will come into effect on 1 January 2005 provided that the necessary agreements with the third countries and territories are in place with the same start date. And to provide business and Governments with certainty in advance, the Directive requires ECOFIN to decide by the end of June 2004 whether this condition will be met. [ECOFIN is the European Council of Finance Ministers. I continue to quote, Mr. Speaker:]

"The UK Government is determined to ensure that the necessary legislation and agreements for a 1 January 2005 start date are in place in the named UK territories by the end of June 2004. This will ensure that the Directive will go ahead on 1 January 2005 provided that the necessary agreements for a 1 January 2005 start date are also in place with the third countries and the Netherlands Antilles and Aruba; and the Commission and the Netherlands are working to ensure that.

"For the Cayman Islands this means that by the end of June 2004 either the Cayman Government must introduce the necessary legislation,

and enter into the necessary agreements with EU Member States, or the UK must do so directly. I said in my letter of 31 October 2003 that I hoped it would not be necessary for the UK to legislate, and that very much remains my hope. But I explained when we met in December that time constraints meant I needed a clear and unambiguous statement of the Cayman position by the end of January, so that the UK had time to act before the June deadline if necessary.

"The draft framework of undertakings that we agreed in December, and which our officials subsequently fleshed out in a series of meetings in Grand Cayman and London in January, envisaged that the Government of the Cayman Islands would: recommend to the Cayman Islands Legislative Assembly before 31 January 2004 that appropriate legislation be enacted to apply the same measures as EU Member States; affirm that the legislation would be enacted by 30 June 2004; and enter into negotiations with EU Member States with a view to concluding bilateral agreements implementing the domestic legislation by 30 June 2004.

"I was therefore disappointed to learn from your letter of 30 January that your Government would not be recommending legislation to the Legislative Assembly by 31 January. Indeed your letter did not refer to making a recommendation at all. Instead, you referred to "ongoing" discussions and "continuing fleshing out" with the UK. You will appreciate that because of the strict timetable to which we are working, the absence of the commitment envisaged in the 23 January 2004 text has meant that I have had to ask my officials to take forward contingency work for direct legislation.

"However, I note from your subsequent letter and news release that you do intend to recommend the relevant legislation to the Legislative Assembly at its next sitting, which begins on 13 February 2004. And George McCarthy's e-mail refers to you doing this at the earliest opportunity.

"As I have said, I continue to want to take this issue forward in a cooperative way, if that is possible within the timeframe that we must operate. Recognising that that is your preference as well. and in the light of the subsequent papers you have sent me, I can confirm that the UK would be prepared to take forward the UK undertakings in the fleshed out agreement finalised by our officials on 23 January, if:

- **Within one week of the Cayman Island Legislative Assembly session starting on 13 February 2004, the Cayman Island Government unequivocally recommends to the Assembly that appropriate legislation be enacted by 30 June 2004 to apply the same measures as in the Savings Directive. (I realise of course that you will not be able to present the legislation itself by 20 February 2004. And you will of course no doubt want to make clear that the legislation would only come into effect when the relevant provisions also come into effect in Member States and the named third countries and dependent and overseas territories.)**
- **You confirm by 20 February 2004 that your Government will make every effort to ensure that the legislation is enacted by the 30 June 2004.**
- **You confirm by 20 February 2004 that your Government will make every effort to conclude by 30 June 2004 the necessary agreements with EU Member States to implement the domestic legislation.**

If all of those conditions are met by 20 February 2004, the UK would then take forward, in good faith, the undertakings we have proposed. So, for instance, the Inland Revenue would move immediately to expedite the Cayman Island Stock Exchange's application for recognition. And my officials would agree a date with your officials to begin discussions in 2003/04 on a bilateral double taxation agreement."

That, I think, is proposing their financial year. That gives us approximately six weeks. To continue, Mr. Speaker:

"I should however make clear that I could not proceed on this basis if your undertakings were in any way qualified as being subject to the outcome or progress of discussions in respect of a double taxation agreement (or indeed any of the other items). I say this not because I have any reason to think that it will not be possible to agree a double tax treaty acceptable to both sides. I can assure you that we would conduct the negotiations in absolute good faith. But our considerable experience of negotiating double taxation treaties clearly indicates that it would take more time than we have until 30 June to conclude the discussions. And we have to bear in mind as well that concluding a treaty with a territory without a direct tax system would be without the benefit of precedent.

"The proposed UK undertakings would of course fall away if the Cayman Government did not follow through on the Cayman undertakings set out in the bullets above, or if the necessary legislation was not passed and the necessary agreements with EU Member States were not entered into.

"I apologise for writing at such length. But I thought it right that I set out in detail the UK's position, so that there is no ambiguity or misunderstanding between us over the assurances I need for the UK to proceed on the co-operative basis that we would both like.

"I look forward to hearing from you.

"Yours ever,

"Dawn Primarolo, MP."

That is the end of the letter, Mr. Speaker. I would like to table the letter at this point.

The Speaker: So ordered.

Hon. W. McKeeva Bush: I would also like to table the EU Directive on the Taxation of Savings, and a copy of the agreement that the European Union community has published, showing what their own agreements with Switzerland are. That Savings Directive is the Council Directive/2003/48EC of 30 June 2003 on Taxation of Savings Income in the Form of Interest Payments. This is: **"The Council of the European Union, Having regard to the Treaty establishing the European community and in particular, article 94 thereof".**

It says in part: **"This Directive builds on the consensus reached at the Santa Maria da Feira European Council of 19 and 20 June 2000 and the subsequent Ecofin Council meetings of 26 and 27 November 2000, 13 December 2001 and 21 January 2003."**

Those are the council meetings which build from the consensus on the Feira Accord. I would like to table that document, Mr. Speaker.

The Speaker: So ordered.

I would ask the Serjeant if he would get copies of that and make them available to Members, although I recognise that it has been in circulation since the middle of last year. I would nonetheless ask that it be circulated to refresh the memories of Members.

Hon. W. McKeeva Bush: Thank you, Mr. Speaker. The other document is the Commission of the European Union's Council Decision on the conclusion of the Agreement between the European Community and the Swiss Confederation providing for measures equivalent to those laid down in Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and the accompanying Memorandum of Understanding.

The Speaker: Similarly, I would ask that the Serjeant-at-Arms make copies of that document for Members.

Please continue.

Hon. W. McKeeva Bush: Thank you very much for your understanding and agreement, Mr. Speaker.

Last evening, I called a meeting with private sector representatives from the financial industry, to ask for their input in relation to the two choices we have before us. This was the most recent of many such meetings over the past two years. In fact, I think we met last on Monday this week.

The majority in attendance at last evening's meeting confirmed the Government's view that we should accept what is currently an offer from the United Kingdom. There were some there who opposed. Government is aware of the need to consider the broader public and economic interests. Although we are sensitive to the commercial interests of individual businesses and sectors, and have fought hard over these past two years in their interests and in the wider interests of these Islands, we have concluded, after taking advice from many sources— including last evening's meeting—that taken as a whole, this package is the better of the two available options for our people and our economy.

My tough stance on this subject, over the past two years, has been in the interests of the people and of the business community of the Cayman Islands. The Cabinet and I are rightly concerned about the potential impact of the Directive, but we believe that the offsetting measures our team has negotiated put us in the best available position moving forward. We have only one constitutionally available option, and that is to go on our own. However, we have no mandate to do this, and it seems that the majority of our people have refused that option. Even if that were possible, it would have no effect on this present ultimatum, as there would not be enough time before implementation.

The Government, therefore, recommends to this Honourable House that appropriate legislation be enacted, applying the same measures as set out in the Savings Tax Directive, and subject to the requirement that all of the European Union Member Countries, as well as the named countries and Territories specified in the Directive, must pass and implement the same or equivalent measures to be approved by this Honourable House no later than the end of June 2004. I repeat: This legislation would only come into effect when the relevant provisions also come into effect in the European Member States, the named third countries and the relevant Dependent and Overseas Territories—not before.

Furthermore, Government will also make every effort possible to conclude, by 30 June 2004, the necessary bilateral agreements with the European Union Member States, which will give effect to the legislation. On this basis, the United Kingdom and the Cayman Islands will take forward the undertakings we have agreed. We expect, for example, that the British Inland Revenue will move immediately to expedite the Cayman Islands Stock Exchange's application for recognition. It is important that people understand that what we are working toward is the best possible outcome for the Cayman Islands.

I would hope that our people continue to support these efforts. I believe that the financial community continues to support Government, and I hope I can count on the active support of Honourable Members.

The Government is putting forward what we believe is the best available deal for the people of the Cayman Islands. I would like to say that last night,

those in attendance who did not agree gave qualified support.

I have never allowed myself to be pushed around. I believe that you can only push so much, and I am here today, as our old people say, with a heavy heart. However, such are the times in which we live. Such are the conditions in which we live, constitutionally.

Perhaps this will give a wake-up call not only to Members of this House, but to all our citizens, for we here can stand up and be counted. I am prepared to do that on any stage, locally or globally. However, there is a point at which we can only do so much. We can either reject it, or allow the United Kingdom to put it in place themselves. Perhaps it may never reach completion, or, we could agree that we would do something, take what is offered, and say, "I lived to fight another day".

Thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you, Mr. Speaker. Having listened to the Honourable Leader of Government Business—as is the role of the Opposition—we certainly are going to contribute to the debate on this matter. We will be offering our own perspective on things as we see them, on all of the events leading up to this time. Suffice it to say that we have not had what we consider to be a reasonable time to digest the possible ramifications of the letter from the Paymaster General, as we only received it late yesterday evening.

Last month, the country discovered that we have a very serious crisis on our hands in regard to the EU Directive on the Taxation of Savings. In our view, this has come as a shock. Since 2002, the Leader of Government Business, in all of his public utterances, has been assuring everyone that he would not sign up to the EU Directive on the Taxation of Savings. We also heard that he would be taking Her Majesty's Government to court if it tried direct legislation. From what we have just heard, it seems that the Government has no case, that Her Majesty's Government can and will impose the Directive on us, and that what he has achieved is a list of possible stated concessions, several of which, notwithstanding how nicely put they may be, will have what we would call indeterminable value. Like the Directive itself, this will depend entirely on the goodwill of Her Majesty's Government.

We ask the question: How is it that we have reached this position?

I can only speak with clarity and tell everyone about 2001—about the time up until very early 2001. Mr. Speaker, let me clarify something. I can certainly speak of the time until early November 2001, because as I said, and as many have said about that time (and many things have been said): That was called my watch. I have to say that the true story about what happened in 2001 regarding this same matter differs markedly from the sustained campaign of misinformation that the Leader of Government and others have persisted in spreading over the course of this past year—and perhaps a little before that.

The Speaker: The Honourable Leader of the Opposition, you did mention that there was a sustained campaign. Could you be seated for a second, please? You did mention that there was a sustained campaign of misinformation. Would you please clarify exactly what you mean by that?

Hon. D. Kurt Tibbetts: Mr. Speaker, those are the exact documents I am coming to, with your permission.

The Speaker: Please continue.

Hon. D. Kurt Tibbetts: Mr. Speaker, in July 2003, the Leader of Government Business made a statement in the Legislative Assembly. He spoke on several issues and went on to speak, during his delivery, on this matter of the EU Directive on the Taxation of Savings. He gave a chronological history of what had transpired since November 1997. With your permission, Mr. Speaker, I will quote from the unedited *Hansard* of 16 July 2003.

The Speaker: Please continue.

Hon. D. Kurt Tibbetts: Thank you. His statement reads:**"In September 1998, the Foreign and Commonwealth Office (FCO) and UK Treasury held its first tax seminar, which presented information on the European Union Tax Package, and was attended by representatives of the Cayman Islands. At about this time, the Foreign and Commonwealth Office also forwarded to the European Union a summary of the constitutional arrangements that it had with its dependent territories, as they were then referred to, indicating that, in the case of the constitutional arrangements with Bermuda, the United Kingdom did not have the power to disallow legislation passed by the Bermuda legislature, and further did not have the power to force legislation on Bermuda, since Bermuda's Constitution did not allow the United Kingdom to use the peace order and good governance order in council process that was available in the case of the Caribbean Territories, including the Cayman Islands."**

That is some background to clearly indicate, as we move on into a sequence of events, the reason why Bermuda was exempt from this Directive from the outset. Immediately, we understand clearly that Bermuda is in a different category and a different position from the rest of the Caribbean Overseas Territories.

His chronological history goes on to indicate that:

"On 19 June 2000 the Heads of Government of the European Member States meeting in Santa Maria de Feira, adopted the proposal of the European Finance Ministers for a revised form of the draft Directive on the Taxation of Savings Income, which has now become known as the Feira Accord, an agreement to adopt the automatic exchange of tax information as a basis for enforcing the extra-territorial tax regimes of the European Union Member States. The document specified the requirement that the Netherland Antilles as well as the United Kingdom dependencies of the Channel Islands, the Isle of Man, and the United Kingdom's Caribbean Territories – including the Cayman Islands – adopt the same measures as the European Union States in regard to the taxation of savings income. This document also did not include Bermuda."

"On November 2000, meetings were held, at which the Government of the Cayman Islands was not represented, but at which representatives of the Caribbean Overseas Territories and Department of the European Union Member States began discussions of the revised Overseas Countries and Territories (OCT) decision, which was to come into effect in November 2001 for a period of ten years."

Therefore, up until November 2000 we have the Feira Accord of 1999, and then we have it being ratified in 2000. He goes on to say: **"On 21 March 2001, the Baroness Scotland, QC, wrote to the Overseas Territories, including the Cayman Islands, in relation to the European Savings Directive indicating that the United Kingdom expected the Cayman Islands to comply with the Directive on the Taxation of Savings income and requesting a response by the end of April 2001."**

His very next statement, Mr. Speaker, reads: **"The Leader of Government Business of the day, the current Leader of the Opposition, was given a draft letter that could have gotten us out of that particular mess. That letter was not sent."**

The Honourable Leader of Government Business, made a public statement two or three days ago. There were other times when he said it, but I am not going to quote all of those times. I referred to the statement in July of last year, and now we come to the most recent statement.

With your permission, Mr. Speaker, I would like to quote.

The Speaker: Please continue.

Hon. D. Kurt Tibbetts: In his latest statement, which the *Caymanian Compass* carried yesterday, he says: **"In the summer of 2000, the Feira Accord was adopted. In November 2000, the framework for the Overseas Countries and Territories was agreed . . ."**

That is consistent with his previous statement, which included tax matters, and ensured that the Cayman Islands were caught up in them, because we had not negotiated our way out of the Feira Accord. We will pause there for a while, Mr. Speaker, to clarify and to accept, factually, that by November of 2000, not only had the Feira Accord been adopted, but the framework for the Overseas Territories had been agreed on, which means it was ratified.

That was when the 1996 – 2000 Government was in place. We want to get our times right. Therefore, the Feira Accord was already agreed upon and the Cayman Islands were included as one of the territories the United Kingdom expected to sign the initiative.

In early 2001, that document was sent out, informing me, the then Leader of Government Business, now the Leader of the Opposition.

I am continuing to read from the statement: **" … that final agreement would be made in the summer. It was obvious the Cayman Islands then had a chance to register its objections at this point. It was at that time that Executive Council gave Mr. Kurt Tibbetts, then the Leader of Government, a letter to send to the United Kingdom Treasury. He did not send out that letter. In the summer of 2001, the final wording to the Feira Accord and the formal document was agreed upon, without Executive Council's knowledge because we thought Mr. Tibbetts had sent in our strong objections.**

"In September of 2001 the Feira document went to print and we lost our last opportunity."

According to those two documents, sometime early after this, we received a letter from the Baroness advising us that the UK was expecting us to sign up to the Directive. There was a letter that was supposed to be sent voicing our strong objections, and I did not send this letter. That is what he said: The Feira Accord document went to print and we lost our last opportunity.

On several occasions I have heard that this letter outlining our strong objections, supposedly, was not sent. I wrote to the Baroness in April 2001, after we received the invitation to attend the informal meetings in Miami. That invitation was for 30 April and 1 May. I wrote back advising her that we had received the invitation, and that the response to her letter of 31 March was one that we would prefer to deal with after the meetings in Miami. We believed we would be in a much more informed position, because that would have been the first exchange and dialogue that we would have had since we got the letter from the Baroness in March.

As you know, Mr. Speaker, that meeting took place and the Leader of Government Business chose to say on the Talk show that I was trying to shift blame to other people. My understanding of his statement was that he was referring to when I called your name, Sir. I simply called your name on the Talk show be-

cause you were the one who represented Government at the meetings in Miami. That was not about shifting blame to anyone. We all know that the reason for that was simply that the Financial Action Task Force (FATF) was in Cayman at that same time. We were doing the best we could to be de-listed, because they were going to have their June meeting to decide whether we were going to be de-listed or not. Thank God, we were de-listed then. That was the reason we decided I would stay for the FATF and you would go for the Miami meetings.

We move on after that. For a long time, when I kept hearing about this letter, I could not put together the sequence of events to try to get a clear understanding of exactly what was being talked about. I remembered many things, but I did not have any documentation, so I was at a huge disadvantage. You know, Sir, what a careful self I am, so I was not going to say things that I was not sure related correctly to events. Perhaps I would be in the same position today, had not my good and loyal friend, the Elected Member for North Side, remembered that at the consultative meeting she attended in London on 24 September, there were several copies of letters that were part of the bundle she took—some copies of letters from the Baroness to other members, Overseas Territories Chief Ministers and a record of the meetings that were held from 24–26 September. We are coming to that now. Several of the individuals who were part of the discussions during that time are still in this Honourable House; some of them are visiting the House, but they were part of it because they were part of the technical team that was advising us.

My recollection is that in our discussions after the Miami meetings, when we talked about how we were going to handle the matter, and how we were going to deal with it in the way forward, we decided conscientiously that rather than maintain the approach that had obtained prior to the new Government taking over in November 2000, we were going to contact the other Overseas Territories to speak to them, with a view to trying to get all of us on board together to deal with this matter. We thought that the strength of numbers might carry more weight when dealing with the United Kingdom down the line on the matter. The Honourable Third Official Member will remember this.

We placed several calls to the Chief Ministers of these Overseas Territories, establishing contacts and talking about the letter of 21 March from the Baroness. We decided that with their agreement, we were going to get the technical people together with a view to establishing one common response to the letter. All Territories would sign their own letters when they were all completed: all the letters would say the same thing.

Our view, at that time, was that that would send the message that we were not going to be out by ourselves, each one of us readily picked off. Those meetings continued. I do not have dates, but I know they occurred, because I remember the technical people coming from some of the Overseas Territories and meeting with our people. One of those meetings took place at the Westin Hotel, where they spent several hours during a day trying to develop this common response. All along, the Government knew and were aware of the approach that we were taking with all the other things that were going on at the time. That was the approach upon which the Executive Council had agreed.

We are now past May. Before I go past May, I want to say that I made a conscious decision during the early stages of coming down to the Legislative Assembly. I cannot remember exactly which meeting we were in; it could have been during the Budget Meeting, as that went on into May 2001. I called all the Members of the Legislative Assembly together. At that time, we had the letter from the Baroness photocopied and handed out to all the Members to advise them of London's position. I even remember asking them to return the copies as it was a confidential document, but I gave them copies to read in the meeting. I also advised them of the approach we were taking, and asked them their opinion as to what they thought of that approach so that we could get some perspective of what Members thought.

We must remember that this is after the 2000 elections. Everyone who is here now was there then. At that time, the now Leader of Government Business was the Deputy Leader of Government Business, while I was there.

My recollection of that meeting is that there was no one who disagreed with that approach. In fact, there were individuals who voiced their opinions that they were glad that the approach of getting in contact with the other Territories and trying to work together with them was being adopted. They were of the view that the stance taken by the previous Government, of staying out on a limb by itself, was one that was totally counter-productive, not only to this process, but to the other processes with the Organisation for Economic Co-operation and Development (OECD) and the FATF, and all of the other international initiatives.

Therefore, we moved on with that process while all of the other things were happening in this folder. On 21 September, the Honourable Edna Moyle, Minister for Community Development, Women's Affairs, Youth and Sports at the time, took to London, for a meeting on 24 September. There are copies of several pieces of correspondence. There is a sequence of events, and I would ask to quote from some of these letters.

The Speaker: Please continue.

Hon. D. Kurt Tibbetts: Thank you. The first one is a copy of a letter dated 4 May 2001 to Honourable Ralph O'Neal from Mr. Alan Huckle, the Head of the Overseas Territories Department.

The Speaker: Honourable Leader of the Opposition, since some time has elapsed since those letters were circulated, perhaps you would care to lay a copy of that letter upon the Table for the interests of other Members.

Hon. D. Kurt Tibbetts: There are several of them. I have no problem with what you are saying, but I would first like to complete what I am saying.

The Speaker: Certainly. Please continue.

Hon. D. Kurt Tibbetts: Thank you. The first one that I saw—

Point of Order

Hon. W. McKeeva Bush: Mr. Speaker, on a point of order.

The Speaker: The Honourable Leader of Government Business, please state the point of order.

Hon. W. McKeeva Bush: I would like to find out whether those letters are going to be tabled. I did not understand what—

The Speaker: The Honourable Leader of the Opposition did agree to table those letters. Please continue.

Hon. D. Kurt Tibbetts: Thank you, Mr. Speaker. The whole point of my taking the time to go through this is simply to show the sequence of events leading up to the approach that we took, at the time with regards to the EU Savings Tax Directive.

The letter to which I was referring of 4 May 2001 was to the Honourable Ralph T. O'Neal, Chief Minister and Minister of Finance of the British Virgin Islands, from Mr. Alan Huckle, who at the time was the Head of the Overseas Territories Department. I am not going to quote everything in all of the letters. I am going to take excerpts, and will explain each one as I go along.

Mr. Huckle says: **"At the UK/OT meeting in Miami on 30 April** [the same meeting to which I referred] **to discuss the EU Tax Package and the OECD harmful tax competition initiative, it is addressed to Ralph O'Neal—you sought clarification on the legal and constitutional position with respect to taxation matters in the Overseas Territories. I thought it would be helpful if I set out in writing the position as it currently stands."**

He goes on to say: **"The UK accordingly respects the rights of the OT Governments to discharge their own devolved constitutional powers."**

"Those assemblies may enact tax laws for their Territory." He goes on to say, "The United Kingdom has consistently made clear in the context of both EU and OECD agreements on tax that it will work within the constitutional arrangements with its Overseas Territories, and it would be unprecedented for HMG to legislate for the Overseas Territories on taxation. However, we firmly believe that it is in the Overseas Territories' long term economic interests to cooperate with the international tax agenda and to introduce measures which promote transparency and exchange of information on taxation."

He says: **"In particular, the UK Government is committed to promoting the principles and objectives of the EU tax package and the OECD initiative in the Overseas Territories."**

My purpose for reading that, Mr. Speaker, was to say that this letter addressed to the Honourable Ralph T. O'Neal was copied because he did say: **"We will continue to engage in dialogue and consultation with you and your colleagues in other Overseas Territories to ensure that you are able to respond positively to these initiatives on a timely basis."**

It is carbon-copied to the Chief Ministers of the Turks and Caicos and Montserrat; the Leader of Government Business of the Cayman Islands; the Chief Minister of Anguilla; and the Premier of Bermuda.

When Mr. Huckle wrote the Honourable Mr. Ralph O'Neal at the time, we all got copies of the letter. That was 4 May. That follows up on our meeting in Miami, and it is obvious that London then realises that the Overseas Territories are working in tandem. They wrote one letter, then had it copied to all.

As time goes on, there is a meeting with the Caribbean Overseas Territories' Chief Ministers. That meeting took place in Tortola, British Virgin Islands from 3 – 4 September of 2001. It was attended by the then Deputy Leader of Government Business, who is now the Leader of Government Business; the Deputy Financial Secretary; and I also believe, the Executive Director of the Secretariat that had been set up earlier in the year.

As all the technocrats had been *backing-and-forthing* with developing this single common response, one of the purposes of that meeting was to agree on the final form of the letter.

After returning from Tortola, on 11 September 2001, the then Deputy Leader, who was also the Minister for Tourism, Environment and Transport, prepared a paper, which coincidentally, was the very same day as 9/11. (You will remember it vividly; I remember the Honourable First Official Member especially, because he was the one with the television in the Glass House. I think he had moved his television down to the Executive Council room, so that we could have a look at it, and we were witnessing all of the horror of that morning).

That paper was part of this bundle. You will see in the follow-up why all of this was in this folder. It says:

"1. Honourable Members will be aware that the Deputy Leader of Government, the Deputy

Financial Secretary and the Executive Secretary of the Secretariat attended the Caribbean Overseas Territories Chief Ministers' Meeting (COTCMM) on Tortola, September 3 – 4, 2001. Chief Ministers from Anguilla, British Virgin Islands, Turks and Caicos, and Montserrat attended, along with a number of other advisors, including several Members of the BVI Legislature. The main matters arising from the discussion are given in attachment 3.

"2. The COTCMM also agreed the final form of the letter to Baroness Amos to be sent on the afternoon of September 11, 2001 by all five Caribbean jurisdictions. (Bermuda has also been provided with a copy). The letter is given in attachment 1. It should be noted that the earlier draft of this letter was approved by Executive Council. It should be noted that the earlier draft of this letter was approved by Executive Council."

I am assuming that the purpose of that approval could only have been that Executive Council here had to approve it for the delegation to take to the Caribbean Overseas Territories Chief Ministers' meeting—to say, "This is what we agree on with the Cayman Islands. Our Executive Council has agreed on this, so let us look to see how we can put it together so that everyone will agree on it".

The Meeting further agreed that each Chief Minister, or leader, would sign the letter and copy it to their respective Governors. It has some other matters in it, which do not relate to that issue, Mr. Speaker. What is of importance—and it was on the third or fourth look that I realised it—was that the Leader of Government Business, who was then the Deputy Leader, led the delegation to Tortola for the meetings on 3–4 September and then returned with agreement from the other Territories and prepared a paper about this final letter that should have been sent. Therefore, it would have been his paper to Council, which would also have meant his action file—if it was, then, because I notice that it did have some small corrections. As my memory does not give me the exact details, and I do not have access to anything else, I do not know whether it would have been his Ministry, the Portfolio of Finance, or the Legal Department that would have seen this process through to the end.

We also know that the Baroness received these letters. Along with the bundle was a copy of a letter dated 21 September 2001, to the Honourable John Osborne, MLC, Chief Minister of Montserrat. The letter says:

"Dear Chief Minister

"Thank you for your letter of 11 September.

"I welcome your commitment to work with the UK Government and EU member states ..."

I do not have to read the whole of this letter, which is simply an acknowledgment of his letter of 11 September. The process went on. What is of importance here is that this letter of which we speak was not a letter giving any strong objections to the Directive. Let me read a few sections of the Baroness' letter in response. It says: **"I welcome your commitment to work with the UK Government and EU member states to tackle cross-border tax evasion on savings income. I hope that you have now had an opportunity to read the draft Directive on taxation … "**

The actual letter itself, Mr. Speaker, has a few paragraphs in it that are perhaps important enough to warrant my reading them. I will quote, with your permission.

"The Government of the Cayman Islands has clearly indicated its willingness to cooperate with the Member States of the EU in the deterrence and prosecution of criminal tax evasion. This position was reiterated at the recent Miami meetings."

This letter of 11 September, speaks to the 30 April and 1 May meetings in Miami.

It is obvious that from the time the Miami meetings took place, ending 1 May, up until 11 September, there was a direct connection in the sequence of events—developing this final product, which is this letter. Otherwise, the letter would not refer to the Miami meetings. It also says: **"It is recognized that the Draft EU Directive on the Taxation of Savings is a "work in progress" and that until the final text of the Directive is produced and until the extent of implementation is determined, no position can be taken on the merits of such a directive for EU or non-EU jurisdictions. It is the view of the Government of the Cayman Islands that the development of effective international standards and mechanisms of implementation in regard to cross-border cooperation in tax matters requires a truly global process of consultation and consensus building."**

I am going to spend a few minutes to talk about the platform of the position taken at the time regarding the real level playing field. The letter goes on to state: **"It would be most helpful if Her Majesty's Government would keep the Cayman Islands informed in respect of the adoption of automatic exchange of tax information outside of the EU.**

"It would also be most helpful if Her Majesty's Government would be prepared to share any research"—and this is important, too, Mr. Speaker, because from those days, the concerns were being flagged up—**"that has been done on:**

- **the potential or projected effect of the Directive on the Taxation of Savings for causing EU residents to merely shift investments out of savings instruments which are the subject to the Savings Directive,**
- **the potential or projected effect of the Directive on the Taxation of Savings for causing EU residents merely to shift investments from jurisdiction to jurisdiction in the absence of global implementation ".**

There is the level playing field, again. Another bullet point says:

- **the potential costs and advantages for the Government of the Cayman Islands and businesses within the Cayman Islands of establishing and implementing the automatic exchange of information in the absence of any global adoption of such a regime."**

This speaks clearly, Mr. Speaker, of the difficulties we could see if we had to effect such a measure while other competitive jurisdictions, not having had to do so, drove up the costs of business. Also, potential clients would not be able to have the same advantages with us as with other jurisdictions, which would lead them to go and do business with those other jurisdictions. It is simple.

This was the letter sent on 11 September 2001 by all the Overseas Territories. It is the same letter that they received.

I have two more items on this matter. We lead off after the meetings in Tortola on 3 and 4 September, when the leaders of the Overseas Territories agreed on the final letter. We come now to the letter going off. Also in September, but on a later date—24 and 26 September—there was the Overseas Territories Consultative Council (OTCC) meeting in London, which my colleague, Mrs. Moyle, who was then the Minister of Community Development, attended. Along with Mrs. Moyle, the Deputy Leader of Government Business, at the time, who is now the Leader of Government Business, led the delegation. The Deputy Financial Secretary also attended.

The paper with the letter of 11 September also speaks to the fact that: **"Cayman is to contact the Crown Dependencies and Bermuda to investigate the feasibility of their attending a pre-meeting on September 23 in London, in view of the likelihood of similar concerns on the EU tax issue".**

I have correspondence that was expecting me to attend, Mr. Speaker. However, I did not attend that meeting after September 11th happened. That was a terrible day for all of us, although it was not us, directly. I still choke when I think about it. It did not take long for everything to be up in arms and topsy-turvy. I am sure you remember that well, Mr. Speaker. The Cayman Islands itself was in flux, like a lot of other places. The then Deputy Leader of Government Business called me at home, before we went, to say that he wanted me to know that he would prefer it if I stayed behind to deal with all of these matters to do with the economy, and the business owners, and all the fallout and natural myriad of meetings that we were going to have to have. You also remember them well, Mr. Speaker. We had to go through all of that with the private sector and businesses, to try to develop some type of plan of action to survive during that period. If I would stay to deal with those matters, then he would attend the meeting in London.

Co-incidentally, I think we had two or three appointments in the ExCo room, and by the time I got to the office that morning, somewhere around 11.00 am, there were 37 messages sitting on the desk. That convinced me. I said, "All right, fine."

Therefore, we move on the 24 – 26 September 2001, to which he referred on 11 September 2001, and this: **"pre-meeting on 23 September in London, in view of the likelihood of similar concerns on the EU tax issue".**

Throughout this whole sequence of events, it is obvious that we all knew the position we had taken, and that we were moving in the direction upon which we had agreed—all of us, acting in concert. I am informed by the Elected Member for North Side that that pre-meeting did take place, and that the delegation from Cayman attended. There were discussions, at which point in time, positions were laid forward, which were synchronised with what we had done thus far.

This morning, I hear the Leader of Government Business speak of a meeting with Dawn Primarolo. I cannot remember the exact date of that meeting, but it was sometime not so long ago. There he said—and I will paraphrase him, not quote him verbatim—that Ms. Primarolo said at that meeting that she was surprised that the Government of the Cayman Islands had not come to that meeting to sign, on based on the meeting in Tortola. This is another meeting, Mr. Speaker; this is the last one I am going to talk about.

That meeting, of which the Leader of Government Business speaks, and to which Ms. Primarolo supposedly referred, was a meeting of the Caribbean Overseas Territories, which London called, and which the Paymaster General was going to attend. It was also in Tortola, in October. That was about the same EU Directive on the Taxation of Savings. The Overseas Territories were in continual contact with one another, preparing for that meeting. By then we suspected that Ms. Primarolo was coming with the heavy stick, because we were supposedly *dilly-dallying*. I attended that meeting and led the delegation. There were two technical advisors from the Cayman Islands who also attended that delegation. They are still involved in the process at present, so they know all about the process.

After going to Tortola, we met prior to meeting with Ms. Primarolo, and agreed on our positions there. I distinctly remember, very early in the meeting in Tortola, that I personally asked Ms. Primarolo if she could explain to us why it was that Bermuda was exempt from this Directive, while we were all facing down its barrel. Her crisp and prompt reply to me was, "Mr. Tibbetts, I am afraid that is not on the agenda." That was the end of the story; there was no more talk. I see someone smiling, so I am sure he remembers it.

We went on with that meeting after long talks about it, and we ended up with simply this: We knew the positions we had taken with the letters in September. At the time, we did not believe for a second that

there was a way to simply get out of it. We were gathering information throughout it all, and letting them know we wanted to cooperate, but questioning them at the same time. I say "questioning them" because we ended that meeting with our technical people having developed a questionnaire of some forty-odd questions specifically related to the EU Directive on the Taxation of Savings. I am going by memory, because I do not have copies of all of that. We asked the Paymaster General to take these questions and give us clear, unambiguous responses to them. The idea was that once we got the answers to those questions—all of us, because we were all in agreement with taking that position—we would continue the talks in good faith. That is what we did.

Having done that at the meeting in October, our position, at that time, was that we had this slew of questions that related directly to the well-being of the Overseas Territories. If we had to sign up to this Directive, what were the ramifications going to be in various areas? When we left the meeting there, the expectation was that when we got those questions answered, we would regroup again to see where we would go from there. That was in October. We all know

that very shortly after that, I was no longer in Executive Council, so my involvement with this matter ended there.

Having said all of that, I want to make it absolutely clear that I do not profess that I remember every thing that happened between 21 March and October. However, I am confident that I have used the documentation that I have had available to me to prove a sequence of events that tells of the positions of the Government at that time, while I was Leader of Government Business. It was not a position that we held close to our chest; it was a position that was developed in consultation with external people and, internally, with technical people. The Members of the Legislative Assembly were aware of the position. The matters were dealt with in the sequence of events I related, so I have no idea where this strong objection was supposed to go. The letter that I supposedly did not send—

The Speaker: Honourable Leader of the Opposition, if you have reached a convenient spot I propose to take the luncheon break at this time and return at 2.30 pm and to remind you that you have 55 minutes remaining.

The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, before we move from the Chamber, I wonder when the Leader of the Opposition is going to table those letters that he read from.

The Speaker: I will enquire on that, Honourable Leader of Government Business.

I will ask the Serjeant to collect the letters from the Honourable Leader of the Opposition and have copies made and circulated, ready for the Meeting when we return from lunch. They will be laid upon the Table of the House.

Honourable Leader of the Opposition, if you have those letters available, would you make them available to the Serjeant, so that they can be laid upon the Table at this time? Thank you.

The Honourable House is now being suspended until 2.30 pm.

Proceedings suspended at 1 pm

Proceedings resumed at 3.15 pm

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Reference to an Executive Council Paper, No. 751/01 of 2001

The Speaker: Proceedings are resumed.

Before calling on the Leader of the Opposition, I wish to make a few comments on a matter that occurred earlier this morning. This was during the debate of the Honourable Leader of the Opposition, when he made reference to an Executive Council Paper, No. 751/01 of 2001. I have discussed this matter with him, so he is aware that I will be speaking to Honourable Members about this.

As Honourable Members are aware, Executive Council (now Cabinet) papers are confidential, and the contents of these papers should not be publicised in any way. I have before me a restricted copy of the Government of the Cayman Islands' Guide to the Operations of Executive Council. One section, Chapter 4, deals with Secrecy. It states: **"On taking up the office for the first time after a General Election, each Member of Executive Council is required to take, in addition to the Oath of Allegiance and the Oath for due execution of office, the Oath of an Executive Councillor, which includes the undertaking not to reveal directly or indirectly such matters as shall be debated in Council and committed to the Councillors' care. Such oath shall also be taken by the Clerk and by an acting member at the first meeting of Executive Council after he has been appointed to act after a general election. An Oath of secrecy, couched in similar terms to that of a Councillor, shall be taken by all other persons in attendance at Executive Council on the first occasion in each calendar year on which they so attend."**

Section 19 of this document goes on to say: **"The obligation to protect the secrecy of proceedings in the Executive Council continues to be binding after resignation of a Member of the**

Council or even after the dissolution of the Government."

Although I am satisfied that the reference to this Executive Council Paper was no doubt inadvertent, it would remiss of me not to bring this matter to the attention of all Honourable Members. It is a breach of the procedure and the secrecy of Council. I would not wish to see a recurrence. It is not a serious matter, and it has been referred to, so I have had no choice but let other Members have copies of this. I would ask them to make as few references to it as possible and necessary. I would ask that we do not have a repetition of this in future, where an Executive Council (now Cabinet) Paper is brought to this Honourable House and material taken from it to aid in debates in this House.

As I said, this matter of Executive Council Paper, No. 751/01 is not a very serious matter, but it is the principle with which I am dealing, and not the contents of this particular Paper.

Therefore, Honourable Leader of the Opposition, I would ask you to continue with your debate. You may wish to make a comment on this when you get up.

Hon. D. Kurt Tibbetts: Thank you, Mr. Speaker. Having spoken to you, I would accept that it was erroneous, on my part, but needless to say, Sir, it is a matter that has continued on. I was at a total disadvantage in not being able to address it. I simply wanted to try to clear the matter up. If you will allow me, I will continue now, Sir.

The Speaker: Please continue.

Hon. D. Kurt Tibbetts: As I said before, in March of 2001, Her Majesty's Government (HMG) advised the Overseas Territories that it had committed them to what was termed the Feira Accord, the precursor to the EU Directive on the Taxation of Savings. Of course, we sought advice and information, and we quickly learned that this was essentially a plan to reduce tax fraud in Europe. In the wake of the OECD Commitment letter, which had been signed by the previous government, there was no question of simply refusing. From our perspective, the redeeming feature of the plan was that it seemed to recognise the need for a level playing field. That is, the same rules should be put in place by all the significant countries, particularly the United States.

If the European Union and the United States agreed that there should be a new system of automatic reporting, there was not much doubt in anyone's mind that other countries would have to step in line. We were concerned about this because it was a matter of such key importance, but at that time, we had reason for optimism. The draft Directive itself acknowledged the need for a level playing field. With your permission, Sir, I would like to quote one section of the draft Directive, the proposal for a Council Directive in Brussels, 18 July 2001; it is certainly not from Executive Council.

It reads: **"In order to preserve the competitiveness of the EU financial markets, it was agreed that as soon as the Council had reached agreement on the substantial content of the Directive and before its adoption, the Presidency and the Commission would immediately enter into discussions with the US and key third countries: Switzerland, Liechtenstein, Monaco, Andora and San Marino, to promote the adoption of equivalent measures in those countries."**

Moving through the timing of this, we see that what was adopted in July 2001 clearly points out that the level playing field we expected was going to be promoted by the EU. Most importantly, it includes the United States of America.

In terms of tactics, at that time I recognised that our concerns would carry more weight if we joined forces with the other Caribbean Territories. As I have said before, during the course of the year, we had a series of meetings with those Territories and with Her Majesty's Government. In September of 2001, some two months after the draft Directive had been issued, we and the other Caribbean Territories each sent an agreed letter to Her Majesty's Government, putting our position in writing and expressing our concerns about the need for a level playing field.

You will see from what I have said so far, that the approach we were taking with Her Majesty's Government in those days was not to say, "No, we will not do it," but rather, "We want to be involved in the discussions and we must be sure that the playing field stays level."

The contents of this letter were finalised in Tortola at a meeting with the other Overseas Territories. I have also mentioned that in that meeting of 3 – 4 September, the current Leader of Government Business led the Cayman delegation. I have explained all of these things in detail, partly to show what our approach was in 2001, but also because the letter to which I referred must be the letter that the present Leader of Government Business has persistently sought to persuade the country I did not send. That letter, as I quoted from him earlier, was supposedly a letter of strong objection. He also says that, had it been sent, it would have made all the difference in the world.

It is obvious from the reply of Baroness Amos to the Chief Minister of Montserrat on 21 September 2001 that there is no doubt that Her Majesty's Government fully understood what all of the Overseas Territories were saying. That letter was copied to all of the Overseas Territories' Chief Ministers and Leaders. The strategy that we adopted would have worked out reasonably well if the EU had met and stuck by what they had said about the level playing field in the draft Directive of 18 July 2001, from which I just quoted a couple of minutes ago.

Unfortunately, what eventually transpired was that the Americans did not budge in any significant way. We know that now. However, the EU decided, in 2002, to go ahead anyway. I think it is safe to say that it was at that moment that the Directive became so dangerous and problematic for the Cayman Islands. It was at that point that the government of the day rightly decided that it was necessary to adopt all available measures to avoid being committed to the Directive. It was going to tilt the playing field against us, and leave us at a disadvantage, driving business towards our competitors.

It was reassuring to hear that as the last resort, if all negotiations failed, the new Government had expert advice that we had a good legal case for saying that Her Majesty's Government could not impose this kind of measure against our will. At that point in time, we all thought that Her Majesty's Government would not try to do that. However, we still do not know what plan of action was devised by the Government to meet this stated objective. This is one of the many questions for which no answer has been given.

It now looks very much as though the answer might have been that no plan was devised, or, if a plan was devised, none was implemented. It appears that the Government simply did nothing, except to say that we would not sign up until the end of last year. Our understanding is that at the eleventh hour they ran off to London begging for concessions. Finally, as the minute hand approaches midnight, they come to the financial community for advice and support.

Now, for the first time, the Opposition (which I dare say has always expressed its support for the Government's objective) is invited to share responsibility for an effort that has failed. We are expected to join in the decision to commit the Cayman Islands to the Directives. Therefore, there are more questions: What went wrong? What are the consequences? It is not easy to answer either question, because the Government has been so tight-lipped: no information has been forthcoming. It has not explained what it did to try to avoid the Directive. It has not explained the u-turn that it has made in the stance that it has taken. Certainly, it has not provided any assessment of the possible consequences.

The Government is saying that the financial community is happy with the results. What is being said is that if the Government's assessment of HMG's determination and our legal position are correct, we do not seem to have much of a choice. We will have to make the best of a very bad situation. That is all I can call it.

This is not an endorsement of what the Government has been doing, or perhaps not doing, since 2002. It is equally wrong, in my view, for the Leader of Government Business to claim that he is insisting on a level playing field, and to pretend that he has achieved this by his tough negotiations. What he has not explained is that he is talking about the wrong playing field—that is, Europe, not the United States. If the United States is not on board, there is no question that the rest of the world is going to follow Europe, as the Leader of Government Business well knows. It is not to say that the level playing field with Europe was achieved by our negotiations. Mr. Speaker, that is written into the Directive itself. It is in Article 17. With your permission, I will quote quickly from that.

The Speaker: Please continue.

Hon. D. Kurt Tibbetts: Mr. Speaker, Article 17 reads: **"Before 1st January 2004 Member States shall adopt and publish the laws, regulations and administrative provisions necessary to comply with this Directive. They shall forthwith inform the Commission thereof."**

It goes on to speak of the provisions under which the Member states of the EU shall apply these provisions. Of course, each EU country that is implementing the Directive wanted to be sure that the other EU countries and the territories they control would be doing the same thing at the same time. We have said repeatedly that this is an issue that should transcend partisan politics and that we agreed that the Directive should be resisted and offered the Government our support and assistance, notwithstanding the fact that they might think that that is worth nothing. The consistent response of Leader Government Business has been to dismiss our support. He accuses us of playing politics and certainly he has tried to shift the blame for whatever has gone wrong in the manner in which he has handled it. I believe that what has gone wrong is that the Leader of Government Business completely abandoned the earlier approach taken by the Government of which I was Leader of Government Business, and of which he was Deputy Leader, of seeking our objectives through negotiation and by establishing a responsible policy on the subject of tax cooperation.

Instead, wholeheartedly he adopted a course that was entirely contingent on the success of the legal argument as a deterrent to Her Majesty's Government imposing the Directive on us. As it has transpired, it seems that the legal argument that was so loudly touted, and so much congratulated, was nothing but a broken reed.

We are amazed that there are so many questions that, inexplicably, remain unanswered. We take the view that the country deserves answers. Certainly, the Government must account for its conduct on this critically important matter. What is the true story in relation to the legal advice the Government supposedly received last year, or the year before: that if the UK attempted to impose the Directive in the way that is now threatened, the Government could and would take them to court? Has that advice changed?

I think all of us would like to know that. Is it a fact that there is not now, and never has been, any legal basis to resist the imposition of the Directive? If this is true, why then has it taken this long for the

Government to obtain this advice? More questions: what efforts have been made to achieve the original objective of avoiding the Directive and what have been the results? Did the Government seek external advice? If so, what was the nature of that advice? Were there ever any real negotiations between the Government and HMG in relation to the Directive? If so, what were they and what were the results? Was there a PR campaign to ensure that the London press understood that we have entered into the OECD commitment to cooperate with the OECD's plan for on-request—I repeat: on-request, not automatic information exchange, that we are not a country of tax dodgers, but have a responsible policy of adhering to international standards? Mr. Speaker, if we did have a PR campaign, it has certainly not been effective.

With your permission, Mr. Speaker, I would like to quote from the publication, *The Times*. It is article—

The Speaker: It is an article in *The Times*. What is the date?

Hon. D. Kurt Tibbetts: 11 February 2004.

The Speaker: Since that is a magazine that is freely available publicly, I would not ask that it be tabled.

Hon. D. Kurt Tibbetts: Thank you, Mr. Speaker. I do not mind tabling it. I do not read from this article to gloat, because this thing affects the entire country, all of us included. However, I need to prove the point that whatever PR campaign may have been mounted thus far has not been effective.

February 11 was only two days ago. The headline of the article is, "Pirates of the Caribbean refuse to play ball on tax havens." Mr. Speaker, it starts off by quoting the Chancellor of the Exchequer. This is to prove the tactics that are being used on us.

"**Gordon Brown promised yesterday to clamp down on Caribbean pirates. They will be caught, the Chancellor told a meeting of European Finance Ministers, but the question is, when?**

"The pirates are an unprepossessing gang of bankers and lawyers lounging on the strips of sand that are the Cayman Islands, which claim a kind of allegiance to the Crown. Brown has promised to make them comply with the EU Savings Tax Directive, a law aimed at catching tax cheats that requires banks automatically to disclose to EU tax authorities details of interest paid to EU residents.

"The directive comes into force next year and member states must have the legislation in place by June to make it happen.

"But the Cayman pirates are dithering, playing a game of chicken with the Chancellor daring him to legislate and making cheeky demands for quid pro quos.

"We are not part of the EU, Cayman says. We might obey your laws if you let us into your ports for a bit of financial raiding.

"Sensing weakness, the Swiss are retreating fast from their reluctant acquiescence last year. As a condition of remaining in the project, they are asking that an entirely unconnected treaty, the Schengen Agreement, be changed to exempt Switzerland from its provisions on the exchange of data in criminal matters, the excuse being the Swiss concern that it will impinge on bank secrecy.

"Jersey, Guernsey and the Isle of Man, meanwhile, are keeping one foot poised over the brake. Surrounded by the EU, the Crown Dependencies know that they have no choice but to appear to co-operative. But any sign of a concession to the Swiss or to Cayman, and the game is over, say the Channel Islanders.

"It is a bit like herding cats, and the Chancellor's threat of neocolonial rule by Westminster diktat is an indication of his frustration. The sensible thing would be to scrap this EU directive and refer the whole matter back to the Organisation for Economic Co-operation and Development [the OECD, as it is commonly called]. **Its sensible attempt to improve disclosure by tax havens was undermined by the EU's earlier messy compromise deal with the Swiss on the directive that enables them to avoid exchange of information by agreeing to a withholding tax.**

"This is a deal that was unnecessary, because the directive contains a loophole so large that the entire island of Jersey could sail through undetected. The proposed EU law applies to the individuals, not companies, and tax experts believe that trusts will also be unaffected. Any tax advisor who was not arranging his clients' affairs to avoid being caught by the directive would be derelict in his duty, I am told.

"So what is the directive's true purpose? This is likely to be found only within the bowels of the EU tax authorities."

That kind of exposure makes it very easy for Her Majesty's Government to justify rough measures against us. The point is not for it to be heard for the sake of hearing it, but to show that, with them developing that attitude, and us not being able to counteract it, they are only building their own case to do as they wish.

What about the consequences? Here are some cold, hard questions with which we all have to deal. Is it true that we will have to establish a large new department of Government to supervise and enforce this Directive, and to make sure that all of our businesses are complying? Is it true that there will have to be new rules requiring all businesses to keep full financial records, and make them available to this new supervisory authority? Is it true that this will apply to all businesses, including local businesses and

tradesmen, not only the offshore companies? What will be the cost of all of this? If any of this becomes reality, how will Government raise the additional revenue required function? What is Government's estimate of the cost to the private sector? What are its thoughts of the amount of offshore business we might lose? Has any assessment been done?

Here we are, very much in the dark on an issue I am sure we all consider to be of the gravest importance to the country. The Government expects us to take a position on the Motion it has brought, although they have treated us and the country, for that matter, like mushrooms throughout this process and even now.

What about the decision that now, shockingly, confronts this country? Should the Government say, "No" to HMG? Should it make the commitment that HMG demands? Should it make the commitment with conditions to protect our interests?

Notwithstanding the seven concessions that were read out earlier by the Leader of Government Business, there are many more that could be discussed, which would be needed for us to feel any comfort that our interests were really being protected. Although I know that at this point in time we do not hold any advantages or leverage whatsoever, there have been changes in the stride of Her Majesty's Government as this work-in-progress has developed, especially on the most critical area of the level playing field. They have changed their minds from what the document of 18 July 2001 stated about the level playing field, which included having immediate talks with the United States, before implementation, with a view to getting them on board. That was everyone's comfort zone at the time, including EU Member States.

Obviously, Mr. Speaker, the third approach would be the best one, if, at this very late stage, there is any more room for persuasion or discussions with Her Majesty's Government. From the Motion, there does not seem to be that latitude.

There is not much doubt what the Cayman Islands need in this regard. First and foremost, we should not have to put this Directive into effect until the United States is truly on board. Then, we could realistically expect that there would be a level playing field in a very short time. Also, for example, we should reserve our option to impose a withholding tax instead of reporting, as is the case for the Channel Islands and the Isle of Man. We should reserve the right, in consultation with HMG, to introduce measures enabling the exemption of local and other businesses if the Caymanian authorities are satisfied that they will not be making interest payments to Europeans.

Very importantly, Mr. Speaker, one of the conditions that would make us all a bit more comfortable would be to preserve the country's position on fiscal sovereignty.

We know that there is a risk that after all that has gone on, and at this late stage, HMG may simply say, "No", and simply legislate directly, as they say they will. To be truthful, Mr. Speaker, that might indeed be worse than having our own legislation. However, we take the view that the key factors in weighing up these risks are: (1) our legal position, and (2) HMG's flexibility. Unfortunately, only the Government can make the call on those two issues. Those of us on this side have no direct knowledge. We have only what Government chooses to tell us. Because we have not been put properly in the picture, we are not in a position, at this point in time, to make that decision for the country. Whatever the Government does decide, I want to say here and now that the Opposition will, in the national interests, do whatever we can to make the best of what is truly a very bad situation.

As I said, we find ourselves without full knowledge of all of the ramifications. We know that there are a host of unanswered questions, which I have alluded to. I do not know whether the Government has the answers to those questions. Perhaps we might hear the answers before the debate is closed, but suffice it to say that we are not crying foul because we were not in the loop of things; we believe that there was a critical juncture. As I outlined with the methodology that was employed during 2001, when I was the Leader of Government Business, we took our stance and positions during several discussions, not only with the other Overseas Territories, but with HMG itself. That position was changed.

I really have some difficulty understanding. If this legal advice that took us to the European Court of First Instance was something that would carry us through with a legal leg to stand on, then why are we ending up as we are? Obviously, that could go no further than it did. Somewhere along the line, that legal advice did not carry the thought-process through to the end.

I understand that we, meaning the Cayman Islands' Government, have three independent opinions from legal luminaries overseas, which tell us that there is no basis to hold out and no legal grounds on which to stand with the stance that had been taken. I wish that we had had the advantage of that advice prior to going that route; perhaps the minds could have been able to think through a different strategy. Nevertheless, we are where we are.

The Government has taken its positions and has adopted its style of dealing with the matter. It has now come to this point. We have not been kept in the loop. We have had but a few hours to digest the letter from Dawn Primarolo, and it leaves so many unanswered questions that our position is simply this: The Government is dealing with it, and they have not included us in any part of the process, so they will have to see it through to the end. We shall not participate in the vote on the Motion; we will simply abstain, and the Government will continue on the road that it has taken. Thank you.

The Speaker: Honourable Members, before we continue the debate, I want to let you know that it has

been brought to my attention that it is the intention of Government to complete the Motion today.

[Inaudible interjection]

The Speaker: All right. I have been informed that we will be going beyond 4.30 pm, but perhaps we will not be able to complete this today. We will probably have to come back on Monday. I do intend to take a 10 minute break at this time. I would ask you all to be back here by 4.10 pm. Thank you.

Proceedings suspended at 4.02 pm

Proceedings are resumed at 4.20 pm

The Speaker: Please be seated. Proceedings are resumed.

Does any other Member wish to speak? Does any other Member wish to speak? The Honourable Leader of Government Business winding up.

Hon. W. McKeeva Bush: We have come here today on a matter that all of us have deemed one of the most important to face this country in a long time. It is so, Mr. Speaker. I have come here today with a heavy heart.

At all times I thought that the Opposition was with the Government on this matter. At every opportunity I have updated this House extensively; frank and full, open, accountable statements have been made to this Honourable House to inform Members and carry them each step of the way. After every meeting I have updated this House; after every meeting abroad; and after every piece of official correspondence that came our way. I have listened to the Opposition, in particular, the Leader of the Opposition, on national television expound matters on the European Union and United Kingdom and the Cayman Islands position and the European Union Savings Directive. The Leader of the Opposition has spent a tremendous amount of time in his speech to the country and to his party gathering or launch, whatever they called it at the time, last year.

There was a document put in the paper, which was abbreviated at points, but it carried a fair amount of coverage of the speech by the Leader of the Opposition on the European Union Savings Directive. I listened to them last week on Radio Cayman, this time not just him, but the general secretary of the party, the Second Elected Member for George Town, and the party chairman, Mr. Duckworth, talking about the pros and the cons. They were criticising the Government; criticising the Leader of Government Business; talking about the European Union's position; and talking about the UK's position—and yet that Member, the Leader of the Opposition, has the audacity, even the temerity, to come here and say that he was not informed of the situation and further, to offer a vote of abstention.

I am being told by the secretary general (the Second Elected Member for George Town) that if I made my bed, I should lie in it. That is the Opposition. Those over there are the Members of the People's Progressive Movement, who said that they want to protect the people of this country. I do not need to reiterate, at this late hour of the day, the Government's stance, or the Government's history of long negotiations with the United Kingdom. I said all of that this morning already; it is now in *Hansard*.

There are a few points that I would like to cover, but before I do that I would like to speak to the claim made by the Leader of the Opposition: the claim of not knowing. His usual cry is that his side has not been informed. The usual cry is that it is someone else's fault. When are they going to take responsibility for their actions? When? That is a prime example, a mirror, of why the Member is not able to lead. In the face of tremendous challenge, in the face of a hurt to the country, they play politics. They try to crawl out of situations that they knew they were in, rather than face the facts; rather than stand up and be counted at times. They walk out on budgets.

The Member cannot and should not complain about the lack of information. That could not be so, because as we received that letter from the Paymaster General yesterday, we called a business committee meeting. We informed their member on the Committee, the Second Elected Member for George Town, and the General Secretary of the People's Progressive Movement that we could not give him the letter yet, as we had to prepare for this meeting. However, we would come to the Cabinet, and as soon as we could get to the party, we would give them the same correspondence. We gave that to them late yesterday afternoon, at about 6 pm.

Hour of Interruption—4.30 pm

The Speaker: Honourable Member, we have reached the hour of 4.30 pm. It is my understanding that you would wish to complete your winding up this afternoon. If so, may I call on you for the suspension of Standing Orders 10(2) so that we can continue?

Suspension of Standing Order 10(2)

Hon. W. McKeeva Bush: Thank you very much, Mr. Speaker, for your indulgence. We propose to complete the business this afternoon and we therefore ask for the suspension of Standing Order 10(2).

The Speaker: The question is that we suspend Standing Order 10(2) to continue the meeting so that the Honourable Leader of Government Business may complete his winding up.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Standing Order 10(2) suspended to allow the business to be completed.

The Speaker: Please continue, Honourable Member.

Hon. W. McKeeva Bush: Mr. Speaker, we received the letter yesterday and we told them that we would give it to them yesterday and last night the letter was put in their hands just hours after we received it. They had as much time as we had to take our position.

[Inaudible interjection]

Hon. W. McKeeva Bush: Well, you should not be in the party then.

Mr. Speaker, if they are not keeping her up to date then she should not be there. You should be on this side.

To top it all off in dealing with this claim of not being informed, their chairman came to a meeting yesterday afternoon and took part in the discussions. I had no doubt that he informed them because the same questions he asked, the Leader of the Opposition asked here this afternoon. They cannot come now and say that they did not know and that they were not informed: verbatim. I do not know then, Mr. Speaker, why they are complaining that we have not answered the questions. I do not know if it is any use answering the questions. We have told them over and over again. However, when people want to ignore something and say that no one has said anything to them, no matter what you tell them they are not going to listen. It is obvious that the Opposition is not listening to us.

I want to deal with a few points about which the Leader of the Opposition spoke. He said that it came as a shock to him that we were here today, because we had said that if the UK tried direct legislation we would take them to court. He said that we have no case now. No one should really doubt the resolve of this Government of the United Democratic Party to deal with hard issues or to face adversity, trials and challenges. No one should doubt our resolve to go to court either, because we took them to court in the Court of First Instance in the European Union.

We have always said that we would continue legal challenges if they try to go through the Privy Council—after a while of course, because we were still getting legal information and rulings as to whether we could challenge it through Parliament. However, the legal advice is that we cannot challenge through Parliament. Parliament is supreme. Yes, if they had gone through the Privy Council that was our intention. We also said that the United Kingdom must come closer to our demand for a level playing field. We also said that we must receive some benefits. Mr. Speaker, you cannot cut off your nose to spite your face.

They should remember that we use two senior Members of the Bar here, Mr. David Ritch and Mr. Ramon Alberga, to advise us. We cannot "cut off our nose to spite our face." No one need doubt our resolve, because we have gotten some benefits. I am not saying that these are the best, but we are closer to what we have been asking for. Am I satisfied? Of course I am not. I do not think any of us are satisfied, because who knows the future? From what is put in front of us, we have no other alternative. They know that, and that is the reason why they are abstaining. If there is anyone without a case, it is that side over there, the Opposition. They did not, and they do not, even have an argument against this.

He claims that it is wrong that we achieve a level playing field when we are only dealing with Europe, but what the United Kingdom has said is that the others will have to fall in line before we do anything. That is the level playing field. I do not think that I need to read the letter again, because I have already read where the Paymaster General gives that commitment. We will not sign anything if the others do not fall in line. That is the level playing field about which we have been talking. If somebody else can tell me anything else, then I will sit down and shut up.

They have asked quite a number of questions here today and we are going to give them some answers in an appropriate forum. I am not going to do that at this point, but I can tell them this: we were given legal advice.

The Member went on to talk about the Public Relations Campaign and I thought that when he was going to refer to that dirty article in the foreign newspaper, that he would have realised—why even repeat those words? Why should I even read them in the hallowed halls of this legislature, and into *Hansard,* for posterity to see? If it were me, I would not have done that. Then he had the audacity to say that he was not doing it to gloat. That is what he was doing. By every appearance of what I saw and heard over there, that is what it was.

The Member, the Leader of the Opposition went to great lengths to talk about the mention we have made of him not sending a letter. I listened to him grappling with what he knew was wrong. He knew that he should not have tabled that Executive Council document. I want to say something to you, Mr. Speaker, this afternoon. If I am challenged again by the Second Elected Member for George Town about this document being incriminating evidence, I will have to read that short EXCO paper into this record, because we have to defend ourselves. We cannot leave things hanging. People do take statements, pieces or words out of documents, as he did, to try to make people believe that there was something wrong with the paper I put forward.

The Deputy Financial Secretary, the Executive Director of the Secretariat and I went to the British Virgin Islands on 3-4 September, as he said. The EXCO document is my report to the Executive Coun-

cil. It is a normal thing for anybody who travels on Government business to come back and make a report and that is what the EXCO paper is. They did not get this from McKeeva Bush; that is the part that is wrong! It is not what the paper says. All we have done in this paper was to come back and report the meeting in the British Virgin Islands. We invited the Governor to authorise the Leader of the Opposition, then Leader of Government Business, to sign the letter to Baroness Amos for transmittal to her on 11 September 2001, the same day. He did all of this to try and crawl out of his not having sent that letter. This is not the letter: this is 6 months later. I do not know whether he said that he forgot—I think he said that this was what he was supposed to send, and that he did not, or that it did not pertain to what I had said or accused him of. Do not challenge me.

They might believe that because they have this Executive Council paper, there was not a letter, but they had better stop challenging people. Just as I am here reading extracts from the paper, I will probably have to do the same thing again. This particular letter that he had was not the letter. The letter had to do with our advising them in April.

Let me give you some background on how that happened. The Executive Director sent the briefing up to us and at that time, on 4 April, we dealt with it. That gave strong views as to why we would not be helped by what the UK was proposing. What arose out of the Feira Accord was the Overseas Caribbean Territories (OCT) decision. The Feira Accord gave rise to the tax directive, and a short draft letter was given to them on the taxation of savings, making them aware that we knew what damage it would do to us and asking them to leave us out of it.

We did give him a letter and that letter was not sent to the Baroness Scotland. He tried to give some dates to make it look like his timing and our timing was off and so therefore it had to be according to him, the letter that he read.

He quoted from a statement I made 16 July 2003. It will take a few minutes, but I think I should read what I said so that this House and this country are informed.

It reads as follows: "**In connection with the European Savings Tax Directive it is important to outline their sins of commission and omission. On 5 November the European Commission published its proposal called a package to tackle harmful tax competition in the European Union, which included a provision on the taxation savings income. This has come to be known as the European Tax Package.**

"In May 1998 the European Commission published its draft Council Directive on the Taxation of Savings Income. This draft Directive was something that the government of the day was aware of. In May 1998 discussions on the drafting of the revised European Union Overseas Countries and Territories (OCT) decision also commenced. These discussions continued into summer 2001. Bermuda indicated it wished to continue being excluded from the OCT decision.

"In September 1998, the Foreign and Commonwealth Office and the United Kingdom Government's treasury held its first tax seminar, which presented information on the European Union Tax Package and was attended by representatives of the Cayman Islands. At about this time the Foreign and Commonwealth Office also forwarded to the European Union a summary of the constitutional arrangements that it had with its dependent territories as were then referred to. Indicating that, in the case of the constitutional arrangements with Bermuda, the United Kingdom did not have the power to disallow legislation passed by the Bermuda legislature, and further did not have the power to force legislation on Bermuda as Bermuda's constitution did not allow the United Kingdom to use the peace order and good governance order in council process that was available in the case of the Caribbean territories, including the Cayman Islands.

"In April 1999, the European Commission held a meeting on the subject of the revised OCT decision which was attended by representatives of the Cayman Islands and other United Kingdom Caribbean Overseas Territories.

"In June 1999 the Foreign and Commonwealth Office and the United Kingdom treasury held a second tax seminar, which presented information on the European Union's Tax Package and was attended by representatives of the Cayman Islands. In addition, during 1999, extensive discussion occurred within the European Union regarding the structuring of the draft Directive on the Taxation of Savings Income. The United Kingdom lobbied extensively to ensure an exchange of information model was used rather than a withholding tax model so as to preserve the London Eurobond market. They were protecting themselves.

"On 20 February 2000, the United Kingdom released a discussion paper on the then current form of the draft Directive on the Taxation of Savings Income.

"On 19 June 2000, the heads of government of the European member states, meeting in Santa Maria da Feira, adopted the proposal of the European finance Ministers for a revised form of the draft Directive on the Taxation of Savings Income, which has now become known as the Feira Accord; an agreement to adopt the automatic exchange of tax information as the basis for enforcing extra-territorial tax regimes of the European Union member states. The document specified the requirement for the Netherland Antilles, as well as the United Kingdom dependencies of the Channel Islands, the Isle of Man and the UK's Caribbean territories, including the Cayman Islands, to adopt

the same measures as the European Union states in regard to the Taxation of Savings Income. This is also the document that did not include Bermuda.

"In November 2000, meetings were held where the Government of the Cayman Islands was not represented but at which representatives of the Caribbean overseas territories and department of the European Union member states began discussions of the revised OCT decision which was to come into effect in November 2001 for a period of ten years. This meeting reviewed a commission prepared draft revised OCT decision containing specific reference to the taxation of savings. The wording is as follows in [Article 55]**: 'Taxation of Savings Income. Member states which have dependent or associated territories or which have special responsibilities or taxation prerogatives in respect of other territories shall take appropriate measures within the context of their constitutional arrangements, to ensure that provisions concerning interest payments to community residents which are comparable to those laid down in any community directive which may be adopted are introduced in the OCTs.'**

"All these events took place under the leadership of Mr. Truman Bodden and Mr. Tom Jefferson who did nothing.

"On 21 March 2001, the Baroness Scotland, QC, wrote to the Overseas Territories, including the Cayman Islands, in relation to the European Savings Directive indicating that the United Kingdom expected the Cayman Islands to comply with the Directive on the Taxation of Savings income and requesting a response by the end of April 2001. The Leader of Government Business of the day, the now Leader of the Opposition, was given a draft letter that could have gotten us out of that particular mess. That letter was not sent."

That is the *Hansard* of 16 July 2003 [2003 *Official Hansard Report*, page 461]. I can table it if you so desire.

The Speaker: I think that information is available to all Members.

Hon. W. McKeeva Bush: Mr. Speaker, the following statement I have consistently said and I quote if I may. I will lay that upon the Table also.

"In the summer of 2000, the Feira Accord was adopted. In November 2000, the framework for the Overseas Countries and Territories was put forward **that included tax matters. This ensured that the Cayman Islands was caught up in it because** we had not negotiated our way out of the Feira Accord**.**

"Mr. Truman Bodden or Mr. Thomas Jefferson who were the leaders of the Government at the time did anything to negotiate the Islands out of this mess.

"In early 2001, that document was sent out informing the Government Leader that final agreement would be made in the summer. It was obvious the Cayman Islands then had a chance to register its objections at that point. It was at that time that Executive Council gave Mr. Kurt Tibbetts, then the Leader of Government Business a letter to send to the UK Treasury. He did not send out that letter. In the summer of 2001 the final wording to the OCT decision **was made, and the formal document agreed upon, without Executive Council's knowledge because we thought Mr. Tibbetts had sent in our strong objections.**

"In September 2001 the Feira document went to print, and we lost our opportunity."

In November 2000, as we now see in the document 2001, the document was agreed upon and came into force. It had several stages before that could happen – adoption and actually coming into force.

I can lay this upon the Table if it is so required. It is the same information as contained in the other document.

If this Government, or this country can be blamed—I say country—then perhaps it is because of the business that we have conducted over the years that we need to be where we are today. If there is anything this Government can be blamed for, it is for being too nice: we cannot say that we shirked our duty in trying to protect the people and the business community of this country. I have fought, and so have the Financial Secretary and the Members of Cabinet. We have all done the same thing. Those of us on the front line are truly tired to the bone. I am prepared to give up any fight, but we have to do what is best, now.

I do not need to go through the letter again, but what does that letter say to us? It says that the Directive will come into effect on 1 January 2005, provided that the necessary agreements with the third countries and territories are in place, with the same start date. That is the level playing field, Mr. Speaker. That is a key element.

The United Kingdom Government said, in this letter, that they will help us make every effort to conclude by 30 June 2004 the necessary agreements with the European Member States for tax exchange. Mr. Speaker, even before that, they agree in the letter to begin discussion in the 2003/2004 current financial year on a bilateral double taxation agreement. This is going to help us.

We know that we will not see these things happening immediately; we know that the benefits will not come smashing down on us immediately. However, nothing will happen if they do not do their part. That is what we have been saying all along, so the Leader of the Opposition cannot say anything different.

What does the Motion say and what is being asked of Members? It says: **"BE IT RESOLVED THAT in accordance with the negotiated agreement with the United Kingdom (UK) Government. . . the Government recommends to this Honourable House that appropriate legislation be enacted on or before 30 June 2004 for the implementation of the European Union Savings Directive (EUSD), subject to the condition that relevant measures of the EUSD, come into effect at the same time in the European Union Member States and named third countries and dependent and overseas territories."**

I do not believe that anybody on the Opposition Bench could do better. Judging from their input here, it is evident that they cannot.

We have come to the end of this very important discussion. I am a sinner, but I have always depended on God to guide and help us. I believe that He has always done that in my life. He has taken me out of some rough spots. He has helped these Cayman Islands in the past, and He is going to help us in the future. I believe in God, the Supreme Being, who is mightier than any of us in here, mightier than the United Kingdom, and mightier than the European Union. As for us, we are going to do our part; we are not going to "cut off our noses to spite our faces." In the times of challenge, in the times of adversity and in the times of trial, we are going to stand up and be counted.

I ask the Opposition, "What will ye do?"

The Speaker: The question is: "**BE IT RESOLVED THAT in accordance with the negotiated agreement with the United Kingdom (UK) Government, the terms of which are contained in the letter dated 12 February 2004, from the Paymaster General of the UK to the Hon. W. McKeeva Bush, OBE, JP, Leader of Government Business, the Government recommends to this Honourable House that appropriate legislation be enacted on or before 30 June 2004 for the implementation of the European Union Savings Directive (EUSD), subject to the condition that the relevant measures of the EUSD come into effect at the same time in European Union Member States and named third countries and dependent and overseas territories."**

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Hon. W. McKeeva Bush: Can I have a Division, Mr. Speaker?

The Speaker: Madam Clerk, a division please.

The Clerk:

Division No. 16/03

Ayes: 11
Hon. W. McKeeva Bush
Hon. Gilbert A. McLean
Hon. Roy Bodden
Hon. Juliana Y. O'Connor-Connolly
Dr. the Hon. Frank S. McField
Hon. James M. Ryan
Hon. Samuel W. Bulgin
Hon. George A. McCarthy
Mr. Rolston M. Anglin
Capt. A. Eugene Ebanks
Hon. Cline A. Glidden, Jr.

Absent: 1
Mr. Lyndon L. Martin

Abstentions: 5
Hon. D. Kurt Tibbetts
Mr. Alden M. McLaughlin, Jr.
Mr. Anthony S. Eden
Ms. Edna M. Moyle
Mr. V. Arden McLean

The Clerk: 11 Ayes, 1 Absentee, 5 Abstentions.

The Speaker: Division No. 16/03: 11 Ayes, 1 Absent, 5 Abstentions.

Agreed by majority: Government Motion No. 7/03 passed.

ADJOURNMENT

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, I am sure that Members have been made aware by now of the position with the Throne Speech. We did intimate in the Business Committee meeting yesterday that the decision is because of the change of the financial year. The Throne Speech will not be in February. It will be later in the year when the Budget comes and the new financial year begins.

The new financial year is in June or first of July but we have to have a budget as we know under the law by the 30 June so the Throne Speech will be around that time.

In accordance then, I move the adjournment of this Honourable House sine die.

The Speaker: Honourable Members before putting the question on the adjournment I would just like to brief you on the progress of our Legislative Assembly building now under renovations.

The latest date I have received from the project manager for the completion of the building, is around the first part of June. This was in a meeting

with senior officials: the Chief Secretary, the Honourable First Official Member; the Leader of Government Business; the Deputy Leader of Government Business; the Clerk, the Project Manager, the Deputy Chief Secretary and I. We are behind them and we have impressed upon them the importance of getting this building ready as soon as possible. We will keep you updated on this as the progress reports come in. Thank you so much.

The question is that this House do now adjourn sine die.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

At 5.11 pm the House adjourned sine die.

OFFICIAL HANSARD REPORT
MONDAY
8 MARCH 2004
11.13 AM

Second Sitting

The Speaker: I will ask the Honourable Leader of the Opposition to lead us in prayer.

PRAYERS

Hon. James M. Ryan: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 11.16 am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received an apology for absence from the Elected Member for East End who is attending the 53rd Parliamentary Seminar in the United Kingdom.

I have also received from the Commonwealth Parliamentary Association (CPA) in London the following message from Her Majesty the Queen to be read today, Commonwealth Day.

Commonwealth Day Message 2004 by Her Majesty Queen Elizabeth II—Building a Commonwealth of Freedom

"The lives of many of my generation were profoundly changed by a world war fought in the name of freedom. I have often reflected will pride on the huge contribution made by the peoples of the Commonwealth to that cause of liberty in which millions perished.

"In the years following the war, a succession of countries emerging into independence chose to join the Commonwealth as free and equal members. As a result, the Commonwealth became rooted in all parts of the world and developed into the modern organisation we know today.

"Democracy, national self-determination, individual liberty and human rights –– all these are fundamental to that which binds the Commonwealth together.

"The importance of these principles was clearly in the minds of Commonwealth leaders during their discussions at last December's summit in Abuja, Nigeria. Living up to principles is never easy. It can involve difficult and painful decisions. But the affirmation of those values provides common ground for the Commonwealth as a whole to grow stronger.

"The Abuja meeting also made the crucial link between democracy and development. Democracy is important to sustained development –– and underdevelopment can be democracy's greatest threat.

"Nowhere is freedom perfectly realised — and its enemies are not only those who terrorise and torture. They are also hunger, poverty, disease and ignorance. That is why it is important for the Commonwealth to do all it can to tackle these challenges directly, whether in alleviating poverty or in promoting education and health. It is also essential to strengthen the rule of law, protect democratic freedoms and build strong civil societies.

"I firmly believe that if the Commonwealth is to increase its role as a force for good in the

world, strengthening democratic freedoms must remain at the heart of its purposes.

Elizabeth R."

Update on progress of renovation works on the Legislative Assembly Building and relocation of Offices

The Speaker: Honourable Members, I indicated at the adjournment of this Honourable House on 13 February 2004, that I would update Members on the progress of the renovation works on the Legislative Assembly Building.

I have been advised by the Deputy Chief Secretary, Mr. Donovan Ebanks, who is the Controlling Officer for the Legislative Department that the Legislative Assembly Building should be fully completed by 21 June, 2004 and that the front area of the building should be completed by 5 June, 2004, to allow the annual Queen's Birthday Awards ceremony to take place on the front steps of the building.

In the meantime, however, it is necessary for the administrative offices of the Legislative Department to be relocated by 30 March, 2004 as a result of Court 5 (these premises) being required for a very important criminal trial beginning 5 April, 2004. New temporary accommodation has not yet been confirmed, but is being pursued as a matter of urgency. The Sale of Laws section of the Department will, of course, also be moved to the new temporary accommodation and the public will be advised of the new location as soon as possible. In the event of another meeting of the Legislative Assembly being called before the Legislative Assembly Building is available for occupancy, it may be necessary to utilise the George Town, Town Hall, or other suitable venue.

I wish to publicly thank the Honourable Chief Justice and the Courts Administrator for their patience and support in allowing the Legislative Assembly the use of these premises since February, 2003.

The refurbishment of the Legislative Assembly was, initially, not expected to take as long as it has. However, serious defects were discovered, necessitating major repairs and renovations. This, whilst unexpected, was not surprising, considering that the building is over 30 years old and had not before undergone any major repairs.

PRESENTATION OF PAPERS AND OF REPORTS

Annual Report of the National Drug Council and Audited Financial Statements 1 July 2001 – 30 June 2002 *(Deferred)*

The Speaker: The Honourable Minister for Community Services, Gender Affairs, Youth and Sports.

Dr. the Hon. Frank McField: Mr. Speaker, I apologise. I am in a situation where I do not have the actual speaking notes with me. I would prefer if the House would be generous enough to give me some time to get those together at another sitting.

The Speaker: The question is that this matter be deferred until another sitting of the House.

All those in favour please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Paper deferred to another sitting.

QUESTIONS TO HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

The Speaker: The Elected Member for North Side.

Question No. 99

No. 99: Ms. Edna M. Moyle asked the Honourable Minister responsible for the Ministry of Education, Human Resources and Culture if the North Side Primary School has a Counsellor and, if so, how many hours per week is the Counsellor at the school?

The Speaker: The Honourable Minister responsible for the Ministry of Education, Human Resources and Culture.

Hon. Roy Bodden: The North Side Primary School has the services of a Counsellor whose schedule is shared with East End Primary School and George Town Primary School.

The schedule allows for one full day at North Side Primary School. However, due to space constraints, the Counsellor presently spends only the afternoon session at the school.

Supplementaries

The Speaker: The Elected Member for North Side.

Ms. Edna M. Moyle: In the answer the Honourable Minister has said, "However, due to space constraints the Counsellor presently spends only the afternoon session at the school." Is the Minister in the position to say what the plans are to change the situation of the Counsellor spending only the afternoon at the North Side Primary School?

The Speaker: The Honourable Minister responsible for the Ministry of Education, Human Resources and Culture.

Hon. Roy Bodden: It is my understanding that the space constraints are brought about by the fact that there is no special room for the Counsellor. Currently, the Counsellor utilises a part of the Library and as such it is inconvenient and difficult to utilise this space for the full time the counsellor is there.

It is also my understanding that the apparent under-utilisation of the counselling service has no significant inconvenience or deprivation to the students at the school.

The accessibility of a room which will allow the Counsellor to spend full time at the school is being reviewed.

The Speaker: The Elected Member for North Side.

Ms. Edna M. Moyle: I thank the Honourable Member for his reply. Is the Minister in the position to say how many counsellors the Education Department now employs for all of the primary schools?

The Speaker: The Honourable Minister responsible for the Ministry of Education, Human Resources and Culture.

Hon. Roy Bodden: I would imagine that information is available. Regrettably, I did not seek to apprise myself of that in the preparation for this answer because I did not see that as a supplementary. However, I give the Member an undertaking that I will provide her with that answer at the earliest convenience.

The Speaker: Thank you Honourable Minister.

The Elected Member for North Side.

Ms. Edna M. Moyle: Could the Minister say if any thought has been given to looking at the old North Side Clinic to renovate that whereby it could serve as a special room for counselling or a special education room for the North Side Primary School?

The Speaker: The Honourable Minister responsible for the Ministry of Education, Human Resources and Culture.

Hon. Roy Bodden: Mr. Speaker, that supplementary is coming comfortably close to the next substantive question and I think that there is some edification that I am going to offer in answering that question if the Member would give me a chance.

The Speaker: Honourable Member for North Side would you like to move on to your next question?

Question No. 100

No. 100: Ms. Edna M. Moyle asked the Honourable Minister responsible for the Ministry of Education, Human Resources and Culture if there are any plans to provide additional classrooms at the North Side Primary School.

The Speaker: The Honourable Minister responsible for the Ministry of Education, Human Resources and Culture.

Hon. Roy Bodden: As I intimated a short while ago, let me give you the substantive answer. There are no plans to provide additional classrooms at the North Side Primary School in next year's Budget. This is due to cost constraints as well as the need to further evaluate the possible need for one classroom in the academic year of 2005.

Supplementaries

The Speaker: Are there any supplementaries? The Elected Member for North Side.

Ms Edna M. Moyle: Thank you, Mr. Speaker. I wonder if the Honourable Minister could say how will the North Side Primary School in the coming school year be able to continue to occupy the library as a classroom, and a special education room for counselling and other matters for the school, and thereby provide proper teaching to our students without a proper classroom?

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Mr. Speaker, on my most recent visit to the North Side Primary School a few weeks ago, I was apprised of the plans for the development of the school. At that time I was satisfied that the conditions that currently exist do so in such a way that brings no great inconvenience to the learning abilities of the students.

We also discussed the idea of converting the old North Side Clinic into a classroom, thereby making available additional classroom space. It was my understanding then that there was some contention as the Public Works Department had earmarked the building to be condemned. I think there is some question as to the suitability of the roof of the building and we were going to try to ascertain whether we could salvage the building by re-roofing it.

I am convinced, Mr. Speaker, that while the existing situation looks like it is detrimental to the abilities of the children to access proper learning, it really is not as bad as it seems. We could go on for another year until we ascertain whether the growth of the school will necessitate an additional classroom, and then decide how and what kind of classroom we will build.

The Speaker: The Elected Member for North Side.

Ms. Edna M. Moyle: Thank you, Mr. Speaker. I wonder if the Honourable Minister is in a position to say if

any double classes now exist at the North Side Primary School.

The Speaker: The Honourable Minster of Education.

Hon. Roy Bodden: Mr. Speaker, I think that from my recollection there is a situation in which there is one double class. However, the complement is sufficiently small to allow the staff to adequately deal with the numbers and, from my observation, no great inconvenience is caused to the learners in the class.

The Speaker: The Elected Member for North Side.

Ms. Edna M. Moyle: Mr. Speaker, this may be outside the ambit of the question, however, I wonder if the Honourable Minister is in a position to say that this double class has resulted, once again, from the lack of an additional teacher. If so, will this position be provided in the upcoming Budget?

The Speaker: The Honourable Minister of Education. If you have that information available; it is somewhat slightly outside the question, however if you would wish to answer it.

Hon. Roy Bodden: Mr. Speaker, any intelligent Minister would plead "the Fifth" on something he is not quite prepared for. Therefore, I so do.

Ms. Edna M. Moyle: Will you provide me with it?

Hon. Roy Bodden: Certainly, I will give the Member for North Side an undertaking to investigate this and provide her with a written answer in due course.

Suspension of Standing Order 23(7) and (8)

The Speaker: The Elected Member for North Side.

Ms. Edna M. Moyle: Mr. Speaker, I realise that we started Question Time beyond 11 o'clock; I wonder if we should have moved the Suspension of Standing Order or do we continue?

The Speaker: I think it proper to move the suspension. I will call on the Leader of Government Business to move the Suspension of Standing Order 23(7) and (8) so that Question Time can continue.

Hon. W. McKeeva Bush: Mr. Speaker, I move for the Suspension of Standing Order 23(7) and (8) in order to take questions after 11 am.

The Speaker: All those in favour please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 23(7) and (8) suspended to allow Question Time to continue beyond 11 am.

The Speaker: Please continue, Elected Member for North Side.

Question No.101

No.101: Ms. Edna M. Moyle asked the Honourable Minister responsible for Community Services, Gender Affairs, Youth and Sports to give the number of prisoners who have escaped from Northward Prison over the past two years.

The Speaker: The Honourable Minister responsible for Community Services, Gender Affairs, Youth and Sports.

Dr. the Hon. Frank S. McField: Mr. Speaker, one prisoner has escaped from Northward over the past two years.

On 16 April, 2002, a life-sentence prisoner escaped from the High-Risk Unit. He was unlawfully at large for 12 days. He was not charged with any offences during this period. Additional cameras and pegging clocks were installed to improve security. The need for these had already been identified and they were on order at the time of the escape.

Supplementaries

The Speaker: Are there any more supplementaries? If there are no more supplementaries we will move on.

The Honourable Minister responsible for Community Services.

Dr. the Hon. Frank S. McField: Mr. Speaker, I seek your indulgence to bring to the attention of this Honourable House the fact that the new Director of the Prison Services, Mr. Dwight Scott, is in the Legislative Assembly at this time.

The Speaker: The First Elected Member for George Town, the Honourable Leader of the Opposition.

Question No. 102
(Deferred)

No. 102: Hon. D. Kurt Tibbetts asked the Honourable Minister responsible for Tourism, Environment, Development and Commerce if the Government has adopted the CH2M Hill Report.

The Speaker: The Honourable Minister responsible for Tourism, Environment, Development and Commerce, and Leader of Government of Business.

Hon. W. McKeeva Bush: Mr. Speaker. I am asking that this Question be deferred to a further date. I hope to have it ready for Wednesday, Sir.

The Speaker: The question is that Question No. 102 be deferred to a further date.

All those in favour please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Question No. 102 deferred until a further sitting.

Question No. 103

The Speaker: The First Elected Member for George Town, the Honourable Leader of the Opposition.

No. 103: Hon. D. Kurt Tibbetts asked the Honourable Minister responsible for the Ministry of Planning, Communications, District Administration and Information Technology to give an update on the ongoing discussions with Caribbean Utilities Company Ltd.

The Speaker: The Honourable Minister responsible for the Ministry of Planning, Communications, District Administration and Information Technology.

Hon. Juliana Y. O'Connor-Connolly: On 30 August 2003, Caribbean Utilities Company Ltd. (CUC) introduced a 3 per cent rate increase. The then Honourable Minister responsible for Communications, Minister Pierson, formally requested that CUC refrain from increasing the basic electricity rate. CUC refused this request.

On 3 November 2003, the Government and CUC commenced negotiations at the Marriott Hotel. As a result of those negotiations, CUC rolled back the 3 per cent increase and basic billing rate in November, 2003.

In February, 2004, the Governor in Cabinet approved the engagement of expert consultants in the field of electrical utilities to assist the Cayman Islands Government with its negotiations with CUC. The Government and CUC have scheduled a meeting for 4 pm tomorrow afternoon. Currently, the CUC licence is an exclusive one which expires at midnight 16 January, 2011.

Supplementaries

The Speaker: Are there any supplementaries? The First Elected Member for George Town, the Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you, Mr. Speaker. Could the Honourable Minister state what the Government's objectives are with regard to the ongoing negotiations with CUC?

The Speaker: The Honourable Minister for Planning.

Hon. Juliana Y. O'Connor-Connolly: Thank you, Mr. Speaker. I would wish to draw your attention to Standing Order 23(4) and ask that you make a ruling that I decline to answer that question in light of the fact that negotiations are ongoing and it would prejudice the future prospects of an expedited and early resolution thereto.

Standing Order 23(4)

The Speaker: Standing Order 23(4) states: **"a Member of Government"** meaning a minister also **"may decline to answer a question if an answer would, in the opinion of the Government, be contrary to the public interest."** Accordingly, I so order that the question not be pursued until the Honourable Minister is in a position to offer an answer without having a problem with it.

Are there any further supplementaries? The First Elected Member for George Town, the Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you, Mr. Speaker. I am trying to word something differently so that the Minister might be able to answer. I might run into a stone wall; however, I will try. Understanding the Minister's position with the Government and understanding your ruling, can the Minister state if the ongoing negotiations are geared towards a new agreement prior to the expiration of the existing licence? Or, whether they are geared towards a new rate structure, or whether they are geared towards both?

The Speaker: The Honourable Minster for Planning.

Hon. Juliana Y. O'Connor-Connolly: Thank you, Mr. Speaker. Suffice it to say that a specific response would also be an infringement of that section. However, I would say to the Honourable Leader of the Opposition that the general approach of the Government, without compromising the negotiations which we hope to engage in tomorrow at 4 pm, is to ensure that the consumer, being the public on the whole, has the lowest price for the electrical unit within the Cayman Islands whatever process that takes.

The Speaker: Any further supplementaries? The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. We are grateful to the Honourable Minister for this response. However, we do recall that in September of last year, the Honourable Leader of Government Business publicly announced that an agreement had been reached with CUC and a new contract would be signed by the end of December. I wonder if the Honourable Minister can say what has transpired in relation to the negotiations which now appear to have jettisoned that earlier agreement.

The Speaker: The Honourable Minister for Planning.

Hon. Juliana Y. O'Connor-Connolly: Thank you, Mr. Speaker. The preliminary dateline was 15 December. Both parties, that is, the Government and CUC, thought that it was in the best interests, not only of CUC but the Cayman Islands public, that consultants be brought on board. Hence, the reason CUC and the Government have now retained consultancy services and hence the reason we are going to resume at 4 pm tomorrow.

The Speaker: I will allow one more supplementary. The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. May I then ask the Honourable Minister if she would confirm that contrary to what the Honourable Leader of Government Business had said in September, no agreement has yet been reached with CUC?

The Speaker: The Honourable Minister for Planning.

Hon. Juliana Y. O'Connor-Connolly: Mr. Speaker, various understandings have been reached between both parties and it would not be in the interests at this time, once again for the fear of repeating myself in the public forum, which can be heard by the other side of the negotiating team, that is CUC, to know beforehand what our cards are. CUC have ample opportunity at 4 pm tomorrow to bring up any other issues. I am a transparent Minister and I give the undertaking to this Honourable House that as soon as it will not prejudice the negotiations of the Government, which is in the interests of the general public, I will bring it in a statement, as I will dealing with another matter this morning, to the attention of all Honourable colleagues and Members of this House.

The Speaker: Madam Clerk, would you call the next question please?

Question No. 104

The Speaker: The First Elected Member for George Town, the Honourable Leader of the Opposition.

No. 104: Hon. D. Kurt Tibbetts asked the Honourable Minster responsible for the Ministry of Education, Human Resources and Culture to give a progress report on the Prospect Primary school now under construction.

The Speaker: The Honourable Minster responsible for the Ministry of Education, Human Resources and Culture.

Hon. Roy Bodden: Mr. Speaker, progress of the school construction is in week 24 of a 51-week construction period, that is, around 50 per cent complete.

The roof is due to be completed within the next two weeks, when the internal work and finishes will commence.

Government's consultant Architects for the Prospect Primary School (OBM Ltd) report that in their opinion the school will be completed by the contract delivery date (27 August 2004).

Supplementaries

The Speaker: Are there any supplementaries? The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you, Mr. Speaker. Could the Honourable Minister state when he gives in the substantive answer, that the Government's consultant architects are of the opinion that the school will be completed on 27 August this year, whether that is a turnkey completion or whether that finishes the structure only? If it is only the structure that this completes, could he give the Members of the House some idea as to what else has to be done to allow the school to be ready to be occupied by students?

The Speaker: The Honourable Minister for Education.

Hon. Roy Bodden: Mr. Speaker, I am happy that the Honourable Leader asked that question because I recall the Opposition saying the school would not be ready by that time. That is the turnkey time and the school will be ready to receive students at the beginning of the September school year.

The Speaker: The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you. Mr. Speaker, can the Minister state if, at this point in time, the opinion of all concerned is that the school will be within budget.

The Speaker: The Honourable Minister for Education.

Hon. Roy Bodden: Yes, Mr. Speaker, I would have it no other way.

The Speaker: Any further supplementaries? The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. I wonder if the Honourable Minister can tell us how the construction of the school is being funded presently.

The Speaker: The Honourable Minister for Education.

Hon. Roy Bodden: Mr. Speaker, I am pleased to say that the Government has raised a loan from one of the

myriad of banks that were lining up to lend us the $10 million.

The Speaker: Are there any further supplementaries? This is the last supplementary. The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, would the Honourable Minister say whether or not, with the Prospect Primary School projected to come on line in September of this year, there will be adequate school space for all primary school students in this country who require primary school education through the government system?

The Speaker: The Honourable Minister for Education.

Hon. Roy Bodden: Mr. Speaker, the records will show that when this Minister came to the Ministry, education was in a state of chaos.

We needed three schools, which had not been built in decades, and within three years of this Government taking over the reins we will have completed one school and well on the way to starting the long needed secondary school, in that we will have probably acquired the land by the end of this year.

Mr. Speaker, there is no evidence to my knowledge at this point (and we have begun to make initial assessments), that would indicate that there will be any shortage of school spaces for those children of primary school age wishing to access places in the public school system.

The Speaker: Madam Clerk.

STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE CABINET

Response to Criticisms by Leader of the Opposition and the PPM on Government's Position on the European Union's Savings Tax Directive

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker and Honourable Members, I wish to respond to some criticisms that have been made by the Leader of the Opposition and the People's Progressive Movement since we announced the Government's position on the European Union Savings Tax Directive last month.

The Opposition, People's Progressive Movement (PPM), has said that the United Democratic Party's (UDP) policy on the European Union Savings Tax Directive made "no sense".

Of course, the UDP is the Government and we must lead. We do not have the luxury of criticising others without having a policy ourselves. I will leave such posturing to the People's Progressive Movement.

Our means of delivering this objective has always been robust but constructive engagement. The threat to our economy originally posed by the Directive was significant. This issue transcends party politics and I am appalled that the Opposition has tried to make political capital out of this issue. Our critics recognised that from the outset we have taken a robust negotiating position on the Directive.

I have been accused, as Leader of the Government, of being too tough. However, we have been fighting for the interests of the people of the Cayman Islands and, in my opinion, we cannot be too tough when fighting for them.

I cannot afford to sit on the fence when it comes to issues of such importance to the Cayman Islands. Others may have that luxury. Others said we should do nothing; however I have the responsibility to protect our interests. I believe we have done so thus far. I believe that the agreement we have reached with the British Government is the best possible result for these Islands in our present constitutional condition.

We have been offered undertakings which will help safeguard the interests of the Cayman Islands, of our economy, of our people and of our businesses.

Our position has been to get real benefits; a tough challenge that required tough negotiation. Now we have them. Well, what are these benefits?

1. Wider access to United Kingdom (UK) and European Union (EU) markets for Cayman Islands financial services products.
2. Recognition of the Cayman Islands Stock Exchange to help Eurobond and debt products listing and "designated investment exchange" status for the Stock Exchange.
3. A comprehensive agreement which will give us access to the UK's tax treaty network — which offers great potential advantages — and will help to attract business to Cayman.
4. The British Government actively promoting — what we all know to be true — our high standards of regulation and financial rules that meet international standards. This will help our global reputation.
5. Having the UK use its influence with other countries to remove Cayman from their blacklists, thereby providing access to markets from which we are presently excluded.
6. A greater role in international meetings that affect our interests. Who better to tell the world about these islands than ourselves?
7. UK promotion of our tourism industry in Europe.

Our efforts, Mr. Speaker, are moving in the direction of translating these into real and tangible benefits. We have now instructed leading financial services lawyers in London to turn these undertakings into real opportunities for our businesses.

I am sensitive to the commercial interests of individual businesses and sectors, but the feeling is

that this package, taken as a whole, will benefit the economy and our people. Working together in tandem with the business community we can deliver:

- More jobs in Cayman;
- More business coming here;
- The growth of our financial services and tourism sectors; and
- A further strengthening of our position as a world leading financial centre.

We have never been bellicose or belligerent in our dealings with the British. Nor have we ever been antagonistic.

We have been tough, but we have been respectful and we have engaged. This position has now been vindicated by the agreement we have been able to reach with the British Government.

We have emerged from these negotiations with our interests protected and our international reputation, as a well-regulated financial centre, enhanced.

Before we met with Dawn Primarolo, the Paymaster General, in December last year, the message from the British Government was "take it or leave it". "Either accept it as read or we will impose it directly upon you". There was no scope for any mitigation for possible damages done to our economy.

We robustly, but constructively, argued our position and our very real concerns about the Directive and its impact on our economy. We did not threaten and we did not bluster. We did not shout. We spoke clearly and we spoke reasonably. They heard us and they understood us. We worked tirelessly at home and abroad to secure the interests of these Islands.

The idea that we have not been taking advice from lawyers and economic experts is complete nonsense. We have been advised throughout this process and that advice has helped us structure our negotiating position. To claim otherwise, suggests a total lack of understanding about how modern government operates.

Our political opponents, the PPM, say that we have damaged relations with London. They seem to suggest that it would have been better to capitulate to the British Government — to agree to their original demands — rather than to stand up for Cayman's interests and obtain the undertakings we now have.

In this, Mr. Speaker, there is clear blue water between the UDP and the PPM. We stand to defend the interests of the Cayman Islands. The PPM seem to believe that the British have our best interests at heart and that they will respect us more if we kowtow to their every demand.

I have sat in numerous meetings with British Ministers, and I know that the PPM and the Leader of the Opposition and his colleagues here in the Assembly are wrong to suggest that we have damaged relations – far from it. As a consequence of an extensive process of negotiation, I think the UK government respects and understands our position — and these Islands — much better.

As a result of my meetings with the Paymaster General, Dawn Primarolo, she has understood our position and the need to ensure that the economic interests of the Cayman Islands and its people are safeguarded.

By negotiating long and hard with the UK Government, I believe they respect our position more. And they understand that, in taking a stand and defending the interests of our country, we have demonstrated our competence and commitment. That is something the British respect — in case the PPM does not understand that.

As a consequence of our tough negotiating stance, we are now moving ahead in a spirit of co-operation with the British Government. And one which both governments recognise is mutually beneficial.

The PPM has also accused us of failing to consult on the Directive. The Opposition, as usual, has been less than economical with the truth, concerning the Government's actions regarding this exercise.

Unlike my predecessor, yes, I have given strong leadership. My opponents seem to have equated this with a lack of consultation. On the contrary, I have given direction based on the support of the private sector through the Financial Secretary.

Although the PPM Chairman has recently stated that I have not kept the Public informed and involved, that is blatantly untrue. Since November 2001, I have had more than fourteen meetings with the private sector on matters concerning the Country's financial stability, including the EU Savings Directive. Mr. Speaker, I would like to read these dates into the records. Meetings were held on: 18 July 2002; 8 September 2002; 20 September 2002; 12 November 2002; 28 November 2002; 29 January 2003; 4 February 2003; 26 February 2003; 31 March 2003; 28 May 2003; 9 June 2003; 9 February 2004; February 2004; and 2 March 2004.

Mr. Speaker, you would very well remember some of those meetings as you were a former Minister and part of the consultative committee.

There is an old adage amongst teachers: it says that if you can find a way to address a topic three or more times, then the student will not only learn the material, but will retain it. Mr. Speaker, to further clarify the Governments ability to be inclusive of the Opposition's need to understand what was taking place, Hansard has recorded at least fifteen statements on the subject that took place in this Honourable House.

The Opposition has said that they were not informed, yet they are on record saying that they supported the Government's position. How is that possible, Mr. Speaker, how can they support a position or policy that they have not been informed about. Can they be so daft?

There is another adage that says you can drag a horse to water, but you cannot force it to drink.

Mr. Speaker we have tried to enlighten the Opposition on this matter, but our efforts may have been in vain.

We in Government have been heartened by the support that the business community has expressed for the position we have taken. The business community here agrees with our approach of moving forward in a spirit of co-operation.

At all stages of the process we have consulted with the financial industry which is such an important part of our economy. And they have endorsed our approach. As leading practitioners from the private sector told me last month:

- "It is very easy to pick holes, but I am totally supportive of the government and its strategy."
- "I give credit to the Government for standing firm and getting us to the position we are in today."
- "The Government should be congratulated for the remarkable list of undertakings, representing a sea change in Britain's attitude."

Mr. Speaker, it is sad that those who may oppose me politically have been unable to rise above political differences and recognise the gains we have secured for these Islands on this issue, and that our present Constitution does not allow us to object to legislation that is passed by the House of Commons, in the United Kingdom.

Rab Butler, the former British Chancellor and consummate politician, has been cited by me. He titled his memoirs "The art of the possible". I endorse this political maxim.

This Government knew what it wanted to achieve in its dealings on the Savings Tax Directive. It wanted to safeguard the economic interests of these islands. Mr. Speaker at this time I would ask your permission in allowing me to read a letter that I just received from the Paymaster General. Dawn Primarolo. I will lay the letter and its attachment on the Table of this Honourable House.

The letter is addressed to me, the Leader of Government Business, on 5 March 2004.

"Dear McKeeva,

"Thank you for your letter of 24 February confirming that the Legislative Assembly passed motion 7/03 on 13 February and that the Cayman Government will make every effort to conclude the necessary agreements with EU Member States by 30 June. I am very pleased that your Government has decided to make these commitments.

"I can confirm that as set out in my letter of 13 February the UK Government will now take forward the undertakings in the fleshed out agreement finalised by our officials on 23 January.

"As a first step, I am pleased to be able to confirm that the Inland Revenue have now recognised the Cayman Islands Stock Exchange under Section 841 ICTA [Information and Communications Technology Authority] **1988. I attach a copy for you of the Inland Revenue's announcement. I am also pleased that our relevant officials have arranged to meet on 9 March to begin discussions on a bilateral double tax agreement.**

"Of course the 23 January agreement included a number of other undertakings as well, and I can confirm that we shall take those forward too.

"Dawn Primarolo MP"

"INLAND REVENUE INTERNET ANNOUNCEMENT

"Designation of Cayman Islands Stock Exchange as a recognised stock exchange for tax purposes

"With effect from 4 March 2004 the Board of Inland Revenue has designated the Cayman Islands Stock Exchange as a '"recognised stock exchange" under section 841(1)(b) ICTA1988.

"A list of overseas recognised stock exchanges can be found at www.inlandrevenue.gov.uk/fid.rse.htm

"Notes:

"The term "recognised stock exchange" occurs throughout the Taxes Acts and in various tax regulations. For example it is used in the definition of a close company in section 415 ICTA 1988, and in the definition of investments which may be held in PEPs [Personal Equity Plans] **and ISAs** [Individual Savings Accounts]**. The term is often used in the phrase "listed on a recognised stock exchange" or in similar or related expressions.**

"The definition of a recognised stock exchange is given in section 841 ICTA 1988. It includes the London Stock Exchange and any such stock exchange outside the UK as is designated in an Order of the Board of Inland Revenue.

"Section 841 ICTA is exclusively concerned with recognition for tax purposes. Its scope does not cover recognition or approval for regulatory or other purposes, nor approval or recommendation of any investments listed or traded on an exchange."

I ask that this be laid on the Table of this Honourable House.

The Speaker: So ordered.

Hon. W. McKeeva Bush: Mr. Speaker, you can only get results if you try to do something that is my position. I believe that if this country has a problem and one of this nature of the Directive, then I must deal with it promptly forthrightly, upfront and in the strongest terms possible. These Islands are not going to be protected by a "do nothing" attitude, which the People's Progressive Movement (PPM) seems to adhere to.

We argued and negotiated in a calm and reasoned manner, and stuck to our position. We have already begun to see the benefits and we will continue to work towards the best deal that is possible.

We diagnosed the threat and applied the appropriate remedy. We achieved the best deal that it was possible to get - better than that achieved by any other jurisdiction. The whole issue is now based on a level playing field, and if the others do not sign, then we will do nothing further.

I would ask the Opposition to stop their ranting and the spreading of wrong and misleading information.

Thank you very much, Mr. Speaker, for your kind indulgence.

The Speaker: The Honourable Minister for Planning, Communication, District Administration and Information Technology, your statement.

Announced Mobile Price Reductions by Cable & Wireless (CI) Ltd.

Hon. Juliana Y. O'Connor-Connolly: Thank you, Mr. Speaker.

The Cayman Islands witnessed an historic event last Wednesday, 3 March 2004, with the commercial launch of mobile telephone services by both Digicel and Wireless Ventures. This was another significant step on the road to full liberalisation of the Information and Communications Technology (ICT) marketplace and much credit to you, Mr. Speaker, for the valuable role that you played in the said matter.

This Government is committed to the introduction of competition as a means of providing consumers with the very best in terms of services and prices which are equal to, or better, than those available in any other industrialised nation of the world.

The Government is equally committed to a healthy and sustainable ICT marketplace where the new Licensees will have the opportunity to compete fairly with the incumbent Cable and Wireless.

Over the past few days, we have witnessed the introduction of competitive prices by both Digicel and Wireless Ventures. In response Cable and Wireless has also announced new prices for mobile services. Clearly, price reductions are a welcome outcome of competition and the consumer stands to benefit from competitive pricing.

While Government welcomes such price reductions, those made by the incumbent must not take unfair advantage of its dominant position in the marketplace. For example, the funding of reductions by cross-subsidies from other services, or reductions below the cost of providing the services, could breach the anti-competitive provisions of its licence. In this context, Government is well aware of the concerns expressed by other licensees about the mobile rates most recently proposed by Cable and Wireless. It is their view that these rates have the potential to seriously injure long term, sustainable competition.

As I have already noted, Mr. Speaker, Cable and Wireless has strict prohibitions in its Licence against engaging in anti-competitive conduct. Its Licence prohibits conduct which amounts to an abuse of a dominant position if it affects unfairly trading conditions. The Information and Communications Technology Authority has jurisdiction to review whether the recent prices to be introduced by Cable and Wireless amount to anti-competitive conduct. In the event the Authority concludes that there is a breach of license conditions, the Licensee must immediately rectify the situation or its Licence could be placed in jeopardy.

This Honourable House recently passed amendments to the Information and Communications Technology Authority Law, 2002, which were designed to address anti-competitive practices in the ICT marketplace as well as providing for substantial administrative fines for breach of Licence conditions, laws or regulations. These are important and necessary amendments to the Law which would strengthen the Authority's ability to ensure a level playing field for all licensees. Because of another amendment introduced by the Legislative Assembly after the draft Bill was approved by Cabinet, these amendments are still awaiting the assent of His Excellency, the Governor.

One of the principal functions of the Information and Communications Technology Authority is to promote competition. Accordingly, I wish to advise Honourable Members that the Authority has already initiated the steps necessary to determine whether or not the new mobile rates announced by Cable and Wireless will meet all regulatory requirements, or if they breach any other provisions of its licence. The Authority has also strongly recommended to Cable and Wireless that it defers the implementation of these new rates until the Authority's investigations have been completed. These views were communicated to Cable and Wireless in the following letter that was sent to them early this morning and it reads as follows:

"Mr. Rudy Ebanks, Vice President, Regulatory and Carrier Relations Cable & Wireless (CI) Ltd.

"Dear Mr. Ebanks,

"Re: C&W Planned New Mobile Rates filed 3 March 2004

"In the evening of Wednesday, 3rd March 2004, Cable & Wireless ("C&W") notified the Authority that, with effect from Tuesday, 9 March 2004, it planned to introduce new post-paid, prepaid and international direct dial (IDD) rates for its mobile services.

"The Authority wishes to draw your attention to Condition 15 of your Licence, which prohibits anti-competitive conduct. In particular, Condition 15.1 states:

"Any conduct on the part of one or more licensees which amounts to the abuse of a dominant position in a market for ICT networks or ICT services is prohibited if it may affect trade within the Cayman Islands."

"Further, Condition 15.2 in part provides that:

"Conduct may, in particular, constitute such an abuse if it consists in: ...(e) using revenues attributed to a particular ICT service to cross subsidise unfairly or affect competition for another ICT service, unless otherwise approved or directed by the Authority ."

"The Authority notes that subparagraphs (a) to (e) of Condition 15.2 are not an exhaustive list of infringing conduct and that other conduct such as the introduction, by an incumbent, of rates below cost may constitute abuse of a dominant position.

"The precise nature of the new service rates, terms and conditions, in the Authority's view, requires clarification. However, based on its understanding of the information currently available, the Authority believes that certain aspects of the new rates, if introduced, may place C&W in breach of these licensing conditions.

"For example, the new effective per minute rates for the postpaid plans range from 10¢ (for b350) to 3¢ (for b20000). When compared to just one component of the cost of providing mobile services as estimated by C&W itself (i.e. the interconnection rates for terminating mobile calls), these rates are below that cost. An ICT service that is provided below cost, unless otherwise approved or directed by the Authority, is a contravention of Condition 15 of the company's Licence.

"The Authority also notes that C&W plans to reduce IDD rates by 20% and to offer a further 20% reduction on IDD calls to five telephone numbers under its Talkaway mobile service feature. The Liberalisation Agreement of 10 July 2003 requires that other mobile Licensees obtain IDD services from C&W until 1st April 2004. As C&W is reselling its IDD services to other licensees at a maximum discount of 20%, the Authority has concerns that the Talkaway feature may represent an anti-competitive price squeeze.

"The Authority has similar concerns with the prepaid mobile plans and the levels of some of the planned new rates, such as those for off-peak periods which are below the interconnection rate.

"The Authority therefore requires C&W to file, by no later than 10th March 2004, imputation test calculations (including all the underlying assumptions and detailed calculations) for each of the mobile service filings submitted on 3rd March 2004.

"The imputation test examination and the analysis of whether Condition 15 of the Licence has been breached are two separate exercises which will be undertaken in parallel. If the Authority thereafter determines that certain of the mobile rates do not satisfy the imputation test requirements, or that C&W is in any other way in breach of Condition 15 of its Licence, the company will be required to immediately rectify the situation. Some measures may have to be applied retroactively. Because of the adverse impact that any such corrective action may have on C&W, consumers and other stakeholders, it is the Authority's strong recommendation that C&W defer the implementation of their planned new mobile rates until the Authority has made a determination. The Authority undertakes to complete its assessment as rapidly as possible.

"The issuance of this recommendation to Cable & Wireless should not be viewed in any way as compromising the Authority's ability to pursue and implement, at any time, any and all other courses of action or remedies which may be available at law or pursuant to the Cable & Wireless Licence.

"Yours sincerely,

"David A. Archbold, Managing Director"

Thank you, Mr. Speaker.

The Speaker: Thank you. The Honourable Minister for Community Services wishes to also make a statement.

International Women's Day Message

Dr. the Hon. Frank S. McField: Mr. Speaker, thank you for allowing me to make this statement as today, March 8, is International Women's Day. Today is recognized by the United Nations and designated as a national holiday in some countries. It represents many decades of women's struggle for equality, justice, peace and development.

Some people may ask, "Why is there a day dedicated towards the celebration of the world's women?" The United Nations General Assembly, which comprises delegates from all member countries, identifies two reasons: firstly, to recognise the fact that peace and social progress require the active participation and equality of women; and secondly, to acknowledge the contribution of women to international peace and security.

Here in the Cayman Islands, we too join other individuals, communities, governments and nations around the world on this special day, to celebrate acts of courage and the determination of ordinary women who have played extraordinary roles in women's history. Since 1999, Cayman has extended this celebration to embrace the entire month of March, designated as Honouring Women Month.

In recognition of International Women's Day, His Excellency, the Governor and Mrs. Emma Dinwiddy, the Women's Resource Centre (WRC) Patron,

are hosting a reception at which time the Women's Resource Centre will launch a poster proclaiming the five women who last year received the Quincentennial Distinguished Woman Award.

These women — Annie Huldah Bodden, OBE; Frances Louise Bodden, MBE, JP; Clara Editha Scott Leitch; Olive Hilda Miller, MBE, Cert. Hon. JP; and Mary Evelyn Wood, Cert. Hon. — are prime examples of women who contributed to the development of our country even as their efforts challenged social assumptions and stereotypes concerning female roles and expected accomplishments.

With this year's theme for Honouring Women Month as Challenges, Solutions, and The Way Forward, the WRC has coordinated a variety of programmes, events, panel discussions and displays, all in an effort to raise the level of public awareness of the issues that confront women in the Cayman Islands.

As a society, we must acknowledge that many women in our country face the challenges of domestic abuse, acquiring affordable housing, maintaining their children, and organising day care. Injustices against women and children, including sexual abuse, incest and rape, remain crucially sensitive matters that require a multi-faceted approach from law enforcement, judiciary, health care, children and family services, education and increased community awareness and support.

We must also openly communicate about issues such as teen pregnancy, dating violence and female gang involvement in order to proactively address the adversities that can affect our girl children.

In closing, I leave you with this thought as I quote from a document taken from the Fourth World Conference on Women held in Beijing in 1995:

"The advancement of women and the achievement of equality between women and men are a matter of human rights and a condition for social justice and should not be seen in isolation as a women's issue. Until the rights and full potential of women are achieved, lasting solutions to the world's most serious social, economic and political problems are unlikely to be found."

Thus, on this International Women's Day and throughout Honouring Women Month, while I do extend my best wishes to every woman, I also challenge you to become inspired so that you too can help pioneer new possibilities for the generations to come.

Thank you, Mr. Speaker.

The Speaker: Madam Clerk.

GOVERNMENT BUSINESS

BILLS

FIRST READING

The Public Accountants Bill, 2003

The Speaker: The Bill is deemed to have been read a first time and is set down for Second Reading.

SECOND READING

The Public Accountants Bill, 2003

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, thank you.

I beg to move the second reading of a Bill entitled The Public Accountants Bill, 2003.

The Speaker: The Bill has been duly moved. Does the Honourable Member wish to speak thereto?

Hon. George A. McCarthy: Yes, Mr. Speaker. In most jurisdictions there is an industry body responsible for policing of professional accounting sector. While the Cayman Islands Society of Professional Accountants (CISPA) has been in existence since 1970, it does not have the statutory backing to enable it to perform the functions of a self-regulatory organisation (SRO). The Public Accountants Bill, 2003 seeks to give statutory backing to CISPA to enable the Society to exercise oversight within a statutory framework of the provision of the public accounting services.

"Public accounting services" is a defined term in the Bill and encompasses audit and reporting attestation services performed to profit or reward. The definition excludes bookkeeping, bare preparation of financial statements, installation of accounting related systems and acting as an insolvency practitioner. The latter (insolvency practitioner) is a specialist activity often involving court supervision and will be covered separately. The Bill was developed in close consultation with the Cayman Islands Society of Professional Accountants and is based on similar legislation in other jurisdictions.

The core sections of the Bill are Parts III and IV, however, I think it would be useful to make reference to Parts I and II and the introductory clause of the Bill.

As I mentioned earlier, Mr. Speaker, the Bill is entitled The Public Accountants Bill, 2003 and the Memorandum of Objects and Reason states that the Bill seeks to regulate the practice of public accountancy.

"Part I of the Bill contains clauses 1 and 2 which are preliminary provisions. Clause 1 provides for the short title and makes provision in respect of the commencement of the legislation. Clause 2 is the interpretation clause.

"Part II of the Bill deals with the Cayman Islands Society of Professional Accountants and contains clauses 3 through 7. Clause 3 makes provisions for the establishment of the Cayman

Islands Society of Professional Accountants as a body cooperate.

"Clause 4 provides that the common seal of the Society shall be judicially noticed.

a) Clause 5 makes provision for the establishment of a Council of the Society which shall be responsible for the management of the affairs of the Society. The objects of the Society (which are set out in Schedule 1) are to–

b) govern the discipline, and regulate the professional conduct of members and students;

c) promote and protect the welfare and interest of the Society and the accounting profession;

d) promote and increase the knowledge, skill and proficiency of the members and students in all things relating to the business or profession of accountants;

e) promote, foster and maintain the highest standards of accounting in public practice and commercial and private sector spheres;

f) safeguard and enhance the professional standing, interest and reputation of accountants who are members thereof;

g) maintain the highest standards of professional etiquette and ethics among its members and encourage the observance of such standards among non-members;

h) provide opportunities for discussion and exchange of views among its members, and students, whether or not they are engaged in actual practice;

i) encourage and assist in providing increased facilities for the study of accountancy and related subjects and co-operate with the bodies that are in pursuit of those objects;

j) assist members, past members, and students and the dependents of such persons who are in need;

k) associate with any regional or international body having objects similar to those of the Society to further the interest of the profession; and

l) do anything that is necessary or incidental to the carrying out of the objects in paragraphs (a) through (j)"

as was just read.

"Clause 6 empowers the Council" (CISPA) "**to manage the Society's funds.** (That is the governing council of CIPSA.)

"Clause 7 requires an annual audit of the Society's accounts."

Part III of the Bill, as I mentioned earlier, is one of the two core sections of the Bill. Part III provides for CISPA to operate a registration and licensing regime for public accountants on an individual basis and a registration regime for students. Practicing without a licence is an offence. Regulations to be made by the Governor in Cabinet in consultation with CISPA counsel will prescribe application requirements and fees. Existing members of CISPA are automatically registered persons under the Bill but must seek licensing. Part III does not derogate from the provision of the Trade and Business Licensing Law 2003 Revision and does not apply to public officers acting in their capacity as such.

Part IV of the Bill establishes the disciplinary function required to enable CISPA to effectively act as a self-regulatory organisation for the accounting profession. It establishes an investigation committee which reviews complaints to decide whether there is a disciplinary case to be heard and if so it refers the matter onward to a disciplinary tribunal to deal with.

Clause 18 of the Bill sets out the headings under which disciplinary proceedings can be instituted, including inter alia, misconduct, dishonesty or incompetence in the performance of professional duties. There is a provision for matters to be also referred to a public accountant approved institute for action.

The Governor in Cabinet, in consultation with CISPA Council, may make regulations governing the hearing and determination of disciplinary matters.

Part V of the Bill deals with miscellaneous maters and contains clauses 28 through 33.

"**Clause 28 provides that Part III of the legislation (which deals with the registration and licensing) does not derogate from the provision of the Trade and Business Licensing Law (2003 Revision).** As I mentioned earlier.

"Clause 29 requires public accountants to certify to the Cayman Islands Monetary Authority that there has been compliance with the Proceeds of Criminal Conduct Law (2001 Revision).

"Clause 30 enables the making of regulations.

"Clause 31 sets out various offences in relation to the licenses and registration.

"Clause 32 contains provisions for the protection of the Council, the Disciplinary Tribunal, the Investigation Committee and other committees of the Society in the discharge of their functions."

Mr. Speaker, this is a long awaited piece of legislation. It may not be as complete as it should be in recognising everything that should be dealt with, however it is a start. Once we have commenced with this Bill, shortly to become a Law, it provides a way forward to deal with necessary amendments, as they arise, in order to cope with various issues such as those that are presently being alluded to in the European Union as making certain requirements for audits of entities that are doing business in international financial centres.

I think this puts us in a position of being proactive and I commend this Bill to Honourable Members.

The Speaker: Does any other Member wish to speak.

The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you, Mr. Speaker. The Opposition wishes to support the Government bringing the Bill forward.

As the mover of the Bill has intimated, with all the requirements, not only fiduciary, being levied, perhaps not just for our own sake, but within the global village environment that we live in, and the global financial markets that exist. Legislation of this nature is certainly warranted.

I want to make note before I go into any specifics that I think it is also timely, perhaps for at least one of the other professions to come in line with legislation of a similar nature, because if we speak of the global village, and we speak of accountants walking stride for stride with the legal profession. Certainly I wish to make the point and encourage the Government to work with the various societies that exist in the legal profession to ensure that they are following suit.

I have spoken to some of them and I believe that it is not only the intention but I think that something like this is in the works. In speaking with some of the members of CISPA, I am happy to hear that they were integral in the preparation of the Bill itself and they are with full knowledge of what it contains, and those who will have to work it or live it are in agreement with what is being proposed.

There are not many of the specific issues I would address in the short contribution.

It is important to note, as the mover has stated, that the main principles behind the Bill itself are stated in clause 5 which: **"makes provision for the establishment of the Council of the Society which shall be responsible for the management of the affairs of the Society."**

It then speaks to the objects of the Society. Those objects are listed (a) through (k) — 11 in all. I will not repeat what the mover of the motion has already quoted. I think (a) to (f) explain, in broad terms, the objective of this piece of legislation because it speaks to:

a) Governing the discipline, and regulating the professional conduct of the members of the society;
b) promoting and protecting the welfare and interest of the Society and the profession on the whole;
c) promoting and increasing the knowledge, skill and proficiency of the profession;
d) promoting, fostering and maintaining the highest standards of accounting in public practice and commercial and private sector spheres;
e) safeguarding and enhancing the professional standing, interest and reputation of accountants who are members; and
f) maintaining the highest standards of professional standards and ethics among its members and encouraging the observance of such standards among non-members.

In going over (a) through (f), in the objects of the Society, we see very clearly that the Bill, which I am confident will become Law, seeks to incorporate and recognise this Society and give the Society the ability to oversee the profession from the point of view of ethical standards and level of professionalism employed by its members. It also has, as mentioned by the mover, a section which refers to discipline.

I think that the general thought process of the legislation is fairly all-encompassing. As a result, I noticed just before the mover finished his introduction of the Bill he readily accepted that it is not a perfect piece of legislation. We can ask the question "Which one ever is the perfect piece of legislation when it is first brought?"

We accept that there may well be occasion, after it becomes legislation for amendments, and certainly there is no better time than when those who are living it have to work under it.

Once we see amendments coming that are justified there will not be a problem. That is not strange because all of us who are here will realise and accept that is the nature of legislation itself. It is an evolving process that moves with the times. There is no real beef to say that it should not be brought until it is all airtight, we do not have a problem with that.

Mr. Speaker, there is one point that I went over several times and I have to raise it because I think although it is not the most important section of the legislation, I believe it is something that we need to be looking at.

If we look at the Memorandum of Objects and Reasons on page 4, clause 10 says; **"Clause 10 enables a person who possesses Caymanian status or is a permanent resident and who wishes to pursue courses of instruction and systems of training in accounting, to apply for registration as a student."**

When we look at Clause 10 which refers to being registered as a student, and then look at Part III of Registration and Licensing where we see all the possible categories of who can be licensed and registered, the basic common denominator is, once a person has a valid work permit and has the proper authority to practice in these Islands, that person can be registered as a member of the Society.

There are other categories, which I do not have to mention: if you are a Caymanian, if you are a founding member of the Society prior to this and all of the other factors involved. I mentioned the fact that a person with a valid work permit, and whatever criteria are required, can become licensed and registered. That point is, moving into section 10, for someone to be licensed and registered the spouse of a Caymanian, once that person has a valid work permit, he can

be licensed and registered. However, when you move to section 10, it reads – if I may.

The Speaker: Please continue.

Hon. D. Kurt Tibbetts: "10. A person who possesses Caymanian status or is a permanent resident and who wishes to pursue courses of instruction and systems of training in accounting that may be prescribed shall -

a) apply to the Council for registration as a student in such manner as may be prescribed; and

b) furnish to the Council such evidence as the Council may require that he -

(i) is of good character; and

(ii) has attained the prescribed standard of education."

Unless there is something that I do not see, I see no provision where the spouse of a Caymanian can be allowed to pursue courses of instruction and system of training in accounting that may be prescribed. We have to decide whether we want that to happen or not. However, I wish to make the point that the spouse of a Caymanian, for a period of time, will either not be a Caymanian, or permanent resident, and if that person is working in the profession, for instance, it would only be with the employment rights certificate, but that is not permanent residence. There is a period of time when we speak to both the process of permanent residence and the spouse of the Caymanian requiring status.

As I read that section, what it tells me is that, at some point, a spouse of a Caymanian can possibly be excluded from being registered as a student. I do not believe that was the spirit in which the Bill was drafted. I see no reason why the spouse of a Caymanian, who has that level of attachment, should be excluded either intentionally or inadvertently.

If a person with permanent residence can qualify, then certainly the spouse of a Caymanian should. We do not want for that to be a major issue in the Bill itself and certainly the Opposition has every intention of supporting the Bill. However, I believe this is a valid point and I would ask the Government, through the mover, to address the issue before we take the vote.

I do not want to be repetitive but to sum up that specific point. Section 10 allows for: **"A person who possesses Caymanian status or is a permanent resident to be registered as a student to pursue courses of instruction and systems of training in accounting…"**

I do not see where it allows a spouse of a Caymanian, who is not a permanent resident or does not have Caymanian status, to register as a student and I believe that a person in that category should be able to.

When we refer to being licensed and registered it goes right down to a work permit holder having the ability to be licensed and registered. I am speaking about one's immigration status within society and it is certainly not to segregate any section or to make one seem any less than the other, but obviously the spouse of a Caymanian has to be somewhere up top. I wanted to make sure that the point was made. With regard to regulations and the legal profession, Mr. Speaker, let me tell you what brought it to my attention very recently. I got a letter in the mail where the spouse of a Caymanian, who has been in a stable marriage for perhaps three years, had to apply to Cabinet to seek permission to be articled at a law firm, having gone through the Law School and getting the LLB with honours. Therefore, that spouse of a Caymanian has had to apply to Cabinet to be articled. At least there is a provision which allows that and Cabinet can give that permission once everything is in order.

I do not see in this piece of legislation anything which allows the spouse of a Caymanian — not to be registered or licensed because the fact that they hold a work permit would allow that — to be a student; I do not think they should be deprived.

The Opposition, in general, supports the Bill and perhaps other Members may draw attention to other sections. Perhaps when the mover is winding up, he may show me where in the Law takes care of it because in going through the entire law I have not seen it. I just wish to make sure that point is taken into consideration prior to voting on the Bill itself.

Thus, the Opposition will support the Bill and we look forward to the profession being enhanced by the passage of this legislation. I am certain that the membership of the Society will welcome the new legislation and give it the standing that it deserves.

Thank you.

The Speaker: Honourable Members, I do recognise that it is the time that we would usually take the luncheon break. However, because we are now in the middle of the last item on the Order Paper, I propose that we continue and complete the order before we take the adjournment. In doing so, we would not have to return to the House this afternoon.

Does any one wish to speak? The Second Elected Member for West Bay.

Mr. Rolston M. Anglin: Mr. Speaker, it would be remiss of me if I did not offer contribution to a Bill for a Law to Regulate the Practice of Public Accountancy; and for Incidental and Connected Purposes.

I left the largest professional services firm in the world to seek election to this Honourable House and this profession has been the only one that I have known in my short career which started in 1990 upon receiving a scholarship from Price Waterhouse.

I know as a professional accountant, Mr. Speaker, you came from a similar background. If I remember correctly, you were the first Caymanian qualified accountant. Therefore, by way of back-

ground, the profession has looked to get a piece of legislation enacted that would serve to foster its self-regulation.

For many valid reasons this legislation has taken us to a point, before getting to a stage that it could reach this Honourable House, to be dealt with in this manner. In a world that has been shaken and rocked by one corporate scandal after another and, indeed, where the profession has come under great and intense scrutiny it is timely that we have this piece of legislation before us.

I venture to say that none of us in the accounting profession could in our wildest dreams imagine that we would have seen the collapse of one of the biggest professional services in the world – that is Arthur Anderson. As we have seen the unthinkable happen in the profession, it is to all Members of this House support that we would now have this Bill come to the Legislative Assembly.

Mr. Speaker, when all is said and done it comes down to the integrity and unwillingness of persons who engage in public accounting practice; it takes them to walk on the right line with regard to upholding their professional duties and obligations, and the professional duties and standards of the profession as a whole. Although we have not had any legislation to monitor or guide the profession we have been blessed to have the presence of all the major accounting firms in the world here. That has allowed professionals here to be guided by certain international best practices and standards from the firms in which they are member firms.

I think it is fair to say that given Cayman's status, as a reputable place to do business and a large and significant offshore centre for business including financial services, it is desirable to have legislation on the statute books that covers the profession because many people who do business in Cayman rely upon the profession to uphold an extremely high standard. They rely on the audit reports produced by the professionals in the accounting field.

One thing that needs to be re-emphasised is the fact that this Bill deals with public accounting. For those who are not engaged in the profession and may not readily discern any thing special about that term, it means this Bill covers those persons who are engaged in what is called 'attest services', more specifically audits and auditing of entities. Those persons provide audit opinions and reports upon the financial statements of the entity in which they audit. This could be an investment vehicle such as a hedge fund or an actual business such as the Bank of Butterfield, for example, or, any other business whose board of directors wishes to have an audit conducted or, indeed, an entity which, by registration under a specific law in the Cayman Islands, is required to have an audit.

In speaking to the Honourable Third Official Member from the crafting of the legislation and in speaking to Members on the current Council of the current Cayman Islands Society of Professional Accountants, I have made known my desire to also have, in the future, further-reaching legislation that deals with the provision of services that is not anticipated to be dealt with under this legislation. My position is very simple. This piece of legislation will primarily seek to protect and enhance the regulation for persons who are engaged in what is considered non-local business.

This legislation will deal mainly with financial services entities. More than 99 per cent of all audits that are conducted in the Cayman Islands are indeed of financial services products and entities. Since this legislation would not cover the standards for non-attest services, it would not cover persons who engage professional accountants for services that are beyond the scope of this legislation.

However, that does not mean that anyone who is a registrant under this legislation and provides those services would still not be held to high levels of the professional standards by the Council of the new Cayman Islands Society of Professional Accountants, which will be created by the passage of this legislation. However, Mr. Speaker, there are persons who provide accounting services to business entities, especially small business entities in the Cayman Islands, who will not be registered under this Law because they would not meet the professional requirements for registration under this Law. They are persons who are more experienced who are known as bookkeepers.

As has been said before, that does not stop us from going forward with a very important piece of legislation because we will never get to the stage where any piece of legislation known to man is perfect since circumstances change and therefore amendments to legislation will continue forever.

The current piece of legislation before us, and in regard to the creation of a new CISPA, is an important development in the Cayman Islands. It is very important that we have a society in the Cayman Islands that is a society that has teeth and can indeed regulate the profession. It is imperative that we have a new CISPA, a new Society of Professional Accountants in the Cayman Islands, that will be one and the view of the CISPA Council is that they will be registered as the next step under an international standard and regulatory body which will be more than likely the International Federation of Accountants. What that will do, is greatly enhance the standing of the profession in the Cayman Islands. I will give you a simple example. Right now anyone who practices public accounting in the Cayman Islands who wishes to be registered as a member or an international member of the American Institute for Certified Public Accountants, even as an international associate member, must currently be a member of a body that is internationally recognised. Now because the Cayman Islands does not have any accounting body that is internationally recognised, persons find they need to maintain their registration with their home country or with a state within the United States. Therefore, for us to

now be able to be in a position in the Cayman Islands where our professionals can be registered and members of a society that is internationally recognised, speaks volumes for our professionals and the profession.

Mr. Speaker, the issue of regulation is one that has taken centre stage in the United States in recent times because of the major corporate scandals that have rocked corporate America.

So we see that in the United States there has been passage of legislation that has led to the formation of a public company accounting oversight board that was created by the well known Sarbanes-Oxley Bill and that Board is going to implement firm registration systems and a firm inspection programme for auditors of Securities Exchange Commission (SEC) registrants. All that means is that before the Sarbanes-Oxley Act, accountants were left to be totally self regulated and primarily their regulation was driven by each state's accounting board.

The Federal Government of the United States has now taken the view that two important pieces of regulation will fall to this public company accounting oversight board: firm registration, and firm inspections or pay reviews as they are called in the profession.

I think it is imperative upon the new CISPA, when it is formed, to continue to have the type of robust system that is currently in play at the big four accounting firms to ensure that is in place within all of the firms that will be engaging to practice in public accounting.

I think it is fair comment to say that most who are knowledgeable of the industry would agree that the systems within the big four accounting firms are so robust that there would be very little cause for concern in regard to their internal quality review process and the independence of those quality reviews. I can remember my days in the profession that whenever a pay review was coming up was when everyone was on their absolute p's and q's. People knew that those pay reviews were very serious and took them very seriously. It was not that a team, who were members of our firm internationally, was coming in to simply take a glance at what you were doing, but a team was coming in with a view to really put you through the wringer to ensure that your standards met with the firm's international standards.

Thus, from that perspective the big four are well placed to be able to continue their standard of self regulation. However, there are now, present within the Cayman Islands, some seventeen or eighteen firms that will actually fall under the definition of providing the services that this Bill anticipates covering.

Now the majority of those firms are member firms of very credible and large international affiliations; Moores Rowland International would be one, Nexia is another international affiliation. Those affiliations act very much like the big four firms from the regulatory and quality control perspective in that they do have high levels of professional competence and quality assurance within the member firms that every member firm must meet. They themselves have very stringent internal pay and quality review systems established that would facilitate the member firms, present in the Cayman Islands, being open to stringent quality reviews.

However, Mr. Speaker, it behoves the new CISPA to ensure that they do come up with a system of firm registration and firm membership, because one of the things that the legislation speaks to in its present form is registration of individuals as members.

A logical and necessary next step, in my submission, is to ensure that firm membership is also something that is allowed and that firm quality reviews within the local profession are kept to an extremely high standard. .Mr. Speaker, when those standards are not maintained we then have situations that have, as is the case in other jurisdictions, but more prominently in our minds the United States, where the Government has to step in and set up regulators and regulatory commissions to actually oversee the profession itself.

As you know, Mr. Speaker, the profession has had a proud legacy for many years of self-regulation and so far it has worked well. However, notable exceptions in recent times have caused certain persons to be concerned, and rightly so. However, I think that when one looks at the merits of the individual cases one will see that there are very specific cases of specific persons within the profession who have not acted in a proper manner. When one looks at the hundreds of thousands of persons who practice public accounting throughout the world we see it is a handful that has given rise to cause for concern. One thing that should also be noted, for the general public and for the Honourable Members of this House, is that in the specific cases that have surfaced recently and created corporate scandals, in all cases except one, it has actually been members of management of those companies who have been the perpetrators of the actions that have caused the scandal. It has not been the auditors or any collusion with the auditors that have caused any of these scandals, except one.

What is also noteworthy is that, currently in the United States and elsewhere, there is a move towards chief financial officers not necessarily being qualified accountants. In a recent survey it has found, that (if memory serves me correctly) over the last 36 months, of all new chief financial officers hired by corporate America, in terms of major Securities Exchange Commission (SEC) registrants, half of them were not certified or qualified accountants but persons who held Masters of Business Administration (MBA) from very reputable universities such as Harvard and the like.

I know that some persons could argue that if it is the Chief Financial Officer (CFO) and if it is management that has perpetrated some of the acts that have caused these scandals, then they naturally

would think that the person is a qualified accountant and should be a person that was trained by big four firms and should have been keeping to certain standards they were trained to keep. However, that is not the case, in fact of the six major scandals that have surfaced over the last 36 months or so, in half of those cases the CFO was not a certified public accountant—

The Speaker: I would just like to say, if the Member has reached a convenient spot perhaps we could take a 10 minute break. We will be back to complete the other stages of the Bill.

Proceedings suspended at 1.29 pm

Proceedings resumed at 2.01 pm

The Speaker: Please be seated. Proceedings are resumed.

The Second Elected Member for West Bay continuing.

Mr. Rolston M. Anglin: Thank you, Mr. Speaker.

When we took the short break I had just about rapped up what is a focal point to the accounting profession these days; this whole issue of quality control within firms ensuring that the system of pay reviews, which are conducted, is robust. Indeed, the system to ensure independence and having robust independence rules by which member firms and individual employees of that firm must adhere to, is another central focal point to the profession. So, this Bill does provide for the making of regulations and, as has been pointed out earlier, it is going to be wise in the future to ensure that the regulations that fall from this legislation are adopted with consultation with the new CISPA.

I think it is only fair to mention the hard work of the many members of CISPA over the years in trying to make it a reality that this legislation would be introduced to the House and passed. CISPA has had many presidents who saw this as an important development for the profession and by extension an added benefit for the financial services industry and the community as a whole.

Adding to the complexity to quality review, and ensuring that the profession is maintained at a very high standard, is now of course like everything else: an internationally accepted challenge. With so many trans-national corporations doing businesses in so many parts of the world these days, and as been pointed out in many of the recent financial scandals, with large onshore companies setting up numerous types of entities and structures in other jurisdictions (primarily the offshore financial centres), that too has led to the need for a more robust system of quality control across borders, so international.

It is going to be very important that CISPA, once it becomes a member of the International Federation of Accountants, will keep abreast of international developments and ensure that Cayman is kept in line with what is the ever-evolving international best practice in this area.

One point that is not currently covered by the Law which is in place in many other regulatory and registering bodies, is the concept of associate membership. I think that is one thing that the new CISPA will have to turn its mind to and offer suggestions for future amendments. It is not here now and it is something that we would have to have dialogue with them about to ensure that if it is something as desirable as I think it would be, it is crafted in a way that meets the desires of the profession and serves to enhance the profession.

Mr. Speaker, the job in the future for the new CISPA is a large one, because as it currently stands, when the Cayman Islands Monetary Authority (CIMA) instituted the local audit sign-off rule in regards to hedge funds/mutual funds, which fall to the responsibility of CIMA to regulate, many issues were unearthed as it stands with auditors.

Many of the firms that provide audit services in this growing area of the financial services sector are located in many different states within the United States and indeed other countries. It suddenly came into focus that not everyone's system of doing business and managing risks are the same.

One issue that was of great contention was professional indemnity insurance; for the 'big four' it is a non issue. For many of these entities it was a significant issue because a lot of those firms are significantly smaller than the big four but of equal importance. Many of those firms operated in different states within the United States which have different rules and regulations in regard to that very important issue. "How much public indemnity insurance; what level should a professional firm provide?" That is the type of issue that is a stickler point for many people because, again getting back to the self-regulatory regime, people like to believe that they can manage their business and should be able to manage their risks as they see appropriate.

However, I think the lessons that have been taught over the years is that certain bench marks and certain types of guidance in areas like this, which are important to the practitioners and to the public, should be something given a long look to ensure that the standards in the Cayman Islands are indeed of a level that can withstand outside scrutiny. As we know we continue to be scrutinized with everything that we do.

I think it is fair comment to say that all the firms that I have practiced with in the Cayman Islands do have excellent human resource systems in place to ensure that the professionals who practice within the firms do receive adequate levels of continuing education. This ensures that members are currently with international developments. Indeed, most of the firms have internal alert databases or update databases and newsletters that keep them and all their professional affiliate offices over the world updated and cur-

rent on recent developments and trends within the profession. I think that is an area that the new CISPA is going to find some relative ease in regard to the profession regulating itself to a high standard.

Just to touch on the point that was raised by the Leader of the Opposition in regard to student registering; it is a point that I think needs a closer look. I agree with him when he spoke about the issue of Caymanian spouses. However, there will also be people in the Cayman Islands who are here, and have been here for a long period of time, who may not have, to date, been afforded any form of security of tenure and have simply been here because their parents work here, who will be going off to university to possibly take up accounting as a profession, and who, on how the legislation is currently crafted, would not be able to be a student member. It is very important that from the very outset we capture the audience with the various provisions in the law.

One thing that the old CISPA always prided itself on was that students, for example, were always invited to CISPA functions, luncheons and were made to feel a part of the profession. That is a very valid point that certainly the Honourable Third Official Member will speak about in his winding up and it is one that we would want to accommodate.

I would like to leave a large thank you for the Honourable Third Official Member because he had to put up with me being a bit of a pest from the time I got elected. I always wanted to find out about the status of this legislation and where we were going to get with it. I think it is fair comment to say that his portfolio was not necessarily at fault in terms of us not getting the legislation until now. I think that over time, while the profession saw the need for this piece of legislation, often-times there was disagreement philosophically as to how the new CISPA, for example, was going go be structured and formed. I am glad that the profession has been able to overcome those challenges and those differing views and are able to be in a position where the Government can bring a Bill that has incorporated their views and has been a creature of wide and deep consultation with them for many years.

I am thrilled that my profession is now at a stage that we can say that we will have a piece of legislation that serves to guide the activities within it. I think, over the years within the Cayman Islands, we have proven beyond a reasonable doubt that locally we do have people with the type of integrity and principles that allow for a very robust self-regulatory regime. I have full confidence that the new CISPA will provide the type of leadership that the country will be proud of in regard to the accounting profession.

However, I would like to close by saying that in a great majority; in fact there have been very few exceptions to this, that corporate scandals are perpetrated by management within companies and not the auditors. Unless an auditor was there full-time auditing every transaction and movement of every person of management it would be impossible to be able to give absolute assurance. That is why audit reports and audit opinions do not give absolute assurance about anything.

However, I think our profession locally has done a wonderful job by incorporating and enhancing the principles that are passed down within the profession and within the individual firms. I do believe that the new CISPA is going to have the opportunity now to be a leader in the region and a leader internationally within the profession.

I thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? If not would the Honourable Third Official Member wish to exercise his right of reply?

Hon. George A. McCarthy: Thank you, Mr. Speaker. I would like to say thanks to Honourable Members for their support in respect of this legislation. I would like to, particularly, say thanks to the Honourable Leader of the Opposition for his comments and observations that he made. I would also like to say thanks to the Honourable Second Elected Member for West Bay.

The Leader of the Opposition made a very useful and welcome observation, in that, the Bill as now developed would have excluded spouses of Caymanians.

In talking to the Second Elected Member for West Bay it was agreed that unless section 10 in particular was amended to include those persons on work permits, we could have a category of persons who have grown up in the Cayman Islands but who would not necessarily be allowed to register as students, as the offspring of persons who have Caymanians status since these persons are over the age of 18. As a consequence, they would not be able to claim status from their parents. They, of necessity, would have to be work permit holders. These are persons who have also been excluded.

There is an amendment that has been circulated and I think this addresses the concerns of the Honourable Leader of the Opposition and also makes allowance for spouses of Caymanians and work permit holders.

I think in terms of all of the other points of relevance, these have all been commented upon by the Second Elected Member for West Bay and at this point I would like to say thanks to Honourable Members for their support.

The Speaker: The question is that a Bill shortly entitled the Public Accountants Bill 2003 be given a second reading.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Public Accountants Bill, 2003 given a Second Reading.

The Speaker: The House will now go into Committee to consider the Bill.

House in Committee at 2.21 pm

COMMITTEE ON BILLS

The Chairman: The House is now in Committee. With the leave of the House may I assume that as usual we should authorise the Honourable Second Official Member to correct minor errors and such the like in these Bills. Would the Clerk please state the Bill and read the clauses?

The Public Accountants Bill 2003

Clauses 1 and 2

The Clerk: Clause 1 Short title and commencement.

The Chairman: The question is that clause 1 stand part of the Bill.

All those in favour please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Clause 1 passed.

Clause 2

The Clerk: Clause 2 Interpretation

The Chairman: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, in accordance with Standing Order 52(1) and (2), I, the Third Official Member give notice to move the following amendments to the Public Accounts Bill 2003, that the Bill be amended as follows:-

Clause 2. By deleting the definition of "Caymanian status" and substituting the following definition:-

""Caymanian status" means possession of the right to be a Caymanian as defined in section 20 of the Immigration Law 2003. "

The Chairman: The amendment has been duly moved. Does any Member wish to speak to the amendment?

The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Just a quick question for purposes of clarity. Section 20 of the Immigration Law, 2003; I just want to make sure, that is the latest piece of legislation that became effective 1 January, that we are referring to?

The Chairman: Yes.

The question is that the amendment stands part of the clause.

All those in favour please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that clause 2 as amended stands part of the Bill.

All those in favour please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 2, as amended, passed.

Clauses 3 through 7

The Clerk:

Clause 3	Establishment of the Cayman Islands Society of Professional Accounts.
Clause 4	Seal of the Society.
Clause 5	The Council.
Clause 6	The Society's funds.
Clause 7	The Society's accounts.

The Chairman: The question is that clauses 3 through 7 stand part of the Bill.

All those in favour please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 3 through 7 passed.

Clauses 8 through 16

The Clerk:

Clause 8	The Registrar and the register.
Clause 9	Registration of members.
Clause 10	Qualifications for registration as student.
Clause 11 and	Licensing of Caymanian status holders permanent residents.
Clause 12	Licensing of work permit holders.
Clause 13	Practising without a licence to be an offence.

Clause 14	Miscellaneous provisions relating to licences.
Clause 15	Notification of results of applications.
Clause 16	List of licence holders to be published.

The Chairman: Honourable Members I propose to take the new clause 12(a) in accordance with Standing Order 52(8). The question is that clauses 8 to 16 stand part of the Bill.

All those in favour please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 8 through 16 passed.

Clauses 17 through 27

The Clerk:

Clause 17	Investigation Committee.
Clause 18	Professional misconduct.
Clause 19	Complaints.
Clause 20	Investigation of professional misconduct.
Clause 21	Disciplinary and other orders.
Clause 22	Orders to be registered.
Clause 23	Immediate implementation of orders.
Clause 24	Amendment of register on order.
Clause 25	Certificate or licence to be returned.
Clause 26	Restoration of name to the register.
Clause 27	Appeals against decisions.

The Chairman: The question is that clauses 17 through 27 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 17 through 27 passed.

Clauses 28 through 33

The Clerk:

Clause 28	Application of the Trade and Business Licensing Law (2003 Revision).
Clause 29	Compliance with the Proceeds of Criminal Conduct Law (2001 Revision).
Clause 30	Regulations.
Clause 31	Offences in relation to licenses and registration.
Clause 32	Immunity.
Clause 33	Transitional provisions.

The Chairman: The question is that clauses 28 through 33 stand part of the Bill.

All those in favour please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 28 through 33 passed.

New Clause 12A Amendment

The Chairman: Honourable Third Official Member would you please move the amendment for the new clause 12A?

Hon. George A. McCarthy: Mr. Chairman in accordance with Standing Order 52(8) I beg to move that a new clause 12A be included in the Bill that is before this Committee for consideration.

By inserting after clause 12, the following clause– "12A. The provisions of sections 9, 10, 11 and 12 as they apply to a person who–

a) possesses Caymanian status;
b) Is a permanent resident or;
c) Is a holder of a work permit shall, with the necessary changes being made, apply to the spouse of any such person."

The Chairman: The question is that this clause be read a second time. Does the Honourable Mover of the clause wish to speak on it, or does any other Member?

Hon. George A. McCarthy: Mr. Chairman, this is self-explanatory and I think it addresses a point that has been raised earlier in the debate during the second reading by the Honourable Leader of the Opposition.

This clause makes it possible for spouses of Caymanians to be registered as students in the accounting profession. It also deals with those persons who will be here for quite a protracted period of time, while remaining as work permit holders.

The Chairman: Does any other Member wish to speak?

The question is that this new clause be added to the Bill as Clause 12A.

All those in favour please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. New clause be added to the Bill as Clause No. 12A.

Schedules 1 through 3

The Clerk:

Schedule 1	Objects of the Society.
Schedule 2	Approved Institutes.
Schedule 3	Sections 39 to 46 of the Summary Jurisdiction Law (1995 Revision) as Modified to apply to Appeals against Decisions of the Disciplinary Tribunal or the Council.

The Chairman: The question is that Schedules 1 through 3 be added to the Bill.

All those in favour please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Schedules 1 through 3 passed.

The Clerk: A Bill for a Law to Regulate the Practice of Public Accountancy; and for Incidental and Connected Purposes.

The Chairman: The question is that the Title stands part of the Bill.

All those in favour please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Title passed.

The Chairman: This now concludes the proceedings in Committee. The question now is that the Bill be reported to the House.

All those in favour please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed that the Bill be reported to the House.

House Resumed at 2.30 pm

The Speaker: Please be seated.

REPORT

The Public Accountants Bill, 2003

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I am to report that a Bill shortly entitled The Public Accountants Bill, 2003 was considered by a Committee of the whole House and passed with amendments.

The Speaker: The Bill has been duly reported and is set down for Third Reading.

The Honourable Deputy Leader, would you please move the adjournment?

ADJOURNMENT

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move the adjournment of this Honourable House until Wednesday 10 March at 10 am.

The Speaker: The question is that this House do now adjourn until 10 am Wednesday 10 March 2004.

All those in favour please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

At 2.34 pm the House stood adjourned until Wednesday, 10 March 2004, at 10 am.

OFFICIAL HANSARD REPORT
WEDNESDAY
10 MARCH 2004
10.34 AM

Third Sitting

The Speaker: I invite the Honourable Minister of Education to lead us in prayers.

PRAYERS

Hon. Roy Bodden: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth I; Philip, Duke of Edinburgh; Charles, Prince of Wales, and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 10.37 am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies for absence from the Elected Member for East End who is attending the 53rd Parliamentary Seminar in the United Kingdom until 13 March.

Also, apologies for late arrival from the Honourable Minister for Health Services, Agriculture, Aviation and Works and from the Honourable Minister for Community Services, Gender Affairs, Youth and Sports.

Elections Law Amendments

The Speaker: I wish to make the following announcement. I have been requested by the Honourable First Official Member to ask all Honourable Members to attempt to arrive here at the Chamber by 9.30 am on Wednesday 17 March 2004 for the purpose of discussing any necessary and possible amendments to the Elections Law so as to enable such amendments, if any, to be brought to the June 2004 Meeting of the House.

Therefore, I would ask all Honourable Members to make every attempt to be here at 9.30 am on Wednesday. I ask that you let any of your Member friends know who are not present at this time.

PRESENTATION OF PAPERS AND OF REPORTS

The Stamp Duty Regulations, 2004

The Speaker: The Honourable Second Official Member.

Hon. George A. McCarthy: Mr. Speaker, I beg to lay on the Table of this Honourable House, the Stamp Duty Regulations, 2004.

The Speaker: Would the Honourable Member wish to speak thereto?

Hon. George A. McCarthy: Thank you, Mr. Speaker.

In accordance with section 27(2) of the Stamp Duty Law (2003 Revision), these regulations are subject to a negative resolution of this Honourable House.

The Regulations have the effect of continuing the present 5 per cent stamp duty rate until such date as may be appointed by order of His Excellency the Governor.

These Regulations have been approved by the Cabinet of the Cayman Islands, however they are

subject to a negative resolution of the Legislative Assembly, as I mentioned earlier.

The origin and purpose of the 5 per cent stamp duty rate is well known to all Honourable Members of the Legislative Assembly. The Government introduced the 5 per cent rate in November, 2001 as a stimulus measure for the local economy following the devastating September 11 terrorist attack in the United States of America.

Government decided to continue the 5 per cent rate because there is evidence to suggest that it continues to have a positive effect on the real estate industry.

When the stamp duty rate was 7.5 per cent and 9 per cent in 2002 land transfers had a total value of $257 million and the duty received by the Government in that year was $18.6 million. For the first 11 months of 2001 the 7.5 per cent and 9 per cent stamp duty rates were in existence. The 5 per cent was introduced in November 2001. The value of land transfers in that year declined to $173 million and the duty received by the Government in the year to December, 2001 fell to $14.3 million.

Because the 5 per cent rate was not introduced until November it probably did not have significant impact on land transfers in the 2001 calendar year. In 2002 when the 5 per cent rate was in existence for the entire year the value of land transfers increased to $270 million which was more than the $257 million activity level experienced in 2000.

For the calendar year to December 2003, stamp duty revenue on land transfers was $17.2 million equivalent to the dutiable transfers of $344 Million which surpasses the $257 million of land transfer activity experienced in 2000 and the $270 million in 2002. Therefore, the use of the 5 per cent stamp duty rate, the Government has more than returned the Islands to the pre-September, 2001 level in real estate activity.

I urge all Honourable Members to support the Stamp Duty Regulations.

Thank you.

Cayman Islands Development Bank - Report for the Ten-Month period ended 31st December, 2002;

and

Cayman Turtle Farm (1983) Ltd. Financial Statements at 31st March 2002
(Deferred)

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, I beg to defer items 3(ii) and 3(iii) until tomorrow morning, that is, the Cayman Islands Development Bank - Report for the Ten-Month period ended 31st December, 2002; and the Cayman Turtle Farm (1983) Ltd. Financial Statements at 31 March 2002. I would propose to add those to the Order Paper for tomorrow.

The Speaker: The question is that the Presentation of Papers and Reports on the Cayman Islands Development Bank - Report for the Ten-Month period ended 31 December, 2002 and the Cayman Turtle Farm (1983) Ltd. Financial Statements at 31 March 2002 be deferred.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Reports deferred until Thursday 11 March 2004.

Annual Report of the National Drug Council and Audited Financial Statements 1 July 2001 – 30 June 2002
(Deferred)

Hon. W. McKeeva Bush: Mr. Speaker, the Honourable Minister is not here and I believe the House should defer this until later in the day or until another time for that Minister. He is unavoidably late.

The Speaker: Honourable Members, the Honourable Minister had advised that he would be late; he is at an official function which he could not avoid.

The question is that the tabling of the Annual Report of the National Drug Council and Audited Financial Statements 1 July 2001 – 30 June 2002, be deferred until a later sitting.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Report deferred to a later sitting.

QUESTIONS TO HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

Question No. 102
Deferred Monday 8 March 2004

The Speaker: The First Elected Member for George Town and Honourable Leader of the Opposition.

No. 102: Hon. D. Kurt Tibbetts asked the Honourable Minister responsible for the Ministry of Community Services, Gender Affairs, Youth and Sports if the Government has adopted the CH2M Hill Report.

The Speaker: The Honourable Minister responsible for the Ministry of Tourism, Environment, Development and Commerce and Honourable Leader of Government Business.

Hon. W. McKeeva Bush: On 26 November 2002 the Executive Council approved the CH2M Hill study on the provision of construction, aggregate and fill material for the Cayman Islands and the tabling of this Report in the Legislative Assembly. Honourable Members will recall that the study was tabled in accordance with Executive Council approval in December 2002.

Supplementaries

The Speaker: Are there any supplementaries?
The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Could the Honourable Minister state, if, since the approval and tabling of this Report in the Legislative Assembly, the various Government agencies (who have to make decisions relying on the recommendations of this Report), have been instructed to make those decisions based on the recommendations of the Report?

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, the CH2M Hill Report informs Government's policy-making in various aspects for example, where relevant, the Department of Environment incorporates the findings of the CH2M Hill Report into its assessment reports on recommendations and other departments are asked to do likewise.

The Speaker: The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Can the Minister state specifically if the Central Planning Authority has been making its decisions based on the recommendations specified in the CH2M Hill Report?

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, to the best of my knowledge they should be. I would undertake to find out exactly what is happening. As I said, the Department of Environment incorporates, where necessary, the assessment reports and recommendations. All other Departments and sections should be doing the same thing.

The Speaker: The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: The Minister has just given an undertaking and for purposes of clarity I would like to understand whether the Minister means that agencies such as the Central Planning Authority and the Planning Department, but not limited to those departments or agencies, will be instructed to base their decisions on the recommendations in the Report, or is the case otherwise?

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, as I said, I will undertake to find out whether they are adhering to the findings of the CH2M Hill.

The Speaker: I will allow one more question.
The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. Among the many recommendations contained in the Report is a recommendation that further North Sound dredging be prohibited. I wonder if the Honourable Minister is able to tell us whether or not that recommendation has been adopted by Cabinet. I ask that question in light of his recent announcement that he was going to recommend to Cabinet the major dredging of the North Sound including a channel along the perimeter of the North Sound.

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, the two Members could have saved some time if they had asked that question first, which I suspect they were really after.

There was no announcement by me that there would be major dredging of the North Sound. The Member just said major dredging of the North Sound and a channel. I did make mention at the economic forum hosted by Fidelity Bank of a channel.

What I said was that the Island has the biggest registry of mega yachts however, those yachts cannot come here because there is no safe harbour. As those are the kinds of clients we are seeking to attract for tourism we should investigate the possibility of a channel in the North Sound so that the vessels could get inside, and also, more importantly, the North Sound, now being such a heavily traffic area, with boats every day of the week, the bottom is being stirred and the clarity of the water is not there simply because of long drafts of various vessels.

I also said that I would ask to set up a committee to investigate that possibility. Actually, that has been done and there is a newly appointed North Sound Advisory Committee which has its terms of reference that its members review the CH2M Hill Report.

The Report has been given to all members of the North Sound Channel Advisory Committee.

This channel, Mr. Speaker, as I said then, from what I envisioned (and I am not a member of the Committee), would enter the North Sound in the area known as Big Channel which would be cleared to a width of 150 feet and to a depth of 15 or 16 feet. The channel would extend from that point in the direction across the head of Barkers, turn south and continue along the entire western periphery of the North Sound, turning east and ending in the vicinity of the Grand Harbour development. The channel would be able then to connect with several existing channels which partially extend into the North Sound from various developments on the western and southern sides of the North Sound.

As I said, Mr. Speaker, a North Sound Channel Advisory Committee has been formed and the terms of reference for this committee are as follows:

- examine the economic environmental and social implications of dredging a channel as described above in the North Sound
- examine and advise on a maintenance programme for such a channel including but not limited to markings and clearings.
- review the CH2M Hill Report on the provision of construction aggregate and fill for the Cayman Islands and advise reconciliation and/or mitigation options with respect to any conflicts that might exist between that Report and the proposal for such a channel in the North Sound.
- examine and advise on the options for the disposal of the material produced from dredging such a channel in the North Sound and submit a report with recommendations to the Ministry of Tourism, Environment, Development and Commerce on the concept of dredging a channel as proposed in the North Sound.

The members of that advisory committee are—

Mr. Cardinal DaCosta, (Chairman),
Mr. J. Bodden,
Captain “Chucky” Ebanks,
Mr. James “Jimmy” Powell,
Mr. Brian Butler,
Mr. Robert “Bobby” Soto,
Mr. Atlee Bodden,
Mr. Rene Hislop,
Mr. Ron Zimmer,
Mr. Mike Bell,
Mr. Guy Harvey,
Mr. Davis Borden,
Mrs. Gina Petrie, (Director of the Environment),
Mr. George Hunter,
Mr. Anthony Scott.

The Speaker: Honourable Members, because of the significance of the supplementary and the comprehensive answer received I will allow one final supplementary.

The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you. Mr. Speaker, I just wish to get it absolutely clear. My question was if the Government has adopted the CH2M Hill Report.

The answers speaks to Executive Council approving the study on the provision of construction aggregate and fill material for the Cayman Islands which is the same report that I am speaking about and the fact that it was tabled in this Honourable Legislative Assembly. The fact that the Report was approved and tabled does that mean that the recommendations have been adopted as a matter of policy by the Government.

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, I really think the Member is playing with words. I said that the Executive Council has accepted it and if that means accepting it as policy, what else would they be accepting? Throughout the governance of the Islands this is the document that we are supposed to follow.

Thank you very much Mr. Speaker.

The Speaker: The Elected Member for North Side.

Suspension of Standing Orders 23(7) and (8)

Hon. W. McKeeva Bush: Before you go on, Mr. Speaker, I think it is just about 11 am. Could we move the Standing Order to allow questions to be answered after 11 am?

The Speaker: Please continue, Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, I move to suspend the relevant Standing Orders in order to have questions taken after 11 am.

The Speaker: The question is that Standing Orders 23(7) and (8) be suspended to allow Question Time to continue beyond 11am.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Orders 23(7) and (8) suspended to allow Question Time to continue beyond 11 am.

Questions Nos. 105 and 106

(Deferred)

The Speaker: The Elected Member for North Side.

No. 105: Ms. Edna M. Moyle to ask the Honourable Minister responsible for Community Services, Gender Affairs, Youth and Sports what is the total number of juveniles and young offenders now being held, giving the number at each facility.

Ms Edna M. Moyle: The House has been made to understand that the Honourable Minister would be late. I, therefore, request that this question be deferred to another sitting.

The Speaker: Question No. 106 is addressed to the same Honourable Minister. It asks what is Government's plan regarding the implementation of the National Youth Policy.

The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker. Since the Minister indicated that he would not be here on time, I would suggest that questions Nos. 105 and 106, be set down for another day.

The Speaker: The question is that questions Nos. 105 and 106 in the name of the Honourable Minister of Community Services, Gender Affairs, Youth and Sports, who is unavoidably absent, be set down for a later sitting of the House.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Questions Nos. 105 and 106 deferred to a later sitting.

Question No. 107

The Speaker: The Second Elected Member for George Town.

No. 107: Mr. Alden M. McLaughlin, Jr. asked the Honourable Minister responsible for the Ministry of Education, Human Resources and Culture what is the projected increase in student population for the Cayman Islands for the September term, 2004?

The Speaker: The Honourable Minister responsible for Education, Human Resources and Culture.

Hon. Roy Bodden: Mr. Speaker, the total projected student population for all government schools in the Cayman Islands for the 2004 school year is as follows:

Reception 50 (classes only at the East End primary school, North Side primary school, West End primary school, Creek primary school)

Year 1	350
Year 2	355
Year 3	400
Year 4	395
Year 5	370
Year 6	400
TOTAL	2,320

Alternative Education Programme -13

Year 7	380
Year 8	370
Year 9	400
Year 10	360
Year 11	295
Year 12	325
TOTAL	2,143

Overall total 4,463 compared to 4,207 for the school year 2003; a difference of 256.

The Speaker: Are there any supplementaries?

The Second Elected Member for George Town.

Supplementaries

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. I am grateful to the Minister for that response and I do have some specific supplementaries, with your permission, in relation to that.

I wonder if he has the information which the question sought, which was the total projected increase for student population for the Cayman Islands.

His response is limited to government schools. If he does not have that additional information available could he provide an undertaking that he would provide it, then I can move on to supplementaries in relation to government schools?

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Mr. Speaker, I suppose that the information, with regard to the private schools, could be had and indeed the Education Department should have that current information. However, under normal circumstances the Ministry of Education does not assume responsibility for the provision of school spaces for these schools therefore it is not something that I would have at my finger tips at this time. I would have to give an undertaking to get that information and provide it in writing for the Honourable Member.

[Pause]

Hon. D. Kurt Tibbetts: Mr. Speaker, are you going to ask if there are any supplementaries, Sir?

The Speaker: I was going to, however, I thought I heard someone from the Opposition saying that was all.

[Inaudible interjections]

The Speaker: Sorry. Are there any further supplementaries?

Hon. D. Kurt Tibbetts: Sorry about that misunderstanding Mr. Speaker.

In the substantive answer we noticed that in various years there are some larger numbers than others. The one that I want to specifically look at is in year 9, which I assume would be the last year at George Hicks High School and where 400 students are projected for the term of September.

Perhaps the answer to this specific question will show the trend and I might not have to ask about the others. Can the Minister state, what type of increase does this number that is projected for year 9, as compared to the present year 8, show which might give an indication as to new students coming in mid-year rather than at the very beginning.

To clarify, year 9 with its projected answer of 400 would be the present year 8 of students plus any other students who might be coming from other institutions or elsewhere.

Would the Minister have the information to give that comparison so that we can see how many students we are talking about compared to who are presently in year 8?

The Speaker: The Honourable Minster of Education.

Hon. Roy Bodden: Mr. Speaker, it is my understanding that the difference is made up of transfer students from, primarily, the private schools who usually make the change for a number of reasons amongst the most important of which are whenever there is a raise in fees.

It is not an uncommon occurrence to have the year 9 students at the George Hicks High School to be of a sizeable number. That is the case, even as we speak; it is a trend which causes concern for the Education establishment and it impresses upon us the necessity to have the third high school and indeed, to ensure that we have provisions in the future to accommodate an increasing number of students in our high school system.

The Speaker: Are there any other supplementaries?

The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. The answer has indicated an overall increase in the student population of 256 in the Government schools. That is cumulative of both primary and high schools. In actuality, the high schools are broken down in to junior high and high school.

The Honourable Minister said in a response to another question in this Honourable House during this meeting that he was confident that there would be sufficient accommodation for all students attending the Government primary schools in September, 2004. Last year there was some difficulty with accommodating students at George Hicks, the junior high school, and temporary classrooms had to be utilised.

I wonder whether or not the Minister can enlighten us as to whether or not there will be sufficient provision at both of the Government high schools this year, given what transpired last year and this projected increase in students.

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Mr. Speaker. It would be excellent if I could give such a precise undertaking, however, I cannot because the Honourable Member asking the question well knows that for some time now we have needed a third high school to effectively accommodate the growing cohorts of students reaching high school age.

What I can say with confidence is that we, the Ministry, are endeavouring to make provisions so that the increasing number of students will not be inconvenienced or will not have to experience any less efficient educational standards and settings as students in other schools.

The Speaker: I will allow two further supplementaries.

The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. That was rather a convoluted response. May I ask the question more directly? Will the Honourable Minister say whether or not additional temporary classrooms will have to be utilised again this year to accommodate the burgeoning high school population?

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Yes, Mr. Speaker, and if that Honourable Member has a more effective solution I am willing to listen.

The Speaker: Honourable Leader of the Opposition, this is the last supplementary.

Hon. D. Kurt Tibbetts: Thank you for the warning, Mr. Speaker. In the substantive answer the Minister speaks to the projected population for government schools.

Can the Minister inform this House whether this projected student population is based on the present available information with regard to present numbers who would naturally be moving up from a year

including those who have already been registered with the Education Department as new students? If that is the case, when would the close-off be for applications for new students within the Government system, and given the trends of previous years can he give any indication of how any more might be added to what is projected, at present, by the time this September year comes around?

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Mr. Speaker. If I can count, that was three questions in one. Let me attempt to give an intelligent answer.

The projections are based primarily upon the existing enrolled numbers, plus what will come naturally from projected registrations. The Education Law clearly outlines the registration period and it is closed after two weeks. There is no anticipation of any large cohort of students coming from either natural progression or outside of the realms of natural progression which cannot be accommodated.

I am not saying that we have it precisely down to the last student because regrettably this is not that precise a science yet. However, I am assured that the projected numbers given are reasonable and realistic.

STATEMENTS BY HONOURABLE MININSTERS/MEMBERS OF THE CABINET

The Speaker: The Honourable Leader of Government Business.

[Pause]

Cayman Islands Economic Development Plan

Hon. W. McKeeva Bush: Mr. Speaker, almost a year ago today, I stood before this Assembly and raised the need for drawing up an economic development plan that will allow us to make informed choices in securing our future, and the future of our children. We took on this assignment against the backdrop of growing challenges over the past four years. Our financial services industry has undergone unprecedented scrutiny through a number of international regulatory and tax initiatives and the tourism sector is faced with a challenge to ensure that our product continues to be internationally competitive and fully serves our target market. Meanwhile, we have to prepare our children for a fast-changing global economy.

Today, I am pleased to present the draft Cayman Islands Economic Development Plan (CEDP), our country's first medium-term economic plan. This was formulated in a widely consultative manner involving representatives from the Government and the private sector. At the outset, I would like to thank these people for contributing their expertise and time to the planning exercise. Their support and assistance are properly acknowledged in the Plan document.

The CEDP and Vision 2008

The Cayman Islands Economic Development Plan is a five year strategic plan towards fulfilling the long-term vision for the country's economy which was first presented in the historic Cayman Islands National Strategic Plan (NSP) 1999-2008, known also as Vision 2008.

Thus, the vision of the CEDP is consistent with Vision 2008:

"Over the next five years, the people of the Cayman Islands shall have secured a high quality of life for themselves through increasingly productive employment and business opportunities arising from internationally competitive business sectors that are developed in an economically, socially and environmentally sustainable manner."

However, we intended the CEDP to improve on the economic aspects of Vision 2008 in several ways.

First, the CEDP "is focused on the directions of the Cayman Islands economy, in terms of economic outcomes or targets, priority objectives and key strategies." Overall, the economic outcomes are aimed at recovery and sustainability. What this means is that, the CEDP seeks modest but sustainable economic and employment growth rather than a high growth for few years that will set up our economy for over-heating and bust in the succeeding years.

"In the next five years, the CEDP aims for sustained economic recovery from the slow growth of less than 2 per cent in 2001 and 2002. An average real GDP growth rate of 3 per cent per annum is targeted over the period 2004-2009." A small rise in inflation to an annual rate of "3.2% is targeted over the next 4 years with an inflation rate of 3 per cent by 2009; slightly lower than the average for 1992-2002." The CEDP targets "a gradual decline in the Caymanian unemployment rate which will lead to an average of 4.0 per cent over the medium term."

These numbers are modest, but I must emphasise that we are aiming for sustainability considering the growing challenges and tight opportunities of the private sector which remains the main driver of growth in the Cayman Islands, and what the Government can do in supporting the private sector as recommended in the draft CEDP.

In drawing up these desired overall outcomes, the draft CEDP recognises the dependence of the Cayman Islands economy on the global economy, particularly on the United States (US) economy, and the basic structure of our economy:

- "The Cayman Islands is a small open economy
- The economy is predominantly services based

- The economy is fuelled by a largely transient labour force
- There are no direct personal income, corporate or property taxes (which therefore puts limits to government resources.)
- There is a fixed exchange rate regime pegged to the US dollar, operating under a currency board system" (which therefore puts the burden of policy-making to fiscal policy).

Second, the CEDP relates the key structural features of the Cayman Islands economy to challenges and opportunities for the next five years. These are all logically related in drawing up a broad policy framework and in recommending strategies for the main economic sectors, being: tourism, financial services, small businesses and e-business as well as in recommending a specific set of strategies for the Sister Islands and the overall inward investment framework of the Cayman Islands. These sectoral strategies are the primary focus of the CEDP.

Third, the CEDP addresses the challenges in the business and employment environment presented by the quality of our human and physical infrastructure. Action steps in further raising the quality and sustainability of our education and health, and social services, physical infrastructure and the natural environment are thus recommended in the CEDP.

Fourth, the CEDP develops a comprehensive governance framework and where possible incorporating the costs of the key economic strategies into a projected five year fiscal plan for the Government. In addition, strategies in the CEDP are cast within an indicative timetable of implementation, depending on their importance to economic growth and likely resource requirements. As such, the Plan is a guide for prioritizing the use of government resources across fiscal planning periods, with adequate flexibility should conditions warrant. Moreover, specific strategies are assigned to lead and support agencies. This is intended to serve as the basis for monitoring and evaluating performance over the planning period.

The CEDP and Sustainable Economic Development

Before I present the key strategies that comprise the main body of the CEDP, it is important for us to spell out clearly the key principles that were observed in ensuring that the CEDP is indeed a coherent plan and framework for sustainable economic development.

Sustainable development means that the recommended strategies in the CEDP whether they are in the form of Government policies or projects or programs were set in a manner that recognises limits to economic development. These limits are:

1. Physical balance.

This refers to the carrying capacity of the country's major physical constraint - the small land mass and fragile marine environment and resources of the Islands. This defines a fixed limit to the extent of physical development in the country, and at the same time a challenge to the diversification (of tourism and related) industries.

Consistent with this framework, sustainable use of land is supported in the CEDP through the economic development of the Sister Islands (Cayman Brac and Little Cayman). Public-private partnerships will be vital in pursuing this policy objective.

2. Social stability.

The CEDP recognizes that economic productivity can be constrained by social stability – an unstable society is not productive. Thus, the CEDP recommendations also seek to "enhance education, health and other social services that raise the level of human development and productivity, thereby contributing to social stability. At the same time," we ensured that strategies in the CEDP do not compromise the culture and security of the country," or our families and private individuals in the Islands.

3. Good governance and macroeconomic stability.

The CEDP espouses that interventions of the central government and the entire public sector are within the limits of effective, responsible and transparent governance. Fiscal policy is disciplined and deliberately controlled to avoid creating unnecessary activities in the economy that crowd out the private sector, and in accordance with principles of responsible financial management.

4. International competitiveness

The CEDP views the global economy as the country's potential market. As such, it benchmarks the (desired) productivity of the people, the quality of its regulatory, human and physical infrastructure and ultimately its services against the world's most competitive in tourism and finance, and eventually in e-business and other emerging sectors.

Key Sectoral Strategies

I am inviting Honourable Members and the Public to please read through the recommendations of the CEDP. These recommendations have been drawn up from thorough analysis of our available historical and recent government and national income accounts and other statistics; and from several consultations with the private sectors on the strengths, weaknesses, opportunities and threats or issues in each sector. Research which has been done into best practices across many countries has also been considered as they apply to the economic conditions in the Cayman Islands.

I would like to emphasize that the CEDP also took off from existing strategic plans such the Government's three-year "Strategic Policy Statement," the five-year "Focus for the Future : A Tourism Policy Framework for the Cayman Islands," and "Education for the 21st Century Cayman Islands." These distinct sectoral plans are important but it is vital to bring together these strategies in a coherent manner from the perspective of an economic plan – the CEDP - in or-

der to ensure that resources are used optimally for a common vision benefiting present and future generations in the Cayman Islands. This is what the Government has set out to achieve in developing the CEDP.

Tourism

The CEDP relies on the National Tourism Management Policy (NTMP) for the strategies for the tourism sector. To that extent, the five year strategy laid out in that document remains the main guidance over the next five years. It is however worth repeating the key strategies of the NTMP which are as follows:

1. Improve the marketing of the Cayman Islands to the high spending visitor
2. Improve existing airport and maritime ports to better manage visitors and facilitate tourism.
3. To enhance protection of the environment
4. Enhance the quality of the tourism product including providing a distinct Caymanian experience and better entertainment.

Financial Services

The financial services industry has been subject to a number of regulatory and tax initiatives over the past four years. While some sectors have continued to experience growth, the industry overall faces a risk that the jurisdiction may become less attractive due to increasing competition onshore as well as among offshore jurisdictions, and due to the regulatory changes, some of which are perceived as onerous. The main recommendations address the following threats:

- The negative image of the regulatory regime despite significant enhancements and regulatory requirements that exceed those in many countries in the area of 'know your customer' rules and best practices.
- The need for the Cayman Islands to become more business friendly and efficient from both an internal and external perspective.
- The lack of properly trained and motivated young professionals.
- The need for a more coordinated and strategic response to the ever increasing competition among offshore jurisdictions and to the regulatory challenges which may affect some of the services currently offered in the Cayman Islands.

The following five key strategies are outlined for the financial services sector:

1. Establish an aggressive marketing programme for the Cayman Islands financial services industry.
2. Organize a more strategic response mechanism to deal with competitive and regulatory challenges.
3. Regain the private client base
4. Improve efficiency and service of relevant public sector bodies and departments when dealing with license applications and queries for all sectors.
5. Develop educational and training framework to meet challenges of evolving workplace and the fast paced development of the financial services sector in the Cayman Islands.

e-business

The Cayman Islands has not sufficiently taken the opportunity to use e-business as a tool for improving the productivity of existing businesses or to develop niche e-business products. The main issues identified in the CEDP are:

- The physical infrastructure required to develop e-business is not in place.
- There is a shortage of properly trained, motivated information and communication technology (ICT) professionals
- Local awareness of the nature and benefits of the new technology by individuals and businesses appears to be very low.
- There is a need for the Government to take a leadership role in e-business. The launch of an e-government initiative is strongly recommended as a part of the cost savings strategies for the public sector.

The key strategies for the e-business sector are therefore to increase the number of ICT professionals over the next five years, to establish the necessary legislation and IT infrastructure and to increase public awareness of the technology and its benefits and develop niche e-business products that contribute to the economy. Marketing is also an important aspect of the e-business strategies and it is recommended that this effort is combined with the Brand Cayman initiative.

Small businesses

The CEDP's strategy for this sector is to ensure adequate and effective support to the growth of small businesses in the Cayman Islands and to encourage innovation and entrepreneurship in the economy.

The main issues are:

- There exists a degree of overlap in responsibility of, and lack of coordination among, existing organisations that provide support services to small businesses.
- Access to both financial and human capital is among the largest challenges facing small business entrepreneurs.
- The importation of goods for resale by individuals without a trade and business license and under-invoicing by some importers, represents a significant challenge for small businesses.
- There is a need to encourage small business entrepreneurship.

The main strategies aimed at improving support for small businesses are:

1. Significantly improve coordination of all supporting organisations of small businesses
2. Actively encourage and promote small business
3. Assist small businesses in sourcing out cost saving or unique technology
4. Facilitate financing for start up or growth of small business
5. Enforce laws relating to the importation of goods

Sister Islands

The economies of the Sister Islands are relatively underdeveloped compared to Grand Cayman and their economic structure reflects this difference in their stage of development. The CEDP focuses largely on Cayman Brac for strategies of economic growth while ensuring that Little Cayman receives improved infrastructure and necessary services to sustain a small community with the highest standard of living and quality of life.

Some of the main issues identified are:

- It is estimated that the per capita income of the Sister Islands is approximately half of the overall Cayman Islands per capita GDP.
- The Cayman Brac economy is not benefiting sufficiently from the development occurring in Grand Cayman.
- The Cayman Brac economy faces the risk of shrinking to an unsustainable level in the long run if the resident population remains at the current low levels.
- The current governance framework inclusive of policies and legislation requires enhancement to address the special needs of the Sister Islands for economic growth and well planned development.

In addition, it is estimated that the Government contributes approximately 50 percent of the GDP of the Sister Islands. This is due to the fact that in order to provide basic services such as healthcare, education, safety and infrastructure needs, the Government must necessarily incur a fixed cost to provide such services regardless of the size of the population. This emphasises the acute diseconomies of scale that are in place in both the public and private sector as a result of the small population.

The three strategic aims to secure a successful economy in the Sister Islands are:

- To develop a balanced nature/dive tourism industry by capitalising on the unique environmental features of the Sister Islands.
- To provide urgent stimulus to Cayman Brac to stabilise the economy and encourage a larger resident population.
- To establish a governance framework that recognizes the unique needs of the Sister Islands given their stage of economic development and natural resources.

Inward Investment

Increasing globalisation and competition has meant that countries are vying for foreign investment through aggressive marketing programmes, offering valuable incentives and ease of establishment. We recently established the Cayman Islands Investment Bureau to meet the country's strategic goals of economic growth, diversification through industry development, and job creation.

The CEDP recommends the establishment of a framework, guidelines and Bureau structure that will better facilitate inward investment as well as to ensure that investment activity is consistent with the CEDP. To this end, the CEDP also outlines a draft high level inward investment policy. Once finalized, the broad policy will serve as the guiding framework for a set of detailed investment incentives and procedures for the Investment Bureau which will be the lead agency in this area.

Economic Infrastructure

The economic plan defines economic infrastructure to include physical capital such as roads, and the air and maritime ports as well as human capital such as education, health and social stability aspects. The research shows that the Cayman Islands spend significantly less than the Caribbean and internationally in a number of areas relating to economic infrastructure. For example, expenditure on education as a percentage of GDP is significantly lower than most countries in the region, including comparable high income economies such as Barbados and Trinidad among others. Expenditure on the roads system is also relatively low when compared to other countries in the region or internationally. In fact, capital expenditures as a percentage of total Government expenditures have been on the decline over the past few years. Adequate infrastructure is a key input to economic growth and the CEDP therefore sets out a number of infrastructure improvements that are of high priority over the next five years.

Environmental Sustainability

The CEDP is supportive of the key strategies in the National Environmental Policy Framework, recognizing that the natural environment continues to create and sustain the current high standard of living in the Cayman Islands. Moreover, the Cayman Islands' is a signatory to a number of commitments under several international conventions.

Fiscal policy

The low expenditure on infrastructure is related to the Government's fiscal challenges. The Government has a narrow revenue base, with the majority of revenues relating to very few areas. In addi-

tion, the civil service has been growing rapidly and staff related expenses as a percentage of total expenses are very high compared to other countries.

The CEDP therefore makes a number of recommendations aimed at improving the Government's fiscal position which enables investment in both human and physical infrastructure as well as to generate a higher fiscal surplus.

The economic plan recommends a number of policies aimed at enhancing the Government's implementation of the Public and Financial Management Law (PMFL). However, it is also noted that the current PMFL requirement to maintain a ratio of debt service to total revenues of 10 percent is potentially restrictive when compared to most countries. Although several comparable countries in the region have similar debt service ratios, all of these countries have a significantly higher ratio of total Government revenues to GDP than the Cayman Islands. This emphasises the fact that such countries have a relatively broader revenue base from which to finance their infrastructure requirements.

Effective Governance

Mr. Speaker and Honourable Members, a World Bank study on Governance Indicators in 2003 indicates that the Cayman Islands rank among the top five per cent in the world in the area of government effectiveness. The World Bank report is based on a perception based survey which covers over 200 countries and was carried out in 1996, 1998, 2000 and 2002 with the Cayman Islands included in the most recent study. In this study the government effectiveness index includes the independence of the civil service from political pressures and the Government's commitment to policies among other indicators. The other individual countries listed in the top seven in the world in the area of government effectiveness, including the Cayman Islands, are Singapore, the United States, Switzerland, Finland, Germany and the UK. It is worth repeating that this is an independent World Bank study that is publicly available on the World Bank's website at worldbank.org.

However, we cannot rest on this perceived ranking however well its sounds today. The CEDP recommends a number of policies to further improve the effectiveness and efficiency of the Government, particularly those that are directly needed to further raise the quality of Government services, our human and physical infrastructure, and the policy environment in the Cayman Islands.

Concluding Remarks

In concluding, the Draft Economic Plan addresses all of the above issues with a number of strategies and detailed action steps. I am urging my colleagues in the Legislature and the Public to take a close look at these action steps. Discussions of these recommended action steps in the various levels of decision-making in the Government will be vital in coming up with a broadly-owned final version of the Cayman Islands Economic Development Plan. In closing, I would like to summarise what the CEDP sets out to do:

- It sets out the key structural features of the Cayman Islands economy and relates these to challenges and opportunities for the future.
- It communicates the broad policy framework over the medium-term, outlining how the CEDP relates to existing strategic documents within the Cayman Islands Government.
- It develops the key strategies for the key economic sectors being tourism, financial services, other domestic businesses, e-business as well as a specific set of strategies for the Sister Islands. This represents the primary focus of the plan.
- It broadly outlines the key economic infrastructure requirements such as human capital and physical infrastructure, relating these areas to the economy and through discussions with the various stakeholders, identifies a number of action steps for infrastructure improvement.
- It sets out action steps for progressing the implementation of the country's National Environmental Policy.
- It develops a comprehensive governance framework and where possible incorporates the costs of the key economic strategies into a projected five year fiscal plan for the Government.
- It provides the implementation framework for the plan.

I pray that this Assembly will share the Vision set out in the CEDP for the people of the Cayman Islands. We have a plan that serves as a road-map to that vision. It is up to us to use this road-map and I urge my colleagues in this Assembly to do so in the spirit of unity.

I thank you very much, Mr. Speaker, and I thank the House for their indulgence. Mr. Speaker, I beg your permission to lay on the Table of this Honourable House the Cayman Islands draft Economic Development Plan, 2004 – 2009.

The Speaker: So ordered.

Honourable Members I propose to take a suspension at this time to allow the Honourable Minister of Education to meet with all Honourable Members to discuss an important matter.

I will combine this with the luncheon break, asking all Members to return by 2.30 pm sharp. Thank you very much.

Proceedings suspended 12.53 pm.

Proceedings resumed at 2.38 pm

The Speaker: Proceedings are resumed.

GOVERNMENT BUSINESS

BILLS

FIRST READINGS

Suspension of Standing Orders 46(1) and (2)

The Evidence (Amendment) Bill, 2003

The Speaker: The Second Official Member.

Hon. Samuel W. Bulgin: Mr. Speaker, I beg to move the suspension of Standing Order 46(1) and (2) to take the First Reading of a Bill entitled the Evidence (Amendment) Bill, 2003.

The Speaker: The question is that Standing Orders 46(1) and (2) be suspended in order to take the first reading of the Evidence (Amendment) Bill 2003.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Orders 46(1) and (2) suspended.

The Speaker: The Bill is deemed to have been read the first time and is set down for Second Reading.

Suspension of Standing Orders 45, 46 (1) and (2)

The Endangered Species (Trade and Transport) Bill, 2003
(Deferred)

The Speaker: The Second Official Member.

Hon. Samuel W. Bulgin: I beg for the suspension of Standing Orders 45 and 46(1) and (2) to make way for the First Reading.

The Speaker: Item 2 under First Readings, which was the Endangered Species (Trade and Transport) Bill, 2003 has been deferred. We shall go to the next reading.

Suspension of Standing Order 46(4)

The Speaker: The Second Official Member.

Hon. Samuel W. Bulgin: I beg for the suspension of Standing Order 46(4) to provide for the Second Reading of a bill entitled A Bill for a Law to Amend the Evidence Law (2003 Revision).

The Speaker: The question is that Standing Order 46(4) be suspended.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 46(4) suspended.

SECOND READINGS

The Evidence (Amendment) Bill, 2003

The Speaker: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: I beg to move for the Second Reading of a Bill entitled A Bill for a Law to Amend the Evidence Law (2003 Revision); and for Incidental and Connected Purposes.

The Speaker: The Bill has been duly moved, does the Mover wish to speak thereto?

Hon. Samuel W. Bulgin: Yes, Mr. Speaker.

I rise to present to this Honourable House a Bill for a Law to Amend the Evidence Law (2003 Revision); and for Incidental and Connected Purposes.

As part of our ongoing effort and the Government's ongoing commitment to modernise laws relating to crimes and criminal procedure in these Islands, we seek to amend the Evidence Law to introduce certain measures and provisions consistent with the objectives that were just outlined.

The Bill contains three principle areas. Firstly, clause 3 of the Bill provides for the admissibility of computer records in criminal proceedings. The question as to whether computer records are admissible in criminal proceedings in these Islands has been the subject of debate in recent cases in the Grand Court.

This Bill seeks to express and provide for the admissibility of such records in evidence. In doing so what we will, in effect, be bringing that provision in line with what already exits in respect of civil proceedings.

Clause 3 of the Bill inserts a new section. Sections 28A and B and these sections are similar to sections 44 and 45 contained in Part V of the principal Law. It should be noted that the proposed section 28A does not contain some of the provisions presently contained in section 44(1)(c), which provides that evidence from computer records are inadmissible unless conditions relating to the proper use and operation of the computer are shown to be satisfied. Such a provision is similar to section 69 of the United Kingdom Police and Criminal Evidence Act (PACE), which was repealed by section 60 of the Youth Justice and Criminal Evidence Act 1999.

It is our belief that the requirement set out in section 69 of PACE was an unnecessary evidential burden and the United Kingdom was of that view as well and they abolished that requirement. It is not in dispute that our society makes even greater use of computers and increasing disputes before the courts turn on evidence which has at some stage passed through or has been processed by a computer. In order to keep in step with this practice, it is vital that the courts have the ability to take account of such evidence.

It was acknowledged in other countries, besides the United Kingdom, that the rule similar to that set out in section 44(1) (c) is totally unnecessary. If there are no such conditions for the admissibility of computer generated evidence then litigants and the court could rely on the presumption of regularity whereby it would be presumed that the machine was working properly, unless there was some evidence to the contrary, Mr. Speaker.

I made mention of recent cases. With your permission, may I mention that as recently as March 2003 there was a matter before the Grand Court where a man was charged for murder. Among the evidence the persecution was attempting to adduce that of the computer printout relating to telephone and cellular calls. It was an uphill struggle to get those records admitted in evidence and in the end the Judge had to rely on Common Law principles.

Clause 4 seeks to amend section 31 of the Evidence Law to provide other conditions for the admissibility of a written statement as well as to provide that in criminal proceedings a written statement by any person is admissible as evidence to the like extent as oral evidence, if the court thinks that it is in the interests of justice to admit such written statements.

The amendment set out in clause 4 is similar to those contained in section 23 of the Criminal Justice Act UK 1988. It is necessary because, among other things, given the very transient nature of our population it is not uncommon that persons who witness the commission of a crime are no longer around by the time the matter comes to trial.

It is also important in light of what has been happening in recent times. The year before last, there was one case in which a witness was assassinated. It is the Government's position that in instances where people think they can either assassinate or intimidate witnesses – prevent them from coming forward to give evidence– once amended, the Law will make it quite clear that there is really no incentive to do so. If the person is eliminated or frightened away from the jurisdiction, the statement will be admissible in evidence.

Clause 5 seeks to insert a new section 37A which abolishes certain rules as they relate to the concept of corroboration.

The Common Law has long provided that a judge is under the obligation to give a warning of the danger of convicting on un-corroborated evidence or unsupported evidence. This is where an accomplice, or co-accused, attempts to testify against his co-defendant or, in a sexual offence, the victim (young lady, woman or child). In all of those cases the trial judge is under an obligation to instruct the jury that it is desirable to have supporting evidence; if it is not present, it is dangerous. He has to tell the jury that in no uncertain terms, or warn himself that it is dangerous to act on the unsupported evidence of a child, woman or accomplice.

This rule has long been abolished in the UK and in other parts of the Caribbean, and a number of reasons have been advanced. One of the main reasons put forward is that it is a very complicated issue on which to direct a jury and invariably judges get it wrong for any number of reasons. Most importantly, as well, it has been accepted that there is really no scientific or empirical hard evidence to suggest that a person is less credible because she is a woman or a child or an accomplice where the evidence is clear.

All that a tribunal needs to do is consider the merits of the testimony after it has been tested by cross-examination and if it is capable of being believed then it is required that the court reminds itself, or directs a jury, that if you believe the witness then it is open for you to act on the testimony of such a witness. The purpose of the amendment would abolish the rule as it relates to trial both in the grand court and also in the summary court.

In effect those are the three main provisions in the Bill that we commend to this House. I am preaching to the converted in this Honourable House when I say that recent events have caused us to reflect. While the Government is certainly not acting on impulse or seem to be in a crisis mood it is always important that the state is proactive and remains at least one step ahead of those who are responsible for committing crimes in our society. The state must have the necessary crime-fighting ability to deal with such persons. The suggested amendments to the Evidence Law will not only bring the Cayman Islands in line with other countries but will also enhance the crime-fighting capabilities of these jurisdictions. Therefore, I commend the Bill to this Honourable House.

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

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. I wish to offer a few brief comments on this Bill on behalf of the Opposition. I might say at the start that while we appreciate what the Honourable Second Official Member has said about the effect of the Bill in that it will enhance crime-fighting efforts on the part of the police, we do not quite approach it in that manner even though crime fighting is very important.

From our perspective the Evidence Law is there to assist with the orderly presentation of relevant facts and matters to the court in a way which permits the tribunal to reach the right determination. Many of

the common law rules, in particular, which have grown up over the course of the centuries, have done so in order to ensure that principally the accused person is not treated unfairly, that evidence which is more prejudicial than probative is generally prevented from going before the tribunal and taken into consideration in the determination of the matter. That, I believe, is a premise that ought to continue. Thus, when looking at whether or not proposals to amend the Evidence Law ought to be accepted we bear that in mind.

The proposals which are contained in this Bill, Mr. Speaker, are generally of a nature which we believe will enhance proceedings; will remove somewhat artificial rules and presumptions which I think are no longer the case, certainly in respect of the abilities of women and children, and the reliability or otherwise of evidence they might give. I think those are presumptions which ought not to be made. In most other Commonwealth jurisdictions they have long since fallen by the wayside.

The provisions in relation to the admission of evidence generated via the computer are really provisions which ought to have been incorporated in our legislation some time ago and I commend the Attorney General for taking the initiative in the relatively short time that he has held that office to bring those forward.

With those brief comments I believe I can sit down and say that the Members of the Opposition are in favour of what is being proposed. We believe this modernisation of the Evidence Law will enhance the process. It will not, in our view, operate unfairly in relation to an accused person and it will give the tribunal a greater ability to fairly determine a criminal matter which is before it. Mr. Speaker, I say that on behalf of the Opposition on this side of this Honourable House. I do not believe that I am yet entitled to speak for the Opposition on the Government side of this Honourable House.

With those brief remarks I will, as the Honourable Second Official Member did, commend this Bill to all Honourable Members and give it our support. Thank you, Sir.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? If not, would the Honourable Second Official Member exercise his right in winding up?

Hon. Samuel W. Bulgin: Thank you, Mr. Speaker. I would like to express my thanks to the Second Elected Member for George Town, speaking on behalf of the Opposition, for his insightful and constructive observations on the Bill. I thank all other Members of the House for their support in its passage. I thank you, Sir.

The Speaker: The question is that a Bill entitled The Evidence (Amendment) Bill, 2003 be given a Second Reading.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Evidence (Amendment) Bill, 2003 given a Second Reading.

The Endangered Species (Trade and Transport) Bill, 2003
(Deferred)

The Speaker: Before moving to committee I was asked earlier, by the Honourable Leader of Government Business, to have his Bill, The Endangered Species (Trade and Transport) Bill, 2003 deferred. Accordingly, I would call on the Second Elected Member for West Bay to move the motion for the deferral.

Mr. Rolston M. Anglin: Mr. Speaker, under the relevant Standing Order I would like to move a motion to defer the Government Bill entitled The Endangered Species (Trade and Transport) Bill, 2003, until a later date.

Mr. Cline A. Glidden: I beg to second that motion Mr. Speaker.

The Speaker: The question is that The Endangered Species (Trade and Transport) Bill, 2003, be deferred until a later sitting in the meeting.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Endangered Species (Trade and Transport) Bill, 2003 deferred.

The Speaker: The House will now go into Committee to consider the Bill.

House in Committee at 3.08 pm

COMMITTEE ON BILLS

The Chairman: Please be seated. The House is now in Committee.

With the leave of the House may I assume that as usual we should authorise the Honourable Second Official Member to correct minor errors and such to the like in these Bills.

Would the Clerk please state the Bill and read its clauses?

The Evidence (Amendment) Bill, 2003

Clauses 1 through 6

The Clerk:

Clause 1	Short title.
Clause 2	Amendment of section 28 of the Evidence Law (2003 Revision) – admissibility of certain records.
Clause 3	Insertion of sections 28A and B, computers etcetera.
Clause 4	Amendment of section 31 – proof of criminal proceedings by written statement.
Clause 5	Insertion of section 37A – abolition of corroboration rules.
Clause 6	Amendment of section 44 – computers.

The Speaker: The question is that clauses 1 through 6 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Clauses 1 through 6 passed.

The Clerk: A Bill for the Law to Amend the Evidence Law (2003 Revision); and for Incidental and Connected Purposes.

The Speaker: The question is that the Title stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Title passed.

The Speaker: This concludes proceedings on The Evidence (Amendment) Bill, 2003. We will now report to the House on the Bill.

House Resumed at 3.11 pm

The Speaker: Please be seated. Proceedings are resumed.

REPORT

The Evidence (Amendment) Bill, 2003

The Speaker: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Mr. Speaker, I beg to report that a Bill for a Law to Amend the Evidence Law (2003 Revision); and for Incidental and Connected Purposes was considered by a committee of the whole House and passed.

The Speaker: The Bill has been duly reported.

THIRD READING

The Public Accountants Bill, 2003

The Speaker: The Honourable Third Official Member.

Hon. George McCarthy: Mr. Speaker, I beg to move that The Public Accountants Bill, 2003 be given a Third Reading and passed.

The Speaker: The question is that a Bill shortly entitled The Public Accountants Bill, 2003 be given a Third Reading and passed.

All those in favour, please say Ayes. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Public Accountants Bill, 2003 given a Third Reading and passed.

ADJOURNMENT

The Speaker: Honourable Members, I have been told by certain Members that they wish to leave early this afternoon. Accordingly, if that is the wish of the House, I would ask the First Official Member to please make a motion for the adjournment.

Hon. James Ryan: Mr. Speaker, I beg to move the adjournment of this Honourable House until tomorrow, Thursday 11 March 2004 at 10 am.

The Speaker: The question is that this Honourable House be adjourned until tomorrow, Thursday 11 March 2004 at 10 am.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

At 3.15 pm the House adjourned until Thursday 11 March 2004 at 10 am.

During the ten month period under review a total of 60 loans were approved totalling $2.3 million, of which 35 loans amounted to $740,000 for human resource development, 12 amounting to $300,000 for small businesses and 13 amounting to $.9 million for mortgages.

Projects ranged from small ruminants and laundromats to charter vessels and tour buses. This modest achievement of the bank during this initial period of its operations served as a springboard in the enlarging of the bank's loan portfolio which is one of the Development Bank's primary strategic objectives.

As at 30th November, 2003 the Bank approved 172 loans with a total value of $7,384,549 as follows: human and resource development $1.5 million, an increase in value over 2002 of 106%; small business $1.2 million, an increase over 2002 of 351%; and mortgages $4.3 million, an increase over 2002 of 386%; other loans $308,000, an increase over 2002 of 132%, for a total of 60 loans totalling $7.3 million, with an increase in value over 2002 of 263%.

At the end of December, 2002 the total equity subscribed for in the Bank by the Cayman Islands Government was $1.5 million or 3.7% of the Bank's authorised capital of $50 million which fulfils the minimum requirement of 3% as stipulated under section 14(3) of the Development Bank Law.

Income from operations for the period totalled $203,419, of which over $138,000 represented income from loans and over $60,000 income from deposits. Key financial ratios for the fiscal period ended 31st December, 2002, as measured by both the return and average total assets and return on equity of 1.5% and 1.8% respectively, are positive indicators of the Development Bank's progress to date.

The gains made during the first ten month period of its operations in 2002 and over the past 11 months in 2003 served well for the Bank's continued growth and development as a country's premier national development institution.

Thank you.

Cayman Turtle Farm (1983) Limited Financial Statements at 31st March, 2002

The Speaker: The Honourable Minister of Tourism, Environment, Development and Commerce and Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, I beg to table the financial statements of the Cayman Turtle Farm (1983) Limited as of 31st March, 2002.

The Speaker: So ordered. Would the Honourable Minister wish to speak thereto?

Hon. W. McKeeva Bush: These financial statements represents the operations of the Cayman Turtle Farm (1983) Limited, for the year ended 31st March, 2002. In November, 2001, Hurricane Michelle caused severe damage to the main operating site of the company resulting in an overall decrease in the income of the Farm. In 2002 the Farm's total income was $2.9 million while in 2001 the Farm's total income was $3.2 million representing a decrease of CI$238,245.

In 2002 the farm reported a net loss of $143,536 while in 2001 the Farm reported a net income of $151,000 representing a decrease of $294,997.

The decrease of income for the Farm was a direct result of Hurricane Michelle and was recovered in the Farm's insurance settlement.

After Hurricane Michelle, the Board of Directors of the Cayman Turtle Farm (1983) Limited made the undertaking to relocate the most vital parts of the Farm's operations to a safer location. I am happy to report that we have successfully accomplished this by opening the Farm's breeding pond on the land side of the operation. This will give us the assurance that this type of destruction will be greatly reduced should a hurricane affect us in the future.

The Farm has continued to move forward on a positive footing with the number of visitors arriving at the farm in 2003 increasing by 11% to 453,000 and with the draft audited accounts for 2003 reflecting a net profit of $68,557. This again confirms our opinion that the Farm is rebounding from the devastation of Hurricane Michelle and will continue to go from strength to strength and rise above even the greatest challenge as we bring it into the forefront and the mainstream of tourism attractions in the coming years.

Thank you.

Annual Report of the National Drug Council and Audited Financial Statements 1 July 2001 – 30 June 2002

(Deferred Monday 8 March 2004)

The Speaker: The Honourable Minister of Community Services, Gender Affairs, Youth and Sports.

Dr. the Hon. Frank McField: Mr. Speaker, I would first of all like to thank this Honourable House for allowing the deferment of the tabling of this Report and to say that the Annual Report of the National Drug Council and the Audited Financial Statements 1 July 2001 – 30 June 2002 is now being tabled.

The Speaker: Would the Honourable Member wish to speak thereto?

Dr. the Hon. Frank McField: Mr. Speaker, I would like to commend the National Drug Council; the Members that continue to view this very important issue in our community as one that they should give time to attempt to resolve. I would like to name, in particular, Mrs. Annie Multon, the Chairman of the National Drug Council, for her valuable service to the Council and I would also like to state that, at this time, the Ministry is reviewing the National Drug Council Law and review-

ing the services, or the outputs, which the National Drug Council is providing to the community and the Ministry will make a statement to this effect in due course.

Thank you.

Suspension of Standing Order 23(7) and (8)

The Speaker: I call on the Honourable Leader of Government Business to ask for the suspension of Standing Orders 23(7) and (8) so that we can take the questions.

Hon. W. McKeeva Bush: We move for the suspension of Standing Order 23(7) and (8) in order to take questions after 11am.

The Speaker: The question is that Standing Orders 23(7) and (8) be suspended to allow question time to continue beyond 11am.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Standing Orders 23(7) and (8) suspended to allow Question Time to continue beyond 11 am.

QUESTIONS TO HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

Question No. 105
(Deferred Wednesday 10 March 2004)

The Speaker: The Elected Member for North Side.

No. 105: Ms. Edna M. Moyle asked the Honourable Minister responsible for the Ministry of Community Services, Gender Affairs, Youth and Sports what is the total number of juveniles and young offenders now being held, giving the number, at each facility.

The Speaker: The Honourable Minister responsible for the Ministry of Community Services, Gender Affairs, Youth and Sports.

Dr. the Hon. Frank McField: On 19th February 2004 there were a total of 19 young offenders and juveniles held by the Prison Service.

In Northward there were:	3 remanded juveniles 4 remanded young offenders 11 sentenced young offenders. A total of 18.
In Fairbanks there was:	1 remanded young prisoner.

Supplementaries

The Speaker: Are there any supplementaries? The Elected Member for North Side.

Ms. Edna M. Moyle: Can the Honourable Minister say if these juveniles and young offenders that are in the Northward Prison being held with the adult prisoners?

The Speaker: The Honourable Minister responsible for the Ministry of Community Services, Gender Affairs, Youth and Sports.

Dr. the Hon. Frank McField: The juveniles and young offenders are held in Northward Prison however not with the adult prisoners; they are in separate facilities with the prison.

The Speaker: The First Elected Member for George Town and Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Understanding that there is a separation within the facility could the Minister state if the juveniles are allowed outside of their specific facility at any time? Is there any mingling at all with any of the other prisoners or are they totally segregated?

The Speaker: The Honourable Minister responsible for the Ministry of Community Services, Gender Affairs, Youth and Sports.

Dr. the Hon. Frank McField: I would like to have had additional information with regard to the young offenders' juvenile facilities that are being established by the Government. Unfortunately, that additional information is not with me today. The completely separate, young offenders' juvenile facility will be officially opened on 7th April.

However, we are still working our way through what was and what still is, the non-segregation of young offenders and juveniles from the adult population, physically.

I will not try to make any excuses; the young offenders and the juveniles are housed within the physical confines of Northward Prison and although their segregation is achieved by supervision, they are in the same physical facilities and we will only remedy this situation after 7th April, 2004.

The Speaker: Are there any further supplementaries?

Question No. 106
(Deferred Wednesday 10 March 2004)

The Speaker: The First Elected Member for George Town and Leader of the Opposition.

No. 106: Hon. D. Kurt Tibbetts asked the Honourable Minister responsible for the Ministry of Community Services, Gender Affairs, Youth and Sports what is Government's plan regarding the implementation of the National Youth Policy.

The Speaker: The Honourable Minister responsible for the Ministry of Community Services, Gender Affairs, Youth and Sports.

Dr. the Hon. Frank McField: The plan is for Government to fully implement the National Youth Policy in a timely manner. The Policy was first approved in September 2000 and since that time there has been developed a Committee of Enquiry into Youth Violence, a restructuring of the Youth agencies which now fall under the Children and Youth Services Foundation (CAYS), and a restructuring of the Social Services Department now called the Department of Children and Family Services. The Ministry has hired a consultant to review the area of community based youth initiatives and more changes will be implemented. The Ministry felt that these changes were necessary to provide for a more holistic development of our youth and to further empower them, thereby reducing the development of anti-social influences.

Under the mechanisms of the National Youth Policy, the National Youth Commission was launched; the Department of Youth and Sports was established; an outline of how the Youth Assembly will function has been drafted and every youth service provider on the Islands have been requested to submit names of their representatives, an outline of how the Youth Passport will function and a prototype of the Passport has been drafted, Membership is being solicited for the Inter-Ministerial/Inter-Departmental Committee on Youth, and draft plans of the Youth Development Centres have been designed. The Ministry is continuing with its drive to implement the National Youth Policy and anticipates that it will be implemented by December, 2004. The Ministry is also aware that policy making is a dynamic on-going process and will entail reviews, re-evaluation and re-formulation in addition to implementation.

In the written answer I have provided an exposition of the particular areas and that is available for Members.

Exposition:

Department of Youth and Sports

As a response to the National Youth Policy's recommendations for youth development, the Sports Office was restructured and the Youth & Sports Department was established in 2000. The Department is comprised of a Director, Deputy Director, Sports & Recreation Coordinator, Youth Service Coordinator, Women & Girls Coordinator, four Coaches, a Senior Swimming Instructor, eight Sports Instructors, four Community Coaches, five Youth Development Workers, Maintenance and Security Supervisor, five Groundsmen, five Janitors, two Assistant Coaches and two administrative staff.

The role of the Department is to implement government policy on Youth & Sports. The Department's mission is to empower the Islands' youth. Presently, 180 men, women and youth athletes are coached as national athletes and over 4,000 receive coaching on an educational basis. Six hundred youths attend programmes offered by the Department or financially assisted by the Ministry.

Presently, the Department offers a number of youth sport programmes in the six focus sports: cricket, basketball, track and field, netball, swimming and football. These programmes are presented either in the schools or general community. The Department assists with three community youth programmes and monitors, in particular, those that receive financial assistance from the Government.

In addition to after school sports and youth programmes, the Department holds monthly youth meetings, hosts a weekly radio show "Youth Flex", moderates a weekly youth club, sponsors and supports young people who are invited abroad to represent the Islands in a number of summits, workshops, cultural exchanges, et cetera.

The Department is in the process of adding other suitable Youth Development Officers to its staff.

Cayman Islands National Youth Commission

The role of the National Youth Commission is to monitor the implementation of the Youth Policy and to advocate for youth issues to be addressed in all relevant policies.

The Commission has its own office and Office Manager. Its official opening was Friday, 27th February, 2004. It is comprised of 17 members from a cross-section of the community and disciplines. There are also "Friends of the Commission" who are co-opted from time-to-time. To date the Commission has investigated and reported on the causes of social breakdown and youth violence in the community, questioned the granting of liquor licenses to establishments that a significant number of youths visit, called for the magistrates to use a consultative approach (with social workers and educators and others who work with youths) when deciding on the sentencing of youths.

The Commission has also consulted and formulated its Plan of Action. One of its main thrusts is improving literacy among the youth – themed "Literacy for Life". In addition, it will register volunteers who wish to assist youths through youth service providers as well as monitor and evaluate youth organisations and challenge them to be positive "change agents for youths" of the Cayman Islands.

Cayman Islands Youth Assembly

It is envisaged that this implementation mechanism will be comprised of a representative from each youth service provider on the three Cayman Islands. The Youth Assembly's role is to be the voice of young people regarding the National Agenda. Representatives from the Assembly will also be members of the National Youth Commission.

To date, an outline of how the Assembly will function has been drafted and every youth service provider on the Islands has been contacted to submit the particulars of their representative to the Assembly. This information is still being received.

Youth Passport

This mechanism was thought of to:

- motivate young people to take advantage of existing educational, training, employment and recreational opportunities;
- facilitate their accomplishments publicly;
- recognise their accomplishments in a number of areas such as: education, sports, volunteerism, (positive) leadership abilities, enterprise development, cultural appreciation and participation, religious observation, social and life skills proficiency, vocational acquisition, healthy lifestyles, employment and recreational pursuits; and
- cultivate role models in various areas of endeavour.

To date, an outline of how the Youth Passport will function and a prototype of the Passport have been drafted. Discussions are underway to use the Passport with a pilot group of youths.

Inter-Ministerial or Inter-Departmental Committee on Youth

A formal committee will be formed. However, the Ministry and Department of Youth has achieved an improved working relationship with the other Ministries and Departments while actively seeking to involve the relevant departments/units in activities, which we plan. The Youth Department also offers its support and expertise to planned events by other departments/units and members of the community, when requested. The Ministry and the Department of Youth have initiated a pilot programme for children at the George Town Primary using the Departments of Youth & Sports, Health, Children & Family Services, Police, George Town Primary School, Substance Abuse, and the Churches. From this, a van has been donated to the school and the implementations of the other parts of the programme are to be continued. The Ministry sponsors pro-social agents who promote education, pro-social behaviours, anti-drug use, the Cayman Islands and healthy lifestyles. In this programme, the relevant agencies are requested to use the pro-social agents in their programmes.

Youth Development Centres

Draft plans of these centres have been designed. Three are proposed; one each for the districts of West Bay, George Town and Bodden Town. The one in Bodden Town will service the eastern districts. Ideally, these centres would be two storeys with an open first floor to accommodate a multi-purpose court that could double as a dining area, meeting rooms, youth officers' offices and a kitchen, for example. The second floor would have a dormitory with full bathroom facilities, for example, to accommodate visiting youth groups/teams. There would also be a lounge on the second floor.

Where possible, the Ministry has been trying to use or renovate existing buildings in the districts for these centres. We have requested the Ministry of Planning for the use of the Civic Centres. We will also be pursuing the use of other buildings in the districts that can be used.

That ends the exposition on the progress with regard to the National Youth Policy.

Supplementaries

The Speaker: Are there any supplementaries? The Elected Member for North Side.

Ms. Edna M. Moyle: Under the section dealing with the Department of Youth and Sports, is the Honourable Minister in a position to say if the after-school sports and youth programmes are offered in the eastern districts, and how many times per week if so?

The Speaker: The Honourable Minister responsible for the Ministry of Community Services, Gender Affairs, Youth and Sports.

Dr. the Hon. Frank McField: Mr. Speaker, my understanding from the Permanent Secretary is that the community coaches work in all of the districts.

The Speaker: The Elected Member for North Side.

Ms. Edna M. Moyle: I have a supplementary, however before I ask that supplementary, if you will allow me, I would ask the Honourable Minister if he could research, and let me know in writing, how many times these programmes are offered particularly in the district of North Side?

The Speaker: The Honourable Minister responsible for the Ministry of Community Services, Gender Affairs, Youth and Sports.

Dr. the Hon. Frank McField: I will take that as an undertaking with pleasure.

The Speaker: I will allow two more questions.

The Elected Member for North Side.

Ms. Edna M. Moyle: Thank you, Mr. Speaker. My second supplementary is under the Cayman Islands National Youth Commission where the Honourable Minister refers to: **"To date the Commission has investigated and reported on the causes of social breakdown and youth violence in the community,"**

My supplementary is, is this a different report than the Report of the Committee of Inquiry into youth violence, commissioned in 2001, and if so, is the Minister in a position to say if the Youth Commission's findings were different from that of the Committee of Inquiry in 2001?

The Speaker: The Honourable Minister responsible for the Ministry of Community Services, Gender Affairs, Youth and Sports.

Dr. the Hon. Frank McField: The Commission of Inquiry in to social breakdown and youth violence is the Committee I am referring to and that is the same Committee that the Member for North Side commissioned when she was Minister responsible for this Portfolio.

The Speaker: The Elected Member for North Side.

Ms. Edna M. Moyle: To clarify my question—

The Speaker: Is this a supplementary?

Ms. Edna M. Moyle: No. The answer the Honourable Minister gave me was not the question I was asking therefore I think he misunderstood what I was asking.

The Speaker: Please continue.

Ms. Edna M. Moyle: I am asking if, in this paragraph, under the Cayman Islands National Youth Commission where it is said: **"To date the Commission has investigated and reported on the causes of social breakdown and youth violence,"**

I am asking if that was a different investigation to the Committee of Enquiry on youth violence and, if so, were the findings the same or different?

The Speaker: The Honourable Minister responsible for the Ministry of Community Services, Gender Affairs, Youth and Sports.

Dr. the Hon. Frank McField: I am saying that the Cayman Islands National Youth Commission is the same Commission that would have been responsible for commissioning the enquiry. That is a little bit of semantics there, because I remember the Member saying at that time the National Youth Commission was the Commission that would then commissioned the enquiry. Therefore we have relayed this as part of the Commission's activities and accomplishments.

The Speaker: No further supplementaries.

STATEMENTS BY HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

The Tourism Authority of the Cayman Islands

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr .Speaker I wish to advise this Honourable House that the Governor in Cabinet of the Cayman Islands decided at its meeting on 9th March, 2004, not to proceed with transitioning the Department of Tourism to a Tourism Authority.

The Cabinet has asked the Ministry and Department of Tourism to temporarily suspend the work being done on this project by Ernst & Young and instead use the Ernst & Young draft working document to explore alternative funding options.

However, the Cabinet acknowledged and supported the need for the Department of Tourism to operate with increased autonomy, thereby providing the department with the ability to capitalize on opportunities as they arise in the marketplace.

While this consultation on alternate funding options takes place, the Government has asked the Ministry of Tourism to examine the feasibility of initiating internal changes which could expedite moving the Department closer to the framework recommended for the Tourism Authority.

Cabinet fully appreciates the needs for the Department of Tourism to operate more like a business and supports the move in that general direction by exploring other funding and organisational options.

As Honourable Members are aware, the current Director of Tourism will be leaving that post shortly. Following this statement the Permanent Secretary of Tourism will make an announcement concerning the appointment of an Acting Director of Tourism and the procedure that will be followed to fill the substantive post.

Thank you, Mr. Speaker.

Offshore Alert Defamatory Innuendoes concerning the Leader of Government Business

The Speaker: Please continue Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Thank you very much, Mr. Speaker.

Over the past week the issue of *Offshore Alert,* an internet publication, has again published defamatory innuendos concerning me. I do not normally respond to these types of spurious allegations made by publications which lack objectivity, any real journalistic integrity or content and whose purpose is to make every possible attempt to bring into disrepute all financial centres in the Caribbean.

Mr. David Marchant, the founder and publisher of *Offshore Alert* was forced to leave Bermuda many years ago and mysteriously showed up in the United States with the necessary funding to start the necessary internet publication known as *Offshore Alert*. It is well known that the funding of this particular publication has often been the subject of intense speculation.

The Leader of the Opposition, the First Elected Member for George Town, after the publication of these spurious, defamatory innuendos sought fit to make political mileage of the same. This, Mr. Speaker, is regrettable particularly as the Leader of the Opposition, as a long standing Member of the Legislative Assembly, is well aware of the history and intent of *Offshore Alert*.

The Background

I have been reliably informed, Mr. Speaker, that some time ago legal proceedings between the developer of Ritz-Carlton and a Mr. Friend were initiated in the United States of America. Mr. Friend represented himself to be a practicing attorney in the United States to the developer of the Ritz-Carlton project and when the developer found out otherwise Mr. Friend was disengaged. This resulted in the law suit in the United States in which Mr. Friend made allegations concerning payments which had been legitimately made and sought to imply otherwise.

I should hasten to say, Mr. Speaker, that in that case and in the publication, to give it some credit, it was said that in that case those allegations were not relevant and he later lost that part of the case.

The Florida Bar suspended Mr. Friend in 1997 because he stole money from a retailer by fraudulently creating home-made pricing bar codes and then using bar codes created by Mr. Friend to return purchases made at a retailer. Mr. Friend did or intended to replace the retailer's bar codes on certain merchandise with bar codes reflecting a lower price. Mr. Friend then proceeded to purchase merchandise for less than the retailer was charging.

As a result, Mr. Friend violated section 812.014 of the Florida statutes entitled "Theft". Mr. Friend's act of stealing money from this retailer by replacing the retailer's bar codes with Mr. Friend's created bar codes was not an isolated occurrence; rather, it was the culmination of an on-going scheme to defraud. As a result, Mr. Friend was found guilty of various rules regulating the Florida Bar including: Rule 3-4.3 of the Rules of Discipline, (the commission of an act which is unlawful and contrary to honesty and justice); Rule 3-4.4 of the Rules of Discipline, (Criminal Misconduct); Rule 4-8.4(b) of the Rules of Professional Conduct, A lawyer shall not engage in conduct that reflects adversely on the lawyer's honesty, trustworthiness or fitness as a lawyer in other respects); and Rule 4-8.4(c) of the Rules of Professional Conduct (A lawyer shall not engage in conduct involving dishonesty, fraud, deceit or misrepresentations).

Mr. Friend was never reinstated into the Florida Bar following his March 1997 suspension and Friend has not been licensed to practice law in the State of Florida since March 1997.

Mr. Friend is the person who the Leader of the Opposition, the First Elected Member for George Town, relies upon to make spurious and nefarious allegations concerning my integrity. The First Elected Member for George Town should question his judgement in placing reliance upon persons with a sordid history, which is publicly known, before seeking to make political mileage from allegations contained in a lawsuit – irrelevant allegations.

More recently Mr. Friend, apparently a former employee of the developer of the Ritz-Carlton and a person who has been disbarred as an attorney-at-law, and fired by the Ritz-Carlton developer because of it, in those particular proceedings, made allegations concerning payments which had been legitimately made and sought to imply otherwise.

More recently Mr. David Marchant apparently published defamatory material relating to the developer of the Ritz-Carlton project in Grand Cayman and legal proceedings were issued by the developer in the Cayman Islands against Mr. Marchant. He has refused to accept service of those proceedings in order to defend the accuracy of his publication. Instead of so doing, he has sought to attack the developer of the Ritz-Carlton.

As everyone in the Cayman Islands is well aware, the Ritz-Carlton project was approved and licensed in 1997 and 1998 under a former regime. I was not the Leader of Government Business or the Minister of Tourism when that project received licensing. I was an ordinary Member of the Legislative Assembly. As part and parcel of the licensing arrangements the Ritz-Carlton project was obliged to engage local companies for services that could be provided through those companies and in so doing a number of real estate companies were offered listings. Many companies and businesses in the Cayman Islands have benefited from business arrangements with the Ritz-Carlton project and will continue so to do for many years in the future. The project will inject some $1 billion into our economy; a very significant sum in an Island of this size. On completion of the project there will be continuing benefits to many people and many businesses on the Island.

It is no secret that I have been engaged in real estate sales for many years and my interest in those real estate businesses have been declared in the Legislative Assembly in a full and proper manner. In addition to declaring those interests in the Legislative Assembly I declared the same to previous Governors and the present Governor and the Leader of the Opposition was fully informed as far back as 1998. Out of an abundance of caution, again in 2001 (on the formation of that Throne Speech), I brought full atten-

tion to the now Leader of the Opposition (who was then the Leader of Government Business) of my continuing interest in businesses which had dealings with the Ritz-Carlton project, namely real estate sales.

I have been indeed pleased that my companies have been able to be part of the sales success of the Residences at the Ritz-Carlton, Grand Cayman along with other local real estate projects. In addition to companies with which I am associated, other real estate companies also have had listings associated with the Ritz-Carlton project including Coldwell Banker, Remax, Heritage & Hinton and ERA Kirkconnell Realty Cayman Islands Limited (ERA). All real estate agents are entitled and encouraged to sell the Ritz-Carlton project. They are all paid for their services and continue to be paid for their ongoing services on any sales.

The business arrangements, which the companies, which I am associated with, have with the Ritz-Carlton project, are not exclusive contracts and all business conducted with the Ritz-Carlton project and any other real estate developments in the Island, has been conducted in the normal course of business arrangements. To seek to insinuate otherwise in this manner is nothing short of disgraceful, and is only a dirty tactic of the Leader of the Opposition to smear me, which has been started by their political operatives.

There are many issues facing the Cayman Islands, which are being addressed by the United Democratic Party (UDP) Government. Issues like zero tolerance on crime, security matters, education, tourism, the economy, the European Union/United Kingdom (EU/UK) Cayman issues, which are extremely complex and time consuming, and matters of an important nature concerning other countries with which Cayman conducts or wishes to conduct business.

I do not have all the answers to our problems but I continue to work tirelessly for the general good of our country.

The Leader of the Opposition would better serve the people of these Islands if he gave serious consideration to addressing matters of great importance to the people of these Islands instead of seeking to gain a political advantage by relying upon scandalous publications. Perhaps the Leader of the Opposition should remind himself that he himself had private business interests, which have been directly related to the Government of the Cayman Islands.

In his statement enthusiastically alluding to ethics of Members of the Government, he failed to mention he, himself, for many years, at a time when he was a Member of Government, has had numerous contracts with the Cayman Islands Government and received payments directly from the Government for that business.

The public is fully aware that one of the companies with which he was associated had printed the official Government *Gazette* at substantial costs to the Government for many years and that this contract have not been publicly tendered; there were others connected to Government. For the year he was Leader of Government, he himself brought boxes of printed material to the Glass House even though the contract had not been publicly tendered.

Point of Order

Hon. D. Kurt Tibbetts: Mr. Speaker, on a point of order.

The Speaker: Honourable Leader of Government Business, there is a point of order. May I hear your point of order Honourable Leader of the Opposition?

Hon. D. Kurt Tibbetts: Mr. Speaker, I have no problem informing this whole world about any business that I have been involved with however the Leader of Government Business has just said that I was involved with a contract with the Government that was not publicly tendered. The Leader of Government Business either proves that to be a fact, which I know is not a fact, or he withdraws it because he is misleading, not only this House, but any one who hears what he says.

The Speaker: Thank you. The Honourable Leader of Government Business, would you comment please.

Hon. W. McKeeva Bush: Mr. Speaker, the Leader of the Opposition was the owner of Prestige Printers and other companies. That company had been printing the official *Gazette* and other business, I guess, connected to it, for many years and was not tendered until 1990. That was the information I received yesterday and I will get that, since I am challenged, and bring it to this House. After that it was never tendered.

[Inaudible interjection]

Hon. W. McKeeva Bush: Well, Mr. Speaker—

The Speaker: Would you please… The answer to that seems pretty factual, however if the Honourable Leader of the Opposition would I would like to have further information on that I can call on the Honourable Leader of Government Business to provide further information.

Please be seated for a minute.

I would also remind Honourable Members that they have a right under Standing Order 32 to ask short questions after the Honourable Leader has completed his statement if they so wish.

Perhaps they may prefer to formulate proper short questions to ask after rather than continue in this vein with what is supposed to be point of order. I do not think that it is going to be very profitable or productive to continue since the Honourable Leader of Government Business has stated that he will provide

this information. I would ask him to let me have this information as soon as this is available today.

Honourable Leader of the Opposition, are you continuing on a point of order?

Hon. D. Kurt Tibbetts: Yes, Mr. Speaker, if I am allowed.

The Speaker: Please state your point of order.

Hon. D. Kurt Tibbetts: Mr. Speaker, the Leader of Government Business made a statement that I had ownership in a company which provided services to the Government that was not publicly tendered. That was what he said first. I am saying that that is not the case, it is not a fact and the fact that he has said it and it is not a fact he must withdraw it. He has since said Sir—

The Speaker: Honourable Leader of the Opposition, if you would just sit for a minute. I think I made the point, and I am not going to repeat this, that the Honourable Leader of Government Business stated that he had, as a fact, information back in 1990 and that he would provide me with information showing where he can substantiate the allegation that he has made.

Until such time I will ask him to continue. I am not going to continue on this particular point because he does not have that information available at this time however I will ask him to get me that information as quickly as possible after this statement is completed. I would ask all Honourable Members to comply accordingly.

Please continue Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Thank you, Mr. Speaker. I would be generous enough—I know you have ruled—to stop here and go and get that information and come back.

The Speaker: No, you may continue and please let me have it as soon as you are finished.

Hon. W. McKeeva Bush: Thank you very much Mr. Speaker.

No one sought to make political mileage of these contracts or these jobs, which were directly related to businesses associated with Mr. Tibbetts although the business of the First Elected Member for George Town and the Leader of the Opposition received funds directly from the Treasury Department, from contracts not publicly tendered.

[Inaudible interjection]

Hon. W. McKeeva Bush: They say it is not true. Well, they can prove whether it is true or not.

The Speaker: Please continue.

Hon. W. McKeeva Bush: My life has always been an open book and I have always made all the necessary important declarations, in one form or another, to ensure the highest ethics in Government's good governance policy and to ensure that whatever I do is open and accountable and maintains the integrity of the Government Members and the Cayman Islands. To try and insinuate that there is something sinister and illegal, or that the payments were not for legitimate business purposes, is typical of the way the Leader of the Opposition and his People's Progressive Movement (PPM) party seeks to gain political mileage. They should try, instead of interrupting, and rely upon the worthwhile achievements of the Leader of the Opposition, the First Elected Member for George Town, while he was Leader of Government Business.

I am well aware that the people of the Islands—

[Inaudible interjection]

Hon. W. McKeeva Bush: If you want to lay any claim, lay it.

The Speaker: Order!

Please continue, Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Lay it. I challenge you. Mr. Speaker, I am tired of the interruptions by the Second Elected Member and the general secretary of the PPM. You have an opportunity to prove that too. Mr. Speaker, I am going to challenge the Member sooner or later if he does not stop.

The Speaker: Just give me a minute, Honourable Minister. I have called on Honourable Members to show due constraint and to behave properly in the Chambers in the past and I would remind you of that again.

If you have any information that can be substantiated I will gladly allow you to make a statement or to ask questions on it.

However, the cross-talk and insinuating certain things is not helping the smooth and proper operation of the Legislative Assembly. Therefore, I would ask all Members to desist from this cross-talk that tends to interrupt whichever speaker whether on the Opposition or on the Government side. Let us show some respect for each other in this Honourable Parliament. Please continue Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, thank you.

I am well aware that the people of the Islands are fully cognisant of the very hard work which the UDP Government, of which I am proud to be apart, has done over the past two and a half years and that there, will be an election on 17 November, 2004.

I am extremely disappointed that the Leader of the Opposition finds it is necessary to give credence to the publications like *Offshore Alert* when he himself is well aware of the numerous declarations, which I have personally made in this Honourable House. He is also well aware that this is the third time, to the best of my knowledge that the payments to my companies received from the Ritz-Carlton project have been alluded to by *Offshore Alert*'s David Marchant.

Hopefully, in the future, his time will be better spent in making constructive recommendations for addressing the many issues which our country and our people face instead of masquerading in the belief that spurious innuendoes of a defamatory nature will assist him in his future endeavours to become the Leader of Government Business.

As Minister of Tourism and Leader of Government Business I will continue to pay very strict attention to the Ritz-Carlton development. It is in the interests of everyone in the country that this project is successfully completed. I have a duty to do my best to continue to meet with the bank that financed the same, those promoting the project and those developing the same.

There is nothing sinister or illegal about my activities. Many of our peoples' welfare now and in the future will be affected either positively or negatively, depending on the outcome of the project. I will do my best to ensure that our people will be positively advantaged today, tomorrow and beyond.

I have, in endeavouring to carry out my responsibilities, met with the Royal Bank of Scotland, the lead finance organisation, and other important participants. The Royal Bank of Scotland has written to me relative to this project and the letter was read in my radio address this week. A copy is attached to this document and will be tabled along with this statement.

If the Leader of the Opposition, when he was the Leader of Government Business, had sought to make decisions in the interests of the people there would have been no need to remove him from that position.

The Leader of the Opposition should question his own judgment, particularly in this instance and perhaps, present an apology to this House as it is he as it is he who has done damage to the reputation of the country and its people in again exercising poor judgment without any proper underlying examination of the circumstances and the persons on whose information he relies.

Let me say to the Leader of the Opposition and others like him who see this next General Election as one that they must win, it will not be won by scandalous lies and innuendos. If that is what they believe then their life will have to be as open as mine, their business activities will have to be as scrutinised as mine are. I say to them again, if they have anything on me then I beg them to make it public, I beg them to produce it!

Thank you, Mr. Speaker.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker.

Pursuant to Standing Order 30(2) which reads, **"No debate may arise on such a statement but the Presiding Officer may, in his discretion, allow short questions to be put to the Member making the statement for the purpose of clarification."**

May I ask, Sir, for you to exercise that discretion and permit me to ask the Honourable Leader of Government Business a few questions?

The Speaker: It is in accordance with the Standing Order for the Speaker in his discretion, to allow short questions and I will accordingly allow that at this time.

Short questions. There will not be any debates on this matter however I would remind Members that, as I said earlier, the Honourable Leader of Government Business has been asked to provide proof of certain statements made by him earlier by the Honourable Leader of the Opposition.

Following these short statements I propose to take the luncheon break to return at 2.30pm so that the Honourable Leader of Government Business will have sufficient time to research the information that I have requested.

Please proceed with your short questions, Honourable Second Elected Member for George Town. I will limit the short questions to three at this time since it is proposed to have this information after which it might also be necessary to have short questions.

Please proceed.

Short Questions
(Standing Order 30(2))

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker.

In his statement, the Honourable Leader of Government Business acknowledged the receipt of certain payments which he indicated were by way of commission and expenses for Cambridge and or other companies which he has an interest.

I wonder if the Honourable Minister will confirm that the payments referred to were made to Cambridge Realty or Windsor Developments or one of his other companies and not directly to him or in his name.

The Speaker: The Honourable Leader of Government Business

Hon. W. McKeeva Bush: Mr. Speaker, I am the owner and major shareholder (my wife and I) of Cambridge Real Estate Corporation and my wife is the owner of Windsor Development Corporation and there have been payments made to both companies.

At one point my wife authorised payments be made to me that I could get them for reasons that she wanted. So yes, those payments were made to me for real estate commissions. I have nothing to hide.

The Speaker: Second short question.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I wonder if the Honourable leader can then tell this Honourable House which of the 11 payments, which have been made, have been made to him personally and which have been made to the respective companies.

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Several payments were made to me by agreement of my wife. I do not have the number with me however there were payments paid to me.

The Speaker: I stated that there would be three short questions. I will give the Second Elected Member for Cayman Brac and Little Cayman the third question.

Mr. Lyndon L. Martin: Mr. Speaker, can the Honourable Leader of Government Business state if all payments received by him or his companies were real estate related and for commission?

The Speaker: Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Real estate commission and expenses.

The Speaker: Thank you.

At this time I propose to take the luncheon break and I will ask all Members to reassemble at 2.30pm.

I think this will give the Honourable Leader of Government Business sufficient time to get the information that is required to support the statement he recently made.

Proceedings suspended at 12.38 pm

Proceedings resumed at 3.34 pm

The Speaker: Please be seated. Proceedings are resumed.

Honourable Members, during the presentation of a statement by the Honourable Leader of Government Business earlier today, in response to an article which appeared in a recent publication of the *Offshore Alert*, and a further statement made by the Honourable Leader of the Opposition in this matter which appeared in the news media, certain charges were made by the Honourable Leader of Government Business on which a Point of Order was raised by the Honourable Leader of the Opposition.

I stated prior to the suspension for lunch that I would give a ruling when proceedings were resumed this afternoon. I will, therefore, deal on the specifics of this Point of Order and nothing more. I would also not allow any further questions on this matter once I have made my ruling.

From the unedited verbatim transcript of the *Hansard,* the specific Point of Order raised by the Honourable Leader of the Opposition was, and I quote: **"Mr. Speaker, I have no problem informing this whole world about any business that I have been involved with, but the Leader of Government Business has just said that I was involved with a contract with the Government that was not publicly tendered. The Leader of Government business, either proves that to be a fact, which I know is not a fact, or he withdraws it because he is misleading not only the House, but anyone who hears what he says."**

This Point of Order was raised in respect of a statement made by the Honourable Leader of Government Business in respect of the First Elected Member for George Town and the Honourable Leader of the Opposition, and I quote: **"The public is fully aware that one of the companies with which he was associated had printed the official Government *Gazette* at substantial costs to the Government for many years and that this contract has not been publicly tendered . . . "**

I have received a signed statement from the Senior Information Officer, who has responsibility for the printing of the *Gazette*, in answer to the following question, I quote: *[Pause]*

Just a second, Honourable Members. *P*lease let me read that paragraph again.

I have received a signed statement from the Senior Information Officer, who has responsibility for the printing of the *Gazette*, in answer to the following question: **"Assuming there is a contractual relationship between Government and Prestige Printers for the printing of the Cayman Islands Government Gazette, when was the present contract awarded?"**

Answer: **"The present contact was awarded in November 1990."**

A further question was: **"Was the contract awarded by the Departmental Tenders Committee or the Central Tenders Committee?"**

Answer: **"The tender was handled by what was then called the Assistant Controller of Office Services, whose office (Personnel) was then responsible for handling payments, contracts, et cetera, for the *Gazette* (correspondence dated 1 November 1990). Responsibility for handling ten-**

ders, contracts and payments, et cetera, for the *Gazette* was devolved to GIS in around 1997."

Note:**"We have not put out the *Gazette* to tender since 1990 based on the fact that we continue to pay $22 per page as prices were not raised by the printer who came in below the nearest competitor, et cetera."**

From the information available to me, I am satisfied that the *Gazette* was not put out to tender since 1990, however for good reasons and that the Honourable Leader of the Opposition was not responsible for this decision. Further, I am satisfied that the statement made by the Honourable Leader of Government Business was factual when he stated that the contract had not been publicly tendered for many years. This, notwithstanding, I am also satisfied that this non-tendering of the *Gazette* was the sole responsibility of Government and not the Honourable Leader of the Opposition.

Madam Clerk, could you call the next item on the Order Paper?

OTHER BUSINESS

PRIVATE MEMBERS' MOTION

PRIVATE MEMBER'S MOTION NO. 9/03

National Song *Beloved Isle Cayman*

The Speaker: The Second Elected Member for Cayman Brac and Little Cayman

Mr. Lyndon L. Martin: Thank you, Mr. Speaker. I rise to move Motion No. 9/03 entitled National Song Beloved Isle Cayman.

The Speaker: Is there a seconder?

Third Elected Member for West Bay.

Capt. A. Eugene Ebanks: Mr. Speaker, I beg to second the Motion.

The Speaker: The question is be it therefore resolved that Government prevails on the copyright owners to assign the rights to the original version of the National Archives and seek the new owners of the copyright permission to substitute the word "isle" to "isles" to represent the three Islands.

The Motion is now open for debate as the Mover wish to speak thereto.

Mr. Lyndon L. Martin: Thank you, Mr. Speaker.

Mr. Speaker, the Motion that I am pleased to bring to this Honourable House is one in which the content has been discussed on numerous occasions in this Parliament as well as in other forums among the Members of this Honourable Legislative Assembly.

I take the opportunity to read through the Motion, Mr. Speaker.

"WHEREAS the National Song of the Cayman Islands, both in its title and its content, refers to Beloved Isle Cayman in its singular rather than plural form to represent the three Islands;

"AND WHEREAS the rights of the song are held by the estate of the song writer's granddaughter Mrs. Marcia Bodden-Bush;

"AND WHEREAS the Coat of Arms, Flag and National Song Law which was enacted in 1993 does not give Government the right to make any changes to the words or the music of this piece of work;

"BE IT THEREFORE RESOLVED THAT Government prevails on the copyright owners to assign the rights to the National Archive and seek the new owners of the copyright permission to substitute the word "Isle" to "Isles" to represent the three Islands."

At the onset, I would like to thank my colleague, the Third Elected Member for West Bay for seconding this Motion. I also would like to thank the Honourable Chief Secretary who, from about two years ago, brought this issue to the forefront and I have had several discussions with him on this issue.

In July, 2003, Question No. 80 was posed in this Honourable Assembly to the Honourable Minister of Education. The question read:

"Who currently possesses the rights to the National Song of the Cayman Islands and what would be required to have the wording altered to reflect the three Islands by substituting the "Isle" with "Isles"?"

It is from that answer that it was detailed in this Honourable Assembly after much work and research by the Ministry that two options were available.

Option A was to obtain the consent of the owners of the song to make the change. Option B was to prevail upon the copyright owners to assign the rights of the original version to a third party, for example, the National Archive. The owners of the copyright could then change the words.

It is in option B that this Motion seeks to have this change reflected.

As our beloved country evolves through its various forms of governance and from our colonial state to our current state, and despite those who proclaim that we are not a nation, to many of us when we hear the Beloved Isle Cayman our emotions are tickled inside and we feel a sense of national pride just like anyone hearing the anthem of the United States or the national anthem of Jamaica. The Beloved Isle Cayman is now taught in our schools; it is recited over and over at all of our formal functions.

Cayman Brac and Little Cayman represent 20 per cent of the land mass of the Cayman Islands, five per cent of the population.

I am asking through this Motion for the title of the song, as well as any reference in the song, to be altered to reflect the three Islands.

As I do not anticipate any difficulty in the passage of this very straightforward Motion and given the late hour here in the Legislative Assembly today, I certainly do not intend to occupy much time in the presentation of the arguments for the support of this Motion.

I think it is a natural amendment and one which the entire Legislative Assembly would support. Perhaps this will put unnecessary leverage on those on the opposite side however, as point of note and interest, at our functions and in our literature, the United Democratic Party— this may not be permitted—has always amended it to reflect the three Islands. For those who possess any of our collateral material we have always sung the song reflecting the three Cayman Islands by referring to Isle in its plural sense.

This process is a lengthy one, I am sure, and one that will not bring about immediate remedy. However I felt obliged to bring an issue that may seem pedantic to many but to us in Cayman Brac and Little Cayman it is of extreme significance and we look forward to this Honourable Assembly giving its support to the passage of this Private Member's Motion that will bring the National Song of the Cayman Islands to be representative of the three Cayman Islands.

With those few words said, Mr. Speaker, I sit and ask for all Members to lend their support to this Motion.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? The Honourable Leader of the Opposition.

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

As the Mover of the Motion said that at this late hour and perhaps with no question of whether the Motion will receive unanimous support I do not think I will speak to the Motion very long either.

For as long as I too can remember whenever singing the National Anthem I sing it not saying "beloved Isle Cayman" but saying "beloved Isles Cayman". That was not because someone told me to do so, it just came naturally. The fact of the matter is Mr. Speaker, it was years after doing it that I realised the correct name was just Beloved Isle. I did not know the difference because I know there are three Islands. However, knowing the family that the writer of the song came from and listening to many of them talk about it I got more familiar with it.

Just the specific note in the Resolve section of the Motion which reads: **"BE IT THEREFORE RESOLVED THAT Government prevails on the copyright owners to assign the rights to the original version to the National Archive and seek the new owners of the copyright permission to substitute the word "Isle" to "Isles" to represent the three Islands."**

As I understand that, it is a matter of getting the copyright with the Archives and then getting the Archives to change "Isle" to "Isles."

The only comment that I would make about this is I have never spoken to representatives of the estate of our good friend, the late Mrs. Marcia (Bodden-Bush) and I am not one hundred per cent sure what their thoughts are regarding the copyright.

I would be happy if what the Motion is seeking is achieved however the point I wish to make is, even if the copyright does not change hands, the most important thing to happen from the results of the Motion would be to get the name officially changed from Isle to Isles and wherever it reads in the National Song itself.

While I believe that we should accept the Motion I think we should bear in mind, even if the copyright does not change hands we can still proceed and ask them to change the name. I am not suggesting that it would not change hands. I am saying let us make sure that we are talking about two different resolutions that we seek to achieve in the Motion and one does not hinge on the other.

The Opposition has talked about this on more than one occasion. I guess most of us when we sing it, we sign it as it should be sung thought it really was not that important however in any case this certainly would tidy the situation up as most countries have their own national songs and we know that copyright is not left with individuals or private estates.

Therefore, I respect the objective of the Motion. To repeat, let us make sure one resolution is achieved if not both.

The Opposition have no difficulty in supporting the Motion and certainly we would hope that both objectives are achieved.

The Speaker: Does any other Member wish to speak?

The Honourable Minister of Education.

Hon. Roy Bodden: Mr. Speaker, as the Minister with responsibility for Culture I have some fear and trepidation about what this Motion is seeking and I would have wished that the mover had spoken to me earlier about the Motion because what we are talking about is incorporated under international copyright and I have a fear and loathing of the Government, albeit it authorised by Parliament, trying to approach heirs or possessors to rest copyright in this way.

I think that listening to the Motion and listening to the song over many years, a case can be made that when the author refers to Cayman, she did not say Grand Cayman, she said beloved Isle Cayman. It is not unusual that in these kinds of poetic renderings that although the singular is written it could be incorporated because she is talking about one entity; Cayman. Really and truly, Mr. Speaker it is a question of

semantics which are not that important and I think that we have to be very careful, in a time when we could be doing other things that the Government is not getting itself into a situation of contention when it does not necessarily need to.

Most recently the Ministry has been concerned with securing proper copyright and, as I understand it, these things are not easily changed.

Furthermore in 1993, if the records serve me correctly there was a move to have this wording changed and the heirs, successors and proprietors of this song issued an explanation that Cayman, as it was used in the song, meant the three Islands, Grand Cayman, Cayman Brac and Little Cayman and expressed a reluctance to change the wording to reflect anything other than what was written originally.

I think that Parliament should take this Motion under some advisement and, indeed, seek to promote the notion that when we speak about Isle Cayman, we mean the three Islands: Grand Cayman, Cayman Brac and Little Cayman.

That is the position that I take and that is the position I would advise the House to take. I think to do otherwise we would be running the risk of involving this Honourable House in a contention and dispute that we would be well advised to avoid at this time.

On that basis, my recommendation for the easiest way out would be to withdraw the Motion or to amend the Motion whichever is easier. From the perspective which I inhabit, the Motion as it stands will no doubt lead us lead us into contention if we accept it.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak?

The Honourable Minister of Planning.

Hon. Juliana Y. O'Connor-Connolly: Mr. Speaker, I rise to give my brief contribution as it relates to Motion 09/03 entitled National Song *Beloved Isle Cayman.*

In anticipation of rising to make a contribution to this Motion I did take some time to go back and get an understanding from whence it came. Although the information seems very scarce in regard to such an important song being a National Song, which was adapted in 1993, I was unable to find the Hansard for it here in the Legislative Assembly although with some searching got some assistance from the National Archive.

Suffice to say, for me, if the Motion did pass today it would be just a matter of icing on the cake because I have always, like the Leader of the Opposition, added an "s", taking that against the background under the Interpretation Law when ever the singular is used it could be interpreted as a plural and the same thing with the gender. Being from the Brac we have always taken great pride in adding the "s".

I also fully understand it is cognisant to my learned friend the Minister of Education that when Mrs. Lelia Ross-Shier in the early 1930's put pen to paper, she was careful enough in her penmanship to say Cayman as opposed to being specific and saying Cayman Brac, Little Cayman or Grand Cayman.

I did go through the song and tried to insert it and one of the difficulties I came upon was that there are more words in the song that are singular beside the word isle and island so the difficulty that I found myself in was that, with the resolution it would almost need to say wherever it is singular, if we wish to make it abundantly clear, that the entire song should pluralised as opposed to just that.

I am making these comments public as I also was not sought for comment or opinion prior to today. When we look at the title it says, Beloved Isle Cayman. It is quite easy to add an "s" there however if you go down and try to get it to rhyme you will find the words 'you' and the word 'the' and one could also argue the similar synopsis that plural words needed to be added. I found, and I am no person for composing poems from a professional perspective, a lot of the verse will not rhyme so other words would have to be added.

I am not quite sure how the objective can be achieved because I know all of my constituents that presently reside on Cayman Brac and Little Cayman as well as those of us on Grand Cayman would like to be able to say that we can sing Beloved Isles Cayman.

The Honourable Minister responsible for Education has indicated a legal technicality therefore perhaps the mover may wish to speak to the Members of the Government as I was reminded by my good friend on the Opposition that I am bound by collective responsibility, which I know quite well and I also realise that there is a particular course of voting that I can take not to be in breech of that.

However I would not like to see the intent go by the wayside and perhaps the mover may wish to reconsider the position and either adhere to the requests of the Honourable Minister and or perhaps consider amending it so that we would be in a position to ensure that Cayman Brac and Little Cayman are encapsulated in the intent, and indeed the terminology of the song, without having to have the complete Motion thrown away and forgotten about.

May it please you. Thank you.

The Speaker: Before I call on any further Honourable Member to speak on this Motion, perhaps it might be opportune for the mover to meet with the Government Members to have a look at this Motion. It is a most unusual situation I see here this evening where a Back Bench supporter of Government is running into problem with the Ministers. I would have thought that this would have been dealt with in caucus. Notwithstanding that perhaps we could take a short suspension so that the mover, if he wishes to do so, could meet with the Honourable Minister and try to resolve this issue. Otherwise I would ask if there are any other Members that would wish to speak on this Motion.

The Honourable Minister of Health Services.

Hon. Gilbert A. McLean: Thank you, Mr. Speaker.

I did not hear an indication from the mover of the Motion and I rise to offer a few comments on Private Members Motion 09/03 National Song Beloved Isle Cayman.

In the WHEREAS clauses it clearly sets out somewhat of a historical sketch of where this song derived from and that is well known and I think accepted.

I do not know however I accept what I see in the second WHEREAS that the rights to the song are held by the estate of the writer's grand-daughter but the thing that really attracts me is the question of copyrights.

Copyright, particularly in a world of today, is one of the foremost concepts in one securing one's intellectual rights. An intellectual copyright is something which influences international trade. Therefore, I must agree with my colleague in the regard that this Motion, I am sure is well intentioned to satisfy certain local feelings, needs, wants or desires and that is quite appropriate.

Whenever I sing the song, and indeed it has now become something that while we may have the National Anthem, the National Song usually follows thereafter and I think all of us on all three Islands are moved by it.

If I talk about Cayman I talk about it in the plural, I mean all three of the Islands. Grand Cayman, if I want to be specific of this the largest island, Cayman Brac if I mean Cayman Brac and Little Cayman.

I can claim, and it stands in the records, that at one time we had Grand Cayman and Cayman Brac and Little Cayman were referred to as the Lesser Islands; I moved the Motion in this House, which was unanimously accepted, and it was changed in the all of the Laws of the Cayman Islands. There is no longer a reference to the Lesser Islands. In place of that is the name Cayman Brac and Little Cayman.

I took that from the perspective that I would not want anyone calling me "man" since I have a name. Each one, fortunately, has the right to something personal to ourselves. I think that in this case, it would not be correct. Particularly, I am attracted to the words: **". . . prevail on the copyright owners . . ."**. *Webster's Dictionary* speaks of it from the **"[Latin prae-, before + valère, to be strong]1 to be victorious; triumph: often with *over* or *against* 2 to succeed 3 to be or become more widespread 4 to be prevalent–"**

I think that it would not be proper for the Government to attempt to force a copyright holder to hand that copyright over to the National Trust or any such person. It is something that the Government could rightfully approach those persons to say to them "There is a feeling; there is a general desire to see a change. Would you consider doing such and such?" However, I think it would be more acceptable for the Government to be in a position to do that and only then could one consider pluralizing the word "Isle." Whenever I participate in singing the song I say "Isles" but this is an opportune time for all of us when we are talking about Cayman to be inclusive rather than exclusive to any one given place within the three Islands.

Of course it is the Mover of the Motion's decision as to whether this Resolve section goes forward as it presently stands or whether he would seek to have an amendment made to it. In this form I think the Government needs to be very careful of attempting to give an undertaking that it will prevail over a copyright situation which would bring into question what the Government might do in another copyright situation.

Thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? If not, does the Mover wish to exercise his right of reply?

Mr. Lyndon L. Martin: Mr. Speaker, I think it would be productive if we could have even just a two-minute break to talk to my colleagues in this very unusual and awkward position we find ourselves in this afternoon.

The Speaker: Honourable Members, you have heard the request from the Second Elected Member for Cayman Brac and Little Cayman. We are now ten minutes away from the adjournment.

Hon. Gilbert A. McLean: Mr. Speaker, could we take a suspension? I would imagine that it is something which should not take very long to do because I am not sure that too many of the speakers that we could conclude it this evening if it was necessary to suspend the proceedings. It would go just a little beyond 4.30pm.

The Speaker: Honourable Deputy Leader, I am quite happy to do that. However it seems that we might have to go beyond 4.30pm therefore I hope all Honourable Members will understand why we have to do that. At this time I will take a suspension of 10 minutes.

Proceedings suspended at 4.25 pm

Proceedings resumed at 4.52 pm

The Speaker: Please be seated. The Honourable Leader of Government Business, if you would suspend Standing Order 10(2) for us to continue beyond the hour of 4.30pm?

Suspension of Standing Order 10(2)

Hon. W. McKeeva Bush: Mr. Speaker, I understand we intend to finish the item under discussion this afternoon. I therefore move the suspension of Standing Order 10(2) in order to take business after 4.30 pm.

OFFICIAL HANSARD REPORT
THURSDAY
11 MARCH 2004
11.27 AM

Fourth Sitting

The Speaker: I will now call on the Elected Member for North Side to lead us in prayer.

PRAYERS

Ms. Edna M. Moyle: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say The Lord's Prayer together*: Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 11.30 am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apology from the Elected Member for East End, who is attending the 53rd Parliamentary Seminar in the United Kingdom.

PRESENTATION OF PAPERS AND OF REPORTS

Cayman Islands Development Bank - Report for the Ten-Month period ended 31st December, 2002

The Speaker: The Honourable Minister of Tourism, Environment, Development and Commerce and Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, I beg to lay on the Table of this Honourable House, the Report for the Ten-Month period ended 31st December 2002 of the Cayman Islands Development Bank.

The Speaker: So ordered. Would the Honourable Minister wish to speak thereto?

Hon. W. McKeeva Bush: The establishment of the Cayman Islands Development Bank (CIDB) on 1 March, 2002, signalled a new era in the economic development of these Islands as the institution became the first National Development Bank with the primary function of enhancing the indigenous business and housing sectors in the Islands.

The bank has developed strategic objectives that will enable it to fulfil its vision of becoming an efficient, successful and profitable lending institution, optimising the use of scarce resources while impacting the community through the implementation of meaningful developmental programmes and projects for the benefit of all of its stakeholders.

During its first ten months of operations, the Cayman Islands Development Bank continued to build on the foundations of two former statutory institutions, the Agricultural and Industrial Development Board (AIDB) and the Housing Development Corporation (HDC) and began to carve out a niche for itself in the highly sophisticated local financial environment.

With the transfer of the assets and liabilities as well as the functions of AIDB and the HDC the Development Bank is now well positioned to fulfil its mandate to become a dynamic institution that would impact significantly on the Government's developmental thrust in key sectors of the economy such as housing, human resource and small business development.

The Speaker: The question is that Standing Order 10(2) be suspended in order for us to continue business beyond the hour of 4.30pm.

All those in favour please say Aye. All those against No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 10(2) suspended to allow business to continue beyond of 4.30 pm.

The Speaker: The Second Elected Member for Cayman Brac and Little Cayman continuing with Private Member's Motion No. 9/03.

Motion to Withdraw Private Member's Motion No. 9/03
(Standing Order 24(14))

Mr. Lyndon L. Martin: Thank you, Mr. Speaker for allowing us the brief break to discuss this matter. After consultation with my colleagues I am asking permission under Standing Order 24(14) of the Legislative Assembly to withdraw Motion No. 9/03.

The Speaker: The question is that Private Member's Motion No. 9/03 National Song Beloved Isle Cayman be withdrawn in accordance with Standing Order 24(14).

All those in favour please say Aye. All those against No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Private Member's Motion No. 9/03 withdrawn.

The Speaker: The Motion that was made by the Second Elected Member for Cayman Brac and Little Cayman. I think I heard the Third Elected Member for West Bay seconding the Motion, just to clarify that.

The Honourable Leader of Government Business.

ADJOURNMENT

Hon. W. McKeeva Bush: Thank you very much, Mr. Speaker. We move the adjournment of this Honourable House until tomorrow morning, Friday 12 March 2003.

The Speaker: The question is that this Honourable House do now adjourn until Friday 12 March, 2004 at 10 am.

All those in favour please say Aye. All those against No.

Ayes.

The Speaker: The Ayes have it.

At 4.52 pm the House stood adjourned until Friday, 12 March 2004, at 10 am.

OFFICIAL HANSARD REPORT
FRIDAY
12 MARCH 2004
10.43 AM

Fifth Sitting

The Speaker: I call on the Third Elected Member for West Bay to lead us in prayer.

PRAYERS

Capt. A. Eugene Ebanks: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say The Lord's Prayer together*: Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 10.45 am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies for absence from the Elected Member for East End who is attending the 53rd Parliamentary Seminar in the United Kingdom (UK). I also have apologies from the Leader of Government Business and the Fourth Elected Member for West Bay.

I have apologies for late arrival from the Honourable Third Official Member.

Request from the Honourable Third Official Member

The Speaker: The Honourable Third Official Member has also requested that I advise Members as follows:

"Before the Government is able to present their Strategic Policy Statement for 2004-5 and the Budget, the Public Management and Finance (2003 Revision) needs to be amended to reflect changes Government wishes to make to the Law so it is with some urgency that the amendment Bill needs to be passed. The amendment Bill, called the Public Management and Finance (Amendment) Bill, 2004, is quite lengthy, some 20 pages. To assist in the passage of this Bill through the House I would like your permission to hold a short, informal briefing of Members. This briefing could occur before the proceedings of the House start on Monday morning 15th March, 2004 at 9.30 am."

I have given my agreement to this, therefore the Third Official Member is asking all Members to be present here 9.30 am on Monday, 15th March.

QUESTIONS TO HONOURABLE MINSTERS/MEMBERS OF CABINET

Question No. 108

The Speaker: The Second Elected Member for George Town.

No. 108:Mr. Alden M. McLaughlin, Jr. asked the Honourable Minister responsible for the Minster of Education, Human Resources and Culture Have any difficulties been experienced with the temporary classroom facilities employed at some Government Schools this year.

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: There has been some condensate build-up to internal walls of two classrooms at the George Hicks High School (units T4 and T5), which

resulted in a foul odour and some peeling of the fibre reinforcement plastic (FRP) covering to the sheetrock in these tow classrooms. There was also some leaking to two classrooms at the same school; these units were labelled T1 and T3. The roofs have been repaired and the problem has been corrected.

These units have been visited by the manufacturer and they have submitted their repair proposals for correcting the problem. The temporary classrooms are still under warranty from the manufacturer.

The correction includes replacing the fibre reinforced panels and carrying out a few other modifications. These repairs are scheduled to take place during the Easter which starts on 7th April.

Supplementaries

The Speaker: Are there any supplementaries? The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. As they are still under warranty I presume that these were new units when they were employed at George Hicks in August or September of last year, in which case there is cause for concern and that leads to my real question. In an answer to another question earlier this week the Honourable Minister said that temporary classrooms would be employed at John Gray for the upcoming school year. My question is, are these new proposed temporary classrooms at John Gray of the same material and supplied by the same supplier and/or manufacturer?

The Speaker: The Honourable Minster of Education.

Hon. Roy Bodden: The Honourable Member can be assured that the Ministry shares his concern and I have requested that we seek an alternate supplier to that from which these models were procured. Yes, the classrooms are still under warranty.

The classrooms are assembled here and they come in halves so that the workmen assemble the two halves together here. It seems there were some leakages which were the cause of the problem as far as we can ascertain. I have seen these classrooms in other locations, most recently on our visit to Vancouver, British Columbia and they had no such problem. What is peculiar is that the classrooms at the Bodden Town primary school exhibit no such symptoms; therefore we can only assume that it had something to do with the poor workmanship in their assembly, however, where possible, I would certainly encourage the procurers to seek another vendor from which to purchase the classrooms and also a different model.

The Speaker: Are there any further supplementaries? The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: I wonder if the Honourable Minister is in a position to tell us what the cost per unit is for these temporary classrooms.

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Mr. Speaker, I do not remember the exact cost however it seems to me that ball park figure was around $50,000.

The Speaker: Are there any further supplementaries? Madam Clerk.

Suspension of Standing Orders 45 and 46(1) and (2)

The Speaker: The Honourable Deputy Leader of Government Business.

Hon. Gilbert A. Mclean: Mr. Speaker. I beg to move the suspension of Standing Orders 45 and 46(1) and (2) so that the Business on the Order Paper may be taken.

The Speaker: The question is that Standing Orders 45 and 46(1) and (2) be suspended.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Orders 45 and 46 (1) and (2) suspended.

GOVERNMENT BUSINESS

BILLS

FIRST READINGS

Development and Planning (Amendment) (Temporary Provisions) Bill 2003

The Speaker: The Bill is deemed to have been read a first time and is set down for a second reading.

SECOND READINGS

The Employment Bill 2003

The Speaker: The Honourable Deputy Leader of Government Business.

Hon. Gilbert A. Mclean: Mr. Speaker. I beg to suspend Standing Order 46(4) so that the second reading of The Employment Bill 2003 can be taken.

The Speaker: The Honourable Minster of Education.

Hon. Roy Bodden: Than you Mr. Speaker.

This is an opportunity to beg that this Bill for a Law to Provide for the Regulation of the Employer/Employee Relationship; and for Incidental and Connected Purposes. May I beg that this Bill be accepted for debate in the Legislative Assembly at this time?

The Speaker: The Bill has been duly moved. Does the Mover wish to speak thereto?

Hon. Roy Bodden: Yes Sir.

The Speaker: Please continue.

Hon. Roy Bodden: Mr. Speaker, this Bill represents the culmination of many hours of dedicated work by many people. Permit me to give a brief synopsis of how we arrived at this position.

Upon assuming the responsibility for Employment Relations, based on feedback which we had from the public and for those persons directly responsible, it was thought that there was a dire need to change the system significantly from what had existed previously.

It was agreed that the old Labour Law, which was the original Labour Law crafted in 1987 had served its purpose and had done well, however, changes in the society and in employment relations necessitated a new and refreshing look at our labour practices.

There were some who suggested that what could have been done was a series of amendments to the old Law as it existed. Upon huddling and consulting with my advisors in the Ministry it was decided that it would be in the best interest of all parties to opt for a new law. Mr. Speaker, this has proved sensible because there is an old adage which says if you put new wine in old bottles the new wine will become rancid.

What we set out to do was to change the whole concept of labour relations by adopting the model set out by the International Labour Organisation and the Caribbean Regional Office of establishing a tripartite system of employer, employee and government; employer on one side, employee on the other side and the government in the middle.

We found that the old system, although good in its intentions and for a while efficient, had overburdened the system with an alarming number of tribunal cases with an outstanding backlog which needed to have been redressed. It was also an adversarial system which bode no party any good because what it did was pitied employer against employee and made the Government, who was firmly embedded in the middle, look like a bad guy when rulings came in favour of either side. We had a system existing in which the employees had no confidence in the Government and the employers had no confidence in the Government. The common complaint was when the rulings went against the employee that the bias was on the side of the employer and against the employee. When rulings went against the employer and in favour of the employee then the obverse obtained.

Therefore, it was difficult for the Government to come out of any situation with the respect and confidence of either party. We set about to change the system by first of all, creating an employment forum in which all areas of the employment sector in the Cayman Islands were represented. We had people from the construction industry, representatives from the Human Resource Managers Organisation, the Chamber of Commerce, the Union/National Alliance for Cayman Islands Employees (NACE) and we set about crafting some guidelines which we thought would lead up to the drafting instructions.

When we got the drafting instructions we circulated these for public comment, indeed I tabled them in the Legislative Assembly. As a result of that feedback we then, in the Ministry, made a response to those people who commented on the drafting instructions and it was from that point that we set about to launch what would form the meat of the Employment Bill.

All the way through we employed the widest consultation possible and we were as transparent and open as was necessary. Everyone had an opportunity, the consultative period was well announced and we received many comments. Many of them we adopted.

What we were a little disappointed about is that we received no comments from employee organisations because it seems that our system is weak on that. We took these and put them into a document and circulated it again.

I was disappointed that after all of this consultation and after all of this involvement the Chamber of Commerce saw fit to withdraw itself from what was transpiring, using the excuse that they could not agree to what was being put forward although I, as Minister, was under the initial impression that the Chamber of Commerce was generally satisfied that we had embarked upon the right direction.

It is important for me to say at this point that it really is not my prerogative nor is it my interest or overriding concern to craft an Employment Bill that the Chamber of Commerce accepts or is pleased with. Indeed, I would be suspicious if that were the case because the Chamber of Commerce is a special interest group primarily representing employers, in spite of what they claim.

My responsibility as the Minister is to craft an Employment Bill which is fair to employers and employees, and I say employers and employees not necessarily in any order of importance because the objective of the Ministry, and by inference the Government, is to set the system up so that we, in the Cayman Islands, can continue to have a harmonious society in which the employment relations are as cordial as they can be.

I can tell you that it was also an overriding concern and philosophy that the Employment Bill

must, first of all, not be predicated upon the ability of any one party to come out in a commercially or economically advantageous position, as much as it is to guarantee that there is a fair day's wage for a fair day's work or a fair day's work for a fair day's wage. Balancing the ability of the workers to achieve a certain standard of mental and social well-being is necessary to ensure that our society continues and that no individual or groups of individuals are severely disadvantaged.

I want to interject at this point that it is my information, and indeed the information of other officers in the Ministry concerned with the drafting of this legislation, that in some quarters doctors are concerned with the high levels of work related stress and hypertension which results from that in our society. However, some people do not understand that because these are not the things that show up at the end of a financial year in the ledger or the profit and loss column. Nevertheless, that is important because if we have a society in which an inordinate percentage of the people are suffering from stress which eventually leads to hypertension, our society will eventually break down and instead of us eliminating the problem of a high dependence on imported labour we will be drifting further into the morass.

Thus, I say to the critics first of all that this legislation is not only about the ability of investors to realise a return on their money, which I am in support of, but it is also about ensuring that the people who work have access to quality time with their families and quality time off their work and do not labour under such onerous conditions that they have to take days off or sick leave because they are stressed or because they have developed hypertension.

In other words, there is a social aspect to work and we have to factor that in so that it is reflected in the legislation and we have tried to do that in as fair and balanced way as is possible. When I reach that part where I detail some of the clauses and the significant changes I will explain the philosophy behind it.

Suffice to say, Mr. Speaker, there were numerous complaints, mainly orchestrated by the Chamber of Commerce who went on a serious advertising blitz. Mr. Speaker, I want to say this; it summoned all of my resolve and all of the gentlemanliness in me (I did not know I had so much, I was flattered) because the natural reaction when people are put under that kind of pressure as the Opposition can well attest, is to defend oneself and to strike back. I bit my tongue several times and blinded my vision to the advertisement that I saw. All of it negative and sometimes I was hard pressed to believe that the Chamber of Commerce did not have a personal vendetta against me.

I want to say from this august podium, what is peculiar about the Chamber's pronouncement of them looking after the interest of both employees and employers, apart from the obvious contradiction because one cannot be all things to all men, is the fact that I never heard the Chamber take such a robust position against Cable and Wireless when they were a monopoly. I do not see the Chamber rushing to the side of those people who would like to see more reasonable and affordable electricity rates. I did not hear the Chamber of Commerce clamouring for sense and balance in the health insurance industry and yet they chose to flog to death this Minister from Bodden Town because he dared to suggest that there should be fairness in employer/employee relations.

I have another explanation. I do not want to introduce that at this forum because they might accuse me of racism and other things. I want to serve notice on them that the reticence of their inaction in certain cases is not missing upon my discriminating intellect.

I have decided to treat the Chamber with dignity and respect because it is a valid and valuable organisation and my tactics were to simply cut them off from the information flow since they were using information to kill me. When they refused to attend consultation at any forums, I welcomed that. Normally, I would have persuaded them and bemoaned their absence but I said, "Well if you do not want to attend, you are exercising your democratic right." The show will go on and we will deal with those who attend.

Most recently I saw in the Wednesday, 18 February issue of the *Caymanian Compass* that they had made an about face and seemed to have come to some terms with what we were doing. While on the one hand they were decrying the fact that proposals in the legislation was going to make it expensive and onerous because it was suggested that domestics should be covered under the pension plan, the Chamber now says in that column of Wednesday, 18 February 2004 that it would be a pity and it would be discriminatory if domestics were not included in the pension plan when in truth that was our proposal from the beginning and the Chamber was against it.

Nevertheless, I grant them the credit of being able to reverse their biased and jaundice views and I take them on board, I welcome them as a partner in this move to modernise labour legislation in this in the Cayman Islands.

[Inaudible interjections]

Hon. Roy Bodden: No, Mr. Speaker, I have not forgiven them however I take them on board as a partner. In other words I accept them as an adulterous partner in this business of reforming labour legislation.

This has nothing to do with normal style, this has to do with emotions and I am afraid that one of the problems with me is that I cannot be a hypocrite. That is why I do not make a good politician because I am not a good hypocrite.

I would now like to state and debate the merits of the Bill. First of all the Bill is almost revolutionary, if you pardon that description, because it seeks for the

first time to bring the public and the private sectors under one umbrella, with the exception of certain peculiarities, which we have to recognise that the state must be allowed to maintain, because there are certain practices in the public sector which are governed by things like the Official Secrets Act and Oats of Confidentiality. Nevertheless, for ordinary mundane purposes of employment both the private and public sectors will be falling under one umbrella and that gives me the opportunity to say this.

There is a biblical aphorism known to many of us that the physician must heal himself and so there are some practices that I would like to see improved in the Government/public sector. Indeed it is critical that this be done before we can exact the same kind of excellence and the same kind of good practice from the private sector.

It is my understanding that some time ago there were persons employed at the Public Works Department who had reached about 60 years of age and had worked for 20 plus years and were still temporarily employed. Mr. Speaker, this goes against good employment practice. I do not know to what extent it currently exists however I would like to say to those responsible, and I am certain that my colleague, the Minister with responsibility for this, will pass it through the official channels in the Government to see that we get this. I know that there are persons there now who are in 20 years service and would like to be considered for an elevation of their tenure. I think this is only fair and right in those cases where people perform diligently.

This is of critical importance because often in the private sector we exact this kind of treatment for our Caymanians from them. Hence, I think that it is only fair that the Government cast its eye to see that these cases are treated according to natural justice and according to what is deserving. That is the first significant change the Bill covers, that it brings both public and private sectors under one umbrella.

I am not going to go through the Bill clause by clause because that is not the purpose of this debate. You will not allow it however it is incumbent upon me to make certain comments about significant areas that were contentious areas both prior to the drafting of the new legislation and after the new legislation had been drafted.

We extracted any mention of pension matters from this Bill because as many people will know there is an attempt to reform the Pensions Law and so we have extracted any responsibility of pension matters from this Bill.

Another contentious issue, which is very important and I will deal with it at the very beginning; is that there was some issue about the length of the work week in the original law that this Bill proposes to replace. It had a work week of 45 hours. We have, upon serious consultation, seen fit to reduce the original work week by one hour and I will explain the rational for that because I believe that it is important.

Under the existing Law, employers and managers mainly in the retail business, supermarkets especially, had a system in existence which governed overtime and overtime rates, which went like this. Employees could work overtime beyond the normal 45 hours if they agreed to work at straight time pay. This was how the agreement was made; it had to have the approval of the tribunal. What is peculiar, the applicant—being the person wishing to work overtime—came before the tribunal in the presence of a representative of senior rank of the employing organisation before a tribunal to say that they were willing to work overtime at straight time pay.

Now, Mr. Speaker, blind Bartimeus could see that there may have been an element of coercion or intimidation in that. Therefore, we decided that that system was not good enough because many people met me outside of any representative of the organisation to say “Mr. Minister I had to say that but that is not really how I feel in my heart but I need the little overtime and it was best to do it that way”.

We were not satisfied that in every case, although that in every case it appeared that there was free choice that there was. We wanted to arrive at a system where the perceived element of cohesion or intimidation could be revealed and we thought it best to set up a different system thus we have reduced the work week by one hour so that it is 44 hours now instead of 45 is the regular working week, and those wishing to work overtime thereafter can enter into a contract with their employer, or employers, to work overtime at time and a half.

However, Mr. Speaker, it does not lend itself exclusively to a cash transaction for the overtime worked. It can be negotiated that the employee may wish to take part cash or part time off in lieu of time worked, or exclusively time off, or exclusively cash. For public holidays in the event there is no double time it is still time and a half. If you take the time off instead it is not calculated at double time, or time and a half; in that case it is calculated as straight time. For example, if you worked on a public holiday, the Queens Birthday for example, and you wanted time off instead, you would not get a day and a half off as you would get time and a half or double time if you worked for the holiday. If you took the time off it is only one day for one day, which we thought is fair and reasonable in that case.

We have now decided in lieu of all the complaints received that every employee will be required to have a contract which specifies their obligations and responsibilities to their employer. This is not going to cost the employer or the small business man any more money because the Employment Relations Department have templates that can be e-mailed to them, collected in hard copy or however they wish to retrieve them. Hence, with all due respect they do not need to pay an attorney any drafting fees; these can be had from the Employment Relations Department.

Thus, if we include overtime, three significant areas have been addressed so far.

Another contentious area is the area of gratuities. We have said that the requirements in this law regarding gratuities are that an entity can craft its own gratuity formula. All that we require is that the formula be accepted by the majority of those subscribing to the gratuities scheme. Upon that it must be registered with proof of the majority accepting it, with the Employment Relations Department. It is possible to have 15 different gratuity plans for 15 different organizations. In other words there is no national gratuity plan. Each organisation can have its own plan. We have given that flexibility. This was floated for the people in the industry and accepted. We are confident that this will eliminate all of the contentions regarding gratuities. In the proposed Bill we have defined who is illegible to get gratuities and who is not, thereby eliminating one contentious issue.

The matter of dealing with contentions, complaints and misunderstandings. The tribunal system which was inherited worked for a while except it was an adversarial system and it was time consuming. Some organisations turned up with attorneys while the employees had no such assistance. What happened was that the Labour Department was perceived as the advocate of those persons, thereby often dragging labour department personnel, who should have been neutral, into ill-repute.

We also relied on volunteers, many of them attorneys whose firms, when the work load began to increase, gradually became more and more onerous; grudgingly or sometimes disobligingly allowing their employees time of. In some cases these people bill heavy hourly rates and to spend all this time working in often pedantic, stretched out tribunals and having, at the end of that time, to write up the reports was, I thought, an unwelcome trespass on these people's time and made for bad corporate relations.

We decided that we were focusing anyway on arbitration, mediation and conciliation so we wanted to change the system somewhat and eliminate the high independence on tribunals. We set out to clear the backlog of outstanding tribunal cases. We are still—I can happily say—whittling away and we have the backlog down to what we believe is a management level.

There were instances under the present system where, for example, we were dealing with workers on work permits who had cases before the Tribunal and they left the jurisdiction and the results of the case were not heard, and I was most sympathetic. However, we could not very well lay blame on any one, it was just—as the former minister of agriculture talked about—the system.

I believe that what is proposed now is a better system because under the proposed legislation we believe that the contention should be tackled first at its source, so we encourage those having the differences (employer and employee) to go through a period of conciliation.

If that does not work the Employment Relations Department is prepared to go the next step; mediation, and then we are prepared go get a neutral arbitrator. If that does not work then we go to the system of tribunals. Ultimately, I hope we do not have too much of this, if people are displeased then they can go the courts system.

It is important to set this out in an understandable and orderly fashion because we would wish the Cayman Islands to remain a jurisdiction of excellence in which the reputation for a harmonious working and social existence travels wide and far because our reputation depends on such. We believe that this in itself is a welcome change and an improvement from what existed.

We then come to the point of maternity and paternity leave. Maternity leave has been increased however paid maternity leave has not increased. We have increased the time that a mother should be given to bond with her child. We have not increased the obligation on the employer to increase the pay.

We have introduced a new concept – paternity leave – because we believe that this is in keeping with modern trends. This is not a mandatory leave nor is it a leave in which the father will be paid. It will be most interesting to see how this functions. I can tell you from feedback I received, it is welcome because many men in the society now are very knowledgeable and realise that they have an important role to play. In a society where boys and young men are at risk I would think that this is a welcome addition to any piece of social legislation.

I would also wish to mention that resignation or retirement pay, particularly as it affects those people in the employment sector before pension provisions came on line, have been changed. I heard the complaints, mainly from ladies but I know that there were men out there in the same position. I found that it was most difficult to accept that there were people working for one establishment for as long as 30 years who had no other provision for their golden years other than the generosity and altruistic nature and disposition of their employers. No children, no dependents. Yet at the end of that employment, consciously, diligently, honestly performed all they were going to get on retirement was one week's pay for every year worked with the cap of 12 years. Even Shylock would find a prick in his conscience for that. We have proposed that the cap be removed and that retirement and resignation pay for these people should be one week for every year worked so that if someone worked for 30 years, at the end of this period they should get 30 weeks' pay. That is a start. It is significantly better than what existed. There are many good employers out there. The good employers significantly outnumber those who are not so good and I am happy to say that some of these persons with whom I spoke and by whom I was contacted told me

that they found this reasonable. I would hope that when the Law is accented to that it does not come too late to help some people.

A criticism of the Chamber is that this Bill was crafted to purely to satisfy international authorities and that we should not be concerned with international authorities; we should only be concerned with what happens in the Cayman Islands and with the ability of Caymanian investors to earn profits on their return. Mr. Speaker, let me put this in my language: we should avoid the temptation of becoming a community of philistines whose only motive and desire is to fill our coffers with cash at the expense of the social welfare, the mental health and the common decency of our people. I can assure you that the guiding philosophy behind this Bill, while it took into consideration international obligations—because we have them, and I am going to deal with them a bit later on—that was not the foremost, nor the most important philosophical underpinning.

The most philosophical underpinning was the fact that the Cayman Islands must remain a jurisdiction in which those people who contribute can feel that they are being treated fairly and that they get a fair day's wage for a fair day's work and it must remain a jurisdiction in which the employer can feel that he or she is getting from their employees a fair day's work, honesty, diligence and respect.

I would be falsifying the effort if I tell you otherwise. As I have said, we have to take into consideration what our international obligations because the Cayman Islands are no longer the Islands that time forgot.

The point that I have made vividly on many occasions was that I, as the Minister responsible for Employment Relations, was summoned to Geneva, Switzerland in the summer of 2002 to answer to the United Nations Committee on Economic, Social and Cultural Rights in the presence of the United Kingdom authorities from the Foreign and Commonwealth Office. It was a most enlightening experience and I will tell you what happened.

When the questions were asked concerning the Cayman Islands, the United Kingdom representative did not answer, he told the questioners a representative from the Cayman Islands in the person of the Minister is here, he is the best person to answer the question, ask him. Mr. Speaker, I did not see the Chamber of Commerce called, I did not see the Council of Associations called, I did not see the Contractors Association called, and I did not see the Merchants Association called. I saw Roy Bodden, Minister responsible for Employment Relations in the Cayman Islands.

They asked about many things. Complaints of discrimination in the work force, I was surprised because they had a report that I had not seen prior to my arriving to that conference hall in the United Nations Building. I was embarrassed and if I was not intelligent I would have been caught naked.

Therefore, Mr. Speaker, for those people who are as myopic and short-sighted as to believe that just as our financial practice are not under scrutiny, that our labour practices are not under scrutiny, they are whistling in the wind.

At that same conference I was asked, "When are you in the Cayman Islands going to adopt a social security system?" These people told me, and not in the most cordial language either, that they are not interested in the National Pension Plan or Pension Scheme. What they demand is a social security system.

It is one thing for the Chamber of Commerce to flog me for my Law being idealistic. I know that is a euphemism for something else. However, they would not say it; I wanted them to have said that, because I would use the proceeds of the law suit that I would put on them to ensure that I had a healthy retirement. They would not say it, they said it was idealistic.

I am not a fool, Mr. Speaker. I came from 20 years in the private sector and I am not going to craft or bring any legislation to this House that is going to be destructive to any element in the Cayman Islands. I have not taken leave of my sense and suicides do not run in my family. Worst of all, political suicide according to General Tito is the worst death that anyone can die and that is not my plan. Thus, the Chamber of Commerce do not need to try to destroy me by dusting off that old bogey that so many of them used in the 1980; it will not work, Mr. Speaker, the record speaks for itself.

Going back to the merits of the proposals, it was necessary to make these changes and represent these in a new Bill because to try and do all of this work by amending the old Bill would have been an onerous exercise that would have mystified all but the greatest geniuses in this society.

The Bill also speaks to an element which was not adequately covered in the old legislation, namely discrimination.

When I first assumed responsibilities for employment matters and when people complained about certain discriminatory practices I have to be candid, I was so naive that I believed it had only to do with ethnicity. I carefully logged the cases and tried, as gingerly and diplomatically as I could, to refer them to the Employment Relations Department; some came to me with specific requests that I investigate.

As time transpired I got the shock of my life to learn—I was not surprised in many respects because I did not believe that was the case however I could not put my finger on the real situation, I made no public statement and I was cautious with how I expressed my fear and trepidation—I got the biggest surprise when I was able to find out that the prejudice had nothing to do with colour but had to do with the fact that it was a prejudice against Caymanians whether white or black.

I am telling you that there exists in this country among certain employers and organisations a stinking

prejudice against Caymanians regardless of their colour (black, white, yellow or brown) and it does not matter whether they are educated, uneducated or untrained. It must come to an end!

I remember an instance where I had occasion to call in certain people and I was as respectful as I am now in addressing you, Sir, and those people complained to our previous Governor. “How dare he call us in and ask us to explain certain things?” It was a good thing that I was not out of order because they would have given me a whipping that my mother did not give me, and God knows she gave me enough.

As far as I could, I read the riot act to them. It was the jurisdiction of employment practices with which I was familiar and I confronted them and said,” I know and you know that you cannot get away with these kinds of practices where you come from, so why do you expect to visit them upon us. Are you forgetting that you are guests here? Are you forgetting that we are hosting you and that this is a partnership?”

For all those who proclaim that they are such staunch capitalists they do not understand the most basic formula, their prejudice is so great. Profit only comes by the efforts of labour making capital work!

This proposed legislation identifies and deals specifically with the business of discrimination in the workplace.

We have also clearly set out the whole system of dismissals because this is another practice that is still employed. I have to inject a little humour here to say this— it is a pity that some of these people do not read the Brer Anansi stories. Often when persons come to me I do not exactly disclose my level of intellect and sometimes I have found out it is advantageous to play fool. I had a certain incident where someone visited my office and was so arrogant that they returned to their office boasting to some of the staff, not realising that this is a small world and enough of us have cousins, that they had made an ass of the Minister and they only answered the questions that the Minister asked but they did not know that I asked only the questions I wanted to ask and they did not know that as soon as they left I detected that there was some reticence and obstinacy and set the mechanisms, available to the Minister, in motion. Mr. Speaker, when the reality of the situation rung home they were quick to call me requesting another appointment.

This is the contempt in which they hold us in when we try to seriously, diligently and conscientiously to improve relations. There are some people who believe that they are Gods and say, “We do not need to return calls or reply to any queries from them after all we have other friends in the Government.“

I would hope that those who adopt this kind of behaviour will understand that the Law is the law and that the Law is for everyone.

It is sufficient to say that it is the responsibility of any government to see that the health and welfare of the society is nothing less than excellent.

There is a new book out which talks about the working poor. Well, I think that is an oxymoron because the mere fact that someone is working suggest to me that they should not be poor. There are elements in this society who must be still basing their moral philosophy on Calvinism and predestination; that there are those people who are destined to be born poor and to stay poor and it does not matter how much effort they exert, it is a sin for them to try to improve their lot in life. I am not a Calvinist. I believe people should be given the opportunity, through work, to realise a dignified standard of living just like I believe that investors are due to earn encouraging returns on the money that they invest.

The Cayman Islands is an incredibly successful jurisdiction with regard to the conscientiousness of Caymanians and the ability of investors to come here and realise good returns on their money. It must remain that way.

It seems to me that the Government can best contribute by setting that formula in employment legislation. That is what this legislation proposes to do and I will conclude this presentation and await the comments from my honourable colleagues in the House.

Thank you.

The Speaker: We will now take 10 minutes for the morning break.

Proceedings suspended at 11.55 am

Proceedings resumed at 12.14 pm

The Speaker: Please be seated. Does any other Member wish to speak? Does any other Member wish to speak? The First Elected Member for George Town and Honourable Leader of the Opposition.

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

When it comes to the Honourable Minister for Education and, in this instance, the subject of labour, I labour whenever I have to follow his lead because there is always great difficulty in following his lead when it comes to a debate. Nevertheless, the Opposition has to reply. The Honourable Minister can rest assured that that was not a back-handed compliment.

Those of us who believe in the Christian faith and Bible are reminded that God laboured for six days while he was creating this world and everything and everyone who inhabited it, even the elements. The Bible tells us that on the seventh day he rested from his labours. Thus, from the beginning of time there was labour and as we travel through the annals of time we see that labour has perhaps been the most important ingredient in the building of any nation.

In the early days tribes, clans, and entire societies would seek to conquer others in order to dominate. Almost inevitably the conquerors would extract labour from the conquered, usually in the form of slave labour.

However, man has long realised that a key factor in the stability and growth of any society is the ability for its citizens to seek out opportunities and to provide labour for reward in order for them to have the individual resources to create the building blocks which will shape their own personal destiny.

History tells us, and it becomes self-evident especially in our own time, that as societies have evolved man always has a leaning to seek some type of advantage by developing means of using either his fellow human beings, animals, inanimate things, the elements or more recently, intellectual capital.

Mankind continually seeks to pool labour resources which will result in reward of some kind. There is always, and it has always been the question of how that reward should be distributed. Whether we examine socialism, communism, capitalism or any other form of core philosophies which are visited on a society, labour decides the level and speed of progress.

As we examine the evolution of the various societies more closely we see religion, family values and other intangibles taking on more important roles. Government, regardless of which system we examine, finds itself more and more responsible, just as it is responsible for law and order, for establishing the framework under which citizens provide labour for reward.

Whether countries are industrialized or their geographical location, climate or natural resources decide otherwise, we know and we accept that the entrepreneur spirit of man causes a phenomenon, and that is the phenomenon of employer and employee.

Modern day society recognises the value of this relationship and certainly it recognises the importance of its continuity. Nowadays, in our own society, it is potentially the most vexing of situations for a myriad of reasons.

Thus it becomes more and more important for Government to ensure that the framework under which the relationship between employer and employee operates is one which is not only conducive for the relationship to be a thriving one but that framework must also have the ability to dictate fairness and to be able to protect both parties from any type of abuse.

The Opposition is well aware of the importance of legislation of this nature. In fact, contrary to what seems to be the theme song of the Leader of Government Business, we, in the Opposition, do spend a lot of our time examining the landscape of these Islands. We continually seek input from all corners and we discuss at length among ourselves and continue to articulate what we believe are the best policy positions for the overall wellbeing of the country. Not only do we take our responsibilities as representatives, very seriously, but we are conscientious and we are consistent in our approach.

You will appreciate, Mr. Speaker, I am not going to take this line for very long, I will be right back to the point. It is such a pity that we are continuously distracted by the systematic attacks of the Leader of Government Business because we would all be better suited to concentrate on the job at hand and certainly the country would be better off. Even up to yesterday he accused us of smear tactics and dirty politics.

The Speaker: Honourable Member, I would ask that you stick to the Bill as closely as possible. I can understand the deviation however—

Hon. D. Kurt Tibbetts: Yes, Sir, that is why I told you that I would be right back.

Back to our debate. Much of our economy is stoked from labour-intensive operations and a large percentage of the work force is either transient or immigrant. I use those two terms because, as has been proven in these Cayman Islands, some of our immigrant work force is not transient and that is why I make the distinction between the two. Coupled with the fact that the majority of the entire workforce is at the bottom end of the income bracket it is fair to assume that employer/employee relationships can easily become strained. It is critically important that the rules under which both parties engage are clear and unambiguous in their interpretation. Hence the need for legislation that we now debate.

We believe that the legislation must be a clear guide, however, the Opposition holds the view that the rules must be such that while they are clear and unambiguous in their interpretation, they must also give both employer and employee ample latitude to make satisfactory arrangements between themselves resulting in both parties maximizing their returns. For example, some employees, either because of necessity or simply because of a desire to better their personal lot in life may wish to engage in longer working hours once the opportunity is there. Once this arrangement is not forced upon them by their employers then we believe that there should be latitude for them to make these arrangements once both parties are satisfied.

The Minister addressed certain areas specific to the point I just made, and I will get to that in short order because I believe that it is something that is an evolving situation and decisions have to be made and legislation has to be created. I think that we might still need to be talking this through. We might have to go with something now and see how it lives its own life, perhaps revisit it and see if adjustments have to be made. However, the Opposition accepts that, as a matter of looking at the legislation as a new one, there has to be a starting point. Once the thought process is thorough, taking all factors into consideration, by trying to make all those combinations into one situation that can work for not just the majority but, as far as is possible, all of the participants in the process.

As I move on I think we recognise also that at the very same time the oversight of the legislation must be robust enough so that employers, especially, are reluctant to attempt any tactics of intimidation to

force or coerce employees into any unsatisfactory arrangements.

It is funny that when I was making my notes earlier this morning I heard the Minister refer to the same situation because it one that I am satisfied we are all conscious of and that is one area that certainly is the employees, more than employers, need protection. I think that is something that everyone agrees on. One of the other important factors is the networking and exchange of information between the various government agencies must be at a level where both parties (employers and employees) must feel free to make any complaints or reports without fear of penalty. I say the various government agencies because in discussions even during the presentation of the Bill at its early stage, we hear reports of people on work permits having to accept conditions that are not considered to be fair but because of another fear which is an "f-e-a-r" of a work permit being cancelled.

When we are discussing a Bill of this nature—I notice the Minister himself was very careful in his presentation and I think that was very fair; I better stop using fear and fair because they might get mixed up with the meanings—we have to be extremely careful because our experiences will have taught us, prior to this, that there are many employers out there who want to have good and productive employees and they do everything within their power to treat their employees fairly.

Unfortunately, legislation is necessary because this does not hold true throughout and the work place in the Cayman Islands is no different from anywhere else. Perhaps we could have made a half-hearted attempt 20 or 30 years ago to say that it was and maybe it would have some truth, however not today.

The pace of growth and development has had a lot to do with that and all of the outside influences which participate in this great success story of ours certainly must bring foreign thinking and practices into the mix. We find the result being that it is important for legislation to be fair to both sides but capable of working in a practical sense.

Lest my statement was not absolutely clear a minute ago, I referred to employees and employers. Employees also need to share some of the responsibility when there are problems in the workplace. It works both ways. I am absolutely certain that the crafters of the Bill are conscious of this.

This Bill, a Bill for a Law to Provide for the Regulation of the Employer/Employee Relationship; and for Incidental and Connected Purposes is, as the Minister described, an attempt on the part of Government to regularise situations that the Government sees that need correcting. They have taken the approach that this Bill being brought seeks to replace to 1987 Labour Law.

The Government's position as we look into the Memorandum of Objects and Reasons is that with the passage of time the 1987 Law has been rendered deficient both in relevance and its ability to be enforced. I am presuming that the latter being a result of the former; that it is not able to be enforced because many of its areas lack relevance to the modern day workplace.

The Government also believes that this 1987 Law we now have, has been overtaken by new international standards and local evolving trends in the local labour market.

In their efforts to bring about a new Bill that must be more relevant and created in such a manner that the various sections, when it becomes law, are able to be practically enforced the Government has had to take perspective from just about all sides. With your permission, Mr. Speaker, I am going to speak to some of the specific areas in the Bill.

The Speaker: Please continue.

Hon. D. Kurt Tibbetts: I will make some general comments not to take position with the specifics of the Bill but to generally familiarise us with various portions of it which will make its intent obvious.

I do not know if it is the way this specific section is worded or whether there is a genuine disconnection with two specific sections.

Under the definition section on page 17(a): **"'contract of employment' means a written agreement made between an employer and an employee by which a contract of service is instituted;"** which is fine.

The Minister, in his introduction of the Bill spoke to the fact that every employer and employee will now have to have a written contract once the Bill has safe passage and becomes Law. That written contract I take to be the contract of employment.

Directly opposite on page 16 under the definition of arrangement: **"'arrangement' in relation to anything that is to be agreed between an employer and employee means something that the Law does not require to be stipulated in the contract of employment but arises form it;"**.

That is supposed to be self-explanatory and when read in isolation it is however under Part II Basic Terms of Employment on page 22, section 6.(1): **"Every employer shall enter into a written contract of employment with each employee** [and here is where it is important] **and the contract shall contain all the terms of this employment but need not specify terms that are part of the contract as a matter of law."**

If I understand that as it is intended, it is simply saying that the only thing that the contract need not specify are terms that the Law will specify as part of the contract. This means that whatever the Law requires within any contract need not be specified in the contract because the Law requires it. However outside of that, section 6 (1) says that a contract shall contain all other terms of his employment.

Going back to the arrangement in relation to anything that is to be agreed between an employer and an employee, this means something that the Law does not require to be stipulated in the contract of employment but arises from it. Section 6.(3): **"The contract referred to in subsection (1) shall be in accordance with Form 1 of the Schedule of this Law and – (b) may contain such additional terms, not in abrogation of the minimum standards required as a matter of law, as the parties may wish to include."**

I am saying that on the one hand the contract shall contain all the terms of the employment and it moves on to say that it may contain such additional terms not in abrogation of the minimum standards. When it says in the very first instance that it must contain all the terms, I take that to mean all the terms. If it does not mean all the terms then it must not say all the terms.

Perhaps there is some follow through with the definition and other subsections which may prove that this wording is correct however I say this, with the reference just drawn, even it the wording is correct there is something wrong with it because that means the ordinary person is not going to understand it.

The best situation that we have with that section, in my view, is that it may be correct with its legal terminology and be able to be retraced or forwarded to some section which makes it right. For the person reading and trying to understand this piece of legislation it must be worded in a manner that is better understood.

I believe I can build a case from what I have just read to say that section 6(1) is saying different from section 6(3)(b). The legal draftsman might be able to justify the wording however it cannot be justified for the lay person reading it; that is my point.

In section 6.(8) on page 23 it reads: **"An employee who continues to work …"** Mr. Speaker, with your permission allow me to go up two steps to make it clear. What this is referring to is section 6.(5): **"Each employer shall provide for his employees, including probationary and part-time employees, regardless of age or length of employment, …"**.

We are speaking to the responsibilities of an employer with regards to providing a pension plan for the employee.

Subsection (7) **"An employer who contravenes this section is guilty of an offence."**That will have to do with the specifics of a pension plan or if there is a change of circumstances that renders a contract at variance with the changed circumstances.

Subsection (8) goes on to say– **"An employee who continues to work for an employer that fails or refuses to comply with the provisions of this section is guilty of an offence and shall be liable to a fine of twenty-five dollars for the first offence and one hundred dollars for each second or subsequent offence."**

I know that these are tedious matters however when this becomes Law everybody is going to live with it. Therefore, some of us have to do the boring tasks and I have been charged with some today.

When I read that subsection it tells me, Mr. Speaker, that if I am employed by you to clean your cars every Sunday and I know that you have failed or refused to comply with the provisions of this section of the Law, which is to do with pensions, that I am guilty of an offence if I continue to work for you. I have to read that subsection to say that I must leave your employment if I do not want to be guilty of an offence under the Law.

[Inaudible interjection]

Hon. D. Kurt Tibbetts: I am being reminded that in the new amendments this section is being taken out. I have to say that I am grateful that we will not have to argue this point because it seems that the point is already taken into consideration with the new amendments. Obviously, the point was valid in any case.

Please give me one minute to make sure what I am going to speak to now is not addressed in the new amendments, Mr. Speaker. *[Pause]*

Seems like that one too. Not everything that I point out will be that we have issue with because there are some things as I go along that we will certainly voice agreement to show that there is need, also in our view, for being included in the legislation.

I will touch on a matter that is a small matter nevertheless I think it needs to be looked at again because this is going to be legislation, Law that everyone has to agree to.

Section 31 on page 38 speaks to remuneration.

Section 31(1) reads: **"The remuneration payable under a contract of employment may be paid in money or in kind, which means payment of provision of food, a dwelling or similar provision, as may be agreed in the contract of employment so long as -"**.

That is understandable because there will be instances when that has to be treated as a part of the remuneration package:

"(a) at least fifty percent of the total remuneration is paid in money;

"(b) no payment in kind shall include liquor, drugs or any illegal substance and;

"(c) payment in kind is fairly evaluated on the basis of its costs to the employer."

That means I cannot take into consideration, if somebody is given a meal, what the meal would sell for at a restaurant, rather what it costs us to buy the groceries and prepare it.

The important section that I speak to is subsection (2) which reads: **"Money remuneration shall be paid in legal tender but payment by cheque, direct deposit or postal order is allowed if the em-**

ployee consents, which consent may be withdrawn with thirty days' notice, and that consent shall not be unreasonably withheld or withdrawn."

This again may seem to be a minor matter however I look specifically to the phrase in the sentence which says, **"if the employee consents"**.

Let us take any employer, whatever the system is that is used as a payroll system; in this day and age there is a matter of security. It has to be a consideration, history has proven that. As I understand it this is saying that if I employ 20 people I have a choice of either paying an employee by cheque or by direct deposit to an account. In many instances this is the case, there is a choice which can be made by a cheque or a direct deposit to an account.

This is telling me that if one or two of my employees say to me they have to get cash, it means that I have, or someone in my employment has, to go to the bank and get cash by whatever means (cashing a cheque or by direct withdrawal) and have that cash to be able to put in that person's hand. That cannot be the right thing to do in this day and age. I understand what it is trying to achieve however it cannot be by Law that an employees can decide on the system. That cannot be the case. It is a different thing if you are interfering with an employee's rights. This has nothing to do with that, this is a matter of what is practical.

You cannot force an employer to go through a system where cash is dealt with— what it can mean, if it is a large employer, you are speaking to having higher security because you are dealing with cash just to satisfy someone. The majority of persons in this world today, at whatever level of employment, engage in dealing with a bank in some form. It is not a major inconvenience for them to be paid by cheque or, if they have a bank account, a direct deposit.

If it is not said in here that the employee has to consent and if it is more convenient for an employer to pay by cash and he considers his actions safe and easy then fine. The point that I am making is the legislation must not be crafted to say that an employee can decide what methodology the employer is going to use to pay.

If one thinks that an employee may be wary of receiving a cheque from an employer because he has experience that the employer wrote a cheque and the cheque bounced that is understandable however there must be other ways of handling that problem than using this section to tell an employer that he or she has to play if the employee so decides, by way of legal tender, which is cash.

Therefore, Mr. Speaker, although I have not extended myself to have rewritten that section of the Law I am confident that the Legal Draftsman has heard the point. I am also confident that he understands the point and I would hope that there would be the willingness to make the necessary adjustments in this piece of legislation.

The Speaker: Has the Honourable Member reached a convenient point to break?

Hon. D. Kurt Tibbetts: Yes, Sir.

The Speaker: I would like to take the luncheon suspension at this time and we will return at 2.30pm.

Proceedings suspended at 12.59 pm

Proceedings resumed at 2.39 pm

The Speaker: Proceedings are resumed. Please be seated.

Honourable Leader of the Opposition you have one hour and twenty five minutes remaining.

Hon. D. Kurt Tibbetts: Mr. Speaker, when we took the break I was summing up on the point of remuneration whereby the method by which employees were to be paid is indicated in section 31(2) and just to reiterate my point, I think that it needs to be looked at very carefully. Regardless of how this is section is crafted it should not be left to where an employee can determine the method of remuneration. As I said, most employers use the method of paying by cheque or direct deposit and it is not in the interests of security for employers to have to deal with getting cash from an institution, handling it and having to distribute it to employees.

Another point I wish to clear up before I move on that is section 6.(8). We were of the opinion that that section had been deleted however it has not been deleted in the proposed amendments. Therefore, rather than leave it I have to go back to it because I do not believe that it should be left as it is.

This subsection speaks to: **"an employee who continues to work for an employer that fails or refuses to comply with the provisions of this section is guilty of an offence and shall be liable to a fine of twenty-five dollars for the first offence and one hundred dollars for the each second or subsequent offence."**

This is telling me that if the employee discovers that the employer fails or refuses to comply with the provisions of this section then it is in the employee's interest to leave the job. That cannot be the intention of the legislation.

The Opposition has spent many hours looking over this piece of legislation, talking to interested parties and gaining perspective. In our view, the onus should not be on the employee from the perspective of him being employed and discovering that such is the case he is liable to conviction and a fine. It should be left to the oversight of the legislation, and whatever agency is involved in that oversight, to take care of that situation. It cannot mean anything else, the employee cannot prevent the employer from refusing to comply. Thus, the onus cannot be left on the employee in that manner.

I am certain that is not the intention and I am saying that the legislation needs to be changed and whatever direction is needed with regard to this subsection cannot be levied at the employee. It can only mean one thing; the employee is hamstrung to do anything about the contravention of that section by the employer therefore you cannot penalise him. I hope that is taken into consideration.

As I move on to Leave of Part III, section 14 on page 27. It reads: **"For the purposes of this Part, it is declared that an employee on probation is not entitled to vacation leave or parental leave."**

I know that there are other sections relating to this business of an employee being on probation. One of the sections that refers to probation allows for probation to occur in two incremental stages of six months each; an initial six month period and, by agreement of both parties, extended another six months. What I am not sure about is, if an employee faces a situation of having a one year probation period. If this section is to apply it means there is no provision for vacation or parental leave.

If there is another section that captures this, that is fine however I cannot relate what the other section says to know that this does not apply to those sections since it reads: **"For the purposes of this Part, it is declared that an employee on probation is not entitled to vacation leave or parental leave"** "this part" meaning Part III under the heading of Leave.

That individual may be on probation for an entire year and then may continue the employment, however, what happens to that year? I know in other sections of the Law that period of the Law is taken into consideration but is it taken into consideration for leave or parental leave? That is the question.

This reads to me that any leave or parental leave under this section would not apply to that person and that is what we need to clarify.

I noticed that section 7—a controversial section—refers to an employee having a primary and secondary employer. In our view, in terms of practicality we understood the intention in the drafting. For practical purposes it was going to be very difficult to monitor, have oversight of and really make it happen. We are happy to know that section is proposed to be deleted at committee stage, as we see in the proposed committee stage amendments.

It is also good to see in the proposed committee stage amendments in the section that refers to paternity leave, where instead of speaking to an entitlement, it is now being proposed that an individual may make the request and an employer may grant it. That means that it will be an arrangement that will be agreed upon rather than the legislation stipulating that it has to be the case.

If we were to be looking at if from a negative standpoint one might say that no employer is going to grant such a thing; I do not believe that to be the case. In this instance, it is fair to leave this type of arrangement as one that can be made between the two parties rather than legislation dictating the situation.

What I am moving on to now is a point that I mentioned earlier and we have to talk a little more about because I cannot say that we have been able to come up with the perfect answer to it. In discussing it with the Minister and his technical people from the Ministry and the Department involved, I think it is fair to say that everyone grapples with it and perhaps it is difficult to find a perfect solution. I want to talk about it because I think it warrants it.

Section 28 page 37 where it speaks to: **"28. (1) Except as provided in subsection (2), the number of hours comprising a standard work week shall be agreed by contract between the employer and employee but shall not, for full time employees, be less than thirty-seven and one half hours nor exceed forty hours in any period of one hundred and sixty-eight hours."** (One hundred and sixty-eight hours being what is considered a week of hours.)

I dare say that the Minister has been told that there was a survey done by the Department and the results of the survey have come back to say that the average number of hours worked per week by Caymanian employees is in excess of 41 but less than 42 hours.

In whatever way that survey was done, and we are making all the right assumptions about the survey, it was extensive; the sampling of the empirical evidence was big enough and not skewed. Assuming all of that is true, one might easily say the result of that survey justifies what is being proposed in the legislation. Perhaps if one left it on the surface we could not argue the point.

I want to bring specific instances and tease our minds to see if there is someway to be able to look at having an exception somehow that does not leave the door wide open and change the thoughts that are being put together in making the law the way it is. The Minster did say in his introduction when he spoke about normal working hours and what was fair, we do not want to question any of that because in principle we subscribe to the same thought process.

We do not want to be unfair to the employees however we want a situation that can work for both and

I am going to show the difficulty there. When we speak to not exceeding 40 hours there is an area which allows for four more hours to be negotiated between the employer and the employee thus allowing a 44-hour work week without engaging in any overtime pay. That is what this Bill is proposing. The present Law that allows for a 45-hour work week, and as the Minister explained there could be extra hours negotiated as part of a work week at a tribunal where employer and the employee representatives were present and all parties agreed.

When we had discussions with some members of the private sector there was a situation

brought to us. Perhaps it is best not to call names now however before I speak about that situation I would like to remind all of that the survey also reported that there were 12 types of businesses in the Cayman Islands that a 44-hour maximum work week might negatively affect.

For hypothetical reasons, let us say there are a hundred types of businesses in the Cayman Islands and in making amendments to the Law which puts a 44-hour work week as maximum and which then says, that regardless of negotiations, any other hours worked by an individual beyond 44 hours for the week must be paid at least time and a half. In doing this the Law affects 12 businesses. We know it affects 12 types of businesses; what we do not know is the relationship between 12 and 100 when it comes to the number of employees. I can only suspect that the 12 types of businesses this section might negatively impact are businesses that employ greater numbers of employees.

As there is a difficulty with us not knowing how many real numbers this affects when it comes to the number of employees compared to the total number of employees in the country, I think we need to talk about it again because we are not sure how much of a majority we are satisfying with the new legislation.

I want to bring a specific example and try to flesh it out to make the point. I will do that as quickly as I can. The supermarkets are one of the larger employers of the 12 types of businesses that will be affected. Bear in mind the vast majority of their employees are wage earners and are paid hourly; it is only a very small percentage of their managerial staff which is salaried.

Let us say one of the supermarkets has several outlets and it employs 350 people. And let us use as an example an employee who is presently making $7 an hour for a 48-hour work week. The employer now has to renegotiate for a 44-hour work week maximum without over time. The employer has to decide which one is more beneficial; whether to employ more staff and redo a roster which allows for those four extra hours per week to an employee without paying overtime, or to leave the work week as it is but change the salaries and everyone who is being paid now will get four and a half hours time extra rather than 48 hours straight time. That is a choice the employer will have to make.

The reason why I am questioning it right now is because if we take that employee who earns $7 an hour and he will end up having a 44-hour week and if the employer decides to employ more individuals rather than pay overtime then that employee who earns $7 an hour is going to be earning, seven times four which is, $28 a week less than they now earn. One might say that is nothing however let us put that into the perspective of a monthly salary. Four into 44 is in one eleventh. That is just under 10 per cent. It means that if the person is now working 44 hours per week at $7 an hour, and rounding it off for the month it is about $1,200 per month, then that employee is losing nearly $120 out of that.

The question is, does that individual earning $1,200 per month have $120 of disposable income? I do not think so. I do not see the average worker who earns $1,200 per month being physically able—I am not talking about cussing and riling up—to re-engage a work schedule which earns them a $120 per week less. That is where I have the problem.

The legislation does not tell the employer—we should not go beyond a certain level when it comes to interfering between both parties being able to make their own arrangements—that you have to pay the person overtime; it tells them if the employees work more than 44 hours you have to pay them overtime. It cannot say anymore and I am not suggesting that it should change. However, when it does that it puts these individuals in circumstances that I just explained.

The fear that I have, and it could really be satisfied if we really knew for sure, is that I truly do not know how many individuals will be affected by this proposal.

I want to say, straightforwardly, the Opposition very much wants to support the proposed legislation, therefore it is not about a fight or any play to say we can prove that the legislation is not worth it. The legislation is valuable. With what we can glean from the proposed committee stage amendments it makes it into an almost acceptable piece of legislation to parties concerned. For those who had serious reservations and were battling against it, these proposed amendments address most of the issues we have heard.

We always recognise that when you bring legislation, while not expecting perfection, you will have to live the legislation and see its workings and perhaps there will be tweaking and amendments to get it right within a given period of time. I do not think this situation is one we can afford to have if we are not sure of where we are. I know what wants to be achieved and the Opposition wants for that to be achieved too with the legislation. However, I sincerely believe that this area is a problem area.

Although one can say “Well, it is not going to happen” I do not think anyone of us can truly know for sure, the risk is if the legislation is approved and it has an immediate negative impact on employees we are never going to hear the end of it. All the good things in the legislation run the risk of the whole thing turning bottom-up because nothing is worst than an enraged work force. I am not suggesting they should be although as I sat here this morning and thought about it, and as I speak about it now, the fear of whether we are doing the right thing with this piece increases in me.

I can only speak on behalf of the Opposition with a clear conscience that it is not about us being absolved if it goes wrong; I am trying to speak about it before we have to decide that. This is not about

whether the Opposition is right and the Government is wrong because the Government has already explained that they know it is a small dilemma. If I had the answers, Mr. Speaker, I would pontificate and stamp and shout and tell the Government this is what they should do however this is not what it warrants. I am just not 100 per cent sure if we do it in this manner, with all that we hope to achieve, that the number of individuals that it might negatively affect may not be many more than we can afford. If only there were some way for us to get a gauge.

I know when the argument came up with the initial proposal where the legislation was 40 hours – end of story. After 40 hours it was pure overtime. Now the Government has come and tried to bridge that gap while seeking to achieve what it wants to achieve and has gone to a 40-hour work week and you can negotiate four more hours without having to pay overtime. Hence, in actual fact, it is 44 hours rather than 40 but does it do the trick?

It was very glaring when we spoke about eight hours being lost in a person's work week, however even at four hours the question is if it went that route could people afford it.

If we look at the supermarkets, Mr. Speaker, it is not impossible for one of those chains, including wholesale, et cetera, to be speaking about 350 employees. Far from impossible. Of the 350 employees, you wonder how many of them are hourly paid. It could easily be anywhere around 300 out the 350, perhaps a bit more. You could have those 300 people being paid between $7 and $12 weekly, whether they are cashiers or working in the Deli, or whatever. I use the $7 as an average and the higher it gets the more an employee would lose if this were to occur. Percentage-wise it stays the same. However, with regard to actual money in pocket, you do not even know whether the person who loses $200 per month, rather than $120, can afford to lose $200 more than the person who only loses $120. You are not even sure which way to go and say who is going to be affected the worst. However, it is all about disposable income and the ability to continue to survive while earning that much less.

I have belaboured the point and have done so purposefully. I am sorry that I do not have all the answers although what I do know is that as hard as has been tried to make the situation the best, we are not sure whether there is a price that may not be worth it. We do not know that and I do not know whether we should risk that. It would have been a lot easier if I had just glossed over it and it was not a problem.

However, as I have said before, as I keep thinking about it this worries me more, I am not sure what the answer is. I do not know whether there is a way to find some classification perhaps with numbers of employees—I do not want to venture there because as much as we thought about it we have not come up with exact answers. Obviously, the Government has battled with it too. It is a dilemma.

What is proposed by the Government needs to be revisited. If we had all the relevant facts and figures in front of us then we would perhaps be better suited to take a specific direction in confidence. However, from where we sit we do not have all that information hence that is why we are left in that dilemma.

As I move on, there is another section. The Minister spoke to this for a while when he introduced the Bill this morning. That is the section in the present Law which speaks about an employee receiving up to 12 weeks' pay on retirement or resignation, et cetera. What is being proposed now, under the right circumstances, is if an employee departs after 30 years he is to receive 30 weeks of pay. Employees certainly must be happy once this is law.

For the main part, if not considered too big to absorb then it is not a big deal for employers. I have heard the argument put to us that this would be fine if there were no pensions involved as there is nowadays. In thinking about it I do not want to argue the point, I want to express opinion and fear of a possibility of it happening.

What I wonder about this is whether some employers are not going to be very conscious, while not having it as a written policy in their organisation, that they only keep individuals hired for x amount of periods of time, especially if they are not in key positions. In some quarters it is called the rotating stamp, that is, the rotating employee stamp. I am not trying to give anyone any ideas however it seems like there are situations elsewhere that have proven in some instances this is what has occurred.

What that does for your labour market and individuals, and whether the law of averages will allow people to find a job at least, the numbers will keeping shifting from place to place, is another matter.

This is perhaps the most difficult type of legislation to really know that you are doing right because with the best and purest of intentions you can craft a section of the Law which makes it look very good from the beginning however at the same time when you look at the practical side of it there could be some problems. Obviously the Government must have thought of this in—

[Inaudible interjection]

Hon. D. Kurt Tibbetts: I am being told about a clarification and if that is the case then perhaps there is great relief. Rather than go over the whole thing the Minister can easily explain it when he is doing his winding up so that we can have some clarity. That is not a problem. I understand that this section would apply to people who are not able to quality for pensions. If that is the case there should be no problem there. At that point in time it would have been for those who already have been employed for long periods of time. If that is the case it takes away the validity of the argument that I was putting forward, and I am

happy for that because that is not of those things I would like for us to contend with.

When we look at the Bill and we pull together the pieces to see not just its expectations but its aspirations, I think we can safely say that the intent of the Bill is quite laudable. In general, it has the desire to be fair to both parties; it recognizes inadequacies that exit in the present legislation and seeks to address most of those inadequacies.

While there could have been much longer debate on our part for the green Bill as it was, I have to say that the proposed committee stage amendments throw a different light on some sections of the proposed legislation and it will be more acceptable to the various interest groups; both employer and employee and the conditions that are being proposed under which the relationship should continue.

Taking into account the proposed committee stage amendments which make our lives a lot easier when it comes to being able to support the Bill and assuming all are made then we can support the Bill. That support is only qualified in two areas.

The first qualification says that we recognise that even when this is done as it is once it is practiced there are going to be things the Department and the Ministry will realise that might not be practical. It looks good when you put it there however when you put it to work you might have to make slight adjustments. We expect that and once the Minister, as I am sure, is conscious of that and, is willing to move swiftly to make whatever adjustments that might come to light after its passage then that is fine.

The second qualification, Mr. Speaker, is the specific section that I discussed at length just a while ago with the 44-hour work week. It is, as I said, wonderful if it can work however I believe, while the survey has been completed and the average working week is established, assuming all the samplings are sufficient, that we should take the time to look at the specific types of businesses that this is going to affect and be clear how many, and to what level, individuals might possibly be affected to ensure that the legislation which has the intention of protecting the employee does not actually put some employees in untenable circumstances. We have to make sure of that, otherwise we have not performed our duties to the best of our abilities.

I have outlined the Opposition's position and we look forward to listening to more discussion regarding the Bill from the Minister and/or his colleagues regarding any of the points that we raised. If they do not agree with those points they should give logical justification why the Government cannot or will not accept any of those points. Unless there is something that we cannot see between now and the time of voting then the Opposition will be supporting the Bill. We just hope we could get at least that one that I call a hairy situation a little bit clearer. Thank you.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak?

The Honourable Deputy Leader of Government Business.

Hon. Gilbert A. McLean: Thank you, Mr. Speaker.

I rise to offer some brief debate on the Labour Law and I will not necessarily deal on any large number of sections specifically. I remember many years ago after the time of the late Jim Bodden and I, the permanent secretary in the Labour Ministry for which he was responsible, tried to bring about a Labour Law. However, try as we did during that time, it did not happen because of continuous opposition from various employer groups and even from employees who, in some instances, did not understand that by having a law there would be clear standards and regulations set down that would protect both them and their employers.

I remember the former Minister, Mr. Norman Bodden, who took over that portfolio afterwards. One day at, what was then the Ramada Hotel, a meeting of the Chamber of Commerce where he had presented various views he rose and, in so many words, made it clear that he had taken every input that he could take and he had listened to everyone who had something to say and the time had come and he intended to take the Bill to the House and to see its passage. Indeed, that happened.

I think that everything in human endeavour works in cycles and there is a time for everything. The Labour Law has been revised by various amendments over time, the latest being 1987 Revision, if I am not mistaken. It has carried us to where we are now and it had certain very basic and fundamental provisions in it. Like the Immigration Law, which has been in effect way back from 1971 and gone through multitudes of amendments, it was not until the year 200,3 after magnificent efforts of many people, that this Law was revamped, revised and we now have a modern piece of legislation that can and will serve us into the future for some time.

As with the new Immigration Law there were critics who swore that it should not be the way it is and that it should have been changed which way or the other. The same thing has been happening as I observe with this particular Law which my colleague, the Minister for Education, is facing now.

I believe that as long as the world lasts there will always be disagreements between employer and the employee, it is a natural existence. Business in a capitalist society will always be striving for bigger and better profits and I often observe that rather than bringing about greater efficiencies within practice and procedure in an organisation the first place that employers seem to look at making cuts is in labour as if that is the only point of costs.

I have observed that over the years and really wonder about it when costs, which could be in this

building, for example, could be reduced by practising good of use of the telephones, or replacing all of the light fixtures resulting in significant savings in the electricity bill and so on. These are all areas. However, most times one hears of downsizing and cutbacks it is always with labour. Therefore, I think it is a natural situation where one will always find that there will be differences of opinion.

The hard balancing act is for any government to be wise and courageous enough to keep its labour relations in step with what is happening in the world in terms of the relationship between employer and employee. One has to also look at what might have been considered fair 10 or 15 years ago; rulings in the court; or the general movement of the way things have changed in the labour force and labour market. Indeed, by international standards we are out of sync with it so one has to keep step if we are going to do that.

I think the Cayman Islands have a very good lesson to learn from the challenges which we have had to face in the recent times with the Organization for Economic Co-operation and Development (OECD) and the European Union where successive administrations kept attempting to put it off saying, "If we do not talk about it or deal with it or whatever things will take care of themselves." They do not really take care of themselves that way anymore. Globalisation, while I am not a disciple who believes all of the virtues that I hear espoused, is with us and certain things apply across the board.

We know that from the symposium which was held here a few years ago. It became clear from that symposium, where a multitude of international scholars spoke about changes in human rights and freedoms, that the big industrialised countries of the world who wield the power have reached the point where, whether it is because of past guilt from ages gone and how they treated labour or the way people with money and power abuse other people, I do not know, they say "These are the standards by which we are going to operate." It also came out at time that they are prepared to use sanctions in whatever way against countries which do not abide/accept these standards.

I am sure that you know even China, which is the factory for the world—there are industrialised nations that use them for cheap labour and production of cheap products—is constantly raising their human rights standards and what happens with labour. What happens in tiny Cayman here in the Caribbean is really no different. They are looking at us and what we are doing.

I feel sorry for my colleague Minister in that he has had to take on what has developed over time to try to correct it. It seems that we never learn from history in that it is better to correct something quickly rather than make it go for years and nothing be done about it.

I am sure I can cite the example of the Health Services Authority which you took on and initiated certain changes consultancies and reorganisations and which I have since taken on and tried to continue. Bringing about change is trying to change an accumulation of doing things a certain way for decades and so it applies to labour and labour relations in the Cayman Islands.

I think we need to also recognise that both sides of the divide, that is, employers/employees, are going to put up their fights. They will use whatever mechanisms possible and there are many available to them in that they tend to have capital and the employees tend to work for it terms of wages. I have observed over the past year that this Labour/ Employment Law have been on its way just what has been happening. I have seen the advertisements. The largest efforts against it, seems to me, to have been led by the various employer associations and the Chamber of Commerce.

I think some of the arguments cannot hold water because changes come about and businesses are capable of making adjustments, employees make adjustments, the world does not end, it goes on having certain adjustment being made.

This law is attempting to include new international standards and trends in the labour market and there is one thing that I think is significant and we should take note of. This is the boldest attempt that has ever been undertaken in the history of our country. There is going to be one Employment Law. In fact although that does not fit the Colonial administration it shows how far the world has moved away from the old traditional ways to the acceptance of certain change. The British Government and the civil service, the Governor of the day and the civil service administration, see the need to modernise and to bring into place a Law which both sides can share, with the private sector and the public sector, because there are certain basic fundamental principles with employer/employee relationships that are the same.

For the civil service there are certain differences. There must be the acknowledgment that there exists within the public service, for example, the Official Secrets Act which they say will go with us to our graves. There are certain things we cannot divulge and all the rest of it however that is something that still exists within the public service. Why is there a necessity to have different methodologies of changing the way of recruiting and hiring and when somebody becomes pensionable so that we have one country but two systems working as far as employment goes?

I think that is a major change and it is one that needs to be welcomed.

There are certain definitions which have been made clearer in this Law and there are areas where the Law deals with maternity leave. Having been a civil servant at the time in the Civil Service Association where we had to fight to see certain changes come about for women and maternity leave. The Member for North Side is reminding me that she took a major

part in that effort and that is true to say. Changes have come about in that regard in this country.

This is very important because just a few days ago I saw some statistics and one thing became clear that one of the best things for the Cayman Islands is that it has women and lots of kudos to them because the difference between the employed women and men is this country is truly significant. It points to a social condition and one where I believe our own sex have to get wise and put out the effort and focus ourselves as do our women in this country.

Maternity leave is essential for the simple reason we need more people of our own in this country and they only come one way although there are certain instances happening in other parts of the world where it seems to me they are attempting to do what nature did not provide for. I personally believe that women play an extremely vital role in this world.

It is essential that we recognise, and we can do it on the bias of medical facts, that it is no more where a woman was off from work six weeks and she had better get back there or else. We live with realities, we know more about the medical side of it, the gestation period, how long it takes for a woman to truly recover, for her body to reach the situation as it was before and so on.

We can do things scientifically and we can apply that to social considerations. That is why in some societies when I look at things I see on television I marvel. I recall a horrid one-hour programme that was put on just before Afghanistan was attacked where women were taken and shot to death on the football field for everybody to see and I watched it in disbelief and I thought to myself, "How did that man that is murdering that woman get on the earth?"

I am lead every now and then to think of the social and reality side; the way that nature has placed us. I certainly support the idea that, in our Law, maternity leave is very important and it should be of a length that is suitable for the purpose.

In this Law there is the idea of paternity leave and I do not know how many men will be requesting such leave however I cannot see where it hurts because the situation with men nowadays is that they take a different view and the pressures from the women's side are saying "Look, you have to become more involved, you cannot leave it all to me anymore." That is a reality of the world right now and I cannot see us escaping it, I am sure that we are not. I cannot se anything wrong with that being placed in this Law because it is the reality of the times. I would not want to make any guesstimate as to how many men will take that up. It meets one of the guidelines that is being accepted internationally.

In the opposition to this Law I have heard statements such as we are accepting all of these socialist ideas from Europe and so on. A lot of them are driven by what is happening in Europe, some of them are different than what is practiced in the United States however they are there and we are not escaping them because we have not been able to escape them. In times past these Islands were the domain of Europeans when they were our masters, and they are still our masters from an economic point of view.

One area that I would like to mention and there is provision that the Law provides that there can be recommendation with regard to the minimum wage. Mr. Speaker, in 1980 when I was the Permanent Secretary responsible for Labour the then Holiday Inn was paying $1 per hour, I was never more shocked in my life than when I discovered it and indeed my Minister at the time, Mr. Jim Bodden took it up and we made representation (if I remember correctly) in Atlanta to the hotel from the point of view that it was unfair and unreasonable for people to be working in the Cayman Islands for $1 an hour and indeed it changed, not to a tremendous degree but it changed. The argument was that they did not want to pay more than that for the basic wage because they earned gratuities.

I have felt from that time until now that you can value a job. If a job requires certain work, certain ability by the employees, if it carries a certain amount of danger or responsibility you can place a value on it, be it $5, $6, $50, $200 per hour that is what job evaluation is all about. When we place a value on it that value should be paid.

I feel that this situation of gratuities, where an organisation, be it a hotel or restaurant has employees that they are not paying sufficiently, is forcing me, after I have paid the value for a meal which is likely to be overpriced, to pay 15 per cent more than the value of the meal, hence I am paying the employees, not them. I think something is fundamentally wrong with that, I always have felt that way and I still feel that way and I still believe that some strong and drastic action should be taken whereby establishments which collect gratuities, these should and must be paid to the employees and these entities do not skim off the top what was intended for the employees.

The amount that is paid in wages also has a direct connection with the number of hours that some employees work. Before I follow up on that thought, between 1980 (24 years ago) and now there are still some people in this country who are employed, particularly in the hospitality industry, who are only earning $2-odd an hour. Something is wrong with that. Hotel rooms then were about $80 they are $500 and $600. How can it be logically argued that the value of the labour for keeping these places clean and operating at a higher standard and the wages have not moved any higher than they have? It is unfair. We can check our statistics and see what the average wages are in the Cayman Islands by category, and this great wealth that we are talking about and that we are working for applies only in the higher categories and echelons of employment in this country. It does not apply in the hospitality industry.

Going back to the idea of hours of work, the reason why employees have been working for 45

hours is the longer a work day can be the better it is for an employer. That is obvious, particularly if the wages are low and the majority of employees in the Cayman Islands work within what Government calls the wage earners, the group employees. At the end of a day or at the end of a week, if they have not worked 45 hours then their wages are smaller and on average, if I am not mistaken, the statistics for the lower levels showed that a large percentage of employees were earning $735 per month, basic wage. We know that the present Government has established a temporary ceiling of $1500 per month where Government will allow certain payments and assistants from the Social Services Department however it is because wages are so low and none of us what to kid ourselves that things are extremely costly in Cayman. That is the flip side of it.

The cost of goods and services here, particularly goods, do not have to be as high as they are. It is as if those selling the goods want to get the top dollar, whereas the business they are in are going to continue forever. For example, those that sell food items, we will have to eat for ever so it is not as though you have to get all that you can get in this five year period; it is going to go on indefinitely and I marvel at it. Indeed, Customs show what goods are bought for in the United States however the amount they sell for on the shelves is a different story. The mark-ups on them might well be because in the places that are selling them, the cold storage might not be properly wired, the electricity bills might be too high or the way that they are handling or bringing in the materials, storing it, putting them on the shelves can easily be where the problem lies. Therefore, Mr. Speaker, the hours of work and the work week and the work day is significant to human life.

A few evenings ago I was going into the Government Administration building at two minutes to five o'clock, I passed about eight employees leaving. You talk about being on time. They are monthly paid people and so that is their day. Very few could be convinced that they must work in those categories beyond those hours, it is just not done. Those persons can do a nine to five. However, there are instances I hear of that people working two shifts of 14 and 16 hours. The question then arises, do they have a right to hours of refreshment and sleep? Do they have a right that within that 14 or 16 hour period maybe they wanted to go see a movie like the rest of us do? I suggest that they do. So when a Law like this is being considered, these are the type of things that can go into it. Not that it can be perfectly drafted in Law because as I understand it no matter how good a draftsman you are you cannot possibly capture in writing, in a law, everything to address a particular social need. You get maybe 70-80 per cent of it however as the Leader of the Opposition said, no matter what we try now or later there will always be a situation that that legislation cannot address.

That is where management comes in. One must manage to try, where the law does not allow, to reach a point of fairness and reasonableness. I have not heard too much from the employers and I know a few years back they were pushing minimum wage in a major way. Perhaps that was because it was suggested that there should be minimum wage by categories and they wanted minimum wage to resolve it.

I believe that we cannot go on indefinitely as a country not having a minimum wage. For example, when an investor comes into the country one of the things that they ask about is minimum wage because they want to start doing numbers if they are hiring 10 or 50 people. If we do not have a minimum wage we are doing ourselves and the employees of this country a disservice.

It is in the categories where one calculates by hour and wages which tend to be in the lower scales. An exception, as my good friend the Second Elected Member for George Town reminds me, is his type of hourly wages, which includes other persons in his profession and in other private practices, does not fall in those categories.

Therefore, Mr. Speaker, it is important to apply certain hours per week and certain hours for a day and 40 hours has been the standard for who knows how many years. 45 hours, as it is now, is over what has been the accepted norm for many decades.

Indeed, as was being argued by the Leader of the Opposition, if people who are being paid very low wages have one hour taken off that is $3 they are losing and that is significant to them. If you add that up over a number of days that is money that impacts them. However one cannot simply allow a work week to be longer than is reasonable or acceptable within certain norms to cater to those underpaid persons. That is the problem that we face here. There is no doubt that is a problem. In other jurisdictions there would be employees associations that would be advocating and pushing to have differentiation in wages in the various categories. That is not really the way that we are going in the Cayman Islands at this time.

I think it is important, and what makes it easy, even for those people who do not have the slightest clue about a work contract, that it is actually set out in the Law. Again, I am not saying this is the most perfect thing however it certainly provides a means—even for those who cannot read they can go to someone who can who in turn might have no expertise in employment or employment contracts—for them to fill out a form which will set out the necessary information, which will assist Government and the Employment Relations Department to better monitor and make sure that everybody in the country has some clearly defined requirement as to what they are to be doing; that they can be judged by their employer and then in turn the employee can expect certain reactions from the employer because of that contract.

I think that it has simplified things by having this form in the Law and I believe this is an improvement.

Severance pay is indeed something which needs review and what has been recommended here gets loser to fairness. I recall that there was a business in George Town when the Labour Law came in and there were a lot of older persons who were working there and who had been working for 20-odd years and when the idea that severance pay would have to be paid and there was a formula to do it, they simply terminated all of them and some weeks or months later they rehired some and new persons were also hired.

Fairness to the employer and employee is one of the goals that this Law should be working towards. One week for a number of years that a person has worked. We must not lose sight that every employee, even though they may have all been hired the same day they would have been hired at different ages and as things go they will be leaving at different times. If standards and formulas are set to what is expected in settlement then an employer has the opportunity to calculate what their cost will be and see that it is budgeted for when the time comes.

Pensions are a part of the employment condition in the Cayman Islands and there is no question about it in many instances it is a nuisance type of situation. The amount that is taken out is so small that the effort to do so is more than the cost of doing it however it is the Law and that is a part of the situation.

It also speaks of medical care and health insurance. That is another cost and now there is an opportunity that the majority of employees in the lower income categories have an opportunity of being covered by insurance through the newly formed Cayman Islands National Insurance Company. That is a significant part of life for employees.

No matter how healthy we are today, at some point in time we, by virtue of age and changing times and conditions, will have some ailment and one has to calculate that particular cost, which also needs to be a consideration when calculating wages.

Workman's compensation is one of the things which there will be resistance to in the Cayman Islands. Our people would most likely term them "All of these fancy things that they want us to provide now." Workman's compensation has been in place forever. It is just that we have not caught up with it and have not been paying attention to it and we have got away with it. We cannot stay there anymore, there has to be a forward movement.

Tribunal provisions are being made for that part of employer and employees relationship.

Overall, this Law is a gallant attempt to set down certain broad guidelines that will set the stage for relationships between the employer and the employee.

I would not stand here and say I believe that this is a perfect Law because—for example, in what I think is an effort to try to please as many as possible—the Minister responsible has a large number of amendments to this Law which will be coming at committee stage.

I think that there will be some amendments because of the debate and the arguments made by the Opposition. I think that the Minister has taken account of that.

Many years ago the then Minister for Labour, Mr. Norman Bodden, made it clear that the time had come to get the Law passed, I believe that the time has come for another Mr. Bodden to say that he has done all that he can, we have listened to all that we can, it has been amended time and time again, we need a Labour Law that confirms to the general international standards and that will provide some level playing field and reasonable fairness.

The time has now come that we pass this. I give this Law my support with the amendments which will be forthcoming.

Thank you.

The Speaker: Does any other Member wish to speak?

We have reached the hour of 4.15 pm, I know that there are other Members that would like to speak on this Bill and within the short period they may not be able to say very much. Therefore, if it is the wish of this House I would call on the Deputy Leader of Government Business to make a motion for the adjournment.

ADJOURNMENT

Hon. Gilbert A. McLean: Mr. Speaker, it is Friday evening and I think that Members would like to depart and I take note of your observation that there are just a few minutes left before the normal adjournment time.

I wish to move the adjournment of the House until 11 am Monday, 15 March 2004. This would allow the opportunity for the Financial Secretary who has requested a meeting with Members to complete that exercise and we should all be here ready to go back to work.

The Speaker: The question is that this Honourable House do now adjourn until Monday 15 March 2004 at 11 am. All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

At 4.16 pm the House stood adjourned until Monday 15 March 2004 at 11 am.

OFFICIAL HANSARD REPORT
MONDAY
15 MARCH 2004
11.49 AM

Sixth Sitting

The Speaker: I invite the Third Elected Member for Bodden Town to lead us in prayer.

PRAYERS

Mr. Anthony S. Eden: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say The Lord's Prayer together*: Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 11.52 am

The Speaker: Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCMENTS

Apologies

The Speaker: I have received apologies for absence from the Honourable Leader of Government Business, the Honourable Minister of Planning, Communications, District Administration and Information Technology who is in the Brac, the Second Elected Member for West Bay and the Third Elected Member for West Bay who is off on official business from the 15 to 18 March.

I also have apologies for late arrival of the Fourth Elected Member for West Bay.

Election Law Amendment Meeting

Honourable Members, I wish to remind you of a meeting that is being called by the Honourable First Official Member for Wednesday, 17 March to take place at 9.30 am in the Committee room. As I mentioned previously, this is to provide for a presentation on possible Election Law amendments.

Before taking questions, I would call on the Honourable Minister of Education to move for the suspension of Standing Orders 23(7) and (8) to allow Question Time to take place.

Suspension of Standing Orders 23(7) and (8)

Hon. Roy Bodden: Mr. Speaker, I beg to move the suspension of Standing Orders 23(7) and (8) so that we can have questions past the hour of 11am.

The Speaker: The question is that Standing Order 23(7) and (8) be suspended to allow Question Time to continue beyond 11 am.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 23(7) and (8) suspended to allow Question Time to continue beyond 11 am.

QUESTIONS TO HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

The Speaker: The Elected Member for North Side.

Question No. 109

No. 109: Ms. Edna M. Moyle asked the Honourable Minister responsible for the Ministry of Community Services, Gender Affairs, Youth and Sports if a Community Officer has been appointed for the district of North Side.

The Speaker: The Honourable Minister responsible for the Ministry of Community Services, Gender Affairs, Youth and Sports.

Dr. the Hon. Frank S. McField: Mr. Speaker, a Community Development Officer (CDO) has been appointed for the district of North Side since 1 January 2004. The Officer resides in the district of East End and is very familiar with the district of North Side since she and the former community Development Officer for North Side have worked very closely together in the past with both districts.

Supplementaries

The Speaker: Are there any supplementaries? The Elected Member for North Side.

Ms. Edna M. Moyle: Thank you, Mr. Speaker. I wonder if the Honourable Minister is in a position to say if any applications for this position were received from any persons from the district of North Side.

The Speaker: The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: Mr. Speaker, my guess is that there were applications received from persons from the district of North Side. I am not exactly sure on the numbers however I was contacted by someone who I regard as being from the district of North Side. Therefore, I am aware that there would have been some applications, at least one.

It is also important to recognise that this Community Development Officer that is attached to the district of North Side was already in the employment of the Community Development Unit.

The Speaker: Are there any further supplementaries? The Elected Member for North Side.

Ms. Edna M. Moyle: Mr. Speaker, could the Honourable Minister say in which district this particular officer was placed prior to coming to the district of North Side?

The Speaker: The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: The Officer now attached to the district of North Side previously worked in the district of East End and was moved to Bodden Town due to the resignation of the Officer who worked in this district in April 2003. It was recognised by the current co-ordinator that she was experiencing difficulties with assessing the district's varied needs and developing sufficient links to the community affairs and informal organisation. It was felt that this was due to her not being from the district of Bodden Town and being professionally unfamiliar with the area and unable to create these linkages. It was also recognised that the ability to acquaint oneself with the district was compounded by the large range of this district which begins in Savannah and ends in Breakers. Since the unit still had one vacancy the decision was made to relocate her to the district of North Side.

The Speaker: Are there any further supplementaries? The Elected Member for North Side.

Ms. Edna M. Moyle: Mr. Speaker, I thank the Honourable Minister of that reply. Could he say how the new officer in the district of Bodden Town is going to be able to relate to that district if one who had already been employed by the Community's section of his Ministry was not able to cope with it? How is this new officer now going to be able to cope with the district of Bodden Town? Or should it require two officers?

The Speaker: The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: Mr. Speaker, I think it is well documented and therefore it should be well known that the Community Development Unit as it was known had been changed to reflect the new direction which the Government felt it needed to go in.

The Community Development Unit is now part of the National Housing and Community Development Trust.

Therefore, the focus of Community Development Officers will be on the development of the social initiatives within the affordable housing communities. Persons will be selected from outside the communities and then we will work specifically with them within these communities.

One reason that this is possible is that what was previously the Department of Social Services has been restructured and it is now the Department of Children and Family Services.

We will have satellite offices in West Bay, Bodden Town and George Town that will serve the eastern districts.

Therefore, between the Department of Youth and Sports which will deal mainly with youth issues and the Department of Children and Family Services will deal with more adult issues we should be able to cover the same clientele that was provided for more exclusively by the Community Development Officer in those particular districts.

The Speaker: I will allow one more supplementary. The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker. The Minister previously said that one officer could not handle Bodden Town and that the officer had a problem dealing with Bodden Town because of the size. His response to another supplementary was that they were going to have satellite offices in Bodden Town

and West Bay. I suspect that Bodden Town would cover the three eastern districts dealing with the youth, sports and social adult/elderly issues. I am wondering if the Minister could explain how that is going to work. How many people are going to be in these offices? Will we get the same coverage in East End as were getting before with a social worker?

The Speaker: The Honourable Minister of Community Services.

Dr. the Hon. Frank S. McField: Mr. Speaker, unfortunately, many people have misunderstood the role of the Community Development Officers and they have used Community Development Officers for all sorts of tasks.

We feel that a Community Development Officer is a very important resource in the community and that they should be assisting people with their desire to live independently whether those persons are elderly people or younger people.

The fact is that many of the Community Development Officers were placed in environments where there was a lack of focus and so they ran from getting involved in one thing to another. Starting things that were happening in the community is basically a way of justifying their own professional existence.

We also knew that many of the Community Development Officers were given the task of becoming the financial assessors for people who were applying for permanent or temporary financial relief from the government. We have increased in the Department of Children and Family Services the number of persons that are now doing the assessment and those are people who are specifically hired for the purpose of collecting information from our clients and then used to determine whether or not they get financial assistance.

Therefore, that is one of the differences between the systems now and previously that relieves the Community Development Officers (CDOs) from that very awesome responsibility that creates certain types of conflicts between the CDOs and members in the community.

The satellite offices will have the persons that will be responsible for financial assessment attached to them directly. There will be a number of social workers in the different categories of work that the Department of Children and Family Services is involved with.

When I mention the Sports and Youth Department I am basically saying that those departments already do a substantial amount of work in all these areas with young people.

We see the reorganisation and the repositioning as very important. We see the dealings with housing and family issues as the primary issues that need to be dealt with in terms of resolving some of the social crises which we have been experiencing in the society.

Therefore, we saw that it would be a much better focus for the Community Development Officers, who would be qualifying to live in these communities, once they are in these communities, to continue to develop programmes to prevent social deterioration and prevent us from entering into ghettos or crises.

We think that in their new capacities the Community Development Officers are going to be able to strengthen the social fabric of those individual communities. Each community will have an affordable housing community. Since the Government did not have additional money to hire new officers to work along with the affordable housing initiative we thought it best to second them to this particular task.

The Speaker: Madam Clerk.

STATEMENTS BY HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

The Speaker: I have not received any statements by Honourable Ministers or Members of the Cabinet.

GOVERNMENT BUSINESS

BILLS

SECOND READINGS

The Employment Bill 2003

(Continuation of debate thereon)

The Speaker: Does any other Member wish to speak?

The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. It is my privilege this morning to offer my contribution to this very important Bill that is before the House; The Employment Bill 2003. My esteemed colleague, the Leader of the Opposition and First Elected Member for George Town, the Honourable D. Kurt Tibbetts, has offered a very careful analysis of the Bill and I am not proposing, with one notable exception, to deal in any great detail with the specific provisions of the Bill.

I wish to commence with a discussion about the historical significance of labour and about how the Cayman Islands have differed, in terms of its development of labour legislation, from most of the other Caribbean islands in the region, in particular those that were former British colonies.

I believe it is important that we have some insight into the past to understand why it is that we have

such generally harmonious relations in this country in relation to employment as we are now beginning to call it. At the same time why it is that our employment legislation has generally lagged behind that of most other developing countries, again, notably those which were former British colonies in the region.

Perhaps one can call it providence, perhaps one can call it historical accident, however, there is a certain irony about the way things have developed in terms of Cayman's development generally. The absence of natural resources which resulted in general disinterest on the part of the imperial nations of the world has had two major effects.

It has affected the social development of this nation and largely a result of that Cayman is one of the most important small nations in the world. There is a certain irony in all of that because the things which were important to the imperial powers a few hundred years ago—that is colonies which permitted them to exploit the natural resources of the region and to have the economic benefit of those things transported back to the colonising powers were features which—were largely absent from the Cayman Islands.

As a result, we never developed a plantocracy system and we never developed the economy that many of the other overseas territories and former British colonies did. Therefore, we remained largely unknown, poor and cut off from the rest of the world which developed significantly in advance of these Islands.

The result of that, Mr. Speaker, was a very small population base, a largely un-educated populace but one which was not visited upon, in the way that other colonies were, with the incidence and cruelty that was inherent in slavery. We did have slaves here, I am not suggesting otherwise. However, my study of the history is largely that compared with other places and other British colonies in particular it was a more benign, if one can ever use that word in conjunction with such a terrible institution of slavery, form of servitude.

Thus, the people in these Islands tended and still tend to have tremendous regard and loyalty to the British Crown and did not share and still do not, share the sort of anger and disdain for the colonising power that many of our neighbouring countries did.

A sort of very unique society developed. There was very little economic wealth and there was significant poverty. However, a very docile and Godfearing and hardworking and generally contented people was the result of this process.

Because of the various incidents of history, when the labour movement began in the region, triggered after emancipation in 1834, by the masses of people, who were now the working poor and forced to operate in the most abysmal of conditions, the Cayman Islands were insulated from this.

Indeed, in Mr. Craton's new book, *Founded Upon the Seas*, there are some short paragraphs which referred to the concern of the then Commissioner Cardinal about the impact that the labour movement in Jamaica led by Bustamante would have had on the attitudes of the people in the Cayman Islands. The last thing he wanted to see was that sort of uprising spreading to these blessed shores.

However, because the Cayman Islands did not have the experiences and the advancement that many of its neighbouring countries did, we were not part of "the invited industrialisation", as termed by some writers, of some of the other British colonies like Jamaica, Trinidad, and Guyana.

We had a situation where Cayman was very backward, as many of the writers and contemporaries of the time said, because we did not have all of the institutions that naturally go along with a newly industrialised society. At the same time we did not have—because of the small population and lack of industrialisation—these deplorable working conditions which gave rise to this move and desire for social justice and ultimately independence.

We did not have those strong nationalistic views being expressed about the tyranny of the elite in the community, who were principally, in those days, white people, mostly the descendants and citizens of the colonising nations, in our case, in this part of the region, England. We did not have all of these complex, social interplays going on.

Again, for a long time the Cayman Islands were largely left to do what they did best, which was pretty much farming, fishing, and some ship building.

Dr. the Hon. Frank S. McField: Everybody had land. That was important.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I am reminded by the Honourable Minister of Community Services that another distinguishing feature of the way Cayman developed following emancipation, was that most people in Cayman did have land.

Many of the ambitions of persons in our neighbouring countries were driven by this need to own land. Even after emancipation the majority of the land was still owned by those who belonged to the colonising race. However, in the Cayman Islands most of the land was unclaimed. Therefore, the majority of the freed slaves—and even before some of them were freed—ran away and colonised, if I can use that expression, East End and North Side in particular.

Cayman developed, in spite of all of this turmoil within the region, in something of a vacuum, insulated from these important incidents of both global and regional history.

It is instructive to understand that these labour-related issues and the movement to achieve some form of social justice which resulted in the trade union movements culminated in the creation of labour parties. That is why historically when one looks around the region you see so many political parties which are characterised by the use of the word "labour" in their names. They were born out of the trade

union movement and out of the move to achieve social justice and basic rights for workers.

Although I have been concentrating on the region, this is not unique to the region. The United States of America also went through that kind of turmoil and trauma in trying to obtain basic rights. That is what gave rise to the big union movements in the United States as well, to try to achieve basic rights for workers.

It is important that we understand what can transpire and how traumatic it can be for a society when fundamental rights of workers are not protected and addressed.

For the longest of times in the Cayman Islands there was resistance to any re-legislation which addressed the rights of workers and sought to place the arrangement between employer and employee on some sort of rational level where rights were clearly articulated and capable or enforcement.

I recall this very well because the first real job that I had was as an assistant labour officer in the Cayman Islands Government, in July 1981, and I recall when I applied for the job just having completed my A levels I had not a clue of what I would be asked to do or how I would be able to do it. Perhaps if I had I might not have accepted that position with such alacrity however when you are 19 years old and you are offered what looks like a huge salary you take the job.

I had an experience with Governor Lloyd. After I had been there for about six months he came to the Labour Office, which was then staffed by three persons and I should say that Ms. Joanne Watler was there when I joined in 1981 and she is still there, she has persevered. It was a labour officer; I think she was acting at the time just taking over from Mr. Leonard Dilbert, myself and a secretary.

At that time the only legislation that dealt with labour matters in this country was the Master and Servants Law, an 1842 piece of legislation, which came down from the United Kingdom through Jamaica to us. That piece of legislation stood until 1986 or 1987 when the Labour Law was passed and the Workmen's Compensation Law, which, regrettably, is still the only piece of legislation in these Islands enforced to deal with compensation for workers injured on the job and which is entirely irrelevant unless you are a workman as defined in the Law, and a workman is someone who earns less than $1500 a year. Both pieces of legislation were crafted to deal with a different time and reflected the true nature of our sub-colonial status, and I say sub-colonial, because we were not even a colony then, we were a dependency of Jamaica—I am not even sure what the relationship was before we were formally regarded as the dependency of Jamaica.

I remember the Governor, Mr. Lloyd, saying to me, who was very keen, after six months there, I had become exposed to enough and I had enough interaction with employers and employees to understand that there were problems.

The big problem that we had was that there was no legislation which governed any of this so what one had to do back then, Mr. Speaker, and I know that you are aware of this because you were in the Government Administration building in those days, was to place a call to Mr. Jim's (Jim Bodden) office when one had a recalcitrant employer who was giving problems and Mr. Jim placed a phone call to them and that sorted the matter out.

Even back then there were certain basic practices we had adopted, policy set by the Government. Two weeks vacation, 10 days sick leave, two weeks pay in lieu of notice; those were not written in any legislation. I remember saying to the Governor that we needed employment legislation very badly and he said that could be the worst thing that could happen to these Islands, we need to continue the laissez-faire practices and I did not know what it meant and I looked it up.

That has been the attitude of many in these Islands for a long time and the Minister of Education spoke to difficulties which the then Minister, Honourable Norman Bodden had with trying to promote the Labour Law in 1987.

I have tried to paint the historical context in which labour legislation ahs come to this country and to demonstrate why it was absent for so long.

However, when the Cayman Islands finally started to take off and when it became apparent to many who came here for investment purposes or to establish businesses that this was an almost idyllic place, there was the complete absence of any regulations which meant that they could exploit that (in the right way) and benefit themselves tremendously without having to worry about paying pensions, leave, workman's compensation or health because they came and they found a set of people who had been so neglected for their entire existence that not only were they resilient and hard working but they were entirely independent.

That absence of regulation and that independence and resilience of our people have contributed greatly to the success that these Islands now are. There is no question about that. That attracted businesses by the hoard, particularly those who came to establish the financial industry. This absence of regulation meant that they could do all sorts of things and as far as they were concerned, in my view, it was an added bonus. Because the population was largely uneducated, certainly beyond high school, they could bring in whoever they wanted without any worry about local persons competing or clamouring that they should have an opportunity to do these jobs. That is the way it was in the 1960s and 1970s.

I often reflect on something my father said to me some time ago and it struck me with such force when he said so because that point had never come home to me.

My father who is a former seaman and had the best education that the Cayman Islands could af-

ford when he was coming up—he is now almost 78 years old—said to me when we were having the celebrations celebrating the tremendous contribution of seamen, "These Islands are forever indebted to the seamen in ways that most people do not realise."

Because there were so few other opportunities every boy, from the time he was old enough to understand, aspired to go to sea and the result of that was that few of them, even if the opportunities did avail them, concentrated less on the importance of an education because there was not much point in that if you were going to leave for sea at the earliest opportunity you could. He said to me that the result of that was Cayman lost a generation—his generation—as far as education was concerned.

At a time in other places young men were pursuing an education, our young boys and men were sailing the high seas as a consequence of necessity.

When the first wave of immigrants came looking to pursue economic interest and use Cayman as a base for that, there were few here who were able to seize advantage of the opportunities that presented.

That is why for those who came to the Cayman Islands it was such an attractive place. A docile, friendly, helpful, deferential people who posed no threat to anything they proposed to do.

Cayman roared ahead in terms of development. Opportunities presented themselves everywhere and even in my generation, I have to admit, I had to be pushed and shoved to go on to higher education because there seemed to me, with all the naivety of a 18- or 19-year-old, that there was plenty of money to be made without the benefit of a higher education.

In the late 1970s and the early 1980s in this country, an 18- or 19-year-old could command whatever job they could dream of with four or five O Levels and because of the availability of jobs—not necessarily the jobs which 20 years from then one should aspire to do for the rest of your life, to make a career of—no one was complaining about working conditions because there was more work than anyone could do and immigrant labour poured into the country.

Immigrants generally do not complain about the lack of good working conditions because the fact that they have come here voluntarily means that the conditions which they find in this place are, at a minimum, better than those that they left or, if the working conditions are not so great, the living conditions and financial rewards are much better.

That explains why for a long time there was no groundswell for modern employment legislation in these Islands. For a long time there was no groundswell for pension and health benefits either and we ignored all of those things.

I am prepared to say that a large part of the social problems that Cayman currently faces; the difficulty Government and its agencies face in trying to help people who are now past their working years but who have no real means of support is because we failed to accept that (a lot of people in this country did understand) the Government had a responsibility to make sure that people made sure they provided for their latter years.

The fact is that Cayman, which is one of the richest, if not the richest, in the region in terms of per capita income, does not have in place basic workmen's compensation and insurance in spite of all the development that has gone on.

The countless thousands of persons that have worked in very dangerous conditions building this country is a disgrace. It has been a deliberate policy decision by successive Governments not to do so; it is not something that has been overlooked. Mr. Speaker, as a lawyer who has worked in the field of personal injury in this country, I understand the hurdles and the costs involved in a construction worker having to pursue a claim through the courts, not to mention the delay. It is deplorable. It is a disgrace.

Cayman is at one of those forever talked about crossroads. Perhaps it is not as significant a crossroad as it was back in 1986/7. However we have those who complain that employers cannot bear any more burdens and the cost of doing business in this country is too great; they have a point. The cost of doing business in this country is high. However, generally speaking, the rewards of doing business in this country are very good.

I am always concerned too that we do not regulate things that we do not need to regulate. There are certain things that Government needs to stay out of and we have to careful about over-regulating any aspect of industry in these Islands. That I accept; there has to be a balancing exercise.

I am not an advocate for conferring every possible benefit you can conceive on workers in this country. I do not believe that should be the objective of the legislation.

What the legislation ought to do is to recognise modern standards and conditions of employment. We are not in the era of masters and servants. We have even gone beyond the era of labour. The new term is now employment.

What the legislation ought to be about is setting the minimum standards under which any employee should be required to work. If employers and employees are able to negotiate better terms (which is usually the case), then fine. However, the Law is something that we should be able to hold up to the international community and say in the Cayman Islands, as an emerging nation, these are the standards to which we hold employers. Employees are not chattels; they are there to sell a skill, a service for which they should be paid. They have other lives outside the confines of the workplace.

Hon. Roy Bodden: Preach brother, preach! I wish more white people were hearing it.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, whether I am here after November or not remains to be seen. However, I believe I serve no purpose if I am simply here to make up numbers or to say what certain people want to hear. The reason I am here is because I believe that I can offer some insight and help to develop and improve the conditions for the people in this country.

To tell me, as I have been told even in the context of discussions about this Bill, we have to be careful because we need to continue to attract foreign business and entrepreneurs, developers and investors to this country is true!

However, I would rather not one of them came if them coming does nothing to benefit this country and my people. We have to understand that in everything you do in life there is a trade off. We have traded a whole lot of the most admirable qualities and traits and characteristics of this nation to get to the stage of development that we have. We have to be sure in such matters that there is a net gain to the Cayman Islands and the people in it. Otherwise, it is a bad trade.

While the Cayman Islands have generally been propelled forward at an amazing rate the social consequences of the pace of that development have been terribly high in some instances. All around the social decay is apparent. The fragmentation of the nuclear family, the loss of values and mores that used to be a natural part of growing up in Cayman are not there.

I am not crying about that; I am saying that we need to understand that when we pass legislation it should not be, as it has been far too often in the past, simply about bringing business to the Cayman Islands anymore. That investor should bring something to the whole Cayman experience which makes the people who are here lead better, more progressive, more enlightened, more comfortable lives. If it does not then we should tell them go away for they add nothing to the value of these Islands and to its people.

It is said more often perhaps than it should be but who are we developing this place for? That is something I have borne in mind from the time I was 23 years old. I understood how few persons here truly benefited from the tremendous wealth that was being generated by the very existence of this place.

The per capita figure is grossly misleading. I have forgotten what the figure is now, maybe twenty something thousand the last time I checked. I think Bermuda was slightly higher.

Only a very small percentage of Caymanians—and I use that in the broadest possible sense—are receiving anything near that sort of figure. My experiences over the course of the past three plus years have only confirmed the view that I earlier held from my other experiences in life, particularly my work with Lions. You get to understand when you do this kind of work how many people truly belong to this category called the working poor. How many people actually survive literally from week to week and often then only with some sort of subsidy from someone? The numbers are great. Representing George Town as you do Sir, which is the most populous district in these Islands (over 20,000), has given me an insight which is most worrying.

We should not resile from the view that the Employment Bill, which improves conditions generally, creates more enforceability is something that is in the overall best interests of these Islands.

I had concerns about some aspects of the Bill that is before us. By and large, with one notable exception, those concerns will be addressed as a result of the proposed amendments. I thought that some aspects of the Bill were over-reaching and I think the Honourable Minister of Education has spoken to them and that some of the provisions proposed were better left to be contained in the relevant legislation such the Pensions Law and the Health Insurance Law, et cetera.

I was also concerned with the proposed creation of this pre-Gorbachov-sounding position of Inspector General however I note it is proposed that provision be deleted from the Bill.

I think the Bill does what should be done; it is not perfect; there are still going to be certain problems. I think the whole question about overtime will continue to prove to be a vexing issue.

I have sat as the chairman of the Labour Tribunal for a couple of years, perhaps ill-advisedly, because it certainly was a far greater responsibility and came with far more work than I conceived. Therefore, I do have a fair understanding of not just how the current legislation works but of the issues that impact employer/employees relationships.

I also have the benefit, having been a public servant for three years, of having been at the very lowest end of the totem pole in a law firm—in a law firm an articled clerk is somewhere below the cleaner in terms of value to the firm and, at least in the early days, is completely valueless—and I also now have the benefit of being an employer. Thus, I have seen this from all the available perspectives.

I come back to my point about the overtime issue. I believe the Honourable Minister of Employment Relations is absolutely right about the unworkability of the current provision in the Law which requires a tribunal to approve persons who work for hours in excess of their standard work week at a regular rate, that is, persons who are not managerial or professional. The current legislation says that any such arrangement for a non-managerial or professional person to work hours on excess of the standard work week at regular rates must be approved by the tribunal.

As the chairman of a tribunal I have actually gone through that exercise a number of times and there is no question in my mind that certain employers abuse that section terribly. They coerce employees into working additional hours at regular rates. I am not

saying that all employers do that but I have two experiences that live in my memory.

One involved the tribunal going to a major business employing more than 300 people, being escorted into the board room on which was arrayed all sorts of the most delectable sandwiches and tidbits.

We were given a list of persons and had to sign off that we were satisfied that they had entered into this arrangement knowingly and understanding that they did not have to, and that no adverse consequence could flow from them not agreeing to, do this.

The first issue I had was that the human resource director insisted that she should be permitted to sit in on the interviews to which I politely told her that was not possible and that she should leave and take her offerings with her. That did not go down very well thus the management came and, of course, I know the management because they are Caymanian. So I said to them in my most diplomatic manner that this is not possible; that we have to be satisfied that these people were not being coerced, and if someone is sitting there from the management staff, we cannot be certain about that. They were not well pleased but they left and we conducted these interviews.

This is the saddest part and I am going to talk about two issues in due course. The first is about exploitation of immigration labour in this country and the second is about discrimination against Caymanians in the workplace.

The Speaker: Honourable Member, is this a convenient time for a break?

I would like to take the luncheon break at this time. I would ask all Honourable Members to please return by 2.30pm sharp. It is the wish that we take this Bill through all its stages so it might be necessary for us to work beyond the hour of 4.30pm.

Proceedings suspended at 1.00 pm

Proceedings resumed at 2.30 pm

The Speaker: Please be seated. Proceedings are resumed.

The Second Elected Member for George Town continuing on the debate of the Employment Bill 2003.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I wonder if I might be reminded of the time remaining of my debate.

The Speaker: One hour and nine minutes.

Mr. Alden M. McLaughlin, Jr.: Thank you, Sir.

When we took the luncheon suspension I was relating some personal experiences with the current provisions in the Labour Law relating to the need for the tribunal to approve time worked by ordinary staff, non-managerial or professional staff, in excess of the standard work week and I related a situation where the Labour tribunal had been attending a place of business for the purpose of conducting these interviews to assure itself that individuals, who were working hours in excess of the standard work week at regular rates, were doing so of their own volition. I reached the point where I said that the human resource director of that establishment had insisted that she attend the interview and when that was declined the management sought to intervene.

The end of the story was that we were permitted eventually to conduct interviews in the absence of management staff.

The majority of the persons whom we interviewed with very few exceptions were all persons on work permits. Some of their English was not very good and most of them were quite intimidated by this process.

Having had some experience in dealing with people we were able to determine from some of them, although they exacted a promise from us that we would never tell their employers, that they were working these additional hours at the regular rates because they had understood that if they did not do so there were lots of other people waiting in line to assume their positions. Having come from so far away as the Philippines, in some instances, they were not inclined to lose the little work that they had.

I had another experience in relation to the much smaller operation of a professional establishment and it so happened that one of the young ladies that I had to deal with was someone that I had gone to school with and it was with that degree of confidence and based on our past association and relationship she asked that the other members of staff who had come for the same interview each be dealt with separately. Once the others who were not Caymanian had left the room she was then prepared to say that this employer had made it quite plain to her that if she did not work the additional hours at regular rates she could go and find another job.

My personal experience with that provision, having sat as the Chairman of the Labour Tribunal, is that it simply does not work. Not only does it put an impossible burden on these voluntary tribunals, who have to interview huge numbers of people if it is going to be done properly, but if one were to simply listen to what they say and not probe deeper and not insist that human resource people and management be excluded from the interview you would never get the truth.

Even when you get the truth you are afraid to tell the employer they are carrying on an unlawful practice because you know if you do the inevitable consequence is, particularly for those on work permits, that not immediately but as soon as that work permit comes up for renewal that individual who told you the truth is likely to be told that their work permit will not be renewed.

I have long been an advocate that that provision ought to be removed from the law. I accept that there is a dilemma because there is a significant number of people who would be willing to work additional hours without coercion at regular rates.

Thus the question is what to do to ensure that those people are not penalised? In this very expensive society in which we live many people need as many hours as they can get to work to make ends meet. On this side we have thought about it, debated it and discussed it with a number of people and I have come to the view that the only way that this could be addressed in a way that is reasonable is to have the work week extended beyond what might internationally be regarded as acceptable, which I believe is now 40 hours. Under the current Labour Law the standard work week is 45 hours and I believe that the proposal in the Bill that I have is 44, which will allow a certain degree of flexibility in there. Another four or five hours means another half day, essentially, as the standard work week for which the employer would not be required to pay overtime pay.

I believe that in this day and age it is not acceptable to expect people—that is persons below professional and managerial levels—to work for more than 45 hours in a week and not pay overtime; it is simply not acceptable.

You reach a certain point in the number of hours one works in any period, whether it is a week or month where it seriously impacts your health and your outlook and your ability to perform.

Unless persons are receiving some real incentive or have some particular goal in mind to do this for extended periods is counter-productive and I do not believe that it is internationally acceptable to have provisions which would permit persons to work for extended periods well beyond what is recognised as the standard work week at regular rates. Whether the Minister moves it up to 45 or it remains at 44 I am in favour of either of those.

I am certainly not in favour, as has been mooted and suggested to us by a number of opponents to the Bill, that there ought to be a laissez-faire approach adopted where it is a matter for employer and employee to negotiate what hours are worked at regular rates. That is not true negotiation because one party is in a stronger negotiating position and that is the position of the Law. That must be the objective of the Law to make proposals and to set out a framework which applies minimum standards to which all employers and employees are held.

When I concluded before the luncheon suspension I said that there were two other aspects that I wished to speak about in some detail and they were exploitation of immigrant labour and discrimination against Caymanians in the workplace.

Those are two bogey men that we are reluctant to talk about in these progressive Cayman Islands. Nevertheless, both are real and both seriously impact on the quality of life in this community. Both run contrary to modern views on social justice and I am pleased to see provision in this Law which prohibits discrimination against anyone based on various factors including race and national extraction and the like.

I will deal with the discrimination issue in due course, however I first want to address the question of exploitation of immigrant labour and how that impacts on the community as a whole.

There is no question in my mind that there are categories of employees in this country, principally immigrant employees, who do work that most Caymanians are not prepared to do and who work in conditions that are less than acceptable and who earn wages which are not sufficient to live decently in this county. This forces them into situations where they live in squalor; six to eight of them share rooms at one time in order to survive. There are those who will say that is alright. After all, they are not Caymanians; they are doing things that Caymanians will not do and it suits whoever employs them to continue to employ them at those low rates because not having to pay what would probably be the economic rate means that they can either add more to the bottom line or reduce the cost of the service of goods that they are providing to the community.

Those people are not robots. They live and breathe and exist in this society in the same way the rest of us do. They are human beings; people who have to live in those circumstances are bound to have a certain attitude and view about the community which exploits them in this way albeit some may say that they are being exploited at their own choosing. The circumstances which they find themselves in Cayman are better than the circumstances in the place from which they come. Those people live in this community, have interaction with our people, they form relationships with our people and they get sick in the same way we do. We cannot treat them as some sort of sub-species.

Another important point that is becoming more and more common is that we, as legislators, are met more and more often these days by Caymanians who say, I cannot get any work because the other nationalities (I will not name any nationalities) are prepared to work for so little.

Those sorts of experiences are what make it more and more obvious to those of us who are discerning enough to understand the need for a minimum wage. There ought to be a rate below which no person in this country is paid because they simply cannot live and if the market was dominated purely by Caymanians, which has not been the case in the Cayman market for 40 years, you can say no Caymanian is going to work for less than $6 an hour and that is probably the case, however you are going to find other nationalities who earn significantly less than that. Therefore, we end up with the situation, because of the large immigrant pool of labour that we have in this country, where the rate paid at the bottom end of

the market is artificially low. In addition to causing other persons to come in here and do that work that is displacing Caymanians out of work.

If we try to pretend that there is not a significant number of unskilled persons in this country who are Caymanian and who need to be operating at that level simply because they have no skills to operate above that level then we are telling ourselves a big story.

Those are the most vulnerable people in this community because they do not have the economic strength to cause stink anywhere (when I say those people I am talking about the immigrant labour operating at that level). They are so glad to get the job that they are prepared to put up with the most abysmal and atrocious conditions.

In addition to that, the other element is they can be forced to work in excess of 45 hours in a standard work week at regular rates. No, the Good Lord shall rain down on us if we allow that to happen.

The other bogey man is discrimination against Caymanians in the work place. I am sad to testify that that is alive and well.

I spoke about the history of labour in this country and what transpired in the 1960s and 1970s when the tourist and financial industries were developing; the lack of skilled, educated and professional labour that was generally available which resulted in the importation of significant number of immigrants to fill those positions.

There was little clamour back then by Caymanians for any of these top positions simply because we neither had the qualifications, education or experience to carry out these specialist jobs. However, my generation was told that we needed to be educated, go off to school, come back then the world is would be our oyster.

Caymanians, despite what the distracters may say, have done immensely well. As small as this community is, there are few that that have produced the number of professionals in 30 years as these Islands have done.

Even with all the new Caymanians that the Government has now added to the roll there are probably not more than 22,000 or 23,000 Caymanians — I am using Caymanian in the broadest sense—and when one considers the number of lawyers, doctors and accountants which are the three largest categories and add to that nurses, pilots, engineers, what this little place and that small population have produced is nothing short of astounding.

Forty years down the track, when you look at the number of Caymanians who hold senior positions in any establishment in this country, the results are not so good. There is a reason for that and that is pure and simple discrimination. All of us who have spent time in the expatriate dominated work force in these Islands, certainly in the financial and related industries, will understand that discrimination there is real and it is rooted not just in some ancient prejudice but it is also routed in the perceived need for the foreigners who have dominated certain industries in these Islands to hold and control. That is why 40 years down the track you can still count and have fingers to spare, the number of Caymanians who are in senior positions in the banks, trust companies, law firms, accounting firms. It is almost non-existent in hotels.

What has happened as a result of recent grants of status is that a significant number of foreigners, many in senior positions but still in the prime of their working life have been confirmed into those positions and will remain there for as long they wish to. We have younger members of my generation, those in their mid-twenties and early thirties who are angry, frustrated and concerned that the premise on which they sought their education and pursued a certain career has been significantly undermined because who they were training to replace have been confirmed in those positions.

Now, Mr. Speaker, what is done is done and there is no way that we can seek to categorise the Caymanians and say that those who got it this way should be give a certain treatment and those who earned it the old-fashioned way should be given a certain treatment and those who were born here to Caymanian parents another treatment. Once you are Caymanian you are Caymanian and we all have to get use to that.

The Leader of the Opposition and I had a delegation of young Caymanian professionals who came to see us very recently articulating these concerns and that was the advice we gave to them. We have to play the hand that we have been dealt and we have to accept that those that are Caymanian as a matter of law are Caymanian for all intents and purposes and we cannot try, as some would urge us to do, to find some way to give the indigenous Caymanian some sort of preference over these persons who have been granted Caymanian status.

We have to realise that it is a bigger issue than we have had to deal with in a long time. That makes it more necessary that when we are granting work permits, when persons are being considered for senior positions the board have got to be very discriminating and have to scrutinize the application and understand the circumstances that surround this particular job and position very carefully.

The last thing that we need to add to this volatile cocktail that we already have is added frustrations that indigenous Caymanians are being discriminated against and persons who require a work permit are being given preference in circumstances where that is not necessary.

Having grown up in that industry in these Islands, the 1 June will be 20 years since I have been at my firm, you get to understand all the nuances and the unarticulated prejudices that exist. You can design the criteria for a job application in a way that very simply makes it impossible for Caymanians to apply for it

and in many instances those requirements that are written down are completely unnecessary.

I have lived and survived in this business long enough to understand what really operates in the minds of some persons who control the foreign-owned establishments in this country. Not all, because there are some very good ones who do look out for Caymanians, who do have a real interest in the country and in ensuring the upward mobility of Caymanians.

I am evidence of that because I did not get here all by myself. This is not a general indictment on the whole industry by any means, however there are significant numbers in enough of them and it happens often enough for me to know that there is a real problem.

I have had a senior partner in a major firm, in Cayman, *in his cups*, tell me that I am too intelligent to be Caymanian. That is why I say there are certain things that operate in their minds. That is not today. I have had it said to me and in the presence of others that the Caymanian stock is too small for us to produce persons who are intelligent enough to deal with major issues that arise in law firms. No one can tell me that these prejudices and attitudes do not exist.

The Immigration Board, the Department of Labour and the Employment Tribunals have got to have the resources—that is a critical thing; they need the resources—and they need to be more vigilant now than ever to ensure that discrimination is dealt with swiftly because it really exists.

I am not so utopian in my outlook as to believe that we could create something in Cayman which no one has succeeded in creating anywhere else. There will always be discrimination but those who practice it ought to understand, and that should be the object of the legislation, that the consequences of discrimination are this and that and that the consequences are going to be enforced.

What often transpires in this country is when the proverbial hits the fan then there is a huge lobbying effort by the Chairman of the Immigration Board or the Chairman of this Tribunal or this Minister and everything just gets sorted out.

However, part of the reason why I gave the historical introduction about labour—and how labour was the issue which galvanised the other British colonies in this region following emancipation and caused them to organise and develop trade unions, which gave birth to political labour parties —is so that those who live in some sort of cocoon in this community, despite the fact they may have come from somewhere else, come to understand that the worst thing that can happen to this country is a breakdown in social harmony; the very thing that attracted people and businesses here in the first place. The worst thing that you can visit on any country is a group of young, educated people who believe that their birthright is being denied them.

Mark my words, there is a growing number of disenchanted, disillusioned young professionals in this country, many with masters degrees, who feel that they are not being given their just due or opportunity; I have not met one of them that wanted a handout.

We, who sit in this Honourable House charged with the duty to represent them, and all people in this country will be derelict in our duty if we do not do all that we can to prevent discrimination against Caymanians in the workforce.

Discrimination against everyone is wrong. Well, not entirely because it is perfectly lawful and understandable in country to discriminate in favour of nationals in that country in terms of who should have employment opportunities.

We have understood that from morning because it has been enshrined in the Caymanian Protection Law (now the Immigration Law) for 34 years. I like the fact that we no longer use “protection” because it is not protection. Until the world no longer has borders—I will be long gone by then—it is in every country’s duty and responsibility to ensure that those who are citizens of that particular country have the right to employment in preference to those who come from elsewhere. How could it be otherwise, Mr. Speaker? Discrimination in that regard is fine.

I raise that because there is a provision in the proposed Bill which talks about national extraction and that should not be confused with nationality. National extraction, as I understand it, means that if my parents came from Jamaica, I am a Caymanian of Jamaican extraction. Fair enough. Lawfully you cannot discriminate against me for a job in Cayman simply because my parents came from Jamaica. However, it is lawful and should continue to be lawful to discriminate on the basis of nationality. Either you are Caymanian and entitled to a job here or you are not, in which case you need to get a work permit.

I could wax on about those sorts of issues for a while yet; however I must ensure that some important technical points that I wish to make are addressed in the time that I have and that I do not run over my allotted time before I get the opportunity to deal with those properly. I have mentioned them to the Minister this morning and I must confess that they did not occur to me, even though I had read the Bill a few times, until about 5.30 this morning.

I think it is a hangover from the old Law, however it was certainly a problem with the old Law and what I will do is to compare what the old Law said with what the new Law says, thereby identifying the mischief that I believe the new Law ought to address.

The problem had its genesis on the definition of complaint under the Law. The old Law defined a complaint as best as I can remember it as being a formal complaint to the director made under sections 46 and 54. Those two sections deal with unfair dismissal and the payment of severance pay. The problem which tribunals often experienced with the definition and the provisions of the old Law was that when an employee filed a complaint they complained about issues in addition to their unfair dismissal. Severance

pay is simply a result of having left the employment in one way or another.

When up before a tribunal and the evidence unfolded they came to realise that there were other matters as well; perhaps the individual had not been paid the last week's pay that he should have been paid; perhaps he had not been given notice in accordance with the Law; perhaps there was unpaid vacation leave which had not been paid. When the evidence is led they come to understand that these are all important aspects of this employment relationship now falling apart which should be addressed. However, because of the way the Law defines complaint no order can be made by the tribunal in relation to matters other than severance pay or compensation for unfair dismissal.

Thus when I was around, the practice grew, that the tribunal would conclude that there was two weeks' notice due and they would say so in their decision. They would conclude that there was unpaid vacation leave and that was two weeks. However, when they actually made the order they could not order the employer to pay the unpaid vacation leave or pay in lieu of notice. The only order they could make was in relation to what the compensation was for unfair dismissal and the severance pay.

The problem was that if an employer decided not to bother to pay these the only way to get them paid would be if a prosecution was brought under the Law. They could enforce the other two in the same manner they would enforce the judgment in the summary court however the department would have to bring a prosecution, get a conviction and then take it from there. Very unwieldy. I do not think it worked very well. I think that problem was fairly well known because just about every tribunal, and certainly the department, was aware of that and indeed the definition of complaint in the Bill before us has been extended in a way that I believe is quite satisfactory.

It now says the: **"'complaint' means a formal complaint regarding any employment-related matter made to the Director by –**

(a) an employer, employee, employers' group or employees' group; or

(b) any government authority or department or any agent thereof having an interest in enforcing the employment-related Law;"

I believe that from a definition stand point it is now alright; it is no longer limited to a formal complaint related to unfair dismissal and severance pay in a way that the old Law was.

When I initially looked at the Bill I nodded with approval about that particular definition and thought that things were alright. As I said it was only after having read it and digested it a few times that I have come to the view that that alone does not address the mischief, which I know it is intended to do.

Part X of the Bill, section 74 establishes the **"… Department of Employment Relations comprising of a Director of Employment Relations and such authorised officers and staff …"**

Section 78 establishes employment tribunals. Section 78(1) reads: **"There shall be no Employment Tribunals for the purpose of hearing complaints from employers, employees, employers' groups, trade unions or any other party with an interest in an employment-related matter."** That compliments the areas that a complaint can cover so there is no problem there.

On page 63, section 79(14): **"The decision of an Employment Tribunal upon a complaint shall, subject to the right of appeal conferred by section 81, be final and binding between the parties."** Again there is no problem there.

Section 80(1): **"A person who refuses or neglects to comply with a decision or order of an Employment Tribunal is guilty of an offence."** There are critical words in there Mr. Speaker,: **"… a decision of an order of an employment Tribunal ..."** And so the question arises, what decisions or orders is an Employment Tribunal entitled to make? An Employment Tribunal is a creature of statute, it has no inherent jurisdiction and therefore it can only do what the law empowers it to do, either directly or inferentially.

Section 80(2): **"An award made by an Employment Tribunal for a sum of money may be enforced in the same manner as a judgment of the summary court or Grand Court for the payment of a sum of money, and using the same personnel."** Again, fine, Mr. Speaker.

Subsection (3): **"Where an Employment Tribunal finds an employer to be guilty …"** I pause here, Mr. Speaker, just to say that I think that language is perhaps inappropriate in the sense that an Employment Tribunal should really be finding anyone *guilty* of anything. It should be that: "… an Employment Tribunal finds an employer" *in violation* "of this or any other employment-related Law and it is found that the same employer, in the two years immediately preceding the date of the violation before the Tribunal, committed a violation of a similar nature and was accordingly adjudicated to be guilty, …" Again, I think that word should be amended, **"… it may, in addition to any other order made to redress the complaint, order a penalty to be paid to the employee."**.

In addition to any order made this subsection seeks to redress the complaint and again the question arises, what orders are the Labour Tribunal entitled to make?

We turn to fairness and unfairness of dismissal; part VIII, section 56(2): **"Where an employee is dismissed, he shall, in addition to any remuneration and severance pay that may be due, be paid for earned vacation leave and any other benefits accrued at the time of termination, and the wage rate for the payment of such benefits shall be the same as the wage rate determined for his severance pay."**

That is very much in keeping with what obtains at present. Hence, as a matter of law when an employee is dismissed he is entitled to his remuneration for whatever work he has done and to severance pay, earned vacation and any other benefits.

Section 60(1): **"Where upon a complaint of unfair dismissal the Employment Tribunal, summary court or Grand Court has determined that the dismissal was unfair, it may –**

(a) order payment by the employer of a sum of money by way of compensation; or

(b) reinstate the employee with back pay for the period of unemployment."

Clearly, the Labour Tribunal is entitled to make an order for compensation or for reinstatement. No problem. The next subsection deals with the matters they should take into account when deciding whether or not to make such an award.

A similar provision obtains in relation to severance pay. Section 51(1) speaks to an adjudicating authority. Again, I think that language can probably be improved. I do not see as a drafting point a lot of help in introducing some new terminology here—adjudicating authority—which has not been employed elsewhere in the Bill. That is a very technical point which I will just say and then leave it.

"Where an adjudicating authority finds an employer liable for severance pay, it shall, in addition to an order to pay severance pay under this Act and any other orders it may give, order the employer to pay to the severed employee a penalty not in excess of twelve weeks' pay."

The adjudicating authority is intended to include the Labour Tribunal. This recognises that the adjudicating authority for that Labour Tribunal is entitled to make an order to pay severance pay. There are other provisions in the Bill which say how severance pay should be calculated and those start at page 43, in part VI, section 44.

In my respectful submission there is clear authority and jurisdiction for the Labour Tribunal to make orders for compensation for unfair dismissal and to make orders in relation to severance pay under the Law as it currently stands.

However, on my reading of the legislation, that seems to be the extent of the orders it is entitled to make, and the Bill seems to proceed, as did the old Law, on the premise that other breaches of the law would be dealt with by way of prosecution before the summary court. I would be happy to be proven wrong about this, however if I am right I believe it is counter-productive because it simply means that to get recourse you have to go down a number of different routes.

In matters involving employer/employee relations the process must be simple and straightforward; as swift as possible and final.

An example of this is Part VII which deals with retirement and resignation allowances. I am not going to read all of section 52 however, to summarise, there are provisions which entitle certain employees who have attained the age of 60 years and some others to resignation allowances when they leave work.

An employer who does not make those payments is guilty of an offence. That is in section 52(5). Based on the definition of complaint and on the jurisdiction of an Employment Tribunal (not Labour Tribunal—I have been using the wrong term for some time now) an employer is entitled to find that this amount is payable. There was some question under the old Law whether a Tribunal could even properly make the finding of fact because it did not have the jurisdiction. I think the Tribunal, as this is currently drafted, does have the jurisdiction to make that finding but then the question arises, what does it do then?

As I see it there is no jurisdiction vested in the Tribunal to make an order requiring that this money be paid, which then leaves the director in a situation where he has to go and prosecute and leaves the person who is entitled to the allowance out of pocket while all of this is going on.

The Speaker: Honourable Member, you have 10 minutes remaining.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker.

That is one example. A similar situation obtains in relation to non-payment of remuneration that is due in relation to unpaid vacation leave, in relation to pay in lieu of notice. I think the same deficiency is also apparent in relation to some of the functions which are statutorily imposed on the director of employment relations.

As I am running out of time I am just going to have to make this one point. Page 40, part V, deals with gratuities.

This is an age-old issue about whether gratuities are being properly distributed. This one now seeks to deal with it and create a scheme whereby this process can be monitored and there can be some assurance that monies that are being received by way of gratuities are properly distributed to the persons to whom they are owed.

The section has hefty penalties for non-compliance with things like making a statement in a monthly record which is false or misleading; or whoever fails to distribute gratuities as required by this law will be liable to $25,000 fines and imprisonment, et cetera.

That is fine, however this is a process that is monitored by the director and, in my view, either the director or the Employment Tribunal should be in a position where they can actually make an order, having come to a conclusion that these things have not been paid, which would entitle the holder of that order to go down to the summary court or the Grand Court and ask the court to enforce the order against the employer.

There are few employees who are interested in seeing their employer prosecuted and put in jail. What they want is the money owed to them. Therefore, we have to devise a scheme which is effective and efficient so that those are owed money, as a result of an employment contract, are able to get it quickly and certainly.

There are a couple of other points I had hoped to deal with, however because I was so long-winded in the beginning I am going to have to leave those.

They are small technical points that I will quickly point out so that the Minister may address them when he winds up. Turning to page 48, part VIII, Dismissals. Section 57(4) is about warnings. It reads: **"Where an employer has given the employee one warning for misconduct and three warnings** [two warnings, if we include what is proposed as an amendment] **for substandard performance as set out in Form 9, he may summarily dismiss the employee and, if he does so, it shall be presumed that the dismissal is fair unless the employee proves otherwise."**

I believe, Mr. Speaker, that the **"**and" in the second sentence between "misconduct" and the word "three" should be "or." Otherwise, you wind up with a situation where the employer has to give an employee one warning for misconduct and two, which I do not think could have been the intent.

There are a number of instances in the Bill in which the Law is referred to as an Act. I will be happy to point those out to the Honourable Minister at committee stage or before in order that he can have them addressed so that we can have a nice clean, error-less Bill.

I wish to conclude by saying that contrary to what may have been the perception of many, this Bill does not introduce any novel concepts now that it has been amended. It does increase in some respects the entitlement and the enforcement abilities of the director and his abilities to inquire into what is going on in particular business or operation. By and large, the structure is quite similar to what has obtained for some years now.

The Minister has introduced, as a statutory concept, conciliation which has really been a function of what is now the Department of Employment Relations for many years. What is happening now is that it is being given statutory recognition as a means of trying to settle a labour dispute. Arguably what they were doing before could have been considered ultra vires. For those who are less charitable it might have been considered something worse. I know a fair bit about that from my own personal experiences.

I really do not see why the Bill, if it is passed in this form with the amendments that have been proposed, ought to cause any alarm or a great turmoil or disturbance or concern in the community. I think it admirably reflects a modern employment practice, creates fairness and some degree of certainty in relation to employment relationships and that should be something that we approve of; something that we applaud rather than something that we denigrate and create the impression that there are huge problems and that we are turning Cayman into some sort of socialistic state.

As I have said, there is much more that I could say, however time has run its course and I must resume my seat.

I saw the Honourable Minister nodding and making careful note and no doubt he will address the points which I have raised when he winds up the Bill in due course.

I thank you, Sir.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? If not does the Mover wish to reply?

I think it is the desire of the House that we should take five or 10 minutes break at this time.

Proceedings suspended at 3.39 pm

Proceedings resumed at 4.05 pm

The Speaker: Please be seated. Proceedings are resumed.

The Minister of Community Services mentioned during the break that he would like to make a few comments even though I had called on the mover to wind up. I will ask the Minister of Community Services to speak for a few minutes.

The Honourable Minister of Community Services.

Dr. the Hon. Frank McField: Mr. Speaker, thank you for your generosity in allowing me to have a few brief moments to comment on the Bill for a Law to Provide for the Regulation of the Employer/Employee Relationship; and for Incidental and Connected Purposes.

I want to say from the beginning that I support this Bill and I would like to give particular emphasis to the fact that the Minister responsible for Employment Relations has not wavered in his attempt to bring a more modern Employment Law to our country that will allow us to not just treat the private and public sectors equally under the Law but also to remove some of the difficulties, with regard to enforcement, which were obvious during the time that I dealt with a lot of employment issues in this country, many of them stemming from gratuity issues. Also, many people in the construction industry were being taken advantage of simply because they were members of the imported labour force.

We see all around us the need to balance the way in which we manage our society. Government should provide a conscience or should look to serve the general good. In attempting to solve the general good, it will always be possible and necessary for us

to sometimes make legislation that does not really please some groups and individuals in our society.

At the end of the day Government must be the one to point out the benefits not to industry only but the benefits to all, in particular when we are talking about a labour law that will introduce some badly needed human aspects.

We are talking about how to improve parental relationships with newborns. We are talking about maternity leave, not for the sake of giving people more time to waste but encouraging people to become more strongly bonded to their children where discipline can stem from the relationship between father and child and between mother and child; where the state does not have to come down with a cannon in order to get young people to comply with the morals, values and norms of the society.

It is important that, from the very beginning, businesses understand that labour relationships or employment relationships, as referred to in this Bill, condition social relationships. Many of us are defined as a result of the work we do. Many of us are very much the result of the work we do. Just like we are, our children are therefore impacted as a result of how we come away from our employment environment. Therefore, it is important that we encourage a democratic, humane, working environment because this environment is a very important social institution in our country. Work is not just work it is also human interaction and relationships and I think this is what is being attempted in order to bring an understanding to this country.

When we talk about employment relationships we are not talking about labour relationships any more but we are talking about employment relationships and interactions between different people and how to make those interactions civilised and socially beneficial to the entire society.

The Second Elected Member for George Town made very interesting historical and sociological observations. I dare say that he was at his best in finding the expressions to convince, not just the Government but the Opposition and the general public that although we might not have had turbulent labour histories that have produced an obsession with labour and labour relationships, it does not necessarily mean that we should not introduce progressive benefits to the population that somehow might lack the consciousness on their own to demand of the Government better protection under the law.

One point that I need to stress is that we are so much defined by what we do and what we get for what we do since we all have a humane responsibility to each other; since the Government itself is obligated to give social and financial assistance to people that find themselves in situations where they can no longer work or what they work for is no longer sufficient to maintain the family; since the Government is charged by the private sector with this responsibility to socially maintain the fabric of the community, it is important that the private sector understands that the Government needs to work in different ways in order to achieve this.

One of the ways to achieve this is by making sure that the kind of work environment that will create healthy families and healthy communities is established; that will reduce the conflicts that exist in other societies as a result of labour differences and struggles over the years.

If the Government does not bring this Bill to improve labour relationships it will not come. If the Members of this House are not convinced that this is the best thing to do for the country, it will not happen because there is no group of workers in this society that are empowered, that have the ability or the consciousness to be able to force upon the Government these particular types of rights and responsibilities. Therefore, the Government is doing a good thing by being led by its conscience, by being lead by what it knows it is good for all rather than what is good for a particular segment of the society.

I followed some of the discussions. I understood that the Chamber of Commerce— meaning those persons that term themselves employers—had concerns, however I do believe at the end of the day they will see and welcome this law as an improvement and at the end they will see that the productivity of the individual workers will be improved as a result of the types of harmonious atmosphere, which these types of laws can bring, because there is nothing that really creates unproductiveness like when an employee does not like the employer; where there are unresolved issues, where the rights and the responsibilities are not well understood.

I hope for the sake of future generations that the issue of the employment of women is given more and more consideration by those persons that employ because, especially in this society, where people continue to seek equity and equality in the workplace and where more women join men in the workplace, it is still important that employers use flexibility in terms of giving time off.

Although the Law is talking about minimum standards there are so many things that employers can do to assist us; trying to revitalise the family unit and by assisting us in this particular way by giving women time off; by having a consciousness in the workplace of those parental responsibilities, not only as it is dictated in the Law but as we practise it on a day to day level.

People have to collect their children from school and make sure that they are in a safe place. We are always complaining about the fact that kids have no supervision. What about the employers showing some kind of social interest and acting in a socially responsible way by making those decisions so that the Law is not mandating but is still possible in any event?

This law is talking about minimum requirements, minimum standards and I continue to encour-

age that more can be done in developing good relationships between people.

We have situations, for instance, with domestic helpers and I might say at this point that I recognise more and more how important a helper, an assistant in the home is to a family and the important role that they play and the kind of impact that they have on our children. My son is all about mopping and sweeping because that is what he sees. Mop is his most favourite word and he is out there mopping and cleaning.

Therefore, instinct tells us that we should not necessarily need a law to begin to improve the relationship between those people that work for us. At the end of the day we get more predictive results because the result of labour is not just physical; it is also social. That is the reason why we labour is that so our social beings can be enhanced and improved.

With that I would like to say that as a Member of this Government and as the Minister responsible for Community Services I think that this is a good and new beginning to start again to take control of the development of employment relationships in this country.

Thank you.

The Speaker: Does the Honourable Minister of Education wish to exercise his right of reply?

[Inaudible Interjections]

Hon. Roy Bodden: Mr. Speaker, if the Honourable Member wishes to say something, I would give him the opportunity.

The Speaker: If it is the wish of the Honourable Members I am sure that it would be a nice gesture.

The Second Elected Member for Cayman Brac and Little Cayman wishes to make a few remarks.

Mr. Lyndon L. Martin: Thank you, Mr. Speaker, and thanks to the Honourable Minister and for the leave of the House to allow me to make a very brief contribution to this very important Bill before this Honourable Legislative Assembly.

In my short tenure in the Legislative Assembly, this Bill has given me more labour than any previous Bill. Because it is a very important Bill to this nation and it is important to each and every individual in this country.

The great economist, Adam Smith, wrote, **"What the common wages of labour are depends everywhere upon the contract usually made between those two parties whose interests . . ."** Sorry, Mr. Speaker, I have lost the exact spot I want to read.

Adam Smith wrote that the parties of labour, he referred to this as; **"… the master and the labourer … have what can be considered as conflicting means.**".

As important—as has been highlighted throughout this debate—is that a balance is achieved between what an employee needs and desires and what the employer requires to become efficient to realise a reasonable return on his investment.

After deep consideration by the Ministry responsible for Labour and great consultation throughout the community and a series of amendments I am confident that the Bill with the proposed amendments at the Committee stage is one that meets that balance.

It is important that we understand the role that labour plays into the whole economic flow. An improved labour force with better benefits, better working conditions, better terms under which they can meet the means because they are working to be rewarded for their skills in order to be able to consume the necessities and some luxuries in life.

Thus, in looking at the balance of the two things, that is said to be sometime unachievable, the one factor that we have in common, is that if we improve labour the businesses will always benefit because they have an improved consumer.

The same businesses that have legitimate concerns because labour is a significant part of their cost base must also bear in mind that an individual, if given proper reward for his services and his skills, will provide an improved consumer base for the products and services generated by the business.

It is in regard to that cycle and that important interrelationship between labour and businesses that I would urge all to familiarise themselves with the final Bill.

I encourage them in familiarising themselves with the final Bill to try to ignore or forget about the original draft bill because what is here is so significantly different from the original draft. I even found myself caught up in referring to what was there originally compared to what is there in the final draft.

Within the district that I have the privilege of representing we have some of the lowest paid wages in this country; paid within Cayman Brac and Little Cayman. Therefore, a Bill that creates a minimum wage commission, something that this Government has advocated for some time, I have to support.

Within my district we have working conditions that cannot simply be moderated through negotiation. As the Second Elected Member for George Town rightfully pointed out, those negotiations between and employer and an individual employee—without any collective group—are not fair because the employer is coming from a stronger vantage point than the employee.

I have been visited by many constituents over the last three plus years, concerned about their working conditions, concerned about the unfairness under which they labour.

This Bill goes a long way in remedying most of those concerns.

The definition of an average work week was one of the key issues that I struggled with however I think the amended position of leaving the work week at 45 hours (44 hours as in the amendment but I understand that it may be possibly a 45 hour proposal) seeks to meet one of my great concerns. At 40 hours the concern was that individuals would not be able to work and they would be replaced through additional employees, thus the employee would suffer because of reduced income.

The district that I represent would require these things moving in harmony. We need to move with the minimum wage at the same time as we implement the average work week. Forty-five hours paid at straight wage at a reasonable pay would allow my constituents to meet their expenditure however with the 45 hour week alone at these very low wages, my constituents would have a difficult time; their having the need to work beyond the average work week. In most cases, if you are going beyond an additional four to five hours that you are paying at time and a half, it becomes more cost effective for the employer to seek another employee.

I urge that we need to look at these things all at the same time and the minimum wage commission should be established with some degree of urgency to have that implemented.

I also bring to the attention of Honourable Minister the category of special industries that were detailed in the amendment to add retail businesses on to the special industries. My concern is for the small retail outfit with only one employee. Who covers that employee for the 15 minute break, lunch break and the other 15 minute break? I ask the Honourable Minister and his staff to give consideration to making a provision for these. They would mainly be captured under the retail category that has been added into the amendment section. I know within my district I have many of those that would have difficulty—

Suspension of Standing Order 10(2)

The Speaker: Honourable Member if this is a convenient spot I would cal on the Honourable Deputy Leader of Government Business to move the suspension of Standing Order 10(2) to allow debates beyond the hour of 4.30 pm.

Honourable Deputy Leader of Government Business.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move the suspension of Standing Order 10(2) that debate may continue beyond the hour of interruption.

The Speaker: All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 10(2) suspended to allow the business of the House to continue beyond 4.30 pm.

The Speaker: Proceedings may continue.

The Second Elected Member for Cayman Brac and Little Cayman.

Mr. Lyndon L. Martin: Mr. Speaker, for the sake of clarity and emphasis I would just like to repeat the particular section I am referring to. It is the section that added retail businesses into the special industries. I am urging for that particular section that some caveat be made for small retail outfits that only have one employee and would have difficulty covering the periods of mandatory breaks in Clause 27(4)(h).

With those few words said I give the Honourable Minister responsible for Labour the undertaking that he will have my support at the time of the vote and I give the United Democratic Party praise for tackling a very difficult subject; for tackling a very difficult bill and coming to a point that this Honourable Legislative Assembly can give its support.

It is a difficult subject to find a happy medium, I give special recognition to the effort made by the Honourable Minister in this regard, I know it has been a testing period for him including demonstrating great patience with me.

I resume my seat and give my support to this Bill, Mr. Speaker.

The Speaker: Does any other Member wish to speak? The Elected Member for East End.

Mr. V. Arden McLean: Mr. Speaker, in the interest of time, like King Henry the VIII said, "I shall not keep you long."

The Leader of the Opposition and the Second Elected Member for George Town has laid our position out with regard to the Law before us; the Employment Bill. Therefore, I will not go too far into the technical issues of the proposed Law; however I think it is necessary that some other things be mentioned.

I think I should preface my contribution by saying that no matter what kind of Law we legislate if the provisions of enforcement are not alive and well it is not worth the paper that it is printed on.

Like the Second Elected Member for Cayman Brac and Little Cayman said, much of my time has been taken up with labour issues too. I am sure the Director of Employment Services is a little tired and fed up with me; however that time has primarily been taken up with discrimination. Like the Second Elected Member for George Town said, it is very much alive and strong in this country. Discrimination not only against Caymanians but work permit holders as well although in most instances it is the blue collar workers on work permits that this discrimination is levelled against. For too long we have laboured under the old

law in that it did not have sufficient teeth and we forever hear complaints.

I think the Second Elected Member for George Town spoke briefly on our young people in this country becoming educated and coming back to this country and becoming disillusioned. I had the opportunity to visit with one of our young kind in college just yesterday at his dorm in Florida. He expressed the same concerns about coming back to the country where he was born, the country that has given him an education, and coming back into the work force and not being able to get the opportunities to excel.

For so long we have had a catch–22 situation where we tell our young generation they have to be educated to get the jobs. We educate them then they come back to this country and are discriminated against. We must remember that the Government of this country is the biggest culprit. We bring in someone else at that level and we let these young adults understudy these managers. At the end of the work permit period we find some reason why they cannot be promoted; they still lack experience.

I have had my share of that too however, perhaps it is true what my father has always said; my mouth would always get me in trouble. However, my mouth was never shut whenever I saw discrimination in the workplace I spoke up. There were times that this was to my disadvantage and at times it was to my advantage but one failure did not make me stop.

If the young person coming back from school does not get the opportunity to get the experience in the work place then they will never become qualified experience-wise. It all stems from discrimination in the workplace.

The Second Elected Member for George Town talked about how someone had said that he is not Caymanian because he is too smart to be Caymanian. Well, I have news for whomever that was because when Cayman was no place the records will reflect that we did more than most with less.

How many of us have not gone into that realm of seamanship and, given the opportunity, we excelled. I still contend that one cannot get where they want to get to, will never realise their dreams unless they are given the opportunity. Therefore, those who believe that Caymanians are not capable and discriminate against them in the work force must first of all give the Caymanians the opportunity and stop the discrimination.

When it comes to people on work permits, we bring them into our country and we exploit them then we hold the permit over their heads. I recently had a situation—and the only reason I did not call Mr. Whittaker was because I was travelling abroad nevertheless I shall report it to him—where a company (this complaint came to me from a Caymanian) is requiring a Caymanian to work 50 hours before they pay overtime and then they are requiring the work permit holder to work 55 hours without overtime.

We must take this into perspective; it was not a company that is run by a Caymanian. The individual seems to lean toward hiring expatriate labour rather than Caymanian labour. However, in these times of hardship Caymanians who are semi-skilled will go and seek employment with this individual. While the Caymanian, who is one of my constituents, will complain to me and when I go to engage one of the permit holders they will walk away because they are afraid. They certainly cannot make that kind of money in their country. However, when you are requiring someone to work for 50 hours a week you are putting your employees at a risk. There is a risk of accidents; fatigue has to set in at that stage.

The first proposal by the Minister was for a 40 hour week, he has now changed that to 44 or 45. The environment that I came out of was about 42 however I was paid overtime when I was in non-managerial positions. Thereafter, I probably worked 16 hours a day of the week when I was in a managerial position. However those hours were to meet deadlines and the likes and I know what it is to work late and to have fatigue set in. While I did that on a voluntary basis to meet my deadlines as a manager, asking someone to do that that does not have the responsibility of managing a company is unreasonable.

That is what we are doing and we continue and we could complain until the cows come home and the Employment Services can do nothing about it! On the other side of that they do not have insurance, they collect the money for pension and they do not submit it to the pension companies.

If we think that this country is not in a quandary when it comes to labour then we are hiding our heads in the sand on West Bay beach.

Talking about West Bay it is painfully obvious to see that the West Bay contingent is not here, especially the Leader because he knows—

The Speaker: Honourable Member, I would remind you to keep your speech to the amendment before us and not about the absence of the Leader of Government Business. I have already given an apology for his absence. May we move on please?

Mr. V. Arden McLean: I was just going to say that as the Leader of Government Business he has been the Member responsible for Labour at a pervious time during his time in Executive Council and it would be nice to hear his experiences with the problems during that time. Comparing his tenure to that of the current Minister we could get a better perspective to it.

Another issue that really brings our country to a grinding halt is the fact that there is the absence of a minimum wage. I know the Bill does not call for the implementation of a minimum wage at this time. We hear so much of people living below the minimum standards that are set by any organisation.

I have not been in any of these rental properties however it is my understating—and it is rumoured

on the street—that you can get 10 to 15 more people in them than those premises were constructed to accommodate. In most instances the reason why is that they are exploited. They are being paid below any reasonable amount to live a good life or to live a reasonably comfortable life like we would all love to do. That is why many people in this country have opposed a minimum wage.

There are many who support a staggered or categorised minimum wage; I want it to be known in this country that I do not support any such thing. It must be a minimum wage.

Do not tell me if there is a minimum wage for a particular category of worker that another category can go below that. All we are doing is promoting the same substandard way of life. There needs to be a commission set up to determine what the minimum wage must be to survive. Previous administrations allowed gratuities to be a part of the make up; we have to cut it out.

I know the complaint is going to be that it is going to drive up the cost of doing business. Well, if it drives for one it drives for all, therefore the wages and the cost of services will go up in certain categories. If we, as legislators and successive legislators, sit back and do nothing of it we are going to create a socialist state in that the Government is going to forever have to take care of its people!

I would like to know how much we are going to have to tax our people to take care of a minority in the country because the costs go up and our people fall deeper into the crack. We have to pull them out. If we have any morals, we would not leave them there. If we put provisions in place to ensure that all of our people are protected through the process of labour, then we will not have to tax the rest of the populous to maintain the select few.

Let me put it this way, Caymanians, as a rule, are not lazy people. They expect to be given a fair wage for a fair days work.

We keep hearing members of the United Democratic Party talk about how there is no need for a referendum; the people put us here to legislate in their interest. I say let us legislate in their (the people who put us here) interest. The country is not going to survive in the atmosphere that successive Governments have created. Albeit many years ago when there was no need to have a Labour Law, in 1987 we got the first Labour Law, however 1987 is 17 years ago.

We must applaud the Minister for remaining steadfast in his belief and his resolve to have this done and to bring it to the legislature whether he gets total support or not.

Let me digress; I want it to be made clear that I am not anti-foreigner. I would prefer to describe myself as pro-Caymanian.

I know many people have made representations concerning this Labour Law. The Minister has made some concessions and I think that he should be applauded for that also. However, we have to keep our focus on the big picture. At the end of the day it is those same Caymanians that employers are saying they cannot promote because they are not prepared to take over. Those are the same ones that are going to saddle this country as a result of the discrimination against them.

Opportunities are what it is all about. This Bill is a significant first step in that direction. I would really love to hear the things that many of the top management are saying concerning this Bill. I know many of them are saying that it is going to cost them more to do business. I sympathise with them, however I also have to sympathise with the employees because for too long they have been exploited.

In time this too shall pass and we will all be better off as a result. Very importantly, when we find employers arbitrarily discriminating against those individuals at the bottom of that totem pole, they too will be better off.

I can support the Bill; the Minister is proposing many amendments to it as a result of much consultation and perhaps the public will see that he is not as pigheaded as has been mentioned before. At least he is ready to compromise.

I trust that the employers are also ready because if we are prepared to make compromises then they should also be prepared.

I implore the Minister and Mr. Whittaker of the Employment Services, to ensure we have enforcement. It is very important and repetition bears emphasis in this particular situation.

It makes no sense for us to put this Law in place, as much as we support it, as much as we applaud the contents of it, as much as we applaud the Minister. It would mean nothing if the Employment Services do not have the manpower to enforce it. Too many people, too many employers wait for that moment when they know big brother is not watching and they do as they please and big brother cannot watch if big brother does not have the tools.

We cannot ask the Department of Employment Services to do a job if we do not give the Employment Services the tools and we cannot hold the Director of the Employment Services Department accountable if we do not give him or her the tools.

The time has come when Governments in this country must understand if we are going to legislate pretty laws that make the people feel good it is at a cost and that cost is the tools to enforce the laws.

We cannot wait until we get complaints; we have to ensure that this Law is enforced. The responsibility is the Minister's to ensure that the requirements of the Employment Services are met at a minimum to ensure they have the necessary tools to get the job done.

I trust that the Minister, having heard my appeal will do the necessaries to get this in place. I have talked to the Director of Employment Services on a number of occasions and in most instances he and his staff are so swamped with other matters similar to

mine that it takes him days to address anything that I may give to him. That is not working, it is easy for us to blame and say that the Department is not working; the Department cannot work if it does not have to tools and I am talking about human resources as well and all of the other necessaries.

I appeal to the employers of this country to show a little bit of compromise on their part. This is not only about protecting the employee but the Bill also protects the employer.

If you give someone something you will not hear any complaints however if you are requiring someone to do something which empowers someone else that is where the concerns are going to come from

I trust that this one is behind us and that the employers—who the greatest complaints were coming from because the employees never had anything before—will respect the compromises that have been made on their behalf and let us move forward.

Thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? If not, does the Honourable Minister wish to exercise his right of reply?

Hon. Roy Bodden: Mr. Speaker, there are many things that can be said on an occasion such as this and I know that the hours of evening are approaching us however I feel compelled to conclude by offering some sobering comments.

I am going to begin in a rather unusual fashion by meting out thanks and appreciation to those Members who spoke in support of the Bill and I am sure that my colleagues on this side will allow for graciousness, on this occasion, and say that the contributions of the Opposition were appropriate, relevant, respectful and I did not know that the Second Elected Member for George Town was the social historian he turned out to be. I remember that I taught him history a long time ago however I take no credit for his interpretation of the vivid social history that he laid out; only to suggest to him that it strikes when his political career comes to an end he might find employment in a less adversarial forum.

I am grateful for the support even given by the Official Members whom it is not customary to hear from on these occasions but whose hearts are certainly in favour of seeing a social contract existing in these Islands where a fair days wage is had for a fair days work and where there is parity and mutual respect in the employment arena.

I would also like to extent my appreciation to my elected colleagues on this side who gave their support beginning with my colleague, the Minister of Health and the Minister of Community Affairs and then the Second Elected Member for Cayman Brac and Little Cayman and even the one Member who did not speak.

Nevertheless, Mr. Speaker, for all of that I stand here with a heavy heart pondering and puzzling notwithstanding what has been given and I am reminded of Edmund Burke when he was commenting on the events in 1770 in a passage he entitled *Thoughts on the Cause of the Present Discontents* when he said: **"When bad men combine, the good must associate; else they will fall one by one, an unpitied sacrifice in a contemptible struggle."**

I want to say that this experience has wisened me and in this business it is good not to make unnecessary enemies. I have proven that because were it not for the support of the Opposition it would be hard for this Bill to gain the assent of the House and I wonder if I am sober or if what I am witnessing has to do with some kind of inebriation—I have not been exposed to any spirit since I began debating this Bill. Mr. Speaker, the message is not lost at the Minister moving the Bill.

I am happy to say that all of the concerns and the points raised by the Opposition have been taken on board and when it is time to move the amendments, I am pleased to say that the Opposition will see that the commitments I have given have been reflected in the amendments moved in the committee stage.

I am not going to spend a lot of time dealing with some of these now because I think that we will have an opportunity to elaborate during the Committee stage.

I want to say that for purposes of my memory, labour and labour relations have been a challenge in this society for all of the reasons given by the Second Elected Member for George Town, who so eloquently elaborated them, and for others given by other Honourable Members.

There is one over-riding reason which cannot be to often mentioned or emphasised. There is an element, albeit not the majority, of persons in this country who believe that many persons less endowed than they are should not be afforded the dignity of an honest days wage for an honest days work.

It strikes me from my experience that some people believe that they have a God-given mandate to keep others in dire circumstances. In my brief experience of some three plus years, I have been shocked by the behaviour of some of these people who would set themselves up as paragons of virtue and enlightenment in our society.

Without calling names I am going to give you two brief examples that are heart-rending and that boggle the mind and challenge the spirit of any man or woman. A complaint was made to the Department of Employment Relations and to me as Minister of a long-standing employee who was alleged to have stolen some property. It is my information that when the tape in the security cameras was examined there was no such corroboration. The Police were called in, investigated the allegations and found no evidence to substantiate the claims and all that was predicated by

the employee claiming innocence from the time of the accusation.

The result was that the employee was terminated after 17 years of employment. No severance pay, nothing. When the matter reached the Minister's desk I personally called the employers. The first person I spoke with was very sympathetic and accommodating, however must have been studying the tactics of Pontius Pilate. The second person I spoke with said: "Well, Minister we are not complying because it is our belief that the person is guilty." Even after I pointed out the section in the Law which said it had to be done they said: "We are not complying.".

I said: "Sir, it is my understanding that the tape on your security camera did not corroborate the charge. It is my further understanding that the Police were called in, investigated the matter and found no evidence to substantiate the allegation, therefore the Law requires in this case that you settle the matter.".

It was my understanding that a cheque was cut, however the last time I enquired the gentleman had not only not received what the Law says he is due but the parties concerned proceeded further to call around to prospective employers and say: "This man is a thief, do not employ him."

Those kinds of incidents try men's souls and I wondered what are these people trying to do and it is not an isolated case.

I have one more to relate. This one concerns a young lady who is now is qualified practitioner of that vocation practiced by the Second Elected Member for George Town. She started out in the firm as a clerk, worked her way through law school, passed the bar exam, got her professional practice and went to her employers and said: "Please may I have some challenging work in keeping with my qualifications so that I can retain sharpness of intellect in my trade?"

They told the young lady she could research cases and she could assume the responsibilities of librarian. When that young lady told me what her salary was after acquiring the degree and the professional practice certification I found out that senior tellers in the bank were making as much.

These are the cases that cry out to us and I am telling you in my three plus years, they are not far-fetched and I am here to tell you neither are they apocryphal; these incidents are true and I sometimes wonder if people believe that the only sins are wilful murder, sodomy and the likes.

There are those transgressions that cry out to heaven for vengeance and robbing a labourer of a fair days wage is one of them.

They should read the philosophers and the people who discourse on ethics and morals and find out; perhaps they should go back to reading the gospel and the epistles of St. Paul.

That is why it is necessary for us to have in Law a code which prescribes in unambiguous language the responsibilities and obligations of employee and employer. I am only sorry that the true tripartite system that we are advocating is missing one important element —an employee organisation—which would take care of the collective interest of the employees and therefore remove the Government from the sometimes and somewhat untenable position of having to take up the interests of the employees.

It is high time we face facts because who is benefiting? Are we becoming a community of philistines that we are so intent on enriching ourselves that we are blinding ourselves to the fact that we are leaving a significant element of the community behind who are being so exploited that they cannot realise the means to a dignified existence?

I want to say, I know the names they have called me. It does not matter to me because my conscience is clear in what I am doing and I have never been a coward. I am not stupid. I tell people I was in the private sector for 20 years. I am not going to craft any Law that is going to destroy the investors ability to realise a descent return on his or her investment. I would be a fool and I am not a fool but neither am I going to sit back under threat of removal of political support or otherwise and allow a situation to obtain where people have to work 50 and 60 hours per week in order to take home a descent pay.

I am not going to do that because that is the class that I came from! I am not going to do that because it goes against the grain of that which I have called conscience.

Just as I am not going to encourage an employee to shirk, to be dishonest and to be exploitative, I am not going to encourage the employer to be a tyrant, to be exploitative or to be unfair. The Government is going to ensure that the legislation is fair and balanced and the Government is going to ensure that its organisation, namely the Employment Relations Department, calls a fair game.

That is what it is about. That is why I took on the concerns and made the significant amendment; that is why I came and huddled with all Honourable Members of this House, including the Opposition, because I am not pigheaded. Even with all of that that has been done I am still not saying that the Law is perfect. There are still things that we have to do and I will enumerate a few of those which I consider to be of most significance.

This has to be done if the Cayman Islands are to remain a jurisdiction providing excellent service. Why is it that we would wish to live with a situation in which some people, when the weekend comes, can go home lock themselves away in their ivory towers and forget about the cares of the world, while others who are less fortunate have to be scrounging around to find something else to do to feed the mouths of infants who are sometimes crying? Why is it that a man will have to continuously work the night shift when he has left a wife and children at home that he need to spend some time with to bond with?

I ask all of these questions and they must be answered because it is not that we should have to

work every hour of the waking day at the expense of family time, at the expense of quiet meditating time for ourselves just to fatten some people.

No, I say a thousand times, no. It is incumbent upon the Government, upon the Minister, to craft a Law which is fair.

I want to say one of the most challenging and problematic sections has been drawn to my attention by the Leader of the Opposition.

We tried to make an adjustment however I have to serve notice that it is a matter which has to be under continuous observation. That is section 28, perhaps extending to section 29, which talks about the standard work week and about overtime. Before I explain what we propose to do about that I want to give you some sobering information.

The security business in Cayman society is a big business with a proliferation of companies. Many of these companies routinely work their employees for 14 and 18 hours per day when the international standard calls for a working day of eight hours. Supermarkets have a common practice of working their employees for about 53 and 55 hours per week when the normal work week is 40 hours. In France now there is a move to reduce it from 40 to 37½. This is not the extent of it, people often come and tell me that on the construction business they are forced to work 14 to 16 hours a day and threatened that if they do not work they do not have a job.

I heard the Second Elected Member for George Town talk about exploitation. It is exploitation and exploitation beyond exploitation! It cannot be allowed to continue!

The old Law, as good as it was when it was crafted, did not have clauses and mechanism to deal with these practices.

I want to say before I go much further, lest what I am saying is misunderstood, misinterpreted or used by mischievous people. The vast majority of employers out there are honest, decent and considerate. However, there are those to whom such qualities are foreign and it is those employers that we have to try to impress upon to operate within the bounds of what the Law says.

Many employers came to me and said: "Minister, we are aware of what you are trying to do and we are in support, we have nothing to hide, we agree and sometimes we are disadvantaged by those persons who are inconsiderate and who do not toe the line.".

It is important that we get this right because those persons who insist on playing outside the rules seem not to understand is that the social harmony of this country depends on these kinds of relations.

If we insist on being manifestly unfair to the persons whom we employ many things will happen, not the least of which is one of these days the society will break down into social disharmony and social unrest and then all of us will be made to suffer.

This legislation is not the result of any idealism on my part. It is rather the result of a necessity to have order and fairness in the employment sector. That is what it is about. It is about dealing with discrimination, it is about establishing a minimum wage committee so that the people on Cayman Brac can earn more then $3 per hour. It is about ensuring that when an employee works a reasonable number of hours per week that they can have the opportunity to work beyond that at an overtime wage which is fair to them.

I come back to the point which I was making.

Section 28 was brought by the Honourable Leader of the Opposition when he was speaking and I requested the Director of Employment Services to do some investigations. We will have to do more investigations yet because it is a situation that, after further consultation, I am not satisfied is as effective as it should be. What we have done is move back the work week to 45 hours and we have said any work beyond this will have to be done at overtime.

It is my understanding, and we cannot be sure of the number of persons who will be affected by this, because what we do not wish to happen is for the Law to be so restrictive that it will preclude persons who wish to work overtime from being able to work that overtime at a reasonable arrangement. I know the system, Mr. Speaker. I know what is likely to happen.

Therefore, the undertaking that has been given is we will have to leave the Law with that arrangement at this time. However, this will be on the review and could be changed as a result of the numbers we have found out when we have spoken with persons who are engaged in the practice. It may be that we will have to bring an amendment to put this in a more palatable and satisfactory and acceptable form. By doing so I am sending the message that nothing here is cast in stone and etched in blood.

I circulated some pages. *Working time; Its impact on safety and health,* by the International Labour Office (ILO). I would like to draw your attention to page 11, the section which says the effects of working time on health. This was a report put out by the International Labour Office talking about *Long hours and health: The current picture.*

I would like to quickly scan through some points.

- **"Regularly working in excess of 48 hours per week appears to constitute a significant occupational stressor which reduces job satisfaction, increases the effects of stressors and significantly increases the risks of mental health problems.**
- **Regularly working more than 60 hours per week, and perhaps working more than 50 hours per week, appears to increase the risks of cardiovascular disease.**
- **Individual attitudes and motivation appears to modify the response to work stressors, but whether these, or variations in physiological response, reduce long-**

term health risks has not so far been adequately investigated.

- **Long hours appear to be associated with increased prevalence of somatic systems and health threatening coping behaviours such as increased smoking and poor and irregular diets.**
- **Some workers have reported adverse effects on family relationships, particularly where hours are in excess of 50 per week. However, data are limited in this area."**

On page 12 it goes on to talk about shift work and the effects of working time on safety and so on.

I draw your reference to this to say that it is recognised that there is a direct correlation between hours worked and mental and physical health.

That is what the International Labour Organisation, International Labour Office, International Conventions and human rights requirements recognise—that there, is beyond all of this, quality of life.

I know from history that when the industrial revolution came and we changed our lifestyle that from the outset it impacted on our physical and mental health. I want to say that many people do not realise the relationship between the health of a nation and the kind of work being performed by the population, particularly if the population in the majority is working under stressful conditions.

It has been proven that productivity does not provide an advantage in those cases where significant numbers of people have to seek medical attention for stress and stress-related factors for psychological symptoms, nervousness, stress and irritation. Family relationships break down where partners become agitated, tempers are short and abuse is the result of stress in the workplace.

Thus there is reason to believe that we will only derive the greatest effects when there is a balance between the work we perform and our ability to access and spend quality time with our families, friends and even, sometimes for those of us, solitude—just hanging out by and with ourselves.

I believe that God created the world in six days and rested on the seventh. Even from biblical times we have the principle of a balance between work and rest and it should not be otherwise even in a jurisdiction like Cayman where we hinge so much on our success and the ability to turn out excellence, particularly in the financial industry and related fields.

I want to underscore that, in my presentation of this Bill and in all of the events leading up to this, I have shied away from using any inflammatory or insightful language. I have only said that we need to recognise the fact that we have to arrive at a new social contract. This kind of debate would be ammunition for someone who wanted to be whipping up sentiments particularly in an election year. I have tried to be balanced and restrained in my presentations. So has the Opposition. So has everyone engaged, if the Opposition wants reassurance, so has everyone. The different opinions were presented in respectful ways. All we have been saying is that the rules of engagement must be clear and unambiguous and I believe that was the language of the Leader of the Opposition.

All that the Bill purports to do is to lay out the parameters in clear and unambiguous language. I give the undertaking that even when proceedings are concluded at the end of the day's Sitting, if there is any section which is onerous, which is unworkable, it will be re-examined and if necessary adjusted and amended. That is the essence of a good Minister and good legislation because at the end of the day we want a Law which is workable and accepted.

I was reminded that when we first began to talk about the direction in which we were going and the setting up of this system and the changing of the Department of Labour to an Employment Relations Department, the *Caymanian Compass* Thursday, 21 November 2002 carried the editorial entitled *Labour Relations.* I would like your permission to read this into the records of the Honourable House.

The Speaker: Please continue.

Hon. Roy Bodden: It begins: **"As the Cayman Islands economy has evolved rapidly over the years, employment practices have not always followed apace. The somewhat casual approach to employment that once prevailed here became increasingly outdated. The current Labour Law, when it was first created, was to introduce some standards. It was meant to be developed further as the need arose.**

"Government has rightly come to the conclusion that a new Law is now required to better serve current needs.

"At a forum opened yesterday Cayman's current labour legislation and practices are being discussed. Yesterday, a representative of the International Labour Organisation (ILO) who was attending the forum noted that Cayman is behind most of its Caribbean neighbours in updating its labour legislation.

"It was rightly pointed out also that Cayman must enshrine in the new law respect for internationally recognised human rights principles.

"There are many other areas where clear and workable legislation is necessary. There have been far too many disputes which left all involved disappointed and frustrated.

"The new law, it is hoped, will provide clear guidelines to both employers and employees so that many of the situations now festering into disputes will in the future be avoided altogether.

"Both employers and employees need to have a clear understanding of their rights and obligations before they have occasion to disagree.

"Cordial relations at the workplace are crucial to the economy as well as the social harmony

in general. A good law will promote such harmony."

That is what the Bill purports to do; to produce social harmony.

Earlier the Chamber of Commerce had suggested that what should have been done was not to craft a new Law but to amend the existing Law. I put it to you that if you put new wine in old bottles, the old bottles will let the new wine turn rancid in short order.

What we have done is craft a new Bill based on the necessities of the time, based on the developments in Caymanian society as they are affected by international occurrences and international obligations.

Reactionaries and those without a social conscience may cringe at what is being offered. However, sensible Caymanians, and those with a sense of responsibility and a desire to set a new social contract, will welcome these efforts as but one chapter in the continuing evolution of Caymanian society into a respectful society in which all who labour as well as all who invest can realise a mutual satisfaction from their partnership.

In light of all that has been said by Honourable colleagues before, I do not need to say more than this. When we discuss the amendments even the doubting Thomas' will see that this legislation is not only workable but should be deemed as a model for us in which to operate in our jurisdiction of excellence.

Thank you.

The Speaker: The question is that a Bill entitled The Employment Bill 2003 be given a second reading.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Ms. Edna M. Moyle: Mr. Speaker, please may I have a division?

The Speaker: Certainly, Madam Clerk please call a Division.

The Clerk:

Division No. 17/03

Ayes: 12
Hon. Gilbert A. McLean
Hon. Roy Bodden
Hon. James M. Ryan
Hon. Samuel Bulgin
Hon. George A. McCarthy
Mr. Cline A. Glidden, Jr.
Hon. D. Kurt Tibbetts
Mr. Alden M. McLaughlin, Jr.
Mr. Lyndon L. Martin
Mr. Anthony S. Eden
Ms. Edna M. Moyle
Mr. V. Arden McLean

Absentees: 5
Hon. W. McKeeva Bush
Hon. Juliana Y. O'Connor-Connolly
Dr. the Hon. Frank S. McField
Mr. Rolston M. Anglin
Capt. A. Eugene Ebanks

The Speaker: The results of the Division: 12 Ayes and five Absentees.

Agreed. The Employment Bill 2003 given a Second Reading.

The Speaker: I am not sure if it is the wish of Members that they get a five minute break at this time before we move into Committee Stage of the Bill. If so, let us try to be back here by 6.05pm.

Proceedings suspended at 5.59 pm

Proceedings resumed at 6.14 pm

The Speaker: Please be seated. Proceedings are resumed. The House will now go into Committee to consider the Employment Bill 2003.

House in Committee at 6.15 pm

COMMITTEE ON BILL

The Chairman: Please be seated. The House is now in Committee. With the leave of the House may I assume that as usual we should authorise the Honourable Second Official Member to correct minor errors and such like in these Bills? Would the Clerk please state the Bill and read its Clauses?

The Employment Bill 2003

Clause 1

The Clerk: Clause 1 Short title and commencement.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: Mr. Chairman, in accordance with provisions of Standing Orders 52(1) and (2), I, the Honourable Roy Bodden, give notice to move the following amendments to the Employment Bill 2003.

That the Bill be amended as follows– In clause 1(3), by deleting paragraph (b).

The Chairman: The question is that the amendment forms part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended form part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 1 as amended passed.

Clause 2

The Clerk: Clause 2 Interpretation.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: In clause 2–

(i) in the definition of **"authorised officer"**, by deleting the following– **"(b) the Inspector-General and his staff;"**;

(ii) by deleting the definition of **"best business practice"** and substituting therefor the following– "best employment practice" means the internationally accepted practice regarding any aspect of employment;

(iii) by inserting in the appropriate alphabetical placing of the following– "essential services" means persons engaged in the police service, prison service or other government security services, fire services, medical services and such other services as the Governor may by regulation prescribe;

(iv) by deleting the definition of **"Inspector General"**;

(v) by deleting the definition of **"pension benefits"** and substituting therefor of the following- "pension benefits" means the benefits referred to in the relevant law relating to pensions;

(vi) by deleting the definition of **"primary employer"**;

vii) in the definition of **"redundancy"** by deleting paragraph (e) and substituting therefor the following– "(e) any other reason similar to the above.";

(viii) by deleting the definition of **"secondary employer."**

The Chairman: The question is that the amendment form part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question is that the clause as amended form part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman:: The Ayes have it.

Agreed. Clause 2 as amended passed.

Clause 3

The Clerk: Clause 3 Application.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: In clause 3 by adding the following– "(6) Sections 29 (overtime pay in general) and 30 (rate of overtime pay) shall not apply to employees in essential services except to such extent as the Governor may by regulation prescribe."

The Chairman: The question is that the amendment forms part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended forms part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 3 as amended passed.

Clauses 4 and 5

The Clerk:

Clause 4 Minimum standards my be exceeded.
Clause 5 Standards lower than minimum prohibited.

The Chairman: The question is that clauses 4 to 5 form part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 4 and 5 passed.

Clause 6

The Clerk: Clause 6 Contract of employment.

The Chairman: Honourable Minister of Education.

Hon. Roy Bodden: In clause 6:

(i) in subclause (1) by deleting **"Every employer…"** and substituting therefor– "Except as may otherwise be specifically provided in this Law, every employer";

(ii) by deleting clause 6(5) and substituting therefor the following– "(5) Each employer shall make arrangements regarding pension, workers' compensation and health insurance coverage to such extent as may be provided in any law relating to the same.";

(iii) by deleting subclause (8)."

The Chairman: The question is that the amendment form part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended form part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 6 as amended passed.

Clause 7

The Clerk: Clause 7 Shared employees.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: By deleting clause 7.

The Chairman: The question that the amendment forms part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended forms part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Clause 7 as amended stands part of the Bill.

Mr. Alden M. McLaughlin, Jr.: Mr. Chairman.

The Chairman: Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: May I speak to Clause 8?

The Chairman: Please continue.

Mr. Alden M. McLaughlin, Jr.: I wonder if the Honourable Minister can provide us with some explanation as to why in Clause 8(2) there is a different period for construction and agricultural workers than other employees generally.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: Mr. Chairman, the nature of the employment is such that sometimes there is experienced a period of hiatus in between jobs and assignments. That being the case, it is recognised that some flexibility should be allowed to the employer in these cases.

Clauses 8 to 10

The Clerk:

Clause 8 Re-employment and severance pay.
Clause 9 Probation.
Clause 10 Termination of fixed-term contracts.

The Chairman: The question is that clauses 8 to 10 form part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Clauses 8 to10 passed.

Clause 11

The Clerk: Clause 11 Termination by notice of employer.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: In clause 11, by adding the following subsection– "(6) Nothing in this section shall be construed as allowing an employer to terminate the employment of an employee without complying with sections 56, 57 or any other Law governing the grounds upon which employment may be terminated."

Mr. Alden M. McLaughlin, Jr.: Mr. Chairman.

The Chairman: Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: In subclause (6), I would like to ask the Honourable Minister if he could explain to us, when it refers to: "… or any other Law governing the grounds upon which employment may be terminated."

What other Law could we be referring to?

Hon. Roy Bodden: The public service, because it also covers public servants.

Mr. Alden M. McLaughlin, Jr.: I just wanted to make sure that we are not using extraneous language.

The Chairman: The question is that the amendment forms part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended form part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 11 as amended passed.

Clause 12

The Clerk: Clause 12 Termination by notice of employee.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: In clause 12 (2), line 1, by deleting– **"… fails to give notice which complies with subsection (1) …"** and inserting in its place– "… fails to give adequate notice (which complies with subsection (1)) …"

The Chairman: The question is that the amendment forms part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended form part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 12 as amended passed.

Clause 13

The Clerk: Clause 13 Reasons and certificates of termination.

The Chairman: The question is that the clause forms part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 13 passed.

Clause 14

The Clerk: Clause 14 Application of Part II.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: In clause 14, delete– **"it is declared that an employee on probation is not enti-**

tled to vacation leave or parental leave" and substitute therefor the following: "it is declared that where an employee is on probation -

(a) his leave shall accrue but he shall not be entitled to take it until the probation is over;

(b) he shall not be entitled to take parental leave but the period for which he is on probation shall, once he is confirmed, be computed for the purposes of determining whether or not he is entitled to parental leave."

The Chairman: The question is that the amendment form part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended forms part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 14 as amended passed.

Clauses 15 to 17

The Clerk:

Clause 15 Vacation and compassionate leave.
Clause 16 Part-time employees.
Clause 17 Public-holiday pay.

The Chairman: The question is that clauses 15 to 17 form part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 15, 16 and 17 passed.

Clause 18

The Clerk: Clause 18 Sick leave.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: In clause 18 (6), by deleting–**"… the employer is of the view …"** and substituting therefor– "the employer is of the view (supported by two medical practitioners who certify that the employee is likely in future to need more than his normal entitlement to sick leave)".

The Chairman: The question is that the amendment form part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended form part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 18 as amended passed.

Clauses 19 and 20

The Clerk:

Clause 19 Sick leave pay.
Clause 20 Maternity leave: childbirth.

The Chairman: The question is that clauses 19 and 20 form part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 19 and 20 passed.

Clause 21

The Clerk: Clause 21 Maternity leave: adoption.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: In clause 21(1) by deleting the words, **"… child under three years of age …"** and substituting therefor the word, "child".

The Chairman: The question is that the amendment forms part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended form part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 21 as amended passed.

Clause 22

The Clerk: Clause 22 Paternity leave: child birth.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: By deleting clause 22 and substituting therefor the following—"22. (1) A male employee who is the biological father of a child and who at the expected date of delivery will have been employed by the same employer for at least twenty-four months or who last went on paternity leave on account of a birth that took place at least twenty-four months before that date and while working with the same employer is entitled to request, and the employer may grant, two weeks' paternity leave.

"(2) Where the male employee has not completed the relevant period of twenty-four months referred to in subsection (1), he is still entitled to request and the employer may grant paternity leave but, if granted by the employer, that leave and pay shall be calculated on a pro-rata basis in relation to the period of leave stated in subsection (1).

"(3) An employee who is granted paternity leave is entitled to receive and the employer shall pay-

a) for the first five working days, the basic pay;

b) for the next five working days, no pay, and in calculating the leave days, public holidays shall be counted as working days.

"(4) A male employee may request to take paternity leave in such a way that it covers periods before and after actual childbirth and the employer may grant such request.

"(5) Paternity leave that is unused will not accrue and is not remunerable.

"(6) Nothing in this section shall be construed as allowing an employer to refuse to grant any paternity leave at all to an employee who has served for at least six months."

Mr. Alden M. McLaughlin, Jr.: Mr. Chairman.

The Chairman: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Mr. Chairman, this is a very curious section which I confess to have struggled with at length. It seems to me that what is intended is to remove the earlier provision in the Bill which confers the right to paternity leave and as a gesture, to make provision in the Bill, whereby paternity leave may be suggested in certain circumstances and may be granted and if granted it provides for certain guidelines. I wonder about the purpose and efficacy of such a provision.

I am entirely confused by section 22(6). Section 22(1) having set out the provision allowing the request to be made, that is, you would have to be employed for 24 months or it has to be at least 24 months after you have last requested paternity leave.

Subsection (6) says that: "Nothing in this section shall be construed as allowing an employee to refuse to grant any paternity leave at all to an employee who has served for at least six months."

There is no provision in the section at all mandating that the employer grant the leave. It may be requested and it may be granted. I think that the whole section is confusing and does not achieve anything at all except confusion.

I wonder if the Honourable Minister has applied his mind to it and if he can perhaps explain it; if it is possible to explain its purposes and what it seeks to do.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: The intention was to allow for provisions to be made for paternity leave, which an employee might request, but that the granting of such leave should not be mandatory and would be left to the discretion of the employer having satisfied himself of certain circumstances.

Hon. D. Kurt Tibbetts: Mr. Chairman.

The Chairman: The First Elected Member for George Town and Leader of the Opposition.

Hon. D. Kurt Tibbetts: Going beyond the point of whether the section makes any sense or not, if we look at subsection (3), it moves from subsection (1) where subsection (1) speaks to the conditions under which paternity leave may be requested and subsection (3) speaks to when a male person has not com-

pleted a 24 month period and it says that he is still entitled to apply and as subsection (1) says, "… the employer may grant ..." and if the employer grants, then it is done on a pro-rata basis in relation to the period of one week therein referred to.

I know this is different from the point of my colleague but when it explains it in that manner then what does subsection (6) do to all of that?

Subsection (6) reads: "Nothing in this section shall be construed as allowing an employer to refuse to grant any adoption leave at all to an employee who has served for at least six months."

I hear the Honourable Second Official Member saying that subsection (6) is basically saying that if a person is worked for six months he is not eligible to request this paternity leave. I am not a legal draftsman and I will never attempt to be however there has got to be a better way of putting it than this.

All I am saying is, subsection (1) speaks to the conditions under which the leave can be applied for, and subsection (2) qualifies that by speaking to how it can be applied for if it is less than the 24 months specified in subsection (1). It has to be easy in the same subsection (3) to say that it can be on a pro-rata basis once it is over six months.

It might be seen to be nit-picking however to the average person reading subsection (6), it throws you completely off and you cannot understand what it said.

As I said, that goes beyond point of whether the whole section makes any sense or not because as my colleague made the point, if the leave is not mandatory and it is just that the employer may do so, perhaps you can argue whether it should be in there at all.

However, if we are going to accept that it can remain here simply to let an employee know what he is eligible to request even though it is not mandatory, if that is the salve on this section, then that is fine. However, subsection (6) must be able to be subsumed somewhere before we get to that so that it is not confusing.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: Mr. Chairman, may I refer Honourable Members to new clause 22(1) and suggest that if we change on the last line where it says: " … employer may grant two weeks paternity leave…" to " … employer shall grant two weeks paternity leave … "

[Inaudible interjections]

No, I have another suggestion. Let us then consider going back to subclause (6): "Nothing in this section shall be construed as allowing an employer to refuse to grant paternity leave at all.".

Hon. D. Kurt Tibbetts: Mr. Chairman.

The Chairman: The First Elected Member for George Town.

Hon. D. Kurt Tibbetts: If the Minister is referring to the confusion that I am talking about in subsection (6), then what I am saying is in subsection (3) where it says: **"Where a male employee has not completed the twenty-four month period of employment … "**–

You are dealing with Clause 23 (3): **"Where a male employee has not completed the twenty-four month period of employment …"** but has completed at least six months. What you could say is: "Where a male employee has not completed the twenty-four month period of employment referred to in subsection (1), but has completed at least six months of employment, he is still entitled to apply and the employer may grant adoption leave but that leave and pay shall be calculated on a pro rata basis.".

Then subsection (6) is just through the window.

The Chairman: Honourable Members, I think that we are dealing with clause 22. However, the same point arises in clause 23.

Mr. Alden M. McLaughlin, Jr.: Yes, Mr. Chairman, because I gather from what the Honourable Minister has said is that he wants the provision in there to cue employees that they may apply for paternity leave.

The problem with subsection (6) is that it unnecessarily conveys the impression that somehow granting the leave is mandatory and that is confusing.

The suggestion from the Leader of the Opposition will cure that and we should delete (6) in section 22. Even though he referred to section 23 the same applies there and when we get there we can sort that out.

Hon. D. Kurt Tibbetts: Therefore, it will be section 22(2) and 23(3) then 22(6) and 23(6) will fall away.

Hon. Roy Bodden: Yes, Mr. Chairman, that is acceptable. We will delete 22(6) and make the addition, as suggested by the Honourable Leader of the Opposition and the Second Elected Member for George Town. It would then read—

The Chairman: The Honourable Minister of Community Services.

Dr. the Hon. Frank McField: Mr. Chairman, I have a serious problem in understanding—

Hon. Roy Bodden: Subsection (5) can go also.

[Pause]

Hon. Roy Bodden: Mr. Chairman, 23(5) can also be deleted and 22(5).

The Chairman: Would the Honourable Minister of Education please repeat that because it now forms an amendment to the amendment?

Hon. Roy Bodden: Mr. Chairman, I was saying that 22(5) and (6) can be deleted.

The Chairman: From clause 22?

Hon. Roy Bodden: Yes, Mr. Chairman.

The Chairman: The Honourable Minister of Community Services was trying to speak.

Dr. the Hon. Frank McField: Mr. Chairman, I hope that I do not confuse the issue any more. My understanding of what was happening here is that the Government did not want to make it mandatory for the employer to give paternity leave. Nevertheless, the Government is leaving in some mention of its willingness to see paternity leave granted. It is suggesting that a person can apply and the employer should consider, however it is not an obligation on the part of the employer.

To say then that: "Nothing in this section that can be construed as allowing an employer to refuse to grant adoption leave at all to an employee who has served at least six months.".

I do not see why that does not add a little more force to the suggestion. I understand that it is creating the impression that it is mandatory but it depends upon who is reading the Law, so it might be a good idea to create that impression. If that was the Government's original intention in the first place and the Government is going to be a little soft on it then it is just—

The Chairman: Honourable Minister of Education.

Hon. Roy Bodden: Mr. Chairman, with the best of intentions, and I can see that the Honourable Minister's position, but judging from the flogging that I have taken from the Chamber of Commerce with this, I believe it would be wise to remove that.

The Chairman: May I call on the Honourable Minister of Education to please let me have the amended amendment?

The Second Elected Member for Cayman Brac and Little Cayman.

Mr. Lyndon L. Martin: Mr. Chairman, I was asking clarity if that is the only amendment or were there some other wording changes suggested by the Leader of the Opposition for clause (1) or (2) that needs to be articulated by the Minister to be part of the amended amendment.

The Chairman: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Mr. Chairman, the suggestion was that we include in section 22(1) the reference to "… at least six months …" which is contained in subclause (6) at the moment.

This is not how he articulated it, however, we would leave out the reference to **"… twenty-four months …"** and substitute that to "… six months …" if we want to give effect to what subclause (6) actually did.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: Mr. Chairman, I would like to propose an alternative that subclause 22(2) reads, and this would still cover, in my opinion, the point made by the Honourable Member: "Where a male employee has not completed the twenty-four month period of employment referred to in subsection (1), but has served for at least six months, he is still entitled to request, he is still entitled to request …".

Mr. Alden M. McLaughlin, Jr.: That is much neater Mr. Chairman.

The Chairman: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Mr. Chairman, before you move on, may I make an observation?

I think the words: "… employer is entitled to request …" are a little inconsistent with the spirit and the entire section where it is all discretionary. While working with the same: " … employer is entitled to request …", I am saying that it should be: "may request".

Amendments to Amendment

Hon. Roy Bodden: I see your point, "may request" and "the employer may grant", you are right:

(i) in subclause (2) by adding after "subsection (1)", as it appears in the second line, the words: " … but has served for at least six months … ";

(ii) in subclause (2) by deleting the words "is still entitled to" as they appear in the second line and substituting the word "may";

(iii) by deleting subclauses (5) and (6).

The Chairman: Honourable Minister of Education does that conclude the amendments to the amendment?

Hon. Roy Bodden: Yes, Mr. Chairman.

The Chairman: The question now is that the amendments to the amendment stand part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendments as amended passed.

The Chairman: The question now is that the amendment as amended forms part of the clause and the clause forms part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 22 as amended passed.

Clause 23

The Clerk: Clause 23 Paternity leave: adoption

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: By deleting clause 23 and substituting therefor the following:

"23. (1) A male employee who has worked for the same employer for twenty-four months without taking paternity leave or who last took paternity leave (whether on account of adoption or the giving of birth by a female partner) at least twenty-four months previously while working with the same employer and adopts a child is entitled to request, and the employer may grant, paid adoption leave of one calendar week.

"(2) For the purposes of subsection (1), a male employee adopts a child when he assumes the care of the child with a view to adoption by him or by him and his partner jointly.

"(3) Where a male employee has not completed the twenty-four month period of employment referred to in subsection (1) he is still entitled to apply and the employer may grant adoption leave but that leave and pay shall be calculated on a pro-rata basis in relation to the period of one week therein referred to.

"(4) A male employee may request that adoption leave be granted in such a way that it covers periods before and after he assumes care of the child."

Mr. Chairman, I move that 5 and 6 be deleted.

Mr. Alden M. McLaughlin, Jr.: Mr. Chairman.

The Chairman: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: In relation to both 23(1) and 23(3), the observation of the Honourable Second Official Member about the need to delete the use of the word "entitled", this applies in both instances.

[Inaudible interjections]

The Chairman: Would the Honourable Minister state if he moved an amendment to subclauses (1) and (3); in the penultimate line in subsection (1): "and adopts a chid may request" and in (3) the second line: "he may apply"?

Hon. D. Kurt Tibbetts: Mr. Chairman, "also" needs to be added in: "Where a male employee has not completed the twenty-four month period of employment referred to in subsection (1), but has served at least six months"—

Amendments to Amendment

Hon. Roy Bodden: " … served for at least six months, he may apply … ".

(i) in subclause (1) by deleting the words "is entitled to" and substituting the word "may";

(ii) in subsection (3) by adding: " … but has served for at least six months, … " after "subsection (1)" as it appears in the second line;

(iii) in subclause (2) be deleting the words "is still entitled to" as they appear in the second line and substituting the word "may";

(iv) by deleting subclauses (5) and (6).

The Chairman: Honourable Members, the question is that the amended amendment forms part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment as amended passed.

The Chairman: The question now is that the amended clause as amended forms part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 23 as amended passed.

Clauses 24 and 25

The Clerk:

Clause 24	National minimum basic wage.
Clause 25	National Minimum Wage Advisory Committee.

The Chairman: The question is that clauses 24 and 25 form part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 24 and 25 passed.

Clause 26

The Clerk: Clause 26 Failure to pay minimum wage.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: In clause 26(3), by deleting **"Inspector-General who shall …"** and substituting therefor "Attorney General who may …".

The Chairman: The question is that the amendment forms part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended forms part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 26 as amended passed.

Clause 27

The Clerk: Clause 27 Rest periods.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: In clause 27 (4) by adding at the end of the subsection, after paragraph (g), the following– "(h) retail business."

The Chairman: The question is that the amendment forms part of the Bill.

All those in favour, please say Aye. All those against, No.

Ms. Edna M. Moyle: Mr. Chairman.

The Chairman: The Elected Member for North Side.

Ms. Edna M. Moyle: I am a bit concerned on subsection (2) of section 27: **"An employer shall allow an employee who works an eight-hour shift or longer–**

(a) a rest break of at least fifteen minutes; and

(b) a meal break for at least thirty minutes,"

I have a concern with the thirty minute break for lunch in this country as it now stands. Because when I go on to subsection (3) and we talk about specified industries then we go to subsection (4) and we talk about hospitality, we are not defining whether these are waitresses or waiters, we are just saying hospitality. Thus, are we saying that managers in the hospitality field are entitled to two 15 minute breaks and a thirty minute meal break, yet the young lady who sits behind the computer in the bank is only allowed a 15 minute break and a thirty minute break for a meal?

I need some clarity.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: Mr. Chairman, it could well be that if that person is sitting behind a computer where he or she does not have to deal with the public then they can have a meal at their discretion

The Chairman: The Elected Member for North Side.

Ms. Edna M. Moyle: Mr. Chairman, there are certain businesses in this country that provide no kitchen or eating area for staff and they are not allowed to eat at their desk; that is a fact of life.

I personally would like to see one hour for a meal rather than 30 minutes for a meal for staff employed at businesses in this country.

They must, at some point, have a little time to relax. We were just talking about stress a while ago under the International Labour Organisation. These people need a little more time. If you leave your office, drive to West Bay to pick up a sandwich it takes you one hour.

Hon. Roy Bodden: Mr. Chairman.

The Chairman: Honourable Member, before you continue the First Elected Member for George Town was trying to comment on the same point, so you might wish to answer both at the same time.

Honourable First Elected Member for George Town.

Hon. D. Kurt Tibbetts: Hearing what the Member for North Side has said I want to ask a question because I think we need to get something clear before we decide on what we are talking about here.

If we notice with this section we are talking about a specified industry and we are also talking about basic wage, where it says:**" … and the employee shall be paid for each of the fifteen-breaks at his basic wage, but the remuneration for the meal break shall be agreed by contract between the employer and the employee."**

My question is, if we are looking at basic wage, is there a differentiation between a basic wage earner and a salary earner?

The Chairman: Honourable Minister of Education there are two questions, one from the Elected Member for North Side and one from the First Elected Member for George Town.

I think the First Elected Member for George Town wanted to continue his thought.

Hon. D. Kurt Tibbetts: Yes Sir. Thank you. I asked that question because it relates to what the Member for North Side is referring to.

If basic wage refers to a different category from a salaried employee then it is in two different lights we would look at it because the person in the bank, I dare say, might be considered a salaried employee so this might not apply to that. I do not know that however we need to make sure of that.

The Chairman: To add to that, it is my understanding that in most businesses and industries, you do not get paid for the lunch break you are only entitled to a lunch but the eight hour day; 8am to 5pm does not include the lunch hour.

I do not know what the answer is. Perhaps the Honourable Minister can comment.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: First of all, this is exactly as it is in the old Law. We transplanted this from the old Law into the new Bill and we only added retail business to the categories. All the other categories were there. It was not problematic in the old Law and I do not see why it would be problematic in this instance.

I draw attention to a point that the Member for North Side made by saying: **" … a meal break of at least at 30 minutes …"**, could be longer. It is a minimum of 30 minutes.

When we were doing this I said that we had to be satisfied with just taking incremental bites because I laid a caution not to go too far. I appreciate the concerns of the Opposition and I am grateful for their support because without their support, I do not know what would have happened; I would have gone down to an ignominious defeat.

Therefore, I want to be as obliging and as accommodating as I can however I would like to bear in mind, and I want the Opposition to also bear in mind, that there are persons out there just waiting to see how much we are going to give.

I suppose that the Opposition is deserving of consideration and I have to bear that in mind. At the same time I think that there is only so much we can accomplish this time around and we have to leave something for the next bite.

The Chairman: The First Elected Member for George Town.

Hon. D. Kurt Tibbetts: Mr. Chairman, the concern is genuine. However, I want to raise another point because I think if we look at it, it is not a contentious issue.

When we speak to salaried employees and you look in another section of the old Law and it speaks to 37.5 hours per week we were talking 8.30am to 5.00pm which is 8.5 hours and there was one hour for lunch—I am being told that did not exist in the old Law, I thought I saw it somewhere and that is how I was figuring the hours. Perhaps that has been changed before it got to this stage. To be fair, and so that the Minister will understand, I do not think it is an issue where we want to put anything in the legislation that is going to create a problem when it comes to the time. Perhaps, it may be best served, given the circumstances, that the Bill and this section, seemingly, now encompasses all types of employees although I would have thought there was a reason for this basic wage being included in it. There is a difference between wage earners and salaried employees and perhaps that need a bit more investigation.

I do not think that we want to push the issue, not being sure whether what we are doing is right or whether we are pushing the button a bit too far so perhaps we could leave that one for the time being.

I am certainly not trying to take away what the Member for North Side was saying, because that is a genuine concern and we do not want that to be the case. However, what we do not want to do is look at that problem then add time on which puts another problem into the whole affair. We appreciate what the Minister is saying.

The Chairman: Honourable Minister is that okay for you?

Hon. Roy Bodden: Yes, Mr. Chairman.

The Chairman: The question is that the amendment forms part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended forms part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 27 as amended passed.

Clause 28

The Clerk: Clause 28 Standard work week.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: In clause 28:

(i) in subclause (1), by the deletion of– **"Except as provided in subsection (2), …"** and the substitution therefor of– "Except as provided in section 29 (1) and (1a) (relating to overtime, contracting out of overtime and receipt of benefits in lieu of overtime pay)";

(ii) in subclause (2) (b), by deleting the word **"his"**.

The Chairman: The Motion is open for debate. If no debate, the question is that the amendment forms part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended forms part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 28 as amended passed.

Clause 29

The Clerk: Clause 29 Overtime pay in general.

Hon. Roy Bodden: In clause 29:

(i) by the deletion of subclause (1) and the substitution therefor of the following– "(1) Except as provided in subsections (1a) and (2), an employee who works in excess of his standard work week shall, for those overtime hours, receive overtime pay or, instead of overtime pay, receive time-off with pay at his basic wage, during normal working hours, equivalent to the overtime hours worked."

(ii) by the insertion after subclause (1) of the following– "(1a) An employer shall negotiate with the relevant trade union or, where there is no trade union, with a category of employees, with a view to agreeing with the employees as a group whether the hours in excess of the standard work week shall be remunerated at regular or other specified higher pay (amounting or not amounting to full overtime pay) provided that–

(i) contracting out of overtime pay shall not be allowed with respect to time exceeding forty-five hours and any agreement purporting to provide otherwise is void;

(ii) where the contract of employment includes, and the employee is enjoying, any payment or benefit that is not required under this Law and which is equivalent to the overtime pay to which he would have been entitled, the employee shall not be entitled to overtime pay.";

(iii) in subclause (4) by deleting in the last line the word **"underpaid**" and substituting therefor the word "underpayments."

The Chairman: The question is that the amendments—The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Mr. Chairman, there still seems to be some residual confusion about this so just to make sure that we all understand it; the cumulative effects of the amendments to sections 28 and 29 are that there will not be any statutorily fixed standard work week; they simply set out parameters on either end, a minimum of 37 and a maximum or 40, but that in certain circumstances an individual who works in excess of his standard work week can agree not to be paid overtime up to a maximum of 45 hours.

The Chairman: The Honourable Minister of Education, would you like to comment further?

Hon. Roy Bodden: No, Mr. Chairman, that is indeed as is indicated by the Second Elected Member for George Town.

The Chairman: The question is that the amendments form part of the Clause.

All those in favour, please say Aye. All those against, No.

Ayes.
The Chairman: The Ayes have it.

Agreed. Amendments passed.

The Chairman: The question now is that the clause as amended forms part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 29 as amended passed.

Clause 30

The Clerk: Clause 30 Rate of overtime pay.

The Chairman: The question is that clause 30 forms part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 30 passed.

Clause 31

The Clerk: Clause 31 Form of remuneration.

Hon. D. Kurt Tibbetts: Mr. Chairman.

The Chairman: The First Elected Member for George Town.

Hon. D. Kurt Tibbetts: I know what the Second Elected Member for George Town explained in the amendments to section 29 —the amendment to 29 by the insertion after subclause—however I did not hear one of the following after subclasue (1)(a)(i) on page 5 of the amendments– "contracting out of overtime pay shall not be allowed with respect to time exceeding forty-four hours…"

Did we change that to forty-five? I just wanted to make sure.

The Chairman: Yes, that has been changed to forty-five.

The Honourable Minister of Education in moving Clause 31.

Hon. Roy Bodden: In clause 31, by deleting subclause (2).

The Chairman: The question is that the amendment forms part of the Clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended forms part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 31 as amended passed.

Clauses 32 through 41

The Clerk:

Clause 32	Pay statements.
Clause 33	Deductions.
Clause 34	Periods and time of pay.
Cause 35	Interest on unlawful deductions.
Clause 36	Work accounts.
Clause 37	Application of Part V.
Clause 38	Distribution plan.
Clause 39	Monthly records.
Clause 40	Rate of gratuity to be displayed.
Clause 41	Maximum rate of gratuity.

The Chairman: The question is that Clauses 32 to 41 forms part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 32 through 41 passed.

Clause 42

The Clerk: Clause 42 Classes of employees entitled to gratuity.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: In clause 42 (2)(e), by deleting **"subparagraphs"** and substituting therefor "paragraphs."

The Chairman: The question is that the amendment forms part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended forms part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 42 as amended passed.

Clause 43

The Clerk: Clause 43 Actual distribution of gratuity.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: In clause 43 (1), first line, by deleting **"subsection"** and substituting therefor "section".

The Chairman: The question is that the amendment forms part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended forms part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 43 as amended passed.

Clauses 44 to 50

The Clerk:

Clause 44	General right to severance pay.
Clause 45	Computation of severance pay.
Clause 46	Severance pay: when payable.
Clause 47	Severance pay where employer's business transferred.
Clause 48	Liability of predecessor and successor-employer.
Clause 49	Record of hiring dates.
Clause 50	Settlement of disputes as to date of hiring.

The Chairman: The question is that clauses 44 to 50 forms part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 44 to 50 passed.

Clause 51

The Clerk: Clause 51 Penalties relating to severance pay.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: In accordance with the provisions of Standing Orders 52(2) and (2)(1) I the Honourable Minister of Education, Human Resources and Culture, give notice to move the following– In clause 51(1) by the deletion of **"adjudicating authority"** and the substitution therefor of "Grand Court, a court of summary jurisdiction or Employment Tribunal".

The Chairman: The question is that the amendment forms part of the Clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 51 as amended passed.

Clause 52

The Clerk: Clause 52 Entitlement to retirement or resignation allowance.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: In clause 52(1) by deleting paragraph (a) and substituting therefor the following - "(a) attained the age of sixty years;".

The Chairman: The question is that the amendment forms part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended forms part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 52 as amended passed.

Clauses 53 to 56

The Clerk:

Clause 53	Dispute as to amount of allowance.
Clause 54	Application of Part VIII.
Clause 55	Expiry of contracts.
Clause 56	Fairness or unfairness of dismissal.

The Chairman: The question is that clauses 53 to 56 form part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 53 through 56 passed.

Clause 57

The Clerk: Clause 57 Termination for cause.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: In clause 57:

(i) in subclause (2), last line, by deleting **"three warnings"** and substituting therefor "two warnings";

(ii) in subclause (4), second line, by deleting **"three warnings"** and substituting therefor "two warnings".

The Chairman: The question that the amendment forms part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendments passed.

The Chairman: The question now is that the clause as amended forms part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 57 as amended passed.

Clauses 58 to 73

The Clerk:

Clause 58	Signings of warnings.
Clause 59	Initiation of proceedings.
Clause 60	Remedies for unfair dismissal.
Clause 61	Application of Part IX.
Clause 62	Registration of workplaces.
Clause 63	General duty of operator of workplace.
Clause 64	Workers' compensation insurance.
Clause 65	Health, safety and welfare generally.
Clause 66	Additional duties of operator of workplace.
Clause 67	Notification of accidents, injuries and diseases.
Clause 68	Duties of employees.
Clause 69	Notices to remedy.
Clause 70	Offences against this Part.
Clause 71	Inquests into and prosecution for accidents.
Clause 72	Modification of agreements and apportioning of expenses.
Clause 73	Regulations relating to workplaces.

The Chairman: The question is that clauses 58 to 73 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 58 to 73 passed.

Clause 74

The Clerk: Clause 74 Department of Employment Relations.

The Chairman: Honourable Minister, we have three amendments to Clause 74(5)(c) and 74(5)(6)and (7).

Hon. Roy Bodden: [Three amendments]

(i) In subclause (5)(c), first and second lines, by deleting the words **"best business practices"** straddling the two lines and substituting therefor "best employment practices",

(ii) by the addition of the following subclause– "(6) Subject to any specific restrictions made by or under this Law, the Director shall have all such powers as are necessary or expedient for the better carrying out of the purposes of this Law."

(iii) by inserting the following subclause– "(7) The Director may on the report of any person or of his own volition refer any dispute or matter to the Employment Tribunal for adjudication.".

The Chairman: The motion is open for debate.

If no debate, the question is that the amendments form part of the Clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendments passed.

The Chairman: The question now is that the clause as amended forms part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 74 as amended passed.

Clauses 75 and 76

The Clerk:

Clause 75	Powers of entry and inspection.
Clause 76	Certificates of appointment of authorised officers.

The Chairman: The question is that clauses 75 and 76 form part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 75 and 76 passed.

Clause 77

The Clerk: Clause 77 Power to issue citations.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: In subclause (1) by deleting **"Inspector-General"** and substituting therefor "police".

The Chairman: The question is that the amendment form part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended forms part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 77 as amended passed.

Clause 78

The Clerk: Clause 78 Employment Tribunals.

The Chairman: The question is that clause 78 forms part of the Bill.

The Honourable Second Official Member.

Hon. Samuel W. Bulgin: May I make an observation in the final line of Clause 78(1) [where it reads] **"… other party with an interest in employment related matters"**? I wonder what is meant by **"interest"**.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: In this case, this reference could be made to someone who is speaking for the employee in situations where the employee may not be able to speak or articulate for themselves.

Hon. Samuel W. Bulgin: Mr. Chairman, may I suggest that we use an expression that is already in law, which is "sufficient interest" and that will probably restrict someone walking off the cruise ships and walking into a tribunal.

Hon. Roy Bodden: Thank you Second Official Member.

The Chairman: What is the amendment?

Hon. Roy Bodden: The Honourable Second Official Member has suggested that we substitute, and I concur by deleting– **"party with an interest in an employment-related matter"** and substituting therefor– "party with a sufficient interest".

The Chairman: Honourable Members, the amendment is open for debate.

If no debate, the question is that the clause as amended stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 78 as amended passed.

Clause 79

The Clerk: Clause 79 Procedure for handing complaints.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: In clause 79:

(i) by deleting subclause (1) and substituting therefor the following– "Any complaint arising from the provisions of this Law shall be made to the Director who shall deal with it in accordance with this section unless, in his view, the complaint is frivolous and vexatious, or is as a result of the complainant's own malice or ill-will, in which case the Director will advise the complainant of his findings and decision.";

(ii) by inserting after subclause (1) the following– "(1a) Any person who is dissatisfied with a decision of the Director to declare a complaint frivolous and vexatious under subsection (1) may appeal to the Grand Court by way of judicial review but only on the basis that the decision was made–

(a) in bad faith;
(b) without taking into account relevant considerations;
(c) taking into account irrelevant considerations;
(d) on the basis of a view of fact or law that could not reasonably be entertained;
(e) on any other basis that would render the decision open to judicial review." ;

(iii) in subclause (4), first line, by deleting– "The Director shall …" and substituting therefor– "The Director may";

(iv) in clause (5), first line, by deleting– "**Where as a result of conciliation a settlement is reached, …"** and substituting therefor– "Where a settlement is reached".

The Chairman: The motion is open for debate.

If no debate, the question is that the amendment form part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended form part of the Bill.

All those in favour, please say Aye—

Hon. Samuel W. Bulgin: Mr. Chairman.

The Chairman: The Second Official Member.

[Pause]

Hon. Roy Bodden: Mr Chairman, may we revert to 79(ii)(1a) should read: "(ii) (1a) Any person who is dissatisfied with a decision of the Director to declare a complaint frivolous and vexatious under subsection (1) may appeal to the Grand Court on the grounds that the decision was made …"

I am instructed by the Honourable Second Official Member (for which I thank him) that you cannot appeal to the Grand Court by way of judicial review, which is a civil process.

The Chairman: "… may appeal to the Grand Court on the grounds that the decision was made … "

Hon. Roy Bodden: " … was made …" (a), (b), (c) and (d) are all fine. When we come to (e)—

The Chairman: Honourable Minister sorry to cut you: " … by way of judicial review but only on the basis that the decision was made … ",

We could delete that and substitute it for: "… on the grounds that the decision was made … "

Hon. Roy Bodden: Yes, Sir.

Everything is fine until we come to (e) and it should read: "on any other grounds that would render the decision open to challenge."

The Chairman: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Mr. Chairman, I agree with the observation of the Honourable Attorney General. I had missed that provision entirely but are we sure that we want to have an (e)? Are we sure that we want a decision like that of the Director open to any possible challenge?

I would suggest that we limit it to (a), (b), (c) and (d).

Hon. Roy Bodden: Mr. Chairman, with your permission the point is taken.

The Chairman: Honourable Minister, would you please move that motion?

Amendment to new subclause (1a)

Hon. Roy Bodden: Mr. Chairman, I beg to move the motion that we delete (1a) subsection (e) from the amendment as proposed in clause 79(ii).

The Chairman: Thank you. The question is that the amended amendment forms part of the clause.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment as amended passed.

The Chairman: The question now is that the amended clause as amended forms part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it

Agreed. Clause 79 as amended passed.

Clause 80

The Clerk: Clause 80 Awards and penalties: enforcement.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: In clause 80:

(i) in subclause (3) by deleting the words **"… guilty of a …"** as they appear in the first line and substituting therefor the word "… in …";

(ii) in subclause (3) by deleting the word **"… guilty …"** where it second appears and substituting therefor "… in violation …";

The Chairman: Honourable Minister, do you want to add in the words or just "… in violation …"?

Hon. Roy Bodden: Add in the words "… in violation …".

The Chairman: Please continue.

Hon. Roy Bodden: (iii) by adding the following subclause– "(7) The Employment Tribunal shall have the jurisdiction to hear and determine any matter relating to any dispute concerning any rights conferred by or under this Law and may make such decisions and orders as may be necessary or expedient to give effect to those rights.". and

(c) Whosesoever in the Bill the word **"act"** is used it shall be deleted and the work "law" substituted therefor.

The Chairman: Honourable Members, the (c) part of the amendment is a general amendment.

Hon. Roy Bodden: Sorry, Mr. Chairman.

The Chairman: It is only down to "… those rights".

The motion is open for debate.

If no debate, the question is that the amendment form part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended forms part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it

Agreed. Clause 80 as amended passed.

Clauses 81 to 91

The Clerk:

Clause 81	Appeal from Employment Tribunal.
Clause 82	Limitation period for filing complaints.
Clause 83	In-house complaint procedures.
Clause 84	Discrimination.
Clause 85	General penalty.
Clause 86	False entries and declarations.
Clause 87	Use of prescribed forms.
Clause 88	Obstruction of officers.
Clause 89	Records to be evidence.
Clause 90	Service of documents.
Clause 91	Indemnity of officers.

The Chairman: The question is that clauses 82 to 91 form part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it

Agreed. Clauses 81 to 91 passed.

Clause 92

The Clerk: Clause 92 General power to make regulations.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: In clause 92 (2):

(i) by deleting the **"; or"** after paragraph (b) and inserting ".";

(ii) by deleting paragraph (c).

The Chairman: The motion is open for debate.

If no debate, the question is that the amendment form part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended forms part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 92 as amended passed.

Clause 93

The Clerk: Clause 93 Governor may give directives.

The Chairman: The question is that the clause forms part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 93 passed.

Clause 94

The Clerk: Clause 94 Inspector-General.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: By deleting clause 94.

The Chairman: The question is that the amendment forms part of the clause.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended form part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 94 deleted.

Hon. Roy Bodden: Mr. Chairman.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: Mr. Chairman, I should have also indicated by renumbering all following clauses in numerical order.

The Chairman: Honourable Minister that was suggested at the beginning of Committee stage.

Clause 95

The Clerk: Clause 95 Prohibition of retaliation against employee.

The Chairman: The question is that the clause form part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 95 passed.

Clause 96

The Clerk: Clause 96 Trade and business licences.

Hon. D. Kurt Tibbetts: Mr. Chairman.

The Chairman: The First Elected Member for George Town.

Hon. D. Kurt Tibbetts: Mr. Chairman, on 95—

The Chairman: We took a vote on that. Do you want to speak to it?

Hon. D. Kurt Tibbetts: It is a quick observation. Why are we moving from subsection (1) to subsection (5)?

Hon. Roy Bodden: That is a mistake it is suppose to be a (2).

The Chairman: These are some of the consequential changes that the Attorney General would make.

Clause 96

The Clerk: Clause 96 Trade and business licences.

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: Mr. Chairman, I respectfully move that we delete clause 96.

The Chairman: The question is that the amendment forms part of the clause.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the Clause as amended form part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 96 deleted.

Clauses 97 to 101

The Clerk:

Clause 97	Right of access to courts and exhaustion of administrative remedies.
Clause 98	Powers of courts on appeal.
Clause 99	Precedents of this Law.
Clause 100	Repeal and transition.
Clause 101	This Law binds the Crown.

The Chairman: The question is that clauses 97 to 101 form part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 97 to 101 passed.

The Schedule

The Clerk: Form 1 Contract of Employment

Mr. V. Arden McLean: Mr. Chairman.

The Chairman: The Member for East End.

Mr. V. Arden McLean: Can I then ask what happened to (c), on the same notice of amendment?

The Chairman: The Member for East End is correct. We will now take the general amendment which is (c) before we take the amendments on the Schedule.

The Honourable Minister of Education. would you move the amendment (c).

Hon. Roy Bodden: Thank you, Mr. Chairman, but is it not that the Second Official Member is authorised to make those amendments?

The Chairman: Yes, but we could read it into the records.

Hon. Roy Bodden: May you please repeat the instructions.

The Chairman: Just read (c).

Hon. Roy Bodden: "Wheresoever in the Bill the word "Act" is used, it shall be deleted and the word "Law" substituted therefor."

The Chairman: The question is that the amendment forms part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. General Amendment passed.

Form 1

The Clerk: Form 1 Contract of Employment

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: In Form 1 of the Schedule, by deleting paragraph 17 and substituting therefor the following–

"17. An employee pension plan is in place in accordance with the law for the time being in force relating to pensions, and the details of the plan will be made available by the employer to the employee as soon as reasonably practicable but in any case within 14 days of the signing of this contract by the employee."

The Chairman: The Motion is open for debate. The Elected Member for North Side.

Ms. Edna M. Moyle: Could the Honourable Minister explain **"Overtime pay"** on page 74, under Form 1(9). It says: **"The employees is a wage-earner … "**

We read that then we come to:**" … (or) The employee is a salaried employee: Overtime pay at one-half times basic pay is not applicable …"**

Mr. Alden M. McLaughlin, Jr.: Mr. Chairman, I believe that because of the many amendments that have been proposed to this Bill, since it has been here, is that the Contract of Employment will have to be substantially and consequentially—

Hon. Roy Bodden: Will have to be changed to reflect—

Mr. Alden M. McLaughlin, Jr.: —because it can only contain provisions that are permitted by the Law.

The Chairman: We have requested that the Second Official Member make those consequential changes.

Honourable Minister, would you wish to make any further comments?

Hon. Roy Bodden: No, Sir. That is the case.

The Chairman: The question is that the amendments form part of the Schedule.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the Schedule as amended forms part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Form 1 as amended passed.

Forms 2 to 8

The Clerk:

Form 2	Pay Statement
Form 3	Work Account
Form 4	Declaration of as to Keeping of Gratuity
Form 5	Exemption from Gratuity Provisions
Form 6	Plans for Distribution of Gratuities
Form 7	Monthly Record of Gratuities
Form 8	Gratuity-Distribution Statement

The Chairman: The question is that Forms 2 to 8 form part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Forms 2 to 8 passed.

Form 9

The Clerk: Form 9 Warning to Employee

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: In Form 9 of the Schedule, by deleting paragraphs 1, 2 and 3 (the latter of which ends immediately before: **"Your first warning was issued to you on**_____"), and also deleting the three lines before paragraph 1, and substituting therefor the following: "As this is a case of **SUBSTANDARD PERFORMANCE** for which you are entitled to two warnings, please note the following [delete below what does not apply]:

1. This is your FIRST WARNING regarding this substandard performance and you have _____ [insert a definite and reasonable period] from today during which you are not to repeat this kind of substandard performance.

2. As your substandard performance has not been corrected, this is your SECOND AND FINAL WARNING regarding the same. You have _____ [insert a definite and reasonable period] from today to raise your level of performance. IF YOUR PERFORMANCE DOES NOT IMPROVE WITHIN THE PERIOD SPECIFIED, YOU WILL BE SUMMARILY DISMISSED, FORFEITING ANY UNEARNED BENEFITS AND FORFEITING ANY SEVERANCE PAY, IN ACCORDANCE WITH THE EMPLOYMENT LAW.

Your first warning notice was issued to you on_____ insert date)".

The Chairman: The Motion is open for debate.

The Elected Member for East End.

Mr. V. Arden McLean: I wonder if the Minister is leaving this up to the employer to decide a specific time.

That could be dangerous in that an employer could give a week or two weeks and, I believe, that a reasonable time would be two to three months.

We are talking of substandard performance—not only behaviour—which could be attributed to something that the employer has provided as well; coaching and guidance. Thus, if the employer gives an unreasonable time in the interest of getting rid of that employee we could then be facing a situation where we get a complaint from employees who are subjected to this warning.

The Chairman: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Mr. Chairman, I note the concern of the Member for East End. I note also that the current Law has a period of time which, I believe, is a month.

However, for the very reasons he has articulated, it is difficult to fix a particular period because what you need to do to remedy one situation, which is remediable in about two weeks, in another situation might require a couple of months.

The relevant section that would address one of his concerns, which is 57(3), has a provision which says: **"Warning for substandard performance shall be accompanied by remedial instruction and training."**

However, an employer will have to bear in mind if the provision says "reasonable period of time"—"reasonable" is a term of art, and it is a matter that the Court is used to considering what is reasonable and what is not reasonable in these circumstances—and, if he is wise, an employer would have to err on the side of caution because they knew that if they intend to rely on this warning as a basis for termination, more likely than not this would be scrutinised by a tribunal or ultimately by the Court.

While I understand the reasonable concern of the elected Member of East End, I do not know how any of us would be able to put in a particular period of time and I think it probably is better that it says either in the substantive Law or in the Form we use the word "reasonable" or "reasonably" or some derivative thereof.

The Chairman: Honourable Minister of Education.

Hon. Roy Bodden: Mr. Chairman, I could not make that any more acceptable, Sir, that is excellent.

The Chairman: The question is that the amendment forms part of the Form.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the Form as amended forms part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Form 9 as amended passed.

Form 10

The Clerk: Form 10 Registration of Workplace

The Chairman: The Honourable Minister of Education.

Hon. Roy Bodden: In Form 10, about half-way through the form, I beg to move that the following words be deleted– **"The name of the pension plan set-up by or adopted by the employer and approved and registered by the Superintendent of Pensions for the benefit of the employees of the workplace ____ … "** and the substituting therefor of the following– "The name of the pension plan set-up by or adopted by the employer and approved and registered by the Superintendent of Pensions (except public service pensions) for the benefit of the employees of the workplace ____ …".

The Chairman: The Motion is open for debate.

If no debate, the question is that the amendments form part of the Form.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the Form as amended forms part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Form 10 as amended passed.

The Clerk: Form 11 Notice of Accident or Disease.

The Chairman: The question is that Form 11 forms part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Form 11 passed.

Schedule passed.

The Chairman: Honourable Members, this concludes the proceedings.

We will now ask the Clerk to read the title of the Bill.

The Clerk: A Bill for a Law to Provide for the Regulation of the Employer/Employee Relationships; and for Incidental and Connected Purposes.

The Chairman: The question is that the Title forms part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Title passed.

The Chairman: This concludes the proceedings in Committee. The question is that the Bill be reported to the House.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed that the Bill be reported to the House.

House Resumed at 8.08 pm

REPORT

The Employment Bill 2003

The Speaker: Proceedings are resumed. Please be seated. The Honourable Minister of Education.

Hon. Roy Bodden: Mr. Speaker, I beg to report that a Bill entitled, A Bill for a Law to Provide for the Regulation of the Employer/Employee Relationships; and for Incidental and Connected Purposes was considered by a Committee of the whole House and passed with amendments.

The Speaker: The Bill has been duly reported and is set down for Third Reading.

THIRD READINGS

The Evidence (Amendment) Bill 2003

The Speaker: The Honourable Second Official Member.

Hon. Samuel W. Bulgin: Mr. Speaker, I beg to move that a Bill entitled The Evidence (Amendment) Bill 2003 be given a Third Reading and passed.

The Speaker: The question is that a Bill shortly entitled The Evidence (Amendment) Bill 2003 be given a Third Reading and passed.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. The Evidence (Amendment) Bill 2003 given a Third Reading and passed.

The Employment Bill 2003

The Speaker: The Honourable Minister of Education.

Hon. Roy Bodden: Mr. Speaker, I beg to move that a bill entitled, A Bill for a Law to Provide for the Regulation of the Employer/Employee Relationships; and for Incidental and Connected Purposes be given a Third Reading and passed.

The Speaker: The question is that a bill shortly entitled The Employment Bill 2003 be given a Third Reading and passed.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Employment Bill 2003 given a Third Reading and passed.

OTHER BUSINESS

PRIVATE MEMBERS' MOTIONS

PRIVATE MEMBER'S MOTION NO. 11/03

Economic conditions of Cayman Brac
(deferred)

The Speaker: Honourable Members, I am in your hands. We do have another item on the Order Paper which is Private Member's Motion 11/03 – Economic Conditions of Cayman Brac. I note that the seconder is not here, however, we could get a seconder if it is the wish of the House.

Honourable Deputy Leader of Government Business.

Hon. Gilbert A. McLean: Mr. Speaker, the Member who is moving the motion has indicated that he would wish if it could be set down for another days sitting.

It is also my understanding that there will be a presentation on the Elections Law on Wednesday at 9.30am therefore with the approval of Members of the House I would suggest that we move the adjournment until 11am, Wednesday.

The Speaker: The question is that Private Member's Motion No. 11/03 be deferred until a later sitting of the House.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Private Member's Motion No. 11/03 deferred.

ADJOURNMENT

The Speaker: I call on the Deputy Leader of Government Business to make the motion for the adjournment.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move the adjournment of this Honourable House until 11 am on Wednesday morning.

The Speaker: The question is that this House do now adjourn until 11am on Wednesday, 17 March, 2004.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

At 8.14 pm the House stood adjourned until 11 am Wednesday, 17 March, 2004.

OFFICIAL HANSARD REPORT
WEDNESDAY
17 MARCH 2004
11.50 AM

Seventh Sitting

The Speaker: I will invite the Honourable First Official Member to lead us in prayer.

PRAYERS

Hon. James M. Ryan: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say The Lord's Prayer together*: Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 11.53 am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Consequential Amendment to the Order Paper

The Speaker: Firstly Honourable Members, I would ask you to just make a very minor amendment on your Order Paper. On the inside pages it states the sixth sitting and it should correspond with the seventh sitting which is correctly stated on the front page.

Late start of Sitting

Secondly, to apologise to the Honourable House for the late start, which was occasioned due to various issues that had to be dealt with prior to the commencement of this sitting?

Apologies

Also, Honourable Members, I have apologies for absence from the Honourable Minister for Education, Human Resources and Culture who is away on government business from 16 – 18 March; from the Third Elected Member for West Bay who is off on official business from 15 – 18 March; and from the Elected Member for North Side.

Apologies for late arrival from the Second Official Member.

PRESENTATION OF PAPERS AND OF REPORTS

Government of the Cayman Islands financial results for the period 1 July 2003–31 December 2003

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I beg to lay on the Table of this Honourable House the Government of the Cayman Islands financial results for the period 1 July 2003 – 31 December 2003.

The Speaker: So ordered. Would the Honourable Member wish to speak thereto?

Hon. George A. McCarthy: Thank you, Mr. Speaker.

The results that have been tabled in this Honourable House today represent the results for the first half of the 2003/2004 fiscal year which ends on the 30 June 2004. I will proceed by giving comments on the schedules that show the half year results. Commencing with schedule 1, page 1 shows that the actual operating receipts to 31 December 2003 were $138.4 million. This can be found around the half way section of the first column of schedule 1. The actual results are stated in the first column of schedule 1 and the

budgeted profile is shown in the second column with the figures. The third column of the figures shows the full year of 2003/2004 budgeted estimates. When the $138.4 million of actual operating receipts is compared with a budgeted profile figure of $131 million a favourable variance of $7.4 million existed as at the 31 December, shown in the fourth column under the title Year to Date Variance. That column is abbreviated YTD variance. The last column of schedule 1 shows the variance in percentage terms between the actual and budgeted profile results.

Operating Expenditure

Actual operating expenditure was $138.5 million compared to a budgeted profile of $149.3 million. These figures can be found in the second to last column towards the left section of schedule 1. This has resulted in a favourable variance of $10.8 million, that is, the actual of $138.5 million when taken away from the budgeted profile of $149.3 million.

When the favourable operating receipts and expenditure variances are combined, Government achieved a virtually breakeven position at 31 December as opposed to a profile budgeted deficit of $18.3 million.

Schedule 1 shows an extremely small operating deficit of $63,000. This can be found in the very last item of the first column in schedule 1. I have described that actual result as being a virtually breakeven position given the size of the figures that we are looking at.

On its operating transaction for the half year to 31 December 2003 government achieved actual results that are $18.3 million better than the profile budget. Schedule 1A can be found on pages two through five (four pages). This schedule provides expanded details of the operating receipts figures shown in schedule 1. As an illustration of the connection between the two schedules, schedule 1 shows the operating receipt category of Duty to be $68.5 million at 31 December. This item is found at the very top of schedule 1 and it is the first in the set of figures appearing in the very left column. The overall amount is broken down into underlying categories – that is schedule 1.

We can see how the figure of $68.5 million is arrived at if we take a look at schedule 1A (page 2) at the first set of columns to the left. Inclusive in this amount of $68.5 million we have motor vehicle duties of $4.4 million; gasoline and diesel $9.2 million; alcoholic beverages duty approximately $5 million and the last item shows the value of $5.2 million for other stamp duty. When all of these figures are added up it gives you the overall total of $68.5 million which has been summarised in schedule 1.

Schedule 2 shows the balance sheet activities of the Government. Mr. Speaker, this schedule commences on page 6 shows the balance sheet items as opposed to the operating items which are stated in schedule 1. The separation of operating and balance sheet items accords with proper accounting practice. In the section, Caption Inflows, in schedule 2, the most significant item is actual deposit inflows of $14.3 million to 31 December. Deposits received by Customs Department from importers and deposits held by General Registry are examples of the items that are comprised within the $14.3 million for deposit inflows. Actual advances outflows of $3.8 million to 31 December arise from items such as repayments made to Government in respect of loans made by Government and repayments of overseas medical cost borne by government on behalf of members of the public. In the section captioned Outflows in schedule 2 the familiar categories of capital acquisitions and capital development outlays are shown. These are $3.9 million and $6.7 million respectively as at 31 December 2003.

Equity injections which represent government provision of funding to its statutory authorities and government-owned companies amounted to $3.1 million as at 31 December 2003. Advances outflows which encompass cash outgoings from government on items such as the cost of overseas medical care and the provision of the recoverable funding for the affordable housing project, amounted to $9.5 million as at 31 December. Again, Mr. Speaker, this item can be found in the very first column of schedule 2 towards the middle section of the top quadrant.

Deposit outflows would be in respect of items such as government repayments of customs deposits provided by importers and repayment of deposits provided to general registry were $11.1 million at 31 December 2003. Overall net balance sheet activity as set out in schedule 2 was approximately $5 million less favourable than that budgeted for the half year ended 31 December 2003. This $5 million arises from the actual expenditure or outflows of $16.4 million when compared to the budgeted sum of $11.4 million. Again we are comparing the figures in the first and second columns.

Although I have said that the net balance sheet activity was less favourable than budgeted, this hides a positive aspect. It reflects Government's investment in capital infrastructure and that of its statutory authorities and government-owned companies.

With respect to financing activity, again appearing in schedule 2, towards the bottom section, the Government did not borrow any funds in respect of the half year but instead made debt repayments of $4.5 million. This represents repayments of principal on the Government notes issue that was executed in April 2003. The borrowings will be taking place in the latter part of the fiscal year prior to the 30 June. The Government also paid interest in respect of its note issue but that amount has been properly disclosed as part of the operating results shown by schedule 1. This can be found in the first column of schedule 1.

Schedule 3 is found on page six and summarises the results obtained in schedules 1 and 2. As an illustration of this, the investing activity figure of

$16.463 million shown in schedule 3 agrees with the $16.463 million shown in schedule 2. For comparison, they are on the same page. The operating deficit figure in schedule 3 of approximately $63,000 agrees with the same figure appearing on schedule 1, so these can be easily cross referenced.

Schedule 3 indicates that at 31 December 2003 Government's total cash balances were $38.8 million and these were $13.2 million better than budgeted. Mr. Speaker, the breakdown of the $38 million can be found in the first column of schedule 3. This is a netted position which takes into account the restricted balances of $50.2 million and netting the overdraft balance of $11.3 million, giving a net position of $38.8 million. Again, these figures can be found in the first column of schedule 3.

Schedule 4 commences on page seven and provides the detail makeup of the reserve and fund balance on schedule 3. For example, in schedule 3 there is an item Other Reserve Balances as at 31 December which is shown with a value of $3.853 million. This is a total of the following individual's reserves amounts shown by schedule 4. Student loan reserve fund of approximately $0.529 million as at 31 December; the housing guarantee reserve fund of $1.206 million as at 31 December 2003; and the national disaster reserve fund of $2.118 million as at 31 December 2003.

As I said earlier, these three when combined amounts to a value of $3.853 million. Therefore, it can be seen that schedule 4 provides the detailed makeup of the individual fund and reserve account balances and the total of these individual accounts are shown in schedule 3.

Schedule 5 can be found on page eight and indicates Cabinet's decisions made to 31 December 2003 to undertake certain transactions that were not included in the 2003/2004 that was passed by the Legislative Assembly in June 2003. Mr. Speaker, it is praiseworthy that government is disclosing these decisions openly and transparently to this Honourable House.

It is also important to point out that Finance Committee has already approved major items on this schedule, for example, the $7.9 million of transactions associated with equity injection by Government in to Cayman Airways. This item can be found in the second column on page five. The government has undertaken these transactions because they are both laudable and necessary. The building, for example, of a new primary school at Prospect is a good example of such an item that appears on schedule 5. We know that that advance will be reimbursed from the loan proceeds and approval has now been received from the United Kingdom to proceed with that.

Schedule 6 can be found on page nine and provides a detail breakdown of the advances and deposit balances at 31 December 2003. This schedule is self-explanatory. The total balance of advances as at 31 December was $21 million while deposits were $18.8 million. I would invite this Honourable House to take note of the provision that has been made for the writing off of $13.5 million from overseas medical advances. This, in effect, leaves a net balance against aggregate overseas medical advances of approximately $6.2 million. There is an exercise that is now being carried out by the Treasury Department to confirm that this realistically represents amounts that are recoverable.

The $13.5 million has not been broken down as yet against individual accounts but this is a general provision that has been made and it is hoped that when the exercise is completed by the Debt Collection Unit that the total amounts of overseas medical advances to be written off will not exceed this value. The assumption is that the $6.2 million remaining from the previous balance of $19.7 million now being reduced by this $13.5 million will represent an amount that is collectable by the Government and a good balance.

Schedule 6 provided the total of the advances and deposit account balances. We can see that the deposit account balances as at 31 December amounted to approximately $18.8 million.

In conclusion, Mr. Speaker, I would like to restate two key highlights from the actual results for the half year to 31 December 2003. On its operating transactions Government achieved actual results that are $18.3 million better than the budgeted profile. Schedule 3 indicates that Government's total cash balances of $38.8 million were $13.2 million better than the profile budget.

It is very good to be tabling the half year support in this Honourable House today and although these are the un-audited figures the Government is keeping a very careful watch on a month by month basis of the financial position. This will continue through the 31 June. I trust that you, Mr. Speaker, and Honourable Members, will find this information to be very useful.

Thank you, Mr. Speaker.

Suspension of Standing Orders 23(7) and (8)

The Speaker: I will ask the Honourable Leader of Government Business to move Standing Order 23(7) and (8) to allow Question Time to be taken at this time, after 11 am.

Hon. W. McKeeva Bush: Thank you, Mr. Speaker. I move to the suspension of Standing Orders 23(7) and (8) in order to take questions after 11 am.

The Speaker: The question is that Standing Orders 23(7) and (8) be suspended in order for to take questions at this time.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Standing Order 23(7) and (8) suspended to allow Question Time to continue beyond 11 am.

QUESTIONS TO HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

The Speaker: The Elected Member for East End.

Question No. 110

Mr. V. Arden McLean: Thank you, Mr. Speaker, but may I bring to your attention that the Minister responsible for Health Services, Agriculture, Aviation and Works is not in the Chamber.

The Speaker: Thank you very much.

[Pause]

The Speaker: Please continue the Elected Member for East End.

No. 110: Mr. V. Arden McLean asked the Minister responsible for Health Services, Agriculture, Aviation and Works what progress has been made on the creation of a Roads Authority.

The Speaker: The Honourable Minister for Health Services, Agriculture, Aviation and Works.

Hon. Gilbert A. McLean: Thank you, Mr. Speaker.

Continued progress has been made towards the creation of a National Roads Authority and we are on target to have the Authority set up to operate in the next budget year. Specifically, the process calls for the amendment of the current Roads Law and the submission of a new bill, the National Roads Authority Bill (2004).

The Ministry responsible for Works, in conjunction with the Legislative Drafting Department, is currently finalising both bills for presentation to Cabinet for its approval. Once the bills have Cabinet approval, they will be submitted to this Honourable House for the approval of the Members of the Legislative Assembly.

I might add that if at all possible this proposed Bill would come to the Legislative Assembly during the sittings of this meeting of the House.

Supplementaries

The Speaker: Thank you. Are there any supplementaries? The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker. I understand the Minister to say that it will be submitted for approval of the Members of the Legislative Assembly. I did not hear what time he said. Could he repeat that?

The Speaker: The Honourable Minister for Works.

Hon. Gilbert A. McLean: Mr. Speaker, I mentioned that if at all possible, the drafting can be completed and the approval can be had from the Cabinet that I would wish to bring the Bill forward during one of the sittings of the House during this meeting.

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: I wonder if the Minister can tell us what will be the complement of this new Roads Authority, that is, how will Public Works as it is now be split to accommodate a new Authority.

The Speaker: The Honourable Minister for Works.

Hon. Gilbert A. McLean: Mr. Speaker, every detail has not been worked out but certainly there is no need to think that the persons who are employed by the Roads section of the Public Works Department will have to leave that compound. It is expected that they would continue to be housed there and if it was necessary to move the management section of it to another location then that would be done.

The whole idea is to create an authority whose only business will be that of looking after development, maintenance and repairs of roads in the Cayman Islands. It will have a specific fund and there will be no longer allocations to the Public Works of a few million dollars that will go to Road that will be more or less in any given year. It will have its own standing and certain specific funds that now go into general revenue will be a sign to the Roads Authority to do only the business of roads.

The Speaker: The Elected Member for East End, I will allow two more supplementaries after this one.

Mr. V. Arden McLean: Thank you, Mr. Speaker. Maybe that I did not ask that question clear enough. I am trying to ascertain from the Minister what additional costs will be incurred to run this new department by splitting it off from an already established entity. Will we need more staff and will there be more equipment?

The Speaker: The Honourable Minister for Works.

Hon. Gilbert A. McLean: Mr. Speaker, it is not envisioned that there should be more costs. Already there are certain staff (engineers) that are employed in the Public Works Department and certain equipment is owned by the Public Works Department which is specifically for road works. These would the things which by law, then, would be vested or transferred with the Roads Authority. The Public Works Department would

no longer deal with the matter of road works. It would be a complete change and responsibility of an Authority which would be funded by specific funds that would go no where else but to that particular Authority.

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: Mr. Speaker, I guess it would take us quite a while to finalise that one. Nevertheless, my question to the Minister is about the funds he just referred to as to how the Authority will be funded.

The Speaker: The Honourable Minister for Works.

Hon. Gilbert A. McLean: Mr. Speaker, the Roads Authority will be initially funded via a loan. In fact, that is the subject of one of the Bills on the Order Paper. Up until now there have been certain funds which have been advanced to the Public Works Department which presently deals with the business of roads. However, such funds which have been advanced would be repaid from the loan so that Central Government is not out of those funds.

I think Members know—perhaps the Member asking the question would like to know that there were no specific funds set in this half year's budget ending in June. This has been a concept now for some time that of creating a Roads Authority, which you, Mr. Speaker, would know about when you were Minister prior to assuming the Speaker's Chair. The concept is now in a law firm and it has come about and now it is necessary to find the funding for it.

The other thing that has been done is that certain money, as I mentioned earlier, will be specifically assigned to funding the Roads Authority which presently go into general revenue.

Also, the idea is to apply specific amounts presently paid on gasoline and diesel in the country will be assigned to the Roads Authority as it specifically deals with the fuel for transportation. Hereafter the idea is to create a situation where there is no longer a guesswork. If persons pay 10 cents on gasoline or on diesel they know that it is going specifically to the Road Fund and spent on nothing else, the Road Authority will be able to function. Of course as an Authority it will also have the ability to be able to borrow and so on. The increase in the number of cars, which is about 564 per month if I remember correctly, should generate sufficient money to keep the Authority functioning.

The Speaker: The Elected Member for East End, I would remind you that this is the last supplementary.

Mr. V. Arden McLean: Thank you, Mr. Speaker. I wonder if the Minister will admit that we have the cart before the horse. He said that the Loan Bill (the subject of this meeting) is to fund the roads and the Roads Authority is not yet established. Monies have been spent and we are borrowing money, on the basis of a Roads Authority, to pay off what has been spent already on roads. Is that then not operating as the Roads Authority?

The Speaker: The Honourable Minister for Works.

Hon. Gilbert A. McLean: First of all Mr. Speaker, I admit nothing. I think the Member is aware that Government has to take certain decisions which are then rectified in the process, within Parliament. The Government knows that it accepts the principle of creating a Roads Authority because it is something of such major demand in the country, and the Government's opinion is the only sensible way to do it. We believe we can count on the support of the Government side and I think that my friend there on the other side, being a person who is technically minded, will see the merit of it and support the Bill when it comes.

Question No. 111

The Speaker: The First Elected Member for George Town.

No. 111:Hon. D. Kurt Tibbetts asked the Minister responsible for the Ministry of Health Services, Agriculture, Aviation and Works what is Government's present policy regarding the importation of aggregate.

The Speaker: The Honourable Minister for Health Services, Agriculture, Aviation and Works.

Hon. Gilbert A. McLean: Mr. Speaker, the Government's policy regarding the importation of aggregate is specifically limited to construction quality aggregate only and does not include material such as marl, topsoil or fill. The Government's policy does not apply to aggregate transported to Grand Cayman from Cayman Brac. The procedure for application for the importation of aggregate is as follows:-

1. Before any application for importation of aggregate can be considered, the applicant (proposed importer) must first submit a letter to the Ministry for Works, which is responsible for aggregate importation.
2. New applications are considered based on the applicant's established expertise in the aggregate business and any subsequent approval for importation will be granted on the same basis (general approval) by Cabinet through the Ministry for Works.
3. Details to be provided by the applicant include but are not limited to:-
   (i) Company background (including its Trade and Business Licence) and purposes for which the aggregate is to be used;
   (ii) Able demonstration that the company has the capability to conduct such an operation.

4. Once the completed application is received and following the grant of general approval to import aggregate, the Ministry for Works will inform the applicant of general approval by Cabinet (and copy correspondence to the Chief Agricultural and Veterinary Officer (CA VO), Customs, Port Authority), subject to receiving import permit from Department of Agriculture (DoA).
5. The applicant must then apply to the Department of Agriculture for an import permit. (Department of Agriculture has regulatory authority to protect against importation of pests).
6. The Department of Agriculture would then arrange to visit the quarry in question and submits a report on the study to the Ministry for Works, copied to applicant (with no further approval from the Ministry being required). The applicant is required to fund inspection visits by the Department of Agriculture as well as costs associated with laboratory tests of the material.
7. If the Department of Agriculture is satisfied with the aggregate to be imported it will issue an import permit with whatever conditions it deems necessary. Import permits (if issued) will detail the type and amount of material, to be imported; country of origin; specific quarry or mine and other conditions imposed by the Department of Agriculture.
8. The permits are issued by the Department of Agriculture at a fee of $40 per year for a multiple entry permit and $5 per year for a single entry permit.

[Mr. Speaker, it seems that the effort would be much more than the cost collected]

9. Imported aggregate must be offloaded at the George Town Port during evening hours only; payment of port fees at $2.00 per short ton and Customs import duty of $2.00 per metric ton.

Supplementaries

The Speaker: The Honourable Leader of the Opposition and First Elected Member for George Town.

Hon. D. Kurt Tibbetts: Thank you, Mr. Speaker. In the substantive answer the Minister speaks to the policy that it is specifically limited to construction quality aggregate only and does not include material such as marl, topsoil or fill.

My question to the Minister is: does the Ministry, when considering these applications, bear in mind or have any facts to deal with any demand that is required at the time, or does it matter not how many applications are received? Is it just the usual laissez-faire situation where demand and supply in the private market will dictate the number of applications and the quantity imported?

The Speaker: The Honourable Minister for Works.

Hon. Gilbert A. McLean: Mr. Speaker, the Ministry is in a position to ask any application or would-be importer to provide information which shows that they are importing that material based on some demand that they will be claiming to supply.

Another thing that is required, which is part of a policy, is that they must show some means of being able to store the aggregate and those types of particulars are required to be given when they apply. If this type of information is not supplied then it can be requested prior to processing the approval through Cabinet.

The Chairman: The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: For clarity, Mr. Speaker, the Minister in his answer seems to have alluded to the question I am going to ask, but I do not think he specifically stated it. Is the Minister saying that the process of approving each application requires that the applicant supply information regarding the demand and the quantities to justify the importation of the material? Is that being done all the time? If I remember correctly, the Minister said that the Ministry is in a position to ask. Is that policy part of the requirement before the application is dealt with?

The Speaker: The Honourable Minister for Works.

Hon. Gilbert A. McLean: The answer to that is yes, it is part of a policy which is in place that those requirements are requested.

The Speaker: I will allow two more supplementaries.
The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, in answer to earlier questions in this Honourable House, the Leader of Government Business indicated that the CH2M Hill International Report which had been submitted in September 2002 and tabled in this Honourable House had been approved by Cabinet. One of the conclusions and recommendations contained in that report is to the following effect: “Licensing of new aggregate and new fill excavations in Grand Cayman should be based on the demonstrated need for new construction material sources. Developing new mines without regard to island-wide long-range planning of infrastructure based on community needs could lead to incompatible adjacent land uses. Therefore a need based comprehensive development plan should be prepared by the Cayman Islands Government.

Continued licensing of upland mines without regard for Island based development planning or the production of prioritised environmental or cultural resources should not be allowed.”

My question to the Honourable Minister is, would he apprise this House of what progress, if any, has been made by the Cayman Islands Government in the preparation of the recommended needs-based comprehensive development plan as this will impact importation of aggregate?

The Speaker: The Honourable Minister for works. Would the Honourable Minister wish to have the supplementary repeated?

Hon. Gilbert A. McLean: No, Mr. Speaker.

Cognisance is taken of the Report which the Member referred to in all dealings now relating to aggregate, fill and mining. A study, as such, has not been created to determine the overall demand at this time, but certainly within the scope of policy which is followed it does take into account the question of demand. Persons applying need to show that they are not just saying they want to import material into the Island. There has to be some indication that they have contracts and that they are going to use them in a specific way. It is meeting the recommended criteria in that regard, but at this time no specific study has been set up for such a determination.

The Speaker: The Second Elected Member for George Town, this is the last supplementary.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. I wonder if the Honourable Minister will say when the Government intends to proceed with following this recommendation and the preparation of a needs-based development plan.

The Speaker: The Honourable Minister for works.

Hon. Gilbert A. McLean: Mr. Speaker, I would not want to set a particular date, but I can assure this Honourable House that the Government is totally cognisant of the specific need and it is now following guidelines imposed on itself with reflection to the Report the Member has cited.

STATEMENTS BY HONOURABLE MINISTER AND MEMBERS OF THE CABINET

The Speaker: I have received no statements from Honourable Ministers and Members of Cabinet.

Suspension of Standing Orders 45, 46 (1) and (2)

The Speaker: I call on the Honourable Third Official Member to move the suspension of Standing Orders 45 and 46 (1) and (2).

Hon. George A. McCarthy: Thank you, Mr. Speaker, the leave of this Honourable House is sought for the suspension of Standing Orders 45 and 46 (1) and (2) to allow for the First Readings of the Bill as set down to be taken.

The Speaker: The question is that Standing Orders 45 and 46 (1) and (2) be suspended.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Orders 45 and 46(1) and (2) suspended.

GOVERNMENT BUSINESS

BILLS

FIRST READINGS

The Public Management and Finance (Amendment) Bill 2003

The Speaker: The Bill is deemed to have been read a first time and set down for Second Reading.

The Loan Bill 2003

The Speaker: The Bill is deemed to have been read a first time and set down for Second Reading.

Suspension of Standing Order 46(4)

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, the leave of this Honourable House is sought to allow suspension of Standing Order 46(4) to allow for the Second Readings of the Bill as set down to be taken.

The Speaker: The question is that Standing Order 46(4) be suspended.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 46(4) suspended.

SECOND READINGS

The Public Management and Finance (Amendment) Bill 2003

The Speaker: Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I beg to move the Second Reading of the Public Management and Finance (Amendment) Bill 2003.

The Speaker: The Bill has been accordingly moved. Does the mover wish to speak thereto?

Hon. George A. McCarthy: Thank you, Mr. Speaker.

I would like to say thanks to you and this Honourable House for allowing this Bill to be taken at short notice. I would also like to say thanks to Honourable Members for their indulgence in allowing this Bill to be taken.

On Monday there was a briefing made to Honourable Members as to why the proposed amendments were necessary. There were questions raised in relationship to one amending clause of the Bill and this had to deal with the global appropriation of two per cent which was proposed in the Bill which would have been an unallocated sum to be subsequently allocated by Cabinet based on proven needs.

Members were not happy with that provision and as a consequence a proposed committee stage amendment has been circulated. This will allow for advances to continue with the approval of Finance Committee being sought. It is to be taken that the concerns of Honourable Members have been addressed. In the course of my remarks I will comment on the committee stage amendments as they affect the relevant provisions of the Bill itself.

The purpose of the amending Bill is to make a small number of amendments to the Public Management and Finance Law (2003 Revision). These amendments are designed to address each specific set of issues. Four of these require substantive changes to the principal Law. The other four are more in nature of tidying up of terminology, definitions and transitional arrangements, and as such, have little substantive effect.

For the benefit of Honourable Members let me summarise the substantive changes. The first set of changes amends the Principles of Responsible Financial Management and involves the introduction of the term **"core government"**. This is defined in the Amendment Bill and is essentially the definition of Government that has traditionally been used for budgeting and reporting. It includes the Legislative Assembly, Cabinet, Ministries and Portfolios.

The entire public sector on the other hand, comprises: core government, statutory authorities and government companies. The key substantive change is to amend the Principles of Responsible Financial Management so that they focus on the core government rather than the entire public sector as at present. This is to reflect the fact that while the Cabinet has direct control over the core government it only has indirect control over statutory authorities and government companies.

At the time the original piece of legislation was brought to this Honourable House, the view was taken that it would be quite laudable to develop a budget on the basis of the entire public sector, which would mean combining the budgetary needs of Central Government with the budgets as prepared by the statutory authorities. As we continue the piece of legislation, and given the fact that it will be fully implemented 1 July 2004, experience has demonstrated that it would be impracticable to move ahead on this track.

Mr. Speaker, you were a Minister of Cabinet, and you will recognise that the Cabinet of the country has responsibility for the ambit of expenditure that will be embraced within Ministries and Portfolios, the Judiciary and the Legislative Assembly. However, the activities of statutory authorities, such as the Port Authority, Civil Aviation Authority and Water Authority are governed by independent boards. These boards perform their duties admirably but it would be very difficult to combine the activities that are being dealt with on a day-to-day basis with central Government and have meaning results at the end. It would not be possible to achieve anything meaningful from that exercise.

Consequently, our focus will be on core government, which will be as before. The only thing is that we are moving to an accrual concept with the new piece of legislation and the budgetary process commencing on 1 July 2004. Before, when we looked in terms of nominal numbers being the cost of a civil servant salary, what will now be taken into account is the value of the space – the buildings and other things being used by way of fixed assets. Values will be placed on that by way of depreciation so at the end of the day it will not only be the cost of salaries and other consumables but also the using up of fixed assets. This takes us to the position of getting a truer value of the cost of providing the overall services by the Government of the country. This information fits in with the spirit of transparency, accords with sound accounting principles, and at the end of the day provides meaningful and transparent information to this Honourable House.

The amendments relating to this set of changes includes adding the definition of **"core government"** and the amending section 14 of the Law, which contains the principles. A number of additional amendments consequential to these changes are also to be found in the Bill before this Honourable House. These include amending the sections relating to government budgeting and reporting so that these requirements include the core government as well as the entire public sector.

As I mentioned earlier, although the focus will be on core government, it will still be useful to provide information on the budgets of the various statutory authorities. An example that I would like to use is if the Water Authority is going to undertake the laying of pipes this will mean having to create trenches within three or four miles of road. At the end of the day, in the Authority's Budget, it will have to be shown where provision has been made for the roads to be rehabilitated or Central Government will have to undertake

that expenditure. If Central Government's budget cannot embrace that expenditure, then dialogue will have to take place with the Water Authority as to the timing in terms of the infrastructural work.

It will make sense to have the budget of core government together with the information on statutory authorities because at the end of the day it will also allow for the rolling up of the figures so that value can be placed in terms of the entire global asset structure of Government which would include the statutory authorities combined with that of core government. So the information will be there but the budgetary focus will be on core government.

This also involves amending the use of the term **"Government"** to ensure consistent usage between the terms **"Governor in Cabinet," "core government," "entire public sector,"** and the legal entity, **"The Cayman Islands Government."**. The terms **"core government"** and **"entire public sector"** are defined in either the Bill or the principal Law. However, the term "government" is defined only in the Interpretation Law and the committee stage amendments insert a definition for Government into the Bill to improve clarity and understanding.

In this regard I will have to say thanks for the advice you gave on this matter because when the legislation is through it will be a self-contained piece of legislation. And other persons looking on will be able to see all of the relevant terms defined within the legislation itself, rather than having to cross-reference the other pieces of legislation that they may not be aware of.

The Bill also uses the term **"public sector"** in an amendment to the definition of **"generally accepted accounting practice."** This term is used in an accounting standard setting context to distinguish public sector from private sector accounting. To avoid any confusion, the committee stage amendments substitute the term **"public sector"** for its common international meaning, namely, national government; regional government; local government; and related governmental entities such as agencies, boards, commissions and enterprises.

The second set of changes also amends the Principles of Responsible Financial Management. These changes are to reflect the agreement recently reached with the Foreign and Commonwealth Office over the borrowing powers of the Cayman Islands Government. The amendments involve redefining the debt servicing and cash reserve ratios contained in section 14(3) of the Public Management and Finance Law so that they reflect the definitions required by the Foreign and Commonwealth Office. The new definitions, while technically complex, are still broadly similar to the original definitions.

Another amendment involves the introduction of a new debt ratio; this ratio measures the relationship between the level of government debt and its operating revenue. The Bill establishes a maximum level of 80 per cent. That is aggregate public debt should be 80 per cent of revenue.

Thirdly this set of changes involves an amendment to the transitional provision in section 82 of the principal Law. It specifies the monetary amount of cash reserves that must be achieved each year between now and 30 June 2009.

The levels are for the fiscal year 2004/5 the end of year should reflect cash reserves to a value of 30 days.

For the fiscal year 2005/6—cash—the equivalence within the reserves, to a value of forty-five days.

For the fiscal year 2006/7 sixty days.

For the fiscal year 2007/8 seventy-five days.

For the fiscal year 2008/9 to a value of ninety days of expenditure.

This is what the value should be of reserves or cash on hand that will form the aggregate cash reserves.

The final amendment in this set of changes involves amending section 34 of the principle Law. This section establishes the authority of the Financial Secretary to borrow on behalf of Government. The amendment inserts a requirement to obtain the approval of the Foreign and Commonwealth Office before any borrowing is undertaking if any of the debt servicing, that is, net debt or cash reserves, is in breech. If the ratios are being complied with, the Government may borrow without reference to the United Kingdom (UK).

This arrangement is a significant improvement on the current arrangements whereby UK's permission must be sought each and every time the Government wishes to borrow.

The third set of substantive changes involves establishing a mechanism to replace the advanced warrant system used under the Public Management, Public Finance and Audit Law. This amendment is necessary as there is no mechanism under the existing Public Management and Finance Law for incurring expenditure not included in the Budget.

In preparing this amendment the Government has been very aware that it is Parliament's constitutional right to authorise expenditure in advance of that expenditure being incurred. The Legislative Assembly does this by way of the appropriation process. However, unplanned or unforeseen events do occur during a financial year and sometimes these require new or additional expenditure not allowed for in the appropriations. As a practical matter, a mechanism is needed to allow the Government to respond to these events while still ensuring that the authority of the Legislative Assembly is maintained.

The mechanism for this is provided in a new section 12A to be inserted in the principal Law.

The committee stage amendment provides a new section 12A from that included in the Green Bill.

I would like to explain the revised section.

The new section 12A allows the Governor in Cabinet to authorise executive expenses, or executive

capital expenditures, for which there is no appropriation. However, before incurring any such expense, Cabinet must first obtain the approval of the Finance Committee. This is to ensure that Finance Committee is approving expenditure before, not after, it is incurred.

Approval by Finance Committee is not the same as appropriation however. So section 12A also requires the Government to include any authorised expenditure in the supplementary appropriation bill for the year under review.

The fourth, and final set of substantive changes, relates to the office of complaints commissioner. Both the Constitution and the Complaints Commissioner's Law provide for the independence of the Complaints Commissioner. Accordingly, it is necessary to amend the Public Management and Finance Law to ensure that the performance and financial accountability arrangement for the commissioner reflect this independence from the Executive Branch of Government.

Internationally, it is common practice for complaints commissioners to be part of the legislative branch and to be directly accountable to the legislature. The amendment Bill gives effect to this arrangement by establishing an office of Complaints Commissioner and making him the Chief Officer. It then makes the Commissioner accountable to a committee of the Legislative Assembly established by the Assembly to oversee the performance of the office. The Bill provides that if no such committee exists, the accountability line will be to the Honourable Speaker of the House.

The Amendment Bill inserts a new section 44(a) into the Public Management and Finance Law. This section specifies the budgeting, reporting and accountability arrangements for the office of Complaints Commissioner. The new section mirrors the existing arrangement for the audit office. The Audit Office is the other Government organisation that is accountable directly to the Legislative Assembly.

Those are the four sets of substantive amendments. The other four sets of amendments while numerous in number are tidying up amendments to bring the Law into line with current practice and terminology. The amendments include changes to section 54 of the principal Law to clarify the structure and operation of the executive bank account and the operation of the centralised cash management system. These are not substantive changes but rather drafting changes to make the wording better reflect the respective roles of the Treasury, ministries or portfolios.

The second set of tidying up changes involves replacing the term **"performance agreement"** with the term "annual budget statement" and replacing the term: **"Portfolio of Finance and Economic Development"** with the name "Portfolio of Finance and Economics". These amendments which occur throughout the principal Law are to reflect current usage.

Also included in this set of changes are amendments to the definition of Chief Officer for the Portfolio of Internal and External Affairs and the Portfolio of Finance and Economics. These amendments are to provide common definitions for all three portfolios. These are the Legal Portfolio, the Portfolio of Internal and External Affairs and the Portfolio of Finance and Economics.

The third tidy up change is to amend section 35 of the principle law. This section deals with the power to make regulations.

The change is to require regulations to be issued by the Governor in Council on the advice of the Financial Secretary rather than the Financial Secretary acting alone. This amendment is to reflect normal practice.

The final set of changes involve repealing the commencement provision in section 2 subsection (3) of the principal Law and also transitional provisions in section 83(2),(3) and (4). Implementation of the financial management reform is now more advanced and these provisions are no longer necessary.

The Speaker: Would the Honourable Member give an indication of how much time he thinks he needs to complete his presentation.

Hon. George A. McCarthy: In less than one minute.

The Speaker: Please continue.

Hon. George A. McCarthy: Mr. Speaker, in conclusion I would like to advise Honourable Members that while these amendments are necessary to reflect various changes in circumstances that have occurred over recent months, they do not fundamentally change the intent or the operation of the Public Management and Finance Law. The Financial Management Initiative continues to be implemented in accordance with the implementation strategy and I look forward to being able to bring the first ever accrual base budget to this Honourable House within a few months time.

I would like to say thanks to you and Honourable Members for allowing me to present the proposed amending bill.

Thank you, Mr. Speaker.

The Speaker: Thank you. Honourable Members I propose to take the luncheon break at this time but ask you to please come back by 1.30 pm. It is unusual that we return in such a short period but due to certain major items on the agenda and the programmes of certain Ministers it is being requested that we take a short suspension today.

So you will have about 20 minutes for lunch but I ask you to cooperate.

Proceedings suspended at 1.10 pm

Proceedings resumed at 2.48 pm

The Speaker: Please be seated. Proceedings are resumed.

Honourable Members, as is usual, we will be asking in Committee that the Honourable Second Official Member correct any minor errors and so forth which will include numbering of Bills. We would not concern ourselves with those issues at this point.

The Honourable Third Official Member has spoken to the Bill before us. Does any other Member wish to speak on this?

The Honourable Leader of the Opposition and First Elected Member for George Town.

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

As the Honourable Third Official Member has explained, this is one that is being done speedily. However, I think we can appreciate the need to get this by us as he explained.

In his introduction of the Bill, he spoke to the main purposes of the Bill and about the first four main reasons for bringing these amendments. Most of the other amendments are a result of what has been expressed in the first four reasons.

At the beginning when we tried to go through this Bill—in the short time allotted—I noticed very early that there was a myriad of instances where the term **"performance agreement"** is being replaced in the Bill by the term "annual budget statement." For a moment we wondered whether this was a distinct paradigm shift in the entire thought process behind the Public Management and Finance Law. As usual, the technical persons were able to explain this. We understand that the name-change to "annual budget statement" reflects what is called common usage, and performance agreements are not thrown through the window as we feared. Rather, performance agreements will be addressed in the new Personnel Law, which, I am told as we speak, is being made ready to bring to this Honourable Legislative Assembly. I mentioned that because the performance agreements, in our view, will be integral to the operations of the Public Management and Finance Law if it is to function as intended. I mentioned it for the benefit of all of us so that we do not go down that road and wonder about it. I am grateful for the information because it shows a different perspective from what we had first. It changes the tone of the debate. If we believed that that is what the case was going to be, then we were going to have great difficulty in supporting the Bill.

The Honourable Third Official Member explained very clearly from the onset the general purposes of these amendments so I need not repeat those reasons. The amending Bill has some areas with which we have some concerns and those concerns are at different levels. I will take a few minutes to express those concerns and in his winding up the Honourable Third Official Member will be able to explain those concerns away—or perhaps if there are amendments which are required then we might be able to deal with them altogether. On page six of the amending Bill it speaks to d) in the definition of the term **"chief officer"**

(i) **in paragraph (b)(i) by repealing the words "the Deputy Chief Secretary" and substituting the word "such public officer in the Portfolio as may be designated by the Governor";".**

I remember when the Bill was first brought there was lengthy discussion with the former First Official Member regarding who should be the Chief Officer for the Portfolio of Legal Affairs. During those lengthy discussions, in our view, the change from what was supposed to happen where the head of each of the three official portfolios was not going to be the Chief Officer – to us it did not seem that the arguments were justified that the Honourable First Official Member at that time or any time should have been the Chief Officer for the Portfolio of Legal Affairs.

When we had the briefing on Monday, the Honourable Third Official Member, in this particular instance, explained for his portfolio (Finance and Economics) why the designation needs to be in the Law, giving allowance for more than one person to be able to be Chief Officer for certain aspects of the Portfolio. I will not go into those because that is not the point I wish to make.

Page six of the Bill that I just read says: **" … by repealing the words "the Deputy Chief Secretary" and substituting the word "such public officer in the Portfolio as may be designated by the Governor";"**.

I want all of us to think of this; I do not believe that it should conform in this manner because it sounds better for three of them to be the same. If there is no special reason why this should be the case then why change it? Is it because one or more might stick out like a sore thumb? The point with that is that we understand what the Honourable Third Official Member has stated as a reason which justifies in the instance of his Portfolio, but we do not see any other reasoning for the other portfolios. There may be, but we do not know where there is a worry, remembering from the very beginning when we were developing Financial Management Initiative (FMI), when we were moving forward with the Public Management and Finance Law. There were many versions of it before we finally got it to and through the Legislative Assembly. It was the expressed thought at the time by the majority of individuals including the technical and advisory staff that there may well have been a conflict of interest allowing the Chief Officer to be the individual in charge of the portfolios.

There is a similar position being taken when it comes to the Ministries. There is an elected Member in charge—the Chief Officer is not that individual—

simply to ensure that there is no conflict of interests. The individuals in charge of the Ministries are directing policy. In the chain of command we then have the permanent secretaries with various departments beneath them. The permanent secretary is then the Chief Officer who is going to ensure via the various departments that the policies are implemented, but the permanent secretaries usually hold the purse strings.

I do not bring the argument that there may not be valid reasons but I flag it up because what I do not want to hear is that there is a certain Ministry that has a certain situation so the Minister needs to be Chief Officer. I am not suggesting that is the intention. I am only saying that from the very beginning the argument with the then First Official Member was about that same potential conflict of interest. It does not change anywhere you go, whether you speak to the portfolios or ministries. If there is a specific instance that justifies the case, to me that may well be something that we can understand. However, we cannot allow a precedent which would give room for anyone to be thinking along those lines: that is the point that we wish to make. So let it go on record that it is something that we recognise and we certainly want to ensure that it does not happen; that is the whole point about this specific amendment.

We do not want to take the position that if this is in this form then we are not going to support the Bill, because we recognise the intention. We recognise the practicality of the vast majority of the amendments. So we do not want to seem that we are not supporting it, for one or two reasons. However, I am with certainty that it behoves the Government to justify why they would wish for it to remain in this form. Or, maybe it evokes the thought-process on their part, why they might wish to amend before the vote is taken – that is the purpose of discussing it.

When we flip the page it goes on to speak about the Portfolio of Finance and Economics as I just explained. When we move down—this is something that is not so easy for us to discuss because we are not sure how the office of the Complaints Commissioner is going to be set up—there is a piece of legislation, but it is not specific as to exactly paint the picture about the set-up of that office. We are moving from one situation but we go into the Complaints Commissioner and it says: **" … in the case of the Office of the Complaints Commissioner, the Complaints Commissioner; …"** Thus we are saying that the portfolios must have an individual who is designated by the Governor, but the office of the Complaints Commissioner it must be the Complaints Commissioner.

I say that just to make the point. It must not just be said, it must be explained why it is so. We move on, on the same page to the definition of global expense appropriation.

The Honourable Third Official Member spoke to that and in the amending version of the Bill,: **"'global executive expense appropriation' means an appropriation for executive expenses granted in accordance with section 12A which does not relate to a particular …"** output group, category or transfer of payment or category of other executive expenses.

When we had the briefing on Monday, this global executive expense appropriation was discussed at length. Concern was raised regarding what we call the rubber-stamping exercise and one of the main purposes of FMI and one of the main thrusts of this legislation which exists now (the Public Management and Finance Law) is accountability. It speaks to accountability through every vein of its purpose and objectives; it addresses efficiency but walking parallel with that efficiency is accountability from bottom up and from top down. Our concern is simply that it should not be in legislation that any amounts are able to be appropriated in a generic fashion, and the executive branch of Government able to spend that amount without having to first of all go through Finance Committee: we all know the purpose of Finance Committee. In our view (and it was supported by the Deputy Leader when we spoke about it in that meeting) it was going to be a self defeating exercise to allow it to be done in this manner.

Now, one might say, "Why discuss this because we have a committee stage amendment before us which will rectify it?" The fact of the matter is, that this proves that when it comes to this piece of legislation, one has to have a clear grasp and understanding of the whole intent of the legislation. One has to be very careful with any type of amendment to this legislation that it does not encroach on that purpose and intent. The amendment which calls for the specific appropriations to be approved by Finance Committee before the Executive Branch can actually take action is appropriate.

Those of us who have been here for any length of time will remember, that from forever—long since I have been here—that there was always a problem with Finance Committee (especially at year end) having to rubber stamp all kinds of expenditure not only the amount, but the varying classifications of the expenditure. The money was spent already; whatever was being done was done already, and then it was brought to Finance Committee at year end. A former minister used to call it "a clean up exercise". after all was said and done Finance Committee would rubber stamp it; we cannot have that. If we are going to have that at any level we might as well throw this through the window and go back to how we were and I am certain no one wants to do that. So the amendment rectifies the situation from the point of view of how the monies can be spent.

Some of us have a question as to whether a budget should have this type of appropriation in it. I have to admit that there are mixed views on a personal level about that. There are some of us who do not believe that we should have this type of appro-

priation at all, but there is another view that from a practical standpoint, experience has taught us that there will be situations which arise which justify this thought and thus having it in the legislation.

From an opposition standpoint, if you are purely and selfishly opposition, you would not want it in the legislation; you would not want a budget to be prepared like that because at the end of the day when these types of expenditures come around, you can beat the Government when they come for supplementary expenditure because you say that they should have thought about that when they were preparing their budget.

As you well know, Mr. Speaker, any opposition may become a government and any opposition with any type of intentions, whatsoever, would not only have the desire but the aim to be the Government. So one has to look at it from a practical standpoint. From that, understanding the working of the Government, regardless of who is the Government, we can appreciate the context in which the amendment is being proposed. Suffice it to say, the way the committee stage amendment is being proposed for this executive appropriation it is something that we can live with since there is a safeguard of Finance Committee having to agree to the appropriation.

The other problem that I have which is also for me, personally—the Honourable Third Official Member will remember hearing this from me over and often and I have not changed my view so I will have to express it again—is on page 11 of the amending Bill in the penultimate paragraph–**"(e) cash reserves should be maintained at a level no less than the estimated executive expenses (measured using generally accepted accounting practice) for the following ninety days, where, for the purposes of this principle, cash reserves are defined as core government cash and cash equivalents, marketable securities and deposits, and other liquid assets, …"**

It seems they could not resist this one and I understand why they cannot resist it: **" … including any amounts held for restricted funds and reserves purposes;"**

In days gone by when we argued the point . . . I remember the Honourable Third Official Member stating that reserve funds, in case of an emergency, would have to be used to do whatever you had to do no matter what the funds were there for. Mr. Speaker, if that is the case then you only need one general reserve. What is the sense of having, by legislation, dedicated restricted funds for specific purposes? If you are going to be able to put in to a big pool under any given circumstance and say that it can be used when you are adding up the numbers of the reserves—

If I tell you that I have $100,000 in the bank you are going to believe. If I say no more to you that I have $100,000 in the bank that I can draw and use if I need it … In many instances individuals may have more than that in the bank, but the person who only has $6,000 or $7,000 in the bank has access to more cash than they do because the money that is in their name in the bank is tied up as collateral; hypothecated to some loan and there is nothing in the world they can say to the bank about needing to have that money released, because the bank is holding it as security. One might say that is not a salient point because the analogy is different. I know that the Honourable Third Official Member will justify the argument when he speaks. However, Mr. Speaker, I still contend that if you have restricted funds you should not treat it and calculate it as part of your reserves when calculating the purpose of the ninety days that are set into this Law—that if there were some catastrophe, internationally accepted norms are that the country should aim to have ninety days spending money in general reserves.

While those restricted funds may not be quite like funds hypothecated at a bank the fact of the matter is that those funds are dedicated to specific uses. And if you are going to show on the books that these funds are here for this use you cannot then, in my view, show that it is there for another use because it is only one set of funds. If you include those amounts as part and parcel of your ninety-day reserve fund then put them all together and call it a reserve fund. If you are going to have them for specific dedicated purposes then separate them.

I believe my thought-process is rational and I believe that I can listen, but unless the Honourable Third Official Member brings a new argument to me everyone that I have heard before did not convince me. So, I am not changing my mind about that. I am sure he has heard me bring the same argument before so perhaps this is one we will have to agree to disagree on. Mr. Speaker, we maintain that this should not be the case; it should not be put in legislation that there is that leeway. It does not matter who the government is for these purposes. It is just the thought of it being done in this manner. That is one of those that we will have to live with. It is not new but there is perhaps time enough for us to see a way to deal with it.

When we look at the bottom of page 14 of the amending Bill I believe this one is an oversight, but in my view, it needs to be addressed and corrected. It speaks to the amendment of section 39, powers of Chief Officer of a ministry or portfolio– **"25. The principal Law is amended in section 39(3) as follows –**
(a) in paragraph (d) by repealing the word "acquire" and substituting the words "subject to regulations made by the Financial Secretary under section 35 . . . ".

There is another amendment which the Honourable Third Official Member spoke to which says that it should read, "Subject to regulations made by the Governor in Cabinet on the advice of the Financial Secretary" because these new amendments do not allow the Financial Secretary to make regulations anymore. It says that the Governor in Cabinet makes

the regulations on the advice of the Financial Secretary so it is pure terminology. However, the way that it reads now still says that the Financial Secretary can make regulations. I see the legal people nodding so I do not have to expound on that for long. I wish I had seen the nods for the dedicated funds but it does not seem much of a chance for that.

This is part of the legislation although it strays to the Complaints Commissioner and this one is more of a question than a position.

On page 15, section 28 says: **"28. The principal Law is amended by inserting after section 44 the following section - 44A. (1) The Complaints Commissioner shall be the Chief Officer of the Office of the Complaints Commissioner and shall be accountable to the Legislative Assembly for the performance of the Office of the Complaints Commissioner."**

I spoke about that a little earlier; I am not raising the point now as to whether the Complaints Commissioner should be the Chief Officer for his office. It is when we move down to subsection 2(a)– **"(2) Unless the context otherwise requires, Part IV shall apply in respect of the Office of the Complaints Commissioner as if-**

(a) every Governor in Cabinet or a minister were a reference to the committee of the Legislative Assembly responsible for overseeing the performance of the Office of the Complaints Commissioner, or if no such committee exists, the Speaker;"

With time constraints we did not have opportunity to examine the other legislation which speaks to the Office of Complaints Commissioner. We would like to find out regarding this committee. Obviously the legislation would allow for such a committee to exist if it is being referred to in this amending legislation. Perhaps the Honourable Third Official Member may not be the person qualified to address this matter because there are other pieces of legislation which this piece of legislation itself will affect. There is a question regarding this Committee when it comes to a Complaints Commissioner who that Complaints Commissioner falls directly under. There is a similar thought process as to that of the Auditor General who is under the Legislative Assembly and retains certain autonomy from the executive branch of Government. Obviously this would be the same thought, but the Committee is strange. Perhaps one might say that I was here when the legislation was passed so I should know, but I do not; I really have not had the chance to examine it. I want to see some clarity with regards to this Committee that might be a Legislative Assembly committee for the oversight of the office of the Complaints Commissioner.

There is also a section which refers to government companies and the Auditor General. The section in this amending Bill after the definition of government companies speaks to a certain time line and a certain method of auditing for these government companies. It is telling me that the Government's companies such as Cayman Airways, Cayman Turtle Farm and other institutions of that nature must be audited by the Auditor General's Office. I do not know if that section of the Law is one of the sections that is being enforced now or will come into force in July. The point that I want to make about that is if this has to come into force in July then the size of these audits, without having being exhaustive in my thought-process, is going to add noticeably to the work load of the Auditor General's office. I hope that we are bearing all of that in mind in preparing that Office for whatever that work load is. I am not able to quantify it and I am not able to determine the number of extra bodies, if any. However, I want to make sure that we are not caught by surprise with the fact that the Law is going to call from 1 July for all of these government companies to be audited by the Auditor General's Office. I say that bearing in mind that just about every budget that I have ever witnessed the Auditor General's Office has been screaming because of lack of staff, space and resources. When things were not done on time those were always the reasons given.

Those are some observations that the Opposition has put together and that we thought were worthy of mention, in the short time that we have had to look at this Bill.

It is also clear to us that the original piece of legislation, with regards to those sections which would come into force 1 July, would certainly put the Government in almost an untenable circumstance to be able to bring to this Honourable Legislative Assembly a balanced budget because of simple practical reasons.

When all of the other public sector companies and statutory authorities would have been taken into consideration with regards to the Budget, when it came to the 10 per cent internationally accepted limit, for instance, with regards to borrowings and repayments – perhaps it may not have negatively affected the balancing of the Budget with the appearance of Government's liabilities and assets. I am speaking generally because I have not really gone into the specific sections of the Law to be able to quote them and use illustrations to make the point. I simply say what I am saying so that the Government understands that we understand that there were certain shifts that physically had to be made. And from a practical standpoint we were not going to be able to move through with the legislation the way it was and implement those sections 1 July and be able to function properly.

So far as where the United Kingdom comes into the play, in the presentation that was given to us on Monday—while we do not know exactly what the borrowing arrangements are that are agreed upon—we know generally that some of the terms agreed upon may be considered onerous. At least it seems like what is agreed upon, given the circumstances that obtain now we are able to function within those parameters.

I see in the proposed amending legislation that where there is a breach of any of these agreed guidelines—I think; I do not have that at the tip of my finger—when it comes to reporting to the Legislative Assembly on what the process is. The fact that there are borrowing arrangements it is good to have it in the legislation. You would not want to be contravening the guidelines and not have some check and balance in place to make you want to not contravene those guidelines and have continuous problems with London with regards to what has been agreed on. We agree that should be in the legislation. If that is the agreement, legislation or not, that is the agreement so the legislation should reflect that.

We are hopeful that the Honourable Third Official Member will be able to address the points that we have raised. Again we wish to support the Bill because we understand its intention. However, we would certainly like for the matters that we raised to be cleared up as best as possible so that we can move forward.

We, on this side, look forward to full implementation of this Public Finance and Management Law. We know that there was a time line for implementation in stages. In our opinion it will be for a smoother, well-oiled, and well-run government machinery once we get these amendments through and practice the legislation, understanding that total implementation was not something that could all be done at one time. We accept that.

As we move forward we do see some light at the end of the tunnel. And for all of the disagreements that we have with the Honourable Third Official Member sometimes, I have to say that it is fair comment that he has been very studious and dedicated in his approach. He need not think that those kind words mean that he is off the hook, but as they say "give the devil his due". That is a pun on words. To call the Honourable Third Official Member "devil" would be terrible because he certainly is not that.

Thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? If not, would the Mover wish to exercise his right of reply?

Hon. George A. McCarthy: Thank you, Mr. Speaker.

I have listened carefully to the observations of the Honourable Leader of the Opposition speaking on behalf of the Opposition Back Benchers and I have to say thanks for the support that has been indicated in respect of the proposed amending Bill.

The Honourable Member raised the question in regards to the definition of Chief Officer, as set out in item (d) on page six of the amending Bill as to whether the position will obtain in respect of the Honourable Attorney General's Office. And the Financial Secretary's Office should also be extended in respect to the Chief Secretary's Office. In this regard I would like to recommend that there should be commonality across the board and I will give the reason.

Unlike other permanent secretaries, the Deputy Chief Secretary and the Deputy Financial Secretary are often called upon to act as members of Cabinet and Members of the Legislative Assembly. However, that is not the main point why there should be commonality in terms of creating uniformity in this provision.

I gave an example as it related to the Portfolio of Finance and Economics where the Financial Secretary has direct oversight of the secretariat. In addition to that, and like the Office of the Chief Secretary, the Office of the Financial Secretary is located on the fourth floor of the Government Administration Building. I have a staff complement in my office and if it means that every decision has to be taken in respect of any given expenditure regarding output (which means that I will have to consult with the Deputy Financial Secretary, for example, in instances dealing with the international initiatives)—

I am a part of the Strategic Management Team where we meet on a weekly basis. We are looking in terms of following through with the European Union (EU) commitment that has been given where agreements will have to be entered into. We are looking at the implications of that.

In this instance I could say to the Deputy Financial Secretary, who is a Chief Officer, that the outputs you are to deliver are agreements with the United Kingdom, Germany, France, United States, and Canada. If, for example, I brought in the United States and Canada which are not members of the EU block, (but other countries that are there) it is not a responsibility for the Financial Secretary to delegate to anyone. Because at the end of the day it would mean, not only an agreement to provide cooperation in fiscal matters or under the terms of the EU Tax Savings Directive, but it would also mean sitting down as the Cayman Islands obtain the optimum reciprocal benefits that should flow here. The only way I have to make that point, just as you went through an amendment—

If you will permit, Mr. Speaker?

The Speaker: Please continue.

I ask all Honourable Members to please be quiet and allow the Honourable Third Official Member to continue with his reply.

Hon. George A. McCarthy: The point is that I will have to sit down as part of the Strategic Management Team, being fully satisfied and using my best judgment so that the Cayman Islands will enjoy the benefits that can be extended to us. This will accrue something positive to these Islands and to make sure that we have enhancement of the goods, services and products that are being marketed within our financial industry. For instance, I would have to be fully satisfied that if we are going to be entering into an agreement with Germany there is an explicit and full under-

taking that they will not be keeping us on any domestic black list that they have in place; that we will have access to their financial services market or to get the best deal out of the arrangement. So, at the end of the day if we are going to compromise our position in terms of our confidentiality provision, or sharing of information, there has to be a *quid pro quo*. If we are giving up something, those countries must, in turn, be giving us something so that we find ourselves not being disadvantaged.

I cannot talk about the specifics of the office of the Honourable Chief Secretary, but it is located on the fourth floor of the Government Administration Building. Does it mean that if he wants to buy a pencil he will have to call the Deputy Chief Secretary's office for an invoice and say "Let me have this?" I know that I might be taking it to the extreme but I am sure there are instances in his portfolio where it becomes necessary for him to take decisions on certain matters. He has his staff working with him and it does not necessarily mean that the bulk of the budget will be pulled from under the control of the designated Chief Officer, who is the Deputy Chief Secretary. But, at least, by agreement between both of them specific provisions can be made whereby there are certain aspects over which the Chief Secretary has control. One thing is that neither the Honourable Chief Secretary nor the Honourable Financial Secretary can appoint themselves as Chief Officers. On page six of the marked up Bill—

I invite Honourable Members to take note of this as I read:

"Public Officer means any person employed in the civil service but does not include any member of the Governor in Cabinet or Legislative Assembly."

So I can appoint an officer in my office such as the Senior Assistant Secretary who is assisting me in respect of the international initiatives. The Honourable Chief Secretary has senior staff in his office that often times he can instruct in terms of specific outputs to be acquired in respect of his office. In this regard it would be useful, since this provision currently exists, in respect of the Legal Portfolio that it should run uniformly across the board. If the Honourable Chief Secretary finds that it is not necessary for such to be the case, it will mean that the entire budget can be structured in such a way where the Deputy Chief Secretary can have responsibility for all funds that are voted. It makes good sense if there is a need because at the end of the day it is not a question of power play, it is a question of who best can give direction in respect of the output.

What we are attempting to do is to optimise returns and at the end of the day we will have to look at the benefits that are flowing. These benefits are not coming to us individually; they are coming to us in terms of using our best judgments as managers for the greater interest of the Cayman Islands. It is not the Honourable Chief Secretary in his capacity or the Financial Secretary; it is a question of what decision will best guide the process.

Turning to the Complaints Commissioner, I do realise that it is a valid observation by the Honourable Leader of the Opposition. However, unlike the Chief Secretary, Financial Secretary, or the Attorney General, the Complaints Commissioner will not be a member of Cabinet or the Legislative Assembly. So the conflict of interest in terms of this person being designated as a Chief Officer would not pose much of a problem. The Honourable Leader of the Opposition, however, further went on to point out in terms of the reporting line at the end of the day. It is yet a situation that will probably have to be refined.

As it now stands in terms of the reporting process for the Complaints Commissioner—I may not be the best person to speak on it—my general understanding is quite likely that issues for which the Complaints Commissioner will be having to deal with will be matters relating to complaints against senior public officers in the service. It could be against Ministers of the Government and it could be across the entire spectrum. It would compromise the independence and objectivity of such an officer if this person was reporting on Ministers who would be, in turn, making assessment of the Complaints Commissioner's observations and recommendations. So, it should be put outside of the purview of Cabinet for it to be dealt with in the most objective manner and treated with the degree of independence that it deserves.

The Honourable Member mentioned an amendment in order to correct for what was going to be the voted provision for global executive expenses and this has been addressed through an amending Bill.

Turning now to cash reserves. The Honourable Member and I will disagree on this for the reason that we (as a jurisdiction) do not have direct taxation. We are going from where we are at this time and have general reserves to the region of $28 million. Let us say that one quarter of the executive expenses that will have to be achieved are monies that will have to be accumulated, representing ninety days cash and cash reserves that we have on hand. Again it may seem as if it is a difficult situation that is being established where there should be no restriction against these funds. However, we have to look at the circumstances that will give rise to the need for these monies to be used. For example, we are talking about extraordinary circumstances and we have the titles comprising the Restricted Funds, Environmental Protection Fund, Roads Development Fund, Capital Development Fund, General Reserves, Housing Reserves and National Disaster Reserves. These are monies that are being accumulated for what we call the "rainy day", which we hope will never happen. At the same time we have to look at the circumstances that would give rise to the use of these funds; the types of circumstances would have to be extraordinary. These extraordinary circumstances would justify

the need for these funds to be used even for them to be accessed before coming to the Finance Committee or the Legislative Assembly, which we hope will not be the case.

The Honourable Member went on to say that rather than having specific designation it would be useful to put all of these monies into a single fund. That makes a lot of sense if we are not going to make a distinction between restricted and unrestricted funds. However, I think it is very important to know, for example, the National Disaster Reserve Fund that was put in place by a Motion brought by the Member for North Side. I remember it started out with half of a million dollars. As at 31 December that Fund has a balance of $2.118 million in it. So we can see here that there is an increase that is taking place.

It would be useful if the disaster relates specifically to a hurricane or an earthquake or any natural disaster. It would be useful to know that out of the accumulated reserves position, how much of that is represented by this specific segment of it, which is the National Disaster Fund. At the end of the day we have to know that all of this is cash that belongs to the Government; we have to know that this has always been the principle in terms of a balanced budget.

A balanced budget means that you are just taking enough revenue to match your expenditure and to put aside something within these funds. If the restricted funds were going to be set aside but the only balance in the restricted fund account was going to be looked at to be built up in order to achieve the ninety days reserves, Mr. Speaker that could be done. However, I would suggest to Honourable Members that the only way we can achieve that by the year 2009 would be to bring Bills for significant revenue measures to this Honourable House, and as a result of that create a burden, unnecessarily, on the country. At the end of the day we are talking about a community at large – this is where the monies that are put into all of these funds come from.

So we have worked out with the United Kingdom what will constitute the reserve balance. This is not something that is made up within the Portfolio or Cabinet as such; it has been looked at very carefully. In terms of taking the funds in the general bank account we would not take the balance at the 31 January when we know at that time the revenue stream or flows are at their highest. That in itself would create a distortion. If we go it would be x million dollars as at 31 January, but if we were to look at the position as at the end of September it would not be matching. So the idea is to take an average over the year and if the average balance works out to be $1 million it will be added to the general reserves balance in order to arrive at the global pool constituting the ninety days of reserves.

So, Mr. Speaker, I think that addresses that point. It would not be quite likely to the satisfaction of the Honourable Member and I do respect his views on this. However, I think it is necessary to count the funds that are within the reserves account as a part of the cash balances of Government.

I think that I have addressed all of the points that have been raised by the Honourable Member and as I mentioned, there will be an amendment in the— *[Pause]*

The Honourable Member also made an observation in respect of the onerous responsibilities that will be increasing in respect of the Audit Office having to deal with the audits of the Government companies. The Law also allows for the Auditor General to contract out audits as necessary. There was another point dealing with the regulations to be made by the Financial Secretary acting in his discretion. That is an oversight and will be dealt with as a committee stage amendment.

I will say thanks to the Honourable Member for that observation. With these comments I would like to say thanks to Honourable Members for their support of this Bill.

The Speaker: Honourable Members I wish to draw to your attention that all Bills that appear during the 2003 Session of the House will be named as 2003 but when the Laws are being numbered they will appear as 2004. We have not yet moved into the 2004 Session even though we are in the year 2004.

The question is that the Public Management and Finance (Amendment) Bill 2004 be given a Second Reading.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Public Management and Finance (Amendment) Bill 2003 given a Second Reading.

The Speaker: The House will now go into Committee to consider the Bill. *[Pause]* It is the wish of Members that we go back to the Loan Bill before we go into Committee?

Madam Clerk.

The Loan Bill 2003

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I beg to move the Second Reading of a Bill entitled The Loan Bill 2003.

The Speaker: The Bill has been duly moved. Does the Mover wish to speak thereto?

Hon. George A. McCarthy: Thank you, Mr. Speaker.

The Bill before this Honourable House seeks approval for the Government to borrow $13 million. If

that approval is granted Government intends to use an estimated $7 million to fund the development of roads. It is estimated that $2 million will be used to settle compensation claims and the remaining $4 million on other road-related ancillary expenditures.

Honourable Members of this House will probably recall that when I delivered the 2003/4 Budget Address in June 2003 I said that the Government wanted to provide greater focus on road development. Consequently, Government decided to establish a National Roads Authority which was supposed to have been tasked with the responsibility of obtaining funding to develop new roads.

All Honourable Members will know that the Authority has not been established but there are concrete actions being taken to ensure that it comes into existence during the 2004/5 financial year. The Minister for Health spoke to that subject through a Parliamentary Question and I think the raising of the question was very timely in respect of the debate on The Loans Bill.

Meanwhile the need for road development persists even though the National Roads Authority does not yet exists. Government had, therefore, decided that it will seek the Legislative Assembly's approval for the borrowing of $13 million in order to pursue much needed road works. I would also inform this Honourable House that the Government wrote the United Kingdom to inform the Foreign and Commonwealth Office of its intention to borrow a total of $31 million in the fiscal year 2003/4. This figure is made up of—

- o $8 million to provide funding for some of the capital development programmes laid out in the approved 2003/4 Budget. This was dealt with as part of the Budget Address in June 2003
- o $10 million for the Primary School at Prospect. This was dealt with as part of a $15 million loan package which would have covered the improvements or the expansion of the National Archives and this $13 million which is now being sought through this Bill.

Loan laws have already been passed for the amounts of $8 million and $10 million. The $10 million was inclusive in a law for a loan of $15 million. Those laws are awaiting assent from His Excellency the Governor.

The United Kingdom has replied to the effect that it approves of the Government borrowing $31 million which is a figure that is inclusive of the $13 million that is now under discussion here in the Legislative Assembly and is being sought through this Bill.

Honourable Members will quite rightly ask what impact this additional $13 million borrowing request and the other approved $18 million will have on the Government's debt service ratio. When we add the proposed borrowing of $13 million, now before this Honourable House, along with the approved borrowing of $18 million to Government's existing public debt and self-financing loan obligations, the debt service ratio is only expected to be six per cent at 30 June 2004, which is well below the limit of 10 per cent stated in the Public Management and Finance Law.

This Bill for a Law, entitled The Loans Law 2004 is now before Honourable Members. It's Memorandum of Objects and Reasons and the three clauses are consistent with the remarks that I have just made. In light of those remarks I would invite Honourable Members to give their support to this Bill.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak?

The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you. Mr. Speaker, obviously the Government thinks that borrowing $13 million is not a big deal but we on this side had no idea whatsoever until we saw this white paper in front of us this morning. Based on the Honourable Third Official Member's presentation they have been thinking about it for a while because they wrote to England and got a reply. Therefore, it seems like they are satisfied that they know what they are doing and they can just bring this down for a same-day-service and it is not a big deal.

It has been explained by the Honourable Third Official Member that the $13 million that is to be borrowed by the Government—obviously they have the numbers to pass the Bill—will consist of $7 million for road development, $2 million for settlement of claims and, $4 million for other related work. Obviously all of these have to do with capital expenditure. When we take a look back at the Budget Address entitled *Charting Our Course For The Future* delivered by the Honourable Third Official Member on Tuesday, 17 June 2003, there are a few points that should be noted which will specifically relate to this Bill.

Firstly, the Honourable Third Official Member has stated that this $13 million will bring—so far this fiscal year—the borrowing to $31 million. My estimate was $36 million but he explained that of the last $15 million loan Bill only $10 million has been used. There is $5 million that the Government is authorised to borrow but has not borrowed, which puts it to $31 million instead of $36 million. I think that the initial borrowing along with the Budget was $8 million then the $15 million and now the $13 million.

When the Honourable Third Official Member was giving his address … with your permission I will quote so there will be no question.

The Speaker: Please continue.

Hon. D. Kurt Tibbetts: Under business competitiveness he said: "Controlling the Government's own fiscal position is an important part of this strategy and the 2003/2004 Budget is again a fiscally responsible one. It has been balanced without the need for new

revenue measures or increasing the level of public debt."

We know that borrowing does not necessarily throw a budget out of whack but I go by the Honourable Third Official Member's statements, which said it had been balanced without the need for new revenue measures or increasing the level of public debt. He goes on to state that to provide greater focus on road development the Government has decided to establish a National Roads Authority, which the Honourable Third Official Member spoke to in his presentation of the Loan Bill. He goes on to say:

"The legislation to give effect to this change will be introduced to the House in the early part of the financial year and the Budget makes provisions for the purchase of $3.7 million of outputs from the Authority. During 2003/2004 the Authority will construct $13.38 million of roads. This will include $7 million for phase three of the Esterley Tibbetts Highway from the Galleria to Indies Suites. This is a major initiative to reduce traffic congestion to and from West Bay. Also planned is $800,000 to extend the Linford Pierson Highway from Bobby Thompson Way to Walkers Road and $1.3 million for the district roads programme."

He then goes on to say, "The finance for these projects will be organised by the National Roads Authority in conjunction with private sector partners. This approach reflects the fact that a good road infrastructure is in the interests of both the public and the private sectors."

Now, Mr. Speaker, I wish to take a couple of minutes to speak to that and to what we have heard today. There are some questions which come to mind which the Honourable Third Official Member will need to address.

Earlier on today in a substantive question to the Minister responsible for Roads, when he spoke to the National Roads Authority, he said that revenue for the Roads Authority would come from certain areas of revenue now that go into the general account for Government. As I understand that there will be certain dedicated revenue streams which will go to the Roads Authority and will help to fund the works of the Roads Authority. The Minister did not go into further explanations so I cannot make assumptions as to whether these amounts are anticipated to partially fund the operation of the Roads Authority once it becomes an Authority or whether it will entirely fund the operations of the Roads Authority, which I doubt. He did say that the Roads Authority will be empowered to engage in borrowing loans. Of course you would have to put the entire mix together as to whether the direct stream of revenue can fund whatever capital works is to be engaged and also service a loan or whether there has to be a combination of a subsidy of Government (if it is going to become an autonomous body such as an Authority.) I guess that will come in how the whole thing works but when we think about that . . . and the Honourable Third Official Member spoke earlier on to the fact that there is no direct taxation, which means there is a specific revenue stream that we know about. And as the Honourable Third Official Member stated in the 2003 Budget Address that that Budget, which is the one we are living with now, had been balanced without the need for no new revenue measures or increasing the level of public debt.

If general revenue is going to diminish by whatever that amount is, which is moving to the Roads Authority, what is that going to do for the balancing of the recurrent side of the Budget? While I know this is a Loan Bill that question needs to be addressed. The fact of the matter is this Loan Bill is the precursor to the Roads Authority. We need to know how that is going to work. The Honourable Third Official Member explained the three amounts as I quoted which will make up the $13 million. What I do not know yet is how much money has been spent on the capital side for roads thus far this year.

The Budget Address spoke to the fact that there was $3.7 million allocated in the Budget for capital road works. None of the three amounts that he mentioned totalling $13 million tells me that there is any money out of the $13 million that has to go into general revenue which has been used to fund road projects that there was no allocation for. Certainly general revenue is going to need to be repaid if money was advanced. I do not know that but we need to get that clear. He said $7 million is for roads development. What I am not sure about is whether that is road development that has already taken place and just a matter of replacing the money or whether it is road development to take place. That is what we need to have a clear understanding on because the Bill itself brings about a fair amount of questions. Of course, it also highlights the fact that even with a National Roads Authority it is not going to be the case that the approach, which was alluded to in the Budget Address, is going to obtain; where the Honourable Third Official Member stated that the finance for these projects will be organised by the National Roads Authority in conjunction with private sector partners. This approach reflects the fact that a good road infrastructure is necessary. Central Government is now borrowing although I know that the Roads Authority is not yet in existence. But it shows a completely different light on $13.7 million worth of road works for this year being allocated in the Budget, which leaves a $10 million gap. If the Budget did not reflect that $10 million in any form or fashion . . . it was supposed to be a joint private/public sector partnership and the Authority will stand alone and be able to deal with its own affairs. The Honourable Third Official Member needs to speak to how that relates to the entire picture now.

Based on what was proposed in the Budget Address and what seemingly obtains now, there is a $10 million difference in the approach which has to be accounted for whether it is by this loan or however else. So we need to know if monies have been advanced for Public Works to continue to do capital projects and if so how much. If that is the case how much

of this borrowing is going to pay back for that. How does that reflect on the budget that was proposed in June last year whereby there was a $10 million open ended affair which was not reflected by any allocation in the Budget and whether funded by general revenue or by loan. If it is simply a matter of just adding to the amount of loan for the year then we need to hear that one way or the other.

I want to say that my understanding at the time was that this business involved PFI. When we spoke to the Public Management and Finance (Amendment) Bill on Monday in the briefing we talked about PFI. Even if I tell the Government that they have changed from what was the case with the Budget that was brought by the Honourable Financial Secretary, I have to say in the same breath that I am glad that this was not PFI. I have some grave reservations about that methodology of financing in many instances in any case.

The Loan Bill at present does not reflect to us the entire picture and it certainly has taken us by surprise without any time to think about it.

I believe that the Honourable Third Official Member, while he has brought the Bill and has done just a bit of explanation, certainly needs to explain on the wider ramifications what the position is. He also needs to explain the need for the borrowing of this money. It was purported that there would be no need to borrow any money and I think the instance with the school was a similar situation; it was an off the balance sheet situation being talked about but we knew the cost of the school. So we had to come and borrow money in the orthodox manner for the school and now we come to borrow money in the orthodox manner for the roads. They were spoken of in the Budget and boasted that they were going to be achieved but there was absolutely no allocation for either one of the two. That may not be pleasing for the Honourable Third Official Member but he needs to speak to that and justify the situation because it is two times over.

We also need to now if there is anything else that was in the Budget that is going to be borrowed to be achieved. Is there anymore borrowing planned by the Government before fiscal year end or is this it? There are some other areas that I could discuss but perhaps other Members wish to speak to those areas. Maybe the Honourable Third Official Member would be happy to answer those questions so that we can have a clearer perspective as to exactly what the state of the affairs is. We wait to hear his answer.

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

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker.

I commence by echoing the sentiments of the Honourable Leader of the Opposition about the seemingly trivial manner in which this matter of the Government seeking to borrow $13 million has been handled.

Sitting in this Honourable House on the Opposition side, we have grown used to the distressing regularity with which the relevant Standing Orders are suspended in order to permit the Government to railroad through whatever piece of legislation they awake that morning and decide they want to pass. This morning was another example and we are grateful to you for at least restricting today the number of Bills being dealt with, which we have not even seen, to one, which is this one but tomorrow there will be a new set.

To deal with this particular matter that the Government is seeking to borrow $13 million, it is either that they are lurching from crisis to crisis not knowing what they are doing in terms of the country's finances or they are deliberately keeping the Opposition out of the know on important fiscal matters.

The Budget to which the Honourable First Elected Member for George Town and the Leader of the Opposition referred was presented on 17 June 2003. In that document the Government boasted boldly about the creation of a National Roads Authority, which would have vested in it responsibility for road construction and maintenance in this country. Back then they identified the need for $13.38 million worth of road works. Why is it, on a matter as important as this, the Opposition should have to come to this Honourable House this morning to be presented with this Bill and asked by the Honourable Third Official Member to support it?! I think that sometimes the Government does not understand the important role that the Opposition is constitutionally bound to play. The Elected Members of this Honourable House are those charged with responsibility for voting funds. And it is a duty that we on this side of the Honourable House take very seriously. We want time to consider these matters and decide if the proposed expenditure is in accordance with what we believe to be good fiscal, prudent management of the country's affairs.

The Government does—not just us—the country a grave disservice when they treat the borrowing of money in such an apparently trivial manner. They have the audacity to ask the Opposition for their support. We have demonstrated how cooperative we are when we are given notice and when we agree that what the Government is proposing to do is in the best interest of this country. We did so as recently as Monday when the Honourable Minister for Employment Relations was practically abandoned by his government on a matter as important as the Employment Bill. The Opposition stood here until almost 8 o'clock to make sure that that important Bill was carried through all of its stages and passed. We understand the country needs road improvements and other capital works; no one is arguing about that but the Government must not treat borrowing and the Opposition in this way.

In reference to the creation of the National Roads Authority, the Honourable Third Official Mem-

ber spent some time, both in answers to questions in this Honourable House this morning and in his presentation to this Bill. He said that the National Roads Authority is under construction and that it should be in place some time in 2004/2005 fiscal year. It seems that at least some of this money, which it is proposed that the Government will now borrow, will be vested in this Authority once it becomes established.

The proceeds of this loan are going to have to be repaid in one form or fashion in due course. I wonder if the Honourable Third Official Member, in his winding up, can explain to us how the National Roads Authority, which he says is going to be authorised to borrow money, is going to repay these and other monies which it borrows. How is this Authority going to be funded? Is there going to be a cross subsidy from Central Government on a regular basis? Are they going to be toll booths set up so that the people who use the roads in this country contribute to the cost of those roads? I believe that the country and this Honourable House, in particular, need to have some indications as to how this new statutory creature is going to be funded and resourced to enable it to carry out the various functions which it is proposed that it will have. If in fact various means are not going to be found and created for this new creature to carry out its various functions then perhaps we need to think again about going through the trouble to set it up.

So, I add those few words to what the Honourable Leader of the Opposition has said. And I would ask that the Honourable Third Official Member does make a real effort to address the concerns that we have raised when he rises to wind up this debate.

Thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? The Second Elected Member for West Bay.

Mr. Rolston M. Anglin: Thank you, Mr. Speaker.

The request being made of this House for a law to authorise the borrowing of up to $13 million is for matters that I think we all would agree are in the interest of the national good.

It is very important to outline from the beginning that the borrowing that is being sought does not introduce concepts in terms of expenditure and capital development requests that are foreign to the country or any Member of this Honourable House. Indeed, any Member who listened to the Budget Address and took part in the Budget debate would have known the position that was being put forward by the Government at that time. And that position has not changed. What is happening now is that the Government is seeking funding for some of those matters that were outlined.

So, when the Second Elected Member for George Town talks about being kept in the dark I cannot agree with him. What we must always remember is that he has a certain perspective that he comes to this House with, and he is right in saying that is his job. But it is so funny, just a few minutes ago he gave this House the impression that in some way he could not do his job because of a lack of timely information. Yet he could get up and sit back down and now indicate to me that his job has been done. The country and I need to know if his job has been done. Mr. Speaker, I think that the Second Elected Member for George Town knows precisely what this money is being used for and he knew it from June of last year when the Budget was presented. We debated the policy at that point in time. We are now coming to look for funding for some of that policy. So we must be clear that there is nothing new being asked for by the Government in terms of capital expenditure requests. This is simply to fund what we all knew about from last June!

I would have to presume that the Second Elected Member for George Town, and the entire Opposition, would have known about these requests and what the Budget was seeking to do. When we speak about being "kept in the dark" remember that you can either be kept in the dark by some force or you can put yourself in the dark. I offer my opinion that perhaps the Second Elected Member for George Town has kept himself in the dark. I think that he—along with all of us that are here—knows full well what was outlined in last year's and the current year's Budget, which was debated in June 2003. We are now looking . . . I am reminded that my initial instinct was indeed supportable and correct that the Opposition may have kept themselves in the dark because maybe they were not here for a portion of that debate.

Point of Order

Mr. Alden M. McLaughlin, Jr.: On a point of order, Mr. Speaker.

The Speaker: Please state your point of order.

Mr. Alden M. McLaughlin, Jr.: The Honourable Second Elected Member for West Bay is deliberately—that is why he is stammering so much—misleading this Honourable House. The Opposition did debate this Budget. The *Hansard* will show extensive debate from virtually every Member of the Opposition.

The Speaker: The point of order seems to be that the Honourable Second Elected Member for West Bay stated that the Opposition did not debate the Budget. Is this the point of order?

Honourable Second Elected Member for West Bay, are you listening to me? Would you please reply to that?

Mr. Rolston M. Anglin: Mr. Speaker, if memory serves me correctly . . . maybe the terminology I used could be refined. I think I was referring to the Finance Committee stage which would have dealt with the detailed examination of the Budget.

The Speaker: Honourable Second Elected Member for West Bay, is it correct then to say that you were in fact not correct in saying that the Honourable Second Elected Member for George Town walked out during the debate on the Budget, but did so during Finance Committee?

Mr. Rolston M. Anglin: Mr. Speaker, I think we are splitting hairs here. Finance Committee is when the Budget is approved and that is when we do the detailed examination. So when I say "the debate" I am looking at it in its entirety which is when you speak to the Budget Address. But then you also have to go through the process of examining it in detail. If I, in someway, upset the Second Elected Member for George Town on that particular point by choosing those words I apologise. But for the record, I think it would be fair to say that they were not here for Finance Committee and the detailed examination during Finance Committee.

The Speaker: Apology is accepted.

I would like to make the point Honourable Members that there has been a lot of use of a point of order called "misleading the House." Under Standing Orders there is no such point of order unless it is an intention to mislead the House and is intentionally and knowingly done as contempt of the House. However, if there is something that is done innocently there is no such point of order; it is only when there is a knowingly wrong act that it then becomes contempt. So I would ask all Honourable Members to be very careful in the use of stopping other Members under the guise of a point of order for misleading the House, unless it can be proven that this is being knowingly done by that individual Member and thus forming contempt for the Honourable House.

Please continue, Second Elected Member for West Bay.

Mr. Rolston M. Anglin: Mr. Speaker, I think that it is fair comment to say that if the Second Elected Member for George Town is going to be honest with himself and this House he would know—utilising the definition that you have just outlined from the point that he raised—that was indeed just an innocent slip on my part. I certainly would not have intended to make any statement that would have been in direct contempt of this Honourable House. I see from his response that he agrees with that point as well.

When we look at the requests that is before us we have been in full knowledge since June of last year that the Government intended to look at a new way of road development system; one that we believe would be more efficient and proactive in its approach to ensuring that this key ingredient to economic and national development is enhanced. The creation of a Roads Authority is worthwhile. From the outset last year, during the Budget process, it was made clear that the funding required to have the Roads Authority fully functional would have taken, if my memory serves me correct, some where in the order of about $13 million. Even from last year the Government, during the Budget process, did not fully fund that amount. The Government explored different ways in which it could best make up that difference. So after having done its research and its work the Government has now come to make a request to fund the shortfall by way of direct borrowing.

I do not think that there is anything to be alarmed about in regard to the requests that are being made of this Honourable House. I think that all of us have known, for the better part of nine months, that a Roads Authority was being worked on. Of course we had to do the ground work to ensure that it was properly structured in order to be efficient and capable of meeting its objectives and the issue of funding had to be explored. We had to explore all of the options. So I think we have now arrived at a stage where the Government have set their minds to one specific option and that option is to borrow the funds for this necessary and critical development tool, which is roads.

Mr. Speaker, when we look at what obtains in Cayman in regards to economic development and the enhancement and furtherance of economic development; when we see the road during rush hour in the morning or evening we will quickly realise that our current road infrastructure is incapable of dealing with the amount of vehicles we have. It is easy to sit on the soap box and come up with all sorts of ingenious solutions but at the end of the day this country has grown to a certain size. There are a certain number of cars that are in the possession of private citizens and private citizens need to get to and from work; to get their children to and from school; to get themselves to and from educational facilities and other necessary facilities such as a doctor's office and go shopping. So there are going to be certain amounts of traffic that are on the roads.

When we look at the main road corridors and look at the scope for expansion we see that we need to build additional road infrastructure.

There are some who will say, "Well, are you going to keep building roads on an Island this small and have them continue to be filled?" Again that is a very unproductive way of thinking. At the end of the day we have a situation as it is. When you consider the amounts of time you take to get around in Cayman we have to do something about it and part of it is developing a proper road network. I believe that the creation of the Roads Authority is a positive step towards reaching that objective. I think it is also important to reiterate that this request is for capital expenditure and not recurrent expenditure. These expenditures are being requested to be used to enhance the road network within these Islands.

I also think it is worth reminding ourselves that even after this borrowing we are well within the debt service ration as is outlined in the Public Finance and Management Law.

The whole issue of transparency and Government's willingness to be transparent continues to be called into question. Yet just this morning—might I remind all Honourable Members and the wider listening public—we the Government presented the financial results for the period 1 July through 31 December. I would have to say that presenting this information at this particular point in time is very timely. I do not think anyone can legitimately criticise the Government for not being timely or transparent because when since has the country and the Opposition in this Honourable House had the access to the amounts and quality and depth of information that this Government provides.

This Government is above and beyond reproach when it comes to the argument about being transparent. I would have to say we are crystal clear in terms of transparency. We see all the financial performance of Government broken down by the major heads and line items for all Members and for the entire country to see on a timely basis.

I believe that the request beings put forward to the Honourable House by the Honourable Third Official Member—to anyone who is going to be constructive and fair in their assessments—is indeed a reasonable request and one that is, I repeat, funding capital expenditures that we and the country have known about for the better part of nine months.

I rest after those brief remarks and I give my commitment to support this important Loan Bill.

Thank you, Mr. Speaker.

The Speaker: Does any Member wish to speak? Does any Member wish to speak? If not, does the Honourable Member wish to speak thereto?

Hon. George A. McCarthy: Thank you, Mr. Speaker.

Mr. Speaker, the question has been raised by the Honourable Leader of the Opposition and First Elected Member for George Town as to why there is a need to borrow this money.

The Loan Bill before this Honourable House today by extrapolation is not new. The House cannot say that it was not alerted to the need for additional financing to be provided. It was not set out in those words specifically but if you will permit me I would like to quote just one paragraph from the Budget Address. The paragraph reads:

"To provide greater focus on road development the Government has decided to establish a National Roads Authority. The legislation to give effect to this change will be introduced to the House in the early part of the financial year and the Budget makes provision for the purchase of $3.7 million of output from the Authority.

During 2003/2004 the Authority will construct $13.38 million of roads. This will include $7 million for phase three of the Esterley Tibbetts Highway from the Galleria to Indies Suites. This is a major initiative to reduce traffic congestion to and from West Bay."

The Government in this statement is saying that the Roads Authority, when established, will be constructing $13.38 million worth of roads. We went on further to say, "The finance for these projects will be organised by the National Roads Authority in conjunction with private sector partners." Mr. Speaker, the private sector partners that will be coming on board will be giving the value of the road to the Government for free. This means that this would have to be a liability, loan or some sort of financing arrangement that would have had to be entered into by the National Roads Authority had it been established. The Government said that $13.38 million worth of roads expenditure would be incurred and the Budget provided for $3.7 million, which means that there would have to be $10 million in value yet to be funded.

The fact that the Roads Authority has not been established as yet, and the Public Works roads section continues to have responsibility for roads, means that it is quite natural under this process for the funding to be sought by way of a loan by Central Government.

Had it been that the Roads Authority had been established it could be, in entering into arrangements with private sector partner, would mean having to raise the loan. Even if it was by PFI the obligations would have to be repaid over a period of time.

The question was raised in terms of how much money has been spent so far. On page 8 of the Financial Report for the period 1 July through 31 December it can be seen. There are three columns, in the second column the second item reads—"PCW IT/Capital expenditure/July to September for the National Roads Authority $1,525,000."

The second item, "PCW IT/Capital expenditure/October to December for the National Roads Authority $2,710,000."

Today is the 17th March which meant that expenditures would have been incurred during the months of January and February. Mr. Speaker, since the financials that I am looking at go to the 31 December it is natural that there would have had to be a further advance. I do not have that information with me. However, during the lunch break, I spoke briefly to the engineer with responsibility for roads and indications are that the expenditure up to this point in time could be in the region of $7 million. In presenting the Loan Bill it was mentioned that $7 million out of that money would be allocated to roads infrastructure and the remaining $6 million would be allocated; $2 million to the settlement of gazetted claims and $4 million to ancillary roads activities. I think that was the information I gave so there is a breakdown. We know that the monies that have been advanced by the Government will have to be reimbursed because this has come from the Government's operating cash. These are monies that were not allocated in the first instance or intended to be used for this purpose as it was intended that the Roads Authority would have been established at a point in time during the fiscal year. So

the Government allocated $3.7 million from the Budget with the intention that the Roads Authority would be finding the remaining financing that would be required in order to complete the roads projects to the value of $13.7 million.

I should mention that if the $13 million that is being borrowed today is not used up by the end of June which is the end of the fiscal financial year 2003/2004 that money will be going into revenue or general reserves it is money that has been specifically air marked for roads development so the unspent balance will be available to be carried forward into the succeeding fiscal year.

In terms of the financing the National Roads Authority has not yet been established so this borrowing is a direct loan that the Government will have responsibility for. In terms of going forward the Honourable Minister with responsibility for Health and Roads Work will be bringing a Bill to this Honourable House for the establishment of the National Roads Authority. An integral aspect of that information will be to give information in terms of how the Authority will be financed. The Honourable Minister and the Portfolio of Finance have been engaging in discussions on the financing sources that will need to be established.

So far I can summarise by saying in this respect that $9.1 million have already been identified. It should be borne in mind that when the roads section of the Public Works Department is embraced within a National Roads Authority the expenditure will not be a new concept as such. It is presently a part of the Public Works Department. It means taking a part of what is the Public Works Department, together with the related expenditure being presently funded from general revenue, and the administrative costs that are now being covered will be moved out. So, therefore, to allocate a sum of money out of general revenue equal to that will not create a difficult situation, although it is recognised that the Authority will take approximately $3.7 million to $4 million for defraying its administrative costs. Over that it would require a sum of money in order to undertake road works on an annual basis.

If we were to assume for the fiscal year 2004/2005 that the monies in total that will be available will be the $9.1 million that has been identified up to this point in time, it would mean that $5.1 million would be available for roads development in the event that $4 million was used to cover administrative costs.

I know that there are going to be add-ons to gasoline and fuel levies in order to raise additional monies to fund the Roads Authority. But we have an Infrastructure Development Fund that will be earmarked for the Roads Authority. We also have the Roads Development Fund that will be available for the National Roads Authority. The financials on page 7 gives a breakdown in terms of the potential revenue that will be realised under the various categories of funds, for example, the Infrastructure Development Fund and the Roads Fund.

The Honourable Second Elected Member for George Town made reference to the fact that the Government seems to be lurching from crisis to crisis or keeping the Opposition in the dark. No Honourable Member of this House can validly make that claim. The information that was tabled this morning and on previous occasions sets out the Governments financial position. The level of transparency that is here is what most Honourable Members of this House have been asking for and this is the information that is available to Honourable Members.

So, Mr. Speaker, it is not the intention of the Government to keep any Honourable Member of this House in the dark. In terms of the source funding I am sure that the Honourable Minister with responsibility for Works, when he brings the Bill . . . and I know that he has been engaging in exhaustive review on this piece of legislation and looking very carefully at the funding aspect of it. As this Honourable House can appreciate the Bill is in the stages of being refined at this time and I would not want to pre-empt what the Minister will be saying when he brings the Bill.

So with these remarks I think I have addressed the questions raised and would like to say thanks to all Honourable Members for their support.

Thank you, Mr. Speaker.

The Speaker: Honourable Members, before we move into committee I would like to say that it is the right, privilege and responsibility of each Member of this Honourable House to speak during debate if he so wishes. However, there is a procedure within the Standing Orders which must be followed and once I have called on other Members to speak and I see no Member rise I will then call on the Mover and continue to ask the Mover to speak.

I know because I have been on the Opposition and have tried to outfox other Members and wait until the last minute to speak. However, I shall be abiding by the rule that once I call on the Mover of a Bill or a Motion, or whatever, to speak, I will continue. If I see a Member getting up after I have called on the Mover I will continue to ask the Mover to speak.

I trust that all Honourable Members will try to comply with those procedures.

The question is that the Bill shortly entitled The Loan Bill 2003 be given a Second Reading. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Loan Bill 2003 given a Second Reading.

The Speaker: The House will now go into Committee to consider the Bill.

House in Committee at 4.08 pm

COMMITTEE ON BILLS

The Public Management and Finance (Amendment) Bill, 2003

The Chairman: Please be seated. The House is now in Committee.

With the leave of the House may I assume that as usual we should authorise the Honourable Second Official Member to correct minor errors and such the like in these Bills.

We are dealing with the Public Management and Finance Bill. Would the Clerk please state the Bill and read the Clauses.

Clauses 1 and 2

The Clerk:

Clause 1	Short title.
Clause 2	Amendment of section 2 of the Public Management and Finance Law 2003 (Revision) commencement.

The Chairman: The question is that Clauses 1 and 2 form part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 1 and 2 passed.

Clause 3

The Clerk: Clause 3 Amendment of Section 3 – definitions.

The Chairman: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Chairman, in accordance with the provisions of Standing Orders 52(1) and (2), I, the Third Official Member, give notice to move the following amendments to the Public Management and Finance (Amendment) Bill, 2003, that the Bill be amended as follows–in clause 3 -

(i) by deleting paragraph (f) and substituting the following paragraph - "(f) by inserting in their appropriate alphabetical places the following definitions-

> "'core government' means the Legislative Assembly, the Governor in Cabinet, ministries, portfolios, the Office of the Complaints Commissioner and the Audit Office and includes the equity investment in statutory authorities and government companies;
>
> "'Government' means the Government of the Islands;
>
> "'Office of the Complaints Commissioner' means the department, including all of its staff and physical resources, of which the Chief Officer is the Complaints Commissioner;"; and

(ii) by deleting paragraph (m) and substituting the following paragraph - "(m) in paragraph (c) of the definition of the term "generally accepted accounting practice" by deleting the words "entire public sector, or ministries, portfolios, statutory authorities or government companies" and substituting the words "national governments, regional governments, local governments and related governmental entities such as agencies, boards, commissions and enterprises;"

The Chairman: The question is that the amendment forms part of the clause. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Amendments passed.

The Chairman: The question now is that the clause as amended form part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 3 as amended passed.

Clauses 4 through 8

The Clerk:

Clause 4	Amendment of miscellaneous provisions of the principal Law – references to Government replaced by references to core Government.
Clause 5	Amendment of section 8 – appropriations required for various transactions.
Clause 6	Amendment of section 10 – appropriations.
Clause 7	Amendment of section 11 – permanent appropriations.
Clause 8	Amendment of section 12 – authorisation and advance of appropriation.

The Chairman: The question is that Clauses 4 through 8 form part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 4 through 8 passed.

Clause 9

The Clerk: Clause 9 Insertion of section 12A - global executive expense appropriations and global executive capital appropriations.

The Chairman: The Honourable Third Official Member.

Hon. George A. McCarthy: The amendment continues. Item "B" on the committee stage amendments reads–by deleting clause 9 and substituting the following clause– The principal Law is amended by inserting after section 12 the following section - "Advance approval of executive expenses and capital expenditure

"12A (1) Subject to subsection (2), the Governor in Cabinet may authorise -

"(a) executive expenses for an output group, category of transfer payment, or category of other executive expense; and

"(b) the acquisition or creation of executive assets, the making of loans or the making of equity investments, that are not included in an Appropriation Bill for a financial year.

"(2) Before an executive expense is incurred, an executive asset acquired or created, or a loan or equity investment made in accordance with an authority granted under subsection (1) the approval of the Finance Committee of the Legislative Assembly is to be obtained.

"(3) The executive expenses incurred, executive asset acquired or created, or a loan or equity investment made in accordance with subsection (1) are to be included in a supplementary Appropriation Bill for that financial year."

The Chairman: Honourable Members, you have heard the Motion. Does any one wish to speak? If not the question is that the amendment form part of the clause. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Amendment passed.

The Chairman: The question now is that the clause as amended form part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 9 as amended passed.

Clauses 10 through 24

The Clerk:

Clause 10	Amendment of miscellaneous provisions of the principal Law – references to entire public sector, replaced by references to Government.
Clause 11	Amendment of section 14 – responsible financial management.
Clause 12	Amendment of section 15 – shareholding arrangements for government companies.
Clause 13	Amendment of principal Law – entire public sector budgeting.
Clause 14	Amendment of section 18 – strategic phase.
Clause 15	Amendment of section 23 – strategic policy statement.
Clause 16	Amendment of miscellaneous provisions of the principal Law, reference to core government inserted in the principal Law.
Clause 17	Amendment of principal Law – entire public sector reporting.
Clause 18	Amendment of section 28 - entire public sector quarterly report.
Clause 19	Amendment of section 29 – entire public sector annual report.
Clause 20	Amendment of section 32 – duties of Financial Secretary.
Clause 21	Amendment of miscellaneous provisions of the principle Law, references to Government replaced by references to Governor in Cabinet.
Clause 22	Amendment to section 34 – powers relating to specific financial transactions.
Clause 23	Amendment of section 35 – power to make regulations.
Clause 24	Amendment of section 36 – power to direct over ownership matters.

The Chairman: The question is that Clauses 10 through 24 through form part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 10 through 24 passed.

Clause 25

The Clerk: Clause 25 Amendment of section 39 – powers of Chief Officer of a Ministry or Portfolio.

The Chairman: The Honourable Third Official Member.

Hon. George A. McCarthy: In accordance with the provisions of Standing Orders 52(1) and (2), I, the Third Official Member, give notice to move the following amendment to the Public Management and Finance Bill 2003.

That the Bill be amended– In clause 25(a) and (b), respectively, by deleting the words "made by the

Financial Secretary" and substituting the words "made by the Governor in Cabinet, on the advice of the Financial Secretary".

The Chairman: The amendment has been duly moved, Does anyone wish to speak to it? If not, the question is that the amendment forms part of the Clause. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Amendment passed

The Chairman: The question now is that the clause as amended form part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clause 25 as amended passed.

Clauses 26 through 42

The Clerk:

Clause 26	Amendment of miscellaneous provisions of the principal Law. Nomenclature of Portfolio of Finance and Economics corrected.
Clause 27	Amendment of section 42 – performance agreement.
Clause 28	Insertion of section 44(a) application of part 4 to office of the Complaints Commissioner.
Clause 29	Amendment of Principal Law – Portfolio of Finance and Economic Development.
Clause 30	Amendment of Section 53 – duties of Portfolio of Finance and Economic Development.
Clause 31	Amendment of section 54 – executive bank account.
Clause 32	Amendment of section 55 – power to request information for entire public sector reporting.
Clause 33	Amendment of section 56 – powers of internal audit group.
Clause 34	Amendment of section 59 – powers and duties of Auditor General.
Clause 35	Amendment of miscellaneous provisions of the principal Law, references to office of the Complaints Commissioner inserted.
Clause 36	Amendment of section 81 – transition of accounts.
Clause 37	Amendment of section 82 – transition to responsible financial management.
Clause 38	Repeal of section 83 – interim input control system.
Clause 39	Amendment of Second Schedule – forecast financial statements.
Clause 40	Amendment of Third and Fourth Schedules, quarterly financial statements, annual financial statements.
Clause 41	Amendment of Fifth Schedule – ownership performance measures.
Clause 42	Amendment of the principal Law performance agreement.

The Chairman: The question that Clauses 26 through 42 stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 26 through 42 passed.

The Clerk: A Bill for a Law to amend the Public Management and Finance Law 2003 (Revision) to amend the principles of responsible financial management relating to borrowing ratios, Government budgeting and Government reporting, to establish performance and financial accountability arrangements for the office of the Complaints Commissioners and for incidental and connected purposes.

The Chairman: The question is that the Title stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Title passed.

The Loan Bill, 2003

Clauses 1 through 3

The Clerk:

Clause 1	Short title.
Clause 2	Power to borrow.
Clause 3	Principal and interest of loan.

The Chairman: The question is that Clauses 1 to 3 stand part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Clauses 1 through 3 passed.

The Clerk: A Bill for a Law to authorise the borrowing of up to $13 million.

The Chairman: The question is that the Title form part of the Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed: Title passed.
The Chairman: This concludes proceedings in Committee. The question is that the Bills be reported to the House. All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed that the Bills be reported to the House.

House Resumed at 4.24 pm

REPORTS

The Public Management and Finance (Amendment) Bill, 2003

The Speaker: Please be seated. Proceedings are resumed.

The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I am to report that a Bill soon to be entitled The Public Management and Finance (Amendment) Law 2003 was considered by a committee of the whole House and passed with amendment.

The Speaker: The Bill has been duly reported and is set down for Third Reading.

The Loan Bill, 2003

The Speaker: The Honourable third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I am to report that a Bill soon to be entitled The Loans Bill, 2003 was considered by a committee of the whole House and passed without amendment.

The Speaker: The Bill has been duly reported and is set down for Third Reading.

Suspension of Standing Order 47

The Speaker: The Honourable Third Official Member, please move the suspension.

Hon. George A. McCarthy: I beg to move the suspension of Standing Order 47 to allow for the two Bills that have just been reported to be given a Third Reading and passed.

The Speaker: The question is that Standing Order 47 be suspended to allow for the Third Reading of the Public Management and Finance (Amendment) Bill 2003 and The Loan Bill 2003. All those in favour please say Aye. Those against, No.

Ayes.
The Speaker: The Ayes have it.

Agreed. Standing Order 47 suspended.

THIRD READINGS

The Public Management and Finance (Amendment) Bill, 2003

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: I beg to move that a Bill entitled The Public Management and Finance (Amendment) Bill 2003 be given a Third Reading and passed.

The Speaker: The question is that a Bill shortly entitled The Public Management and Finance (Amendment) Bill 2003 be given a Third Reading and passed. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Public Management and Finance (Amendment) Bill 2003 given a Third Reading and passed.

The Loan Bill, 2003

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: I beg to move that the Loan Bill 2003 be given a Third Reading and passed.

The Speaker: The question is that a Bill shortly entitled The Loan Bill 2003 be given a Third Reading and passed. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Loan Bill 2003 given a Third Reading and passed.

PRESENTATION OF PAPERS AND OF REPORTS

Cayman Islands Government Budget 2004/2005 Strategic Policy Statement for the financial year ending 30th June, 2005

The Speaker: The Honourable Minister for Tourism, Environment, Development and Commerce.

Hon. W. McKeeva Bush: Thank you very much, Mr. Speaker. I rise to table the Strategic Policy Statement for the 2004/2005 financial year.

The Speaker: So ordered. Would the Honourable Minister wish to speak there to?

Hon. W. McKeeva Bush: Thank you, Mr. Speaker,

The presentation of a Strategic Policy Statement is a requirement of the Public Management and Finance Law, which comes fully into force for 2004/2005. Under the Law the Policy Statement should be tabled by 1 December each year.

This year's Strategic Policy Statement is being tabled somewhat later than this deadline and I explained at a previous meeting of this Honourable House the reason for this delay.

As it turns out, the delay has been longer than was anticipated. Before we were able to finalise the Policy Statement we needed to agree the borrowing guidelines with the United Kingdom Government and then legislate for these and other changes in Public Management and Finance (Amendment) Bill 2003. Now that those steps have been completed I am pleased to be able to bring the 2004/2005 Strategic Policy Statement to the House.

Mr. Speaker, this Strategic Policy Statement is once again a testament to the leadership and vision of the United Democratic Party Government. It contains a set of policy priorities and financial targets that promote the development of the country and the achievement of the outcomes specified in the National Strategic Plan - Vision 2008.

Mr. Speaker, this Strategic Policy Statement is a fiscally responsible one and complies with all the principles of responsible financial management. This is despite the fact that the UK Government has imposed another ratio to be complied with.

This Strategic Policy Statement is a landmark document for another reason as well. It is the first ever government financial statement to be put together using the accruals basis of accounting.

The adoption of accrual accounting is a major milestone in the reform of government finances. It confirms the Cayman Islands position at the leading edge of public sector management.

The move to accrual accounting also reflects the United Democratic Party (UDP) Government's commitment to financial reform and fiscal transparency.

Mr. Speaker, this Government has nothing to hide. We welcome the openness that comes from regular reporting. We welcome the fiscal discipline that comes from using proper accounting methods and techniques.

In this spirit of transparency the Policy Statement not only provides accrual targets for 2004/5, 2005/6 and 2006/7, it also provides a basis of comparison by recasting the 2003/4 cash budget onto an accruals basis.

This recast is shown in Appendix 2 of the Policy Statement and shows that budgeted cash surplus of $5.7 million for 2003/4 is equivalent to an accrual deficit of $9.6 million.

The Speaker: Honourable Minister, I apologise for cutting in the middle of your speech but we have reached the hour of 4.30 pm. I would ask that you move the suspension of Standing Order 10(2) to allow us to continue beyond the hour of 4.30 pm.

Hour of Interruption—4.30 pm

Suspension of Standing Order 10(2)

Hon. W. McKeeva Bush: I move the suspension of Standing Order 10(2) so that business may be completed beyond the hour of 4.30 pm.

The Speaker: The question is that Standing Order 10(2) be suspended to allow for business to continue. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 10(2) suspended to allow the business on the Order Paper to be completed.

The Speaker: Please continue.

Hon. W. McKeeva Bush: Mr. Speaker, this recast is shown in Appendix 2 of the Policy Statement and shows that budgeted cash surplus of $5.7 million for 2003/4 is equivalent to an accrual deficit of $9.6 million. This reflects, for the first time, the true financial position of the Government.

The accrual deficit results from the inclusion of operating costs that are not recognised under cash accounting costs like depreciation, asset maintenance and, for the first time, the profit and losses of Statutory Authorities and Government owned Companies.

The 2003/4 deficit is not something of this Government's doing. There has almost certainly been an accrual deficit for a good number of years, but it has never been apparent or shown.

It is, however, something the Government is determined to do something about. As Members can

see on page 12 of the policy Statement, the aggregate financial targets for core government show a surplus for the next three years, I will go into more detail later. And so, Mr Speaker it will be a surplus!

The Government has taken a $9 million dollar accrual deficit in 2003/4 and set targets for surpluses reaching nearly $38 million by 2006/7. That is fiscal responsibility Mr Speaker! That is the measure of the commitment of the Government to manage the finances of the country prudently, even in an election year. Perhaps, Mr. Speaker, I should not say "even in an election year", I should say especially in an election year.

These Policy Statements that I have been delivering these past years serve to inform the public. During General Elections the public will not now be confused by any incumbent administration as to the position of Government's finances, nor can an incoming Government say that the country is broke. Everyone will be aware of the Government's financial state without the confusing rhetoric that usually accompanies the General Election Campaign.

In addition, the Government will be publishing a pre-election, -economic and -financial update which is around 40 days before the Election. This is sometime after the Budget and will provide updated forecasts of the Government's financial position. This will ensure that the public is fully informed of the state of Government's finances during the Election Campaign.

No Government in the history of the Cayman Islands has been as open and transparent as this Government although there are people who continue to say that we are not transparent.

Mr Speaker, the United Democratic Party Government will stick to our policy of fiscal prudence. We will not go on a spending spree before the election to secure votes as other Government's have done in the past. Spending sprees just create a financial mess like the one the UDP Government inherited. They are not good for the country economically and they reduce our reputation in the global investment market place.

The Government is rightfully proud of our fiscal record and this election-year Strategic Budget Statement continues the path of fiscal responsibility established over the last two years.

Overview of the 2004/5 Strategic Policy Statement

Mr Speaker let me now turn to the detail in the document.

The 2004/5 Strategic Policy Statement is in the same format and layout as the previous ones. However, as I have alluded to the financial figures presented in the Budget have been calculated on a significantly different basis.

Firstly, the financial activity is measured on an accruals basis. This provides a more accurate reflection of revenues and expenditures. What this means is that

- A strict operating and capital split is maintained.
- Revenue is recognised when it is due not when the cash is collected.
- Expenditure is recognised when it is committed not when the cash flows out.
- Non-cash expenses are recognised in the operating statement for the first time; primarily this is depreciation or the wearing out of assets.

Secondly, the expenditure allocations are to Ministers and Official Members not to the Chief Officers as in previous years. These allocations only cover executive expenditure, that is, the outputs that Cabinet is buying.

In accordance with the Public Management and Finance Law, from 2004/5 Ministries and Portfolios will be able to keep entity revenue. Entity revenue is the revenue they earn from providing outputs to other government agencies and third parties. The retention of this revenue creates a good incentive to ensure that revenue is collected promptly.

It also means that central service departments, like Personnel and Computer Services, will no longer be directly funded by Cabinet. Instead, they will charge other departments for the services they provide to them. That additional cost will then be included in the output costs of Ministries that use them. This will show the true cost of outputs and will create an internal market in Government which will lead to greater efficiency and cost effectiveness. It is anticipated in the future that private sector competition will be allowed for some of these services leading to further efficiencies.

The third major change in 2004/5 is the inclusion of the net operating results and net investment in Statutory Authorities and Government Companies into the forecast financial statements of core government. Apart from being an accounting standard requirement this provides a better reflection of impact these public authorities have on Government finances.

Mr Speaker, the Strategic Policy Statement comprises of six sections, and I would like to briefly speak on the content of the main sections.

Overview of Section 2: Outcome Goals

The eleven broad outcome goals specified in section 2 are the same as the previous year and reflect Vision 2008.

As a responsible Government we are not going to compromise our policy on fiscal responsibility and set the 2004/5 budget to make short term gains for political expediency. It can be seen from the financial tables in the Policy Statement we are looking at a 3-year timeframe, so we are mindful of the decisions that we make today and what effect they will have over the longer timeframe. The Government's re-

sources are not unlimited so we are unable to tackle all things we would like to do at once and burden future generations with a high level of debt. We therefore have to choose our outcome goals carefully, prioritising on the basis of the best economic and social gain that can be achieved for the resources used.

The Government realises that while it can play a major role in achieving these broad outcome goals, in the final analysis it does not totally control them. Increasingly, events and pressures outside the Cayman Islands can also have a significant influence on whether the outcomes are achieved.

On page six the Policy Statement there is a summary of some of the Key Policy Initiatives that we as a Government will focus on in 2004/5 and that will be allowed for in the Budget. I would like to highlight these initiatives.

The Government will continue to provide quality education by building new assets and continuing the investment in information technology. This means that the completion and commissioning of the Prospect Primary School and the beginning of construction in the new secondary school at Frank Sound is very high on our priority list. In the interim we are going to provide temporary classrooms for the existing secondary schools.

The Government will continue with the acquisition of Barkers National Park, the purchase of properties that are readily available over the next three years. This reflects the Government's commitment to investing in the environment.

The Government is also committed to improving tourism by ensuring that the national airline has sufficient financial support to provide service to those destinations that benefit the tourist industry. This will continue to be a strategic priority that will be allowed for in the Budget.

The Government is also committed to supporting those segments of the population that are having difficulty in obtaining health insurance. For this reason the Cayman Islands National Health Insurance Company was formed earlier this year and the 2004/5 Budget will provide financial support to the Company. The Government will pay strict attention to the operation of the company to ensure that it performs as it was set up to do so that Government's liability is minimised.

The Government intends to strengthen the security infrastructure of these Islands to ensure that our reputation as a secure country is maintained. This is so important to us, not only from a tourism destination perspective but also for safety of our own people. We are going to have to put efforts into zero tolerance on criminal activity.

The Government firmly supports an open, efficient and accountable government. This is evidenced by the machinery of government changes that have taken place and the financial management initiatives we have supported. In the up coming year we will continue these initiatives. Personnel reforms that will focus on performance improvement and management will be implemented. Governance legislation will also be introduced to ensure that public authorities operate in an efficient and transparent manner.

Overview of Section 4: Aggregate Financial Targets

Section 4 of the Strategic Policy Statement provides aggregate financial targets for each of the next three financial years.

The Targets provide a modest operating surplus of $1 million in 2004/5 increasing to $23 million and $38 million in 2005/6 and 2006/7 respectively.

For the 2004/5 financial year the targets for government are as follows:-

- The operating revenue target is $328.2 million. This includes an additional $3.9 million from an increase in Fuel Tax to assist in the funding of the National Roads Authority.
- The operating expenses target is $307.1 million. This is $4 million more than 2003/4 and allows for the running costs for the new primary school at Sports.
- The Capital Limit has been set at $44 million this includes:-
    - $13 million for equity investments into statutory authorities and government companies (including the extra funding for Cayman Airways and the Cayman Islands Health Insurance Company).
    - $19.4 million for purchase or construction of new entity assets.
    - $10.1 million for purchase or construction of Executive assets (including $8 million to commence the acquisition of Barkers park).

I have already said where we are heading with that and I am going to make a further statement on the National Park.

- Targets for new borrowing have been set at $45.8 million and a further $21.3 million in 2005/6. No new borrowing is planned in 2006/7.

I should point out to Members there is no Capital Acquisition Target as acquisitions will now be covered by depreciation which is part of the operating target.

As honourable Members can see from the table 7 on page 15 of the document, the targets comply with all the principles of responsible management for all years. In fact the targets exceed the required cash reserves levels. They are also well within borrowing limits.

Conclusion

In concluding, Mr. Speaker, the Government's goal is to build a secure, prosperous Cayman Islands that can be a proud legacy for future generations. This

Policy Statement lays out a set of policy and financial parameters designed to achieve this goal.

The Government is committed to the principle of fiscal transparency and the publication of this first Strategic Policy Statement prepared on an accrual accounting basis is a reflection of this commitment.

The accrualisation of the 2003/4 Budget has provided us with an understanding of the Government's true financial position for the first time. It contains an unpleasant surprise, an accrual operating deficit as opposed to an operating cash surplus. This highlights the difficult financial position the Government inherited.

Despite this the Government has established a set of budget parameters that ensure a surplus is achieved and the principles of responsible financial management are all complied with.

The policy of fiscal prudence is very dear to my heart as Leader of Government Business, the Government has to live within its means and deliver high quality services in an efficient and economic manner. This Government has continued to keep its operating costs down while trying to providing services at the same level.

Mr. Speaker, as I said in my introduction, this Policy Statement is a landmark document. We are now beginning to reap the benefits of public sector reform and I must congratulate the Financial Secretary for sticking to the task of implementing the reform. The formula is working and we have set financial guidelines that ensure the proper handling of government financial affairs for the next several years.

Thank you, Mr. Speaker, and I thank the indulgence of the House. I mentioned the Financial Secretary but I would also like to thank Mr. Tony Dale, Mr. Peter Gough, and the Accountant General, also Mr. Kenneth Jefferson, for their work. They are still here with us at this late hour of the day especially when some of our benches are empty. Nevertheless, I want to thank these fine civil servants for doing an excellent job.

Report and Recommendation of the Minister Responsible for Lands Recommending the Crown Grant (Unclaimed) Block 65A, Parcel 47 to the Estate of Tyler Welcome (deceased)

The Speaker: The Honourable Minister for Planning.

Hon. Juliana Y. O'Connor-Connolly: Thank you, Mr. Speaker.

With your kind permission I beg to lay on the Table of this House the Report and recommendation that I am bring forward as it relates to the Crown Grant on claim Block 65A Parcel 47 to the estate of Tyler Welcome (deceased).

The Speaker: So ordered. Would the Honourable Minister wish to speak thereto?

Hon. Juliana Y. O'Connor-Connolly: Thank you, Mr. Speaker.

The Report is very succinct and self- explanatory but suffice it to say Block 65A Parcel 47 was unclaimed at the time of Cadastral Survey and as since been held by the Governor of the Cayman Islands as Crown Land unclaimed. A claim in respect of the parcel has been submitted and the Parcel is located, for the benefit of Members, along the Queens Highway in the north east coast registration section of the district of East End.

The Report on this matter was duly considered by our Cabinet under your leadership when you were there and we wish to give you credit and gratitude for expediting the Crown Grant to this stage.

There have been several surveys; it is included within the Report. There were three separate surveys and accompanying the Report all of the necessary documents are contained therein.

With those brief remarks I would ask for it to be now laid.

The Speaker: So ordered.

Creating a Substantial Health Benefit Program by William M. Mercer

The Speaker: The Honourable Minister for Health Services, Agriculture, Aviation and Works.

Hon. Gilbert A. McLean: Thank you, Mr. Speaker.

I beg to lay on the Table of this Honourable House a report entitled Creating a Substantial Health Benefit Program, Cayman Islands Government, March 2002.

The Speaker: So ordered. Would the Honourable Minister wish to speak thereto?

Hon. Gilbert A. McLean: Yes, Mr. Speaker.

Members may recall that following the collapse of the Government's health insurance programme with Caribbean Home, the Health Insurance and Health Fees Advisory Committee was appointed by the Governor in Council. Chaired by the Ministry's Permanent Secretary, Ms. Andrea Bryan, the Committee was tasked with looking at alternative ways of providing health care to civil servants and other entitled persons. This Committee recommended that the Ministry hire William M. Mercer Incorporated (Mercer) to conduct a review of the self-funded programme, assist in securing claims processing services through a third party administrator and assist the Ministry with attempts to obtain reinsurance protection.

It is in order to say that it was your good self at the time, as Minister, who appointed this consultancy and I think it has proven a very sound judgment.

The report entitled *Creating a Sustainable Health Benefit Programme* is the outcome of the Discovery and Analysis Phases of the Mercer consul-

tancy. It is divided into ten sections and includes a recommended health benefit plan design as well as a business case for change in the way government provides health care coverage for civil servants and other persons deemed eligible for free health care coverage. The Report provides details of the various factors and influences affecting the viability of government's health benefit programme at the time and included recommendations for consideration and action.

I am pleased to note that the Ministry of Health Services assisted by other government departments, namely Personnel and Computer Services have made great strides towards implementing recommendations made by the Mercer consultants. Therefore I will use this opportunity to not only present the main findings but also to inform Members of this Honourable House of the significant changes that have occurred since the Report was received.

I will begin by citing the highlights of Mercer's analysis.

Following the review of the Health Insurance and Health Services (Fees) Laws at the time two points were mentioned, which are: That risk and costs can be shifted to the government without shifting revenue; That increases in Health Services fees automatically increase the cost of the benefit programme for Government.

In reference to the workings of the Health Insurance Law 1997 and the Health Insurance Regulations 1997, the Mercer consultants noted the impact this Law was having on the Government's health benefit programme and I quote: "Many of the features shift additional risk and cost to the government, without transferring or generating appropriate revenues from the people or entities who benefit from such a transfer. This fact has added to the current unmanaged financial state of the programme."

Members will recall that in response to Private Members Motion (No. 9/01 of 2001) which I moved, a Select Committee of the entire Legislative Assembly was appointed to look at the problems being experienced with the workings of the Health Insurance Law 1997 and the Health Insurance Regulations 1997 and to make recommendations for their review. Thanks to the work of the Select Committee of this Honourable House, there is a revised Health Insurance (Amendment) Law and Regulations 2003. The amended Law and Regulations now clarify benefits options and coverage terms as well as matters such as portability and employer/employee responsibility. Here I must thank those MLAs who regularly attended meetings of the Select Committee making it possible to have a quorum and who contributed fully in deliberations. They know who they are.

However, we went one step further. Given the difficulties being experienced through inadequate enforcement of the Law and Regulations, a new law, the Health Insurance Commission Law 2003 was also passed and came into effect this month. This Law is the key factor in monitoring the Health Insurance Law and Regulations and will ensure the Government has more reliable information regarding the cost of health care and the provision of health insurance coverage.

Also in response to the concern noted in the Mercer Report, Government through the formation of the Cayman Islands National Insurance Company (CINICO) is now in a position to offer the underserved section of the population affordable health insurance coverage as an alternative to their reliance on Government to assist them. The aim of this Company is to control the escalating costs of covering persons enrolled in the Government Health Benefit Programme and reduce overall cost for other persons through premium income.

Health Fees Law – Mercer consultants noted that increasing fees charged by the Health Services would also increase the cost of the Government Health Benefit Programme. However, the Report went on to note the possibility that Health Services actual costs may be the result of overstaffing and inefficiency. Members will recall that the Health Services (Fees) Law had not been amended since 1993 and the increases in 2002 were an attempt to bring the fees in line with the actual cost of providing care and treatment.

In July of that same year (2002) the Health Services Department became an Authority and was charged under law to administer the Government health care facilities in an efficient manner and in such a way as to maintain and promote the health of the patients of those facilities. Much has been done in this regard and the Authority is working to increase the scope of services without increasing their operating cost. Under Section 16 of the Health Services Authority Law, 2002 which came into effect on 1 March 2003 the Authority is responsible for determining the fees to be charged for services provided at all of its healthcare facilities. However, any new proposed fees shall only come into effect ninety days after their submission to the Minster of Health Services if the Governor in Cabinet does not disallow them.

The second topic examined by the Mercer consultants was called Community Perception and the following two findings were recorded:

- There is a perception that the quality of services at Government facilities is substandard;
- Participants are not aware of the true cost of health care.

Based on interviews conducted by the consultants it was found that throughout the community and among Government employees there is widespread perception that the care provided at the Government Health Services Facilities is substandard. The consultants went on to state that persons who participated in the focus group did not have a clear understanding of the economics involved in the provision of health benefits and as a result they lacked an appreciation of the value of their coverage.

Government's significant investment in a computerised hospital information system for the Au-

thority will help to promote evidence-based best practices for treating patients. It is worth noting that physicians have welcomed this aspect of the system and is already making good use of the available resources. The Mercer report clearly states that continued use of the Government facilities is a key component in developing a sustainable health benefit programme. Until cost control mechanisms are in place and a decision is taken on cost sharing, individuals will not be able to self-refer to private providers.

After the Health Services became an Authority, the Ministry of Health Services took on the responsibility of paying the Authority for services rendered to all persons for whom Government has taken responsibility for the provision of their health care benefits.

In 2003, the average monthly payment which included overseas medical was approximately CI$2.5 million and continued to increase. Presently the average cost for services is about $2.8 million per month. This cost was predicted by the Mercer consultants should no change to the benefit plan be made and the health fees were increased as planned.

Under Plan Administration the report lists the following concerns:

- There is a lack of commonly accepted, standardised coding used by Health Services for tracking medical treatment and services;
- Government departments/agencies responsible for tracking benefit plan eligibility do not maintain automated files with standard data;
- There is limited financial and no utilisation data available for analysis or strategic planning purposes.

As noted two important elements for successful plan administration, is the ability to capture claim and utilisation data by participant and the need for accurate eligibility data. Mr. Speaker, let me emphasise that no health benefit plan will be successful unless these two elements are in place.

Regulation 9 of the Health Insurance (Amendment) Regulations 2003 now requires all healthcare providers to submit UB-92 claim forms using Current Procedural Terminology (CPT) codes and International Classification of Diseases (ICD) codes and other approved diagnosis and treatment codes where applicable.

The Ministry of Health Services engaged the Computer Services Department on a project to create a centralised database. Work started on verifying eligibility in June 2003 and today there is a government database that contains eligibility data on all persons entitled to medical benefits through the Government scheme. By using information in this centralised database CINICO (the new Government insurance company) was able to produce insurance cards for the plan participants.

The next section of the report deals with the Private Health Insurance Market and makes the following point:

- Financial stability within the health insurance market is a key to the ongoing success of employer mandated health benefit coverage.

The Mercer consultants recommended that in order for the Health Benefit Programme to be successful the Cayman Islands Government must employ a financially healthy and administratively efficient health insurance vendor/administrator. However, it also noted that none of the local insurers interviewed by the consultants offered health plans with enough utilisation controls nor any type of pre-admission review for hospitalisations. The Report went on to highlight the concern that for the most part, insurers rely on a paper system to determine benefit liability for submitted health claims. This dependency would result in continued dependence on more expensive manual claim administration. Therefore according to the Mercer consultants it was most likely that these insurance firms would find it difficult to accommodate significantly greater business growth.

I have found that the private sector is not always as efficient as they would like everyone to believe, particularly when it comes to meeting social needs. As noted earlier, in line with Government's objective to ensure that everyone has access to affordable and quality healthcare coverage, on 25 November, 2003 Cabinet approved the establishment of the Cayman Islands National Insurance Company (CINICO). It was no longer cost-effective or sustainable for Government to continue operating a self-funded scheme without proper management by persons who have health insurance expertise.

CINICO has a local office staffed with persons experienced in health insurance and the company has also entered into an agreement with an independently owned, full service third party administrator (TPA) called CBCA. The TPA will provide enrolled member services, claim payment administration and manage all cases referred overseas for medical treatment. CBCA is able to negotiate significant discounts on fees charged by overseas healthcare providers, which is an improvement on what the Cayman Islands Government on its own has been able to do in the past. The Government has chosen not to renew its contract with Baptist Hospital because this hospital is part of the extensive network of over 400,000 providers in the United States which CINICO's clients have access to through CBCA.

The report also makes the following comments on the Healthcare Delivery System:

- Limited access to outpatient care on Grand Cayman fuels patient dissatisfaction;
- The need for additional general medicine staff on Grand Cayman and under utilization of clinical staff on Cayman Brac may be addressed by reallocating resources.

Efforts are being made to correct those areas highlighted but there is still more to be done to bring about improvements in the delivery of healthcare.

The final section of the report addresses the topic of Programme Cost and Funding and notes that–

- The current plan does not include cost sharing, encourages over utilisation, and is not appreciated by participants.

Contributing factors that impact the rate of increase of the Government Health Benefit Programme are highlighted. The Report states that the cost of the programme will not only increase because of utilisation and lack of cost controls, but also because of an increasing rate disease prevalence and use of services associated with the advancing age of the covered population. It was projected by the Mercer consultants that if the Government continued to be the sole source of funding for the Health Benefit Programme the annual cost would be 80 per cent higher by 2003.

A decision has yet to be taken on whether to change the current plan design and implement the recommendations on costing and funding the programme as outlined in Section 6 of the report. I repeat no final decision has been taken however, the critical success factors listed in the report for establishing a sustainable Health Benefit Programme are being considered. Through CINICO the TPA will be providing Government with detailed reports by each Ministry/Portfolio on utilisation data as well as financial information. This will allow the Governor in Cabinet in the near future to make informed decisions on medical benefits provided to entitled persons.

In conclusion I am pleased to be able to inform the Members of this Honourable House that here we are in March 2004 and through the efforts of several Government entities the following short-term recommendations listed in the Mercer report have been implemented:

Government through CINICO will continue to self-insure benefit coverage;

A TPA has been hired to provide eligibility verification, claim adjudication, care and disease management, provider network and management reporting;

- All providers both government and private are required by law to use standardised medical coding and claims submission;
- Through the reassigning of resources, access to outpatient services has improved;
- Efforts are being made to educate participants on the cost of health care and the value of healthcare benefits to participants.

The Ministry of Health Services is now in a position to begin addressing programme issues from a strategic perspective, instead of a reactionary one. In the 2004/5 Budget period work will commence on implementing the National Strategic Plan for Health and the focus will be on achieving the following long-term actions to create a sustainable health benefit plan, as recommended by the Mercer consultants:

- Create the healthiest possible covered population;
- Manage healthcare delivery;
- Control the cost of care; and
- Institute medical consumerism.

Against the will of certain parties, Mr. Speaker, I was determined that the Mercer Report should be made public as it has been today. I believe that the public is always able to exercise sound judgement when it is afforded the opportunity to be informed. The Report should not be seen as a volume of criticisms but rather an insightful examination of conditions relating to health insurance coverage in the Cayman Islands and recommendations to improve same. I am happy to say that due to the dedicated work of the staff in the Ministry of Health Services and many other persons in the Public Service, it has been possible to make various positive changes. I thank them all. We cannot, however, rest at this point as there is still work to be done.

Thank you, Mr. Speaker.

The Speaker: Honourable Members, the Honourable Leader of Government Business has requested that he make a statement at this time and I so order.

STATEMENTS BY HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

Statement on Barkers National Park

Hon. W. McKeeva Bush: Thank you, Mr. Speaker.

There have been questions regarding the acquisition of land for the Barkers National Park which I would like to address. I want to alert the public to the status of the national park in respect to two Parcels of land which were actively being negotiated by the Lands and Survey Department for purchase. The first Parcel is the Aamon Ebanks' Estate located on Block 9A and Parcel number 240. The estate represents family land and there are some members of the family who want to sell and others who do not.

The second Parcel of land is located on Block 9A Parcel 251 and is owned by the Azariah Ebanks Estate. Again some members of the family initially agreed to negotiate the sale of the land but others were not agreeing so the Executors have subsequently retracted their offer to sell the land and there are now no negotiations on this Parcel of property.

I wholeheartedly support the purchase of these properties and all other properties identified for the National Park. If the majority of family members agrees—I am speaking to the Aamon Ebanks Estate—I believe that through negotiation and compromise, the purchases can be successful as Government is willing to purchase those properties for the good of the people. The Minister of Planning on the advice of the Permanent Secretary has made recommendations to Cabinet, which are still under consideration. Because of Cabinet's confidentiality policy

these recommendations cannot be discussed publicly now, however, there are non Cabinet members who are of the opinion that the Government should secure the land by compulsory acquisition. I want to state abundantly clear, Mr. Speaker that I have a healthy respect for the will of the families involved and I do not support compulsory acquisition.

Recently, some family members have attempted to spread misinformation for political gain by claiming that the purchase of the Barkers land is affiliated with a Dart project. Nothing could be farther from the truth. The plan for the Barkers National Park developed as a result of ongoing discussions with the United Kingdom on the Cayman Islands' environmental obligations. The preservation of pristine lands is a primary objective of our various environmental commitments. In order to achieve this goal, the Department of Environment applied for and was successful in receiving a grant from the Foreign and Commonwealth Office (FCO). This FCO grant funded the initial feasibility study for establishing a park at Barkers. Following this Report, the Government adopted a plan to acquire for the people of these Islands and conserve the pristine lands at Barkers for the establishment of the Cayman Islands' first national park.

This generation has the opportunity to secure a place in these Islands where present and future generations may enjoy Cayman's natural beauty preserved in its natural glory. It is regrettable that detractors may compromise this noble and necessary endeavour – detractors within government and detractors on the outside.

In concluding, Mr. Speaker, I want to highlight the fact that some Caymanians often complain about the Seven Mile Beach being owned by foreigners. Yes, that might be so, but we must remember that the majority of beach property in these Islands was sold long before many of us were elected to this House or even before we were born. Mr. Speaker, I say this to say that while these properties, and in particular the Aamon Ebanks estate, are in private hands the Government is willing to secure, by way of purchase, these valuable properties for present and future generations of these Islands if the families agree. Failing that, Mr. Speaker, I will soon tell my Ministry to withdraw from negotiations and to purchase the beach properties which are being used now by the general public for the purchase then for posterity.

Thank you very much, Mr. Speaker.

ADJOURNMENT

The Speaker: Honourable Members, we have reached the end of today's agenda and I now call on the Leader of Government Business to move the adjournment.

Hon. W. McKeeva Bush: Mr. Speaker, I move the adjournment of this Honourable House until 10 am tomorrow.

I give apologises for the Honourable Financial Secretary, the Honourable Attorney General and myself who will depart these Islands with a delegation to Hong Kong tomorrow morning.

The Speaker: On behalf of the House we want to wish you all God's speed and trust that you will all arrive and return safely.

The question is that this House do now adjourn until Thursday, 18 March 2004 at 10 am. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 5.27 pm the House stood adjourned until Thursday 18 March 2004 at 10 am.

OFFICIAL HANSARD REPORT
THURSDAY
18 MARCH 2004
11.00 AM

Eighth Sitting

The Speaker: I will call on the Second Elected Member for Cayman Brac and Little Cayman to lead us in prayer.

PRAYERS

Mr. Lyndon L. Martin: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Executive Council and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 11.03 am

The Speaker: Please be seated. Proceedings are resumed.

ADMINISTRATION OF OATHS OR AFFIRMATIONS

Oath of Allegiance
Mr. A. Joel Walton

To be temporary Honourable Third Official Member responsible for the Portfolio of Finance and Economics
(Administered by the Clerk)

The Speaker: I call on Mr. Walton. Please be upstanding.

Mr. A. Joel Walton: I, A. Joel Walton, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, her heirs and successors according to law, so help me God.

The Speaker: Mr. Walton on behalf of the Honourable House I welcome you as the Temporary Third Official Member and trust that your time with us will be enjoyable as in the past.

Please remain upstanding while I call on the Temporary Second Official Member, Mr. Stephen Hall-Jones.

Oath of Allegiance
Mr. Stephen Hall-Jones
To be temporary Honourable Second Official Member responsible for the Portfolio of Legal Administration
(Administered by the Clerk)

Mr. Stephen Hall-Jones: I, Stephen Hall-Jones, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, her heirs and successors according to law, so help me God.

The Speaker: Similarly, Mr. Jones I welcome you to this House and trust that you will enjoy your stay with us and ask you to take your seat as the Temporary Second Official Member.

Please be seated.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: Honourable Members, we have a number of our Members absent today away on official business. Before I call their names I would ask you all to attempt at all times to maintain a quorum in the House. If you have to go out for any reason please check to see that there are at least eight people in here so that we can maintain a quorum without having to send the Sergeant searching for Members.

Apologies for absence: the Minister of Education, Human Resources and Culture will be away on official business from the 16–18 March 2004. Simi-

larly, the Honourable Leader of Government Business is away on official business. The Second Official Member and the Honourable Third Official Member are also absent due to official business. The Third Elected Member for West Bay is also off on official business from the 15–18 March 2004. The Elected Member for North Side sends her apologies for her absence.

Apologies for late arrival from the Third Elected Member for Bodden Town.

Suspension of Standing Order 23 (7) and (8)

The Speaker: Honourable Deputy Leader of Government Business we have passed the hour of 11 o'clock and I would ask that you move the Suspension of Standing Order 23(7) and (8) so that we can continue beyond that time.

Hon. Gilbert A. McLean: I beg to the Suspension of Standing Order 23(7) and (8) so that questions can be taken passed the hour of 11am.

The Speaker: The question is that Standing Order 23 (7) and (8) be suspended to allow question time to continue beyond the hour of 11am.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 23(7) and (8) suspended to allow Question Time to continue beyond 11 am.

QUESTIONS TO HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

Question No. 112

No. 112:Mr. V. Arden McLean asked the Honourable Minister responsible for the Ministry Health Services, Agriculture, Aviation and Works to provide details of the number of administrative and managerial staff hired since July 2002 by the Health Services Authority along with:

a) Annual salary;
b) Commissions and/or gratuities;
c) Inducement allowances; and
d) Any other benefits.

The Speaker: The Honourable Minister responsible for Health Services, Agriculture, Aviation and Works.

Hon. Gilbert A. McLean: Thank you, Mr. Speaker.

No commissions, gratuities or inducement allowances are provided by the Health Services Authority (HSA) for staff. In addition to annual salary staff are enrolled in the Public Service Pensions Plan. The HSA also covers the medical costs of its employees.

After changing the Health Services Department to an Authority in July 2002, a review of the management structure resulted in the following appointments:

1. In August 2002 as part of restructuring the departments within the Cayman Islands Hospital a Nurse/Business Manager was hired for the General Practice Service.

2. In October 2002 a Managing Director was appointed by the Board of Directors—this short-term position was created as there was a need for someone to carry out specific directives of the Board related to creating efficiencies within the organisation and assessing its financial position. After both objectives were achieved the post was made redundant—the appointment ceased in August, 2003.

3. In March 2003 an Accountant was hired to assist with the work of making the Health Services Authority a financially viable entity and in preparing financial statements for the first time ever. That person is now Acting Chief Financial Officer and is being paid an acting allowance for the additional duties associated with the post. The substantive post has recently been advertised.

4. In April 2003 the position of Network Administrator was filled to support the implementation of the CERNER Integrated Hospital Information System.

5. Almost a year later, in June 2003 it became apparent that there was an urgent need for a high level of expertise to assess the changes that had taken place within the organisation since July 2002 and determine the future direction of health services in these Islands. Therefore Cabinet supported the Health Services Authority Board in its decision to hire a new Chief Executive Officer (CEO) for 36 months to set and achieve strategic goals for the organisation. A relocation allowance was attached to the post. No pension is payable to the CEO as he is past the age required by law to be enrolled in a pension plan.

6. In August 2003 an Accounts Receivable Consultant was hired on a short-term locum contract. The locum left the Health Services Authority in December, 2003.

7. (i) In September 2003 a Consultant Chief Information Officer was hired to oversee the implementation of the CERNER Integrated Hospital Information System and determine the technology needs for the health services.

The substantive post has been advertised and is expected to be filled very soon.

(ii) A Director of Marketing, Web and Programme Development was also hired in September. That post has been made redundant and the post holder left the Health Services Authority in February, 2004.

8. (i) On 1st March, 2004 a Director of Human Resources was hired. The post holder is required to administer, plan, co-ordinate, direct and implement the personnel services for the Health Services Authority. The current post holder leaves the Health Services Authority at the end of March.

(ii) On 15th March, 2004 a Human Resources Manager was hired. The post holder is a recently qualified Caymanian who will understudy the Director of Human Resources in preparation for taking over the substantive post.

9. Under Standing Order 23 (4) information on the salaries of these posts is declined in that an answer, in the opinion of the Government, would be contrary to the public interest as the present holders of these posts should be afforded the privacy enjoyed by employees generally in these Islands. Additionally, exposure of the salaries of these individuals will have an effect on future recruitment of individuals to similar posts in the HSA who would be wary of having their income and benefits discussed in the public domain, particularly that the HSA, for good reason, now follows a private sector model of governance.

The Speaker: Honourable Members, before I call for supplementaries, I would advise that Standing Order 23(4) states: **"A Member of the Government may decline to answer a question if an answer would, in the opinion of the Government, be contrary to the public interest."** I think it is quite in order for him to decline from answering those particulars.

I will now call for supplementaries.

The Elected Member for East End.

Supplementaries

Mr. V. Arden McLean: Thank you, Mr. Speaker.

Suffice it to say that I am a little puzzled as to how the disclosures of salaries of a public servant could be contrary to the public interest which pays those salaries.

The Speaker: Could you go to your questions please?

Mr. V. Arden McLean: My question is, can the Minister tell us what would be contrary to disclosing the salaries of a public officer?

The Speaker: The Honourable Minister of Health Services, Agriculture, Aviation and Works.

Hon. Gilbert A. McLean: Mr. Speaker that would be a question I think the Member should pose to the Honourable Chief Secretary because I am speaking to the salary of someone who is an employee of a government authority and that is the difference. I am sure the Member is already aware of that and I have already answered that question in the last part of the substantive answer.

The Speaker: Are there any further supplementaries? The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Mr. Speaker, in the substantive answer No. 8, the Minister said: **"(i) On 1st March, 2004 a Director of Human Resources was hired. The post holder is required to administer, plan, co-ordinate, direct and implement the personnel services for the Health Services Authority. The current post holder leaves the Health Services Authority at the end of March."** That means that this person is supposed to do all these things in one month.

"On 15th March, 2004 a Human Resources Manager was hired. The post holder is a recently qualified Caymanian who will understudy the Director of Human Resources in preparation for taking over the substantive post." This means that the Human Resource Manager, who was hired two or three days ago, is going to understudy for two weeks and take over the job of human resources.

Can the Minister state if that is reasonable and sensible?

The Speaker: The Honourable Minister of Health Services, Agriculture, Aviation and Works.

Hon. Gilbert A. McLean: Mr. Speaker, the person that has been hired as director of Human Resources is a highly qualified and experienced individual who, prior to the actual hiring, had familiarised herself considerably with the situation and the present post-holder is really a consultant, and is there until the end of the March. The person is already in post and arrangement for hand-over has been done through the Chairman of the Board and the management.

The second person has also been hired on 15 March to assist with this particular exercise. Should it be found that a longer period of handover might be helpful I think it lies within the management of the Hospital to request the consultant to stay on a while longer. I would emphasise that the person who is staying on is a consultant, so there is some flexibility in that.

The Speaker: The Honourable Leader of the Opposition.

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

Just for clarity, when the Minister refers in: **"8. (i) On 1st March, 2004 a Director of Human Resources was hired."** That is one person.

Further down he says: **"The current post holder leaves the Health Services Authority at the end of March."**

Is that another person or are we talking about the same person? I think that is where I am mistaken.

The Speaker: The Honourable Minister of Health Services, Agriculture, Aviation and Works.

Hon. Gilbert A. McLean: Mr. Speaker, it is another person.

The Speaker: The Second Elected Member for George Town. We will allow two more supplementaries after this one.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. I wonder if the Honourable Minister can tell us if the Health Services Authority is self-sufficient or if it is still being funded from the public purse.

The Speaker: The Honourable Minister of Health Services, Agriculture, Aviation and Works.

Hon. Gilbert A. McLean: Mr. Speaker, the Health Services Authority, which we used to know as the Government Health Services Department, is doing the best it has ever done financially. There is, however, in the budget a provision of $4.5 million which is allowed for subsidy. Only about half has been drawn to date, nevertheless it is available should they need it.

The HSA is being encouraged by the Board and all persons concerned, including myself, to pay its own way. It was understood that that was the whole purpose of it. The various changes that have been made in the way the finances are handled, and by the use of the computer system, have helped to improve that situation. It is doing extremely well, however, a subsidy is available to the extent that it might be needed and can be proven to the Ministry that it is needed.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, given that Government is subsidising the Authority by $4.5 million a year. I would ask the Honourable Minister if he does not think, how that $4.5 million is being spent should be subject to scrutiny by this Honourable House which will be called upon in the usual way to vote those funds?

The Speaker: The Honourable Minister of Health Services, Agriculture, Aviation and Works.

Hon. Gilbert A. McLean: Mr. Speaker, I agree with the Honourable Member, it is something which will be done.

Reports will have to be tabled in this Honourable House as to what has happened in the Health Services Authority. What that represents in large part is also monies which have been allotted to the Ministry to pay the Health Services Authority.

If a person goes to the Health Services Authority now—within the 10,000 people who Government covers for medical care—the HSA now bills Government and Government pays them just as it would pay any other provider of services to it.

The one difference that has occurred since the Cayman Islands National Insurance Company (CINICO) has been formed—we have contracted with a third party administrator—is that the Hospital now bills the third party administrator who examines the bills to see whether they agree with what is shown on that bill and then, if they authorise the bill for that amount, the insurance company pays the bill and settles it.

Therefore, Mr. Speaker, the whole situation of finances has been made more accountable. It is not just getting a bill in block and settling it. It has come under much greater scrutiny for considerable savings.

The Speaker: The Second Elected Member for George Town, this is the last supplementary on this question.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, given all that the Honourable Minister has said about accountability and scrutiny of the financial affairs of the Health Services Authority by this Honourable House I would ask him ought not that scrutiny be permitted to extend to the salaries paid, particularly, to the senior employees of the Authority?

The Speaker: The Honourable Minister of Health Services, Agriculture, Aviation and Works.

Hon. Gilbert A. McLean: Mr. Speaker, as the Honourable Member would know, the situation with the Budget has changed to one of an accrual system and Government purchases certain services. For those services it is no longer the line items, et cetera, which existed in the budget before. Even when we had another system of budgeting it would show the salary of a post within a salary range; it did not set down the salary of individuals.

Salaries are a very personal matter and I think anyone would agree with that. The fact that this question has been posed in this Honourable House would be airing people's personal salaries which has nothing to do with the ultimate approval by the House in truth. We are paying for services which require the payment of certain staff.

We also need to take into account the fact that the Hospital is now earning its own money to pay its own staff. Again, I say that salaries are personal and it cannot help the HSA in recruiting staff—be they from Timbuktu, the United States, England or wherever—to know that discussion in the Legislative Assembly which will be aired tonight is airing their salaries to the world.

I know what this question is all about. They wish for me to talk about the salary of the Chief Executive Officer and under the Standing Orders I am empowered to decline to do that. I do not see it as

helping this country or anyone in it. I can give them no more information.

The Speaker: Madam Clerk, the next question please.

Question No. 113

The Speaker: The First Elected Member for George Town and Leader of the Opposition.

No. 113:Hon. D. Kurt Tibbetts asked the Honourable Minister responsible for the Ministry of Health Services, Agriculture, Aviation and Works to give an update on the situation between the Civil Aviation Authority and Island Air Limited.

The Speaker: The Honourable Minister of Health Services, Agriculture, Aviation and Works.

Hon. Gilbert A. McLean: Mr. Speaker, the Civil Aviation Authority and Island Air Limited reached an agreement with regard to resolving the issue of outstanding landing fees claimed by the Civil Aviation Authority. On Friday 30 January 2004 Island Air paid an agreed sum to the Civil Aviation Authority to settle the entire debt and this matter is now concluded.

Supplementaries

The Speaker: Are there any supplementaries?
The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you. Mr. Speaker, could the Minister state if he finds it necessary to exercise Standing Order 23(4) in this instance or may I ask what the amount owing was and what the settlement was?

The Speaker: The first part of that question is not necessary, Honourable Minister. If a question is asked and a Minister deems it appropriate to state that he cannot answer under that section of Standing Order he will say so. Please answer the second part of the question.

Hon. Gilbert A. McLean: Mr. Speaker, this was a matter that actually went before the courts. It is a matter which was outstanding for nine years and I think it is in the interest of the public to know that a debt owed to it over that period of time has been finally concluded.

Therefore, I would answer the Honourable Member. The details of the agreement were that Island Air, on or before the 30th day of January 2004, would pay CI$500,000 to the Civil Aviation Authority (CAA) and it would waive the sum of CI$60,000 owed to Island Air by the Civil Aviation Authority in full and final settlement of the plaintiff's claim. Once Island Air had paid the CI$500,000 to the Civil Aviation Authority, Island Air would be discharged of any further liability in respect of the CAA's claim in action. The payment by Island Air to the CAA of the said sum of CI$500,000 would be a full and final settlement of all claims that either party may have had against the other or any other party arising out of the matter of this action. Each party would pay its cost of an incident to the proceedings therein. The amount claimed by the Civil Aviation Authority was $1.1 million.

The other side of the coin is that this was a matter that had gone for almost 10 years. In that time there had been two or three different Ministers and administrations that had dealt with this matter. Unlike what the press said, at the time that I first answered a question on this a year or so ago, I did know what had to be done to collect it, and I did that.

However, in fairness to the defendants — Island Air—I have read correspondence I supposed would only have transacted between Government and another party and no one took the opportunity to arrive at a decision.

There was no way for me, or the Court, I dare say, to know what transacted in those meetings between Government Ministers before me and I certainly was not prepared to try to guess that.

Thus, my position was this matter should go to the courts making them the ultimate authority. If they said money was not owed then that was fine. If they said it was owed then that was also fine.

The Civil Aviation Authority hired lawyers and it was litigated and the Court gave the opportunity for discussion and negotiation. Personally, I believe that in all of the circumstances each person can walk away feeling that a degree of fairness was reached.

The Speaker: I will allow two further supplementaries.
The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Mr. Speaker, can the Minister state, as I am certain all of us are happy that the matter has come to conclusion, what effect the concluded matter will have on the relationship between Island Air's inter-island service and the inter-island service being conducted now by Cayman Airways?

The Speaker: The Honourable Minister of Health Services, Agriculture, Aviation and Works.

Hon. Gilbert A. McLean: Mr. Speaker, when this matter was concluded I was a very happy person. A statement was issued by the Ministry in which I was quoted as saying—not necessarily in the exact words—that I was happy that it had concluded and that I trusted that it would mean that Island Air would continue to offer services as before because I personally believe that competition was good.

My understanding at this time is that Cayman Airways now operates two De Havilland Twin Otters [DHC-6] that provide regular scheduled service. I have

seen in the newspaper that Island Air is now offering service as a charter operation.

I also gather that it still flies quite regularly to Cayman Brac and Little Cayman. I understand that they are offering a reduced rate so competition is good. The Minister responsible is saying they are providing a good service there so Cayman Brac and Little Cayman have benefited from the whole situation and I understand most of the flights are full. There are better time schedules and everything else and there is nothing that hinders Cayman Airways from co-operating with Island Air or vice versa. I have heard of at least one incident where that did happen.

The Speaker: Honourable Leader of the Opposition, the two supplementaries follow the last supplementary that you asked.

Hon. D. Kurt Tibbetts: Thank you. Mr. Speaker, just so that we might know—and certainly all of us are happy to hear that the situation is seemingly working out for everyone's benefit—can the Minister state, although I know he is not directly responsible, if Cayman Airways intend to continue the service that they started with the twin Otters and the inter-island route?

The Speaker: The Honourable Minister of Health Services, Agriculture, Aviation and Works.

Hon. Gilbert A. McLean: Mr. Speaker, in keeping with the policy of the Ministry in relation to Cayman Airways and undertaking to Cayman Brac and Little Cayman to provide regular and dependable service, Cayman Airways is providing that service and will continue to provide that as long as there is a need for that to be done.

The Speaker: The Honourable Leader of the Opposition; this is the last supplementary.

Hon. D. Kurt Tibbetts: Thank you, Mr. Speaker. Again, that is good news. Can the Minister state, with the situation having concluded, if the arrangement in place now with Island Air, Cayman Airways and the Civil Aviation Authority with regard to landing fees is one where it is a pay-as-you-go situation?

The Speaker: The Honourable Minister of Health Services, Agriculture, Aviation and Works.

Hon. Gilbert A. McLean: Thank you, Mr. Speaker. The operation of Cayman Airways, which is called Cayman Express, has been broken into a separate entity to offer that service and it is required to break even in its operations. For sometime now I have known that Island Air had begun to pay its fees and to the best of my knowledge both entities are now up to date on their fees.

The Speaker: Madam Clerk.

Question No. 114

The Speaker: The First Elected Member for George Town and Honourable Leader of the Opposition.

No. 114:Hon. D. Kurt Tibbetts asked the Honourable Minister responsible for the Ministry of Health Services, Agriculture, Aviation and Works if there are any plans to upgrade the Owen Roberts International Airport terminal.

The Speaker: Honourable Minister of Health Services, Agriculture, Aviation and Works.

Hon. Gilbert A. McLean: Mr. Speaker, the Civil Aviation Authority commissioned an Airport Master Plan study for the Owen Roberts International Airport for which a report was submitted in November 2002.

This Plan is the fist comprehensive report of its kind prepared for the Civil Aviation Authority. The report includes provisions for upgrading the main commercial terminal building, developing a new general aviation terminal facility, constructing a partial parallel taxiway and lengthening the runway.

It was recommended that implementation of the Plan be completed in phases with the main commercial terminal building upgrade identified for Phase 1 in this development project.

Supplementaries

The Speaker: Are there any supplementaries? The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you. Can the Minister state at what stage the main commercial terminal building upgrade is placed since it is Phase 1? Is it still being talked about?

The Speaker: Honourable Minister of Health Services, Agriculture, Aviation and Works.

Hon. Gilbert A. McLean: Mr. Speaker, the Report has been looked at by the Ministry. The Civil Aviation Authority has taken certain steps to engage persons who might have an interest in developing the terminal and taking part in the development process but nothing has been done yet to formally go out to any particular bid and so on for the building.

An assessment of the structural integrity of the present building has been undertaken to see whether improvements can be made as have been envisaged and that is a process which, if not completed, should be reaching near completion.

I would say that ever since the word has been out that there is a master plan much interest has been expressed by entities who would wish to be contractors or who to participate by funding it. There have been various statements of interest from different parties.

The Speaker: The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Thank you. The Minister mentioned two things in that answer to the supplementary. He mentioned the master plan and I am not prepared to assume that the master plan he speaks about is the plan which is included in the report. However, if that is the case, can the Minister give us some idea of exactly what the recommendation contains with regard to Phase 1?

The Speaker: The Honourable Minister of Health Services, Agriculture, Aviation and Works.

Hon. Gilbert A. McLean: Mr. Speaker, I could not give any specifics as to what has been suggested in Phase 1 because there are a number of things; however the plan does provide for a 20-year phased development.

One of the things that has been recommended is that the terminal be moved further eastward which would make it closer to where aircraft turn around approaching from the west, and that certain developments be made to the present terminal which would then serve for smaller light aircraft.

I could not accurately state exactly what is in the Phase 1 without having the document to look at it.

The Speaker: The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Can the Minister state if, given the availability of the Report, it is the considered opinion of the Ministry that the Phase 1 process be recommended and if Phase 1 is something that needs to be acted on immediately, or what kind of time line is suggested based on the existing traffic and the load expectations that may be anticipated?

The Speaker: The Honourable Minister of Health Services, Agriculture, Aviation and Works.

Hon. Gilbert A. McLean: Mr. Speaker, work needs to be done on the present facility right now because it is pretty shabby in certain areas and certain things need to be done. There is an everlasting leak that cannot be found because it is a flat roof the way it is constructed. Attempts have been made to find out exactly where the leak is but that has proved somewhat of a mystery.

The terminal has outgrown itself and the number of people coming in or going out is much larger than originally planned for and something needs to be done about that.

Whether it makes sense to spend a lot of money to develop that further to meet the immediate need or whether it is better to begin to build a new facility and try to make-do with this until the other one is done is the major question that has to be answered at this time.

I have not received technical advice on that. In recent times I know it is something which the director of Civil Aviation and the Board was looking at. I could not accurately state what the situation is there now, however it needs immediate attention. The numbers are much higher than it was originally built for. There are more aircrafts and more persons at one time, particularly at the time of arrivals.

The Speaker: Are there any further supplementaries? The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker. I wonder if the Minister can tell us, in all those plans that he outlined in the comprehensive Report, if there were any recommendations on the development of any revenue earning areas for the Civil Aviation Authority such as hangars, et cetera, on the properties.

The Speaker: The Honourable Minister of Health Services, Agriculture, Aviation and Works.

Hon. Gilbert A. McLean: Mr. Speaker, I would not want to say that hangars were included. My recollection is that would be a part of the process, however within the plan there are definitely recommendations in terms of areas where revenue could be enhanced.

I would just say that as soon as that plan has been accepted by the Cabinet I intend to make it available and table it here in this Legislative Assembly. However, that part of it has not happened as yet and I am working towards that as quickly as I can.

The Speaker: Are there any further supplementaries? If not, Madam Clerk could you continue please?

OTHER BUSINESS

PRIVATE MEMBERS' MOTIONS

PRIVATE MEMBER'S MOTION NO. 11/03

Suspension of Standing Order 14(3)

The Speaker: Honourable Members, the reason for the suspension of Standing Order 14(3) is that on Thursdays, Private Members' Motions take precedence over Other Business on the Order Paper. It is followed by Private Member's Bills, and then followed by Government Business.

It is proposed that the Private Members' Motions today will come after Government Business, thus the need for the suspension of Standing Order 14(3).

I would call on the Honourable Deputy Leader of Government Business to move the suspension.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move the suspension of Standing Order 14(3) to allow Government Business to be taken before the Private Member's Motion which is on the Order Paper.

The Speaker: The question is that Standing Order 14(3) be suspended.

All those in favour please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 14(3) suspended to allow Government Business to take precedence over Private Member's Motions.

Suspension of Standing Orders 45, 46(1) and (2)

The Speaker: The Honourable Deputy Leader of Government Business.

Hon. Gilbert A. McLean: Mr. Speaker, I would just like to say, prior to moving the suspension of the two Standing Orders, that I do apologise to you and this House that it is necessary to do this.

Had these Bills been completed prior to now and there had not been the time constraint that we must depart this building because of the need for it by the Court I would have circulated the Bills for a longer time.

I ask the indulgence of this Honourable House to suspend Standing Orders 45 and 46(1) and (2) to allow these Bills to be dealt with in a shorter period of time that would normally be allowed.

The Speaker: The question is that Standing Orders 45 and 46(1) and (2) be suspended.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Orders 45 and 46(1) (2) suspended to allow the Bills to be read a first time.

GOVERNMENT BUSINESS

BILLS

FIRST READINGS

The Civil Aviation Authority Bill, 2003

The Speaker: The Bill is deemed to have been read a first time and is set down for Second Reading.

The Airports Authority Bill, 2003

The Speaker: The Bill is deemed to have been read a first time and is set down for Second Reading.

Suspension of Standing Orders 46(4)

The Speaker: The Honourable Deputy Leader of Government Business.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move the suspension of Standing Order 46(4) that the Second Readings on the Bills may be taken.

The Speaker: The question is that Standing Orders 46(4) be suspended.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 46(4) suspended to allow The Civil Aviation Authority Bill 2003 to be read a second time.

SECOND READINGS

The Civil Aviation Authority Bill, 2003

The Speaker: The Honourable Minister of Aviation.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move a Bill for a Law to Repeal and Replace the Civil Aviation Authority Law (1997 Revision); to Divest the Civil Aviation Authority of its Functions in Relation to the Management and Control of Airports; and for Incidental and Connected Purposes.

The Speaker: The Bill has been duly moved, does the Mover wish to speak thereto?

Hon. Gilbert A. McLean: Thank you, Mr. Speaker.

Mr. Speaker, and Honourable Members, the approval of the Civil Aviation Authority Bill, 2004 will facilitate the separation of the regulatory and operational aspects of civil aviation operations in the Cayman Islands, an action that has been too long outstanding. This Bill seeks to repeal and replace the Civil Aviation Authority Law (1997 Revision); to Divest the Civil Aviation Authority of its Functions in Relation to the Management and Control of Airports. The separation will allow for the establishment of an Airport's Authority and also ensure that the Cayman Islands are compliant with the standards and practices of the International Civil Aviation Organisation (ICAO).

Established in 1987, the Civil Aviation Authority has made great strides in developing acceptable regulatory and operation standards for civil aviation in

the Cayman Islands. Although the industry has seen tremendous growth over the years the Authority can no longer continue the process of managing both regulatory and operational functions. To meet the demand for improved services with respect to international standards there is now a need to improve and redefine aviation operations in the Cayman Islands.

The United Kingdom Government has also directed all overseas territories to separate operational and regulatory functions for the avoidance of any conflict of rules, which is also in keeping with ICAO's recommendation.

Under the direction of the United Kingdom's Department of Transportation, Air Safety Support International has been established as a mechanism to ensure that overseas territories are compliant with the above recommendation and also, to provide a more cohesive system of civil aviation safety regulations in the overseas territories. If an overseas territory were unable to separate operational and regulatory functions the Air Safety Support International will be appointed as the regulator for civil aviation in that respective territory.

In light of the need to bring the Islands' civil aviation sector into compliance with ICAO guidelines a consultant was hired to advise the Civil Aviation Authority and the Ministry on the process for the creation of an Airport's Authority and the allocation of responsibility for aviation matters between the Civil Aviation Authority and an Airport's Authority.

Following a review of the aviation practices in the Cayman Islands the consultant recommended that the Civil Aviation Authority should be responsible for the following functions:

a) All aviation safety services including airworthiness inspections, personnel licensing, aircraft registration, et cetera:
b) the regulation of air navigation services:
c) the regulation of aerodromes; and
d) the provision of air navigation services.

Accordingly, and in addition to other functions, section 5(1)(a) of The Civil Aviation Authority Bill, 2003 sets forth that the responsibilities of the Authority are -

"(a) such functions as are, for the time being, conferred on the Governor by or under any Air Navigation (Overseas Territories) Order or other regulations of a similar nature made under any United Kingdom Act with respect to the regulation of civil aviation in the Cayman Islands (including the registration of aircraft), the safety of air navigation and aircraft (including airworthiness), the control of air traffic, the certification of operators of aircraft and the licensing of air crews, the licensing of air transport services, and the certification and licensing of airports;

(b) … the provision and control of air navigational services; …".

It is acknowledged that the separation of regulatory and operational responsibilities is generally considered to be the ideal scenario for the development of an institutional framework of civil aviation. To facilitate this process an Airport's Authority will also be established to maintain the operational component of airports as discussed in paragraph one above.

It should nevertheless be noted that the Civil Aviation Authority will continue to provide air navigation services, which are not a regulatory function. There are two sound reasons for this:

(1) It is necessary for the Civil Aviation Authority to have additional revenue streams if it is to be a viable organisation and independent from government subsidy; and

(2) from the human resource perspective air navigation personnel will provide the pool for future regulators.

By keeping air navigation services within the CAA the significant investment in training will be kept within a single organisation.

It is important to note that ICAO, while recommending separation of regulatory and operational functions, states that this should be done only as far as is practicable and that member states should take the economic viability of their civil aviation organisations into consideration.

The Bill has been circulated to Honourable Members albeit in a short period of time. It makes for no surprises to the best of my understanding and belief, it is simply an attempt to bring about the separation of two functions; that of regulatory to that of operational.

It is before this Honourable House for the will and pleasure of Members. I invite Honourable Members to support the passage of this Bill.

The Speaker: Does any other Member wish to speak? If it is the wish of Members we will take the morning break for 15 minutes.

Proceedings suspended at 12.12 pm

Proceedings resumed at 12.32 pm

The Speaker: Please be seated. Proceedings are resumed. The Honourable Leader of the Opposition speaking.

Hon. D. Kurt Tibbetts: Thank you for your direction, Mr. Speaker.

This proposed Bill for a Law to Repeal and Replace the Civil Aviation Authority Law (1997 Revision), and what I call its companion legislation, which is a Bill for a Law to establish the Cayman Islands Airport Authority are, certainly in concept, two pieces of legislation that the Opposition welcome.

We are in agreement, from experience at varying levels, with the principle of separating the operational and regulatory functions of civil aviation here in the Cayman Islands. We have seen on occasion where the two co-habiting have caused not only con-

flict of interest but problems with resources on the one end causing difficulties with positive results that are needed on the other end.

The Minister, in piloting this Bill through, has spoken to the fact that this is in keeping with the recommendations of the international organisation called ICAO. If we do any reading at all about civil aviation it is accepted as the ideal scenario worldwide. We can safely say that from the experiences of other jurisdictions, not only from conceptualising the separation but from the experiences of other territories, it is the wise thing to do.

As is usual we, the Opposition, will do our best to look at the proposed legislation and make comments on individual clauses outside of the concepts that are being promoted as we see our responsibility as one which should be to make note or bring to light any specific points in the proposed legislation which the Government might wish to look at before passage of the Bill.

Just one more point before I go into the specific areas to be addressed. The Minister noted —and we want to put on record that we are in agreement with the circumstances being proposed —that the CAA, being the new regulatory body, will have as part of its function an operational section, air navigation services or as we loosely term it "air traffic control."

If one were to nit-pick one might say, "Why leave the air navigation services with the Civil Aviation Authority? However, the fact is the purpose of that exercise is first of all an economic reality in order for the Civil Aviation Authority to not have to be subsidised and to be able to function autonomously and be able to make its own decisions under the parameters of the law with its own assets and its own income.

We accept that and we do not believe that this would interfere with the regulatory functions of the Civil Aviation Authority. The fact is, as mentioned by the Minister, we also agree that having the air navigation services, under the umbrella of the Civil Aviation Authority, will provide the continuity and the succession planning that is needed for the human resources that will be continually required within that Authority to be able to perform the regulatory functions and the training and background that is necessary.

As has been proven in the past with the Authority being under one umbrella, those who are both in middle management and at the top end of management in the present Civil Aviation Authority are just about all Caymanian individuals who came up through the ranks, got the necessary training and are now qualified to perform the functions that are necessary.

Thus, we are in agreement with the principle that is being proposed, so, lay the ground work because all is well on that end.

Moving to the Bill itself there are a few areas that we thought might need some comments. The very first one is on pages 14 and 15. It is more of a question than anything else.

In subsection (4), the middle of page 14, it speaks to the constitution of the Civil Aviation Authority Board and it reads: **"The Board shall consist of a chairman, a deputy chairman and not less than three nor more than seven other directors, two of which seven directors shall be public officers, … "**

Page 15, section 8(5) it says: **"The quorum of the Board shall be not less than one half of the total number of directors."**

This is pure addition. It seems to read that the chairman and the deputy chairman, while they have their designation, are also deemed to be directors. If that is the case, that is two people, and the minimum and maximum numbers are three and seven; when you use those figures you always end up with odd numbers. If you are speaking to a quorum being not less than one half of the total number of directors you will have to divide somebody into two. Hence, I think we need to look at those figures. Probably the answer to that, Mr. Speaker, is to use even numbers for minimums and maximums and you will be out of the woods. The only way I am not right is if the chairman and deputy chairman are not directors. It reads on further in the Bill and it speaks to them as directors. When we go to page 16 and look at section 9 it speaks about a director with a pecuniary interest. With your permission may I read?

The Speaker: Please continue.

Hon. D. Kurt Tibbetts: Thank you.

It says: **"If a director has any pecuniary interest, direct or indirect, in any contract, proposed contract, licence or other matter and is present at a meeting of the Board at which any of the foregoing is to be considered, he shall at or before the meeting or before the matter is considered disclose the fact and shall leave the meeting for the duration of and not take part in the consideration or discussion of or vote on the matter."** It speaks to being guilty of an offence if you do not do that.

Subsection (5) reads: **"This section does not apply to an interest in a contract or licence or proposed contract or licence or other matter which a director has as a member of the public or to an interest in any matter relating to the terms on which the right to participate in any service is offered to the public."**

Perhaps this is something that has been the norm prior to this. It may well have been a part of the other legislation; I am not sure because I did not have time to go into other existing legislation.

It seems to me that if that director has any interest in a contract or a licence and there is any dealing with it whatsoever at a meeting of the Board —if, as I understand it, this section is dealing with a meeting of the Board—then I do not see any circumstances which would exempt that director from declaring that interest.

Subsection (5) speaks to it not applying in those circumstances. I believe that if there is any interest whatsoever, whether as a member of the public or as a director, if you are going to participate as a director in a meeting which has any effect at all on that interest you have to declare that interest.

I do not see the logic in an exemption in subsection (5), unless there is something that I did not catch in reading the proposed legislation. We need to take a second look at that because I am certain the spirit and the intent of the Bill is not to cause for any one, having been appointed a director, to be under public scrutiny with any question marks regarding their integrity—and more so the Board itself—of its functions. Hence, the point is raised.

I am little bit confused because it goes further, extending the point that I just raised. With your permission Mr. Speaker, I would like to read section 10 (4): **"Where a director has an indirect pecuniary interest in a contract or licence or proposed contract or licence or other matter by reason only of a beneficial interest in securities of a company or other body, and the nominal value of these securities does not exceed one thousand dollars or one-thousandth of the total nominal value of the issued securities or of any class of issued securities, section 9 shall not prohibit him from taking part in the consideration or discussion of or voting on the contract or licence or proposed contract or licence or other matter, without prejudice however to his duty to disclose his interest."**

This is what I call the benchmark section. This subsection seems to me to be drawing a benchmark that if one's interest is considered to be nominal—because it quotes figures of **"… one thousand dollars or one-thousandth of … "**—then while you have to declare it you can still participate in the discussions and vote on it. I have to say that I do not agree with that.

I understand that this is not a question of an individual's integrity. You might find it impossible to have any one being part or Director of a Board and a situation of this nature not occur. The only difference that I speak to with what the proposed piece of legislation says is the fact that, in my view,—and I speak on behalf of the Opposition because we have discussed this—one should not put the Board in that type of situation because perception becomes reality.

It should not be difficult to have the legislation crafted in such a manner where, regardless of the interest, direct or indirect, it is declared and for that specific issue the person simply does not participate. If he or she is not supposed to participate at another level then I think this level should be the same. The point I am making is that subsection (4) should be taken out of the legislation because a person who would fall in the category of subsection (4), if it did not exist, would simply fall into the other category of section 9.

What we are doing with section 10(4) is laying two different categories of interest, and I do not believe we should do that. There is absolutely no benefit to the Authority in having that type of two-tiered disclosure from the point of view that someone can participate in voting once they declare the interest because it is less of an interest than another. I do not think it should be done like that, Mr. Speaker, therefore I raise the point and the Government can decide how they see it. I do not see it as a big issue because certainly the legislation cannot be crafted for an individual. There should be absolutely no reason why it cannot be considered in that light.

When we move on to speak to the personnel of the Authority I am pleased. When I looked at 11(1) I was not pleased because I was beginning to ask to some questions. I have to refer to this section and then the others afterwards. It says: **"The Director-General shall be appointed by the Governor, at such remuneration and on such terms and conditions as the Governor may think fit, after consultation with the Board."**

My first question was, without having read anything else, what about terms and conditions under which the person is employed at present, assuming that there is a transition from existing personnel in the Civil Aviation Authority into the new Civil Aviation Authority after hiving off the airport's authority?

When we turn the page and go to section 14 there was a little question about this earlier this morning during Question Time.

We want to be very clear with this; section 14(1) reads: **"A public officer employed in the Authority immediately before the date of commencement of this Law … "** that is, now **" … may, on or after that date, be offered employment by the Authority** [just like the Director-General in what I read earlier] **and, if he accepts the offer, shall become an employee of the Authority on terms and conditions of employment no less favourable than those that apply to his office in his employment in the Authority, except- (a) to the extent other terms and conditions are agreed between such employee and the Authority: … "**

I am not suggesting that the terms and conditions under which the new Authority might employ an existing employee of the Civil Aviation Authority might be less favourable. It says the person shall be employed under no less favourable conditions except **"… to the extent other terms and conditions are agreed between such employee and the Authority; … "**

One might say that employee should be able to defend his position to ensure that the new terms of employment are no less favourable, but why have this in the legislation? What this is telling me is that the Authority may well have conditions that are less favourable, and I must say that I do not like it. It depends on which side of the fence you want to look; whether it is from the point of view of the employee or

the employer. I do not see why this is flagged up like this and there is an exception however I am certain the Minister will be able to address that. It may be an unfounded fear that I have.

Moving on, Mr. Speaker. Page 19 clarifies: **"(b) that disciplinary matters shall be dealt with in accordance with the Labour Law (2001 Revision) and the disciplinary rules and procedures of the Authority and not under General Orders."**

We have just seen the Employment Bill being passed quite recently whereby public officers come under the umbrella of that Law. However, I am not so sure whether all civil servants are removed from General Orders or not. Obviously, this set will be.

The real troublesome point here requires clarification because I do not think there is any intent that would be untoward.

I should read the subjection before section 15(1): **"14. (2) Pension arrangements and medical benefits relating to an employee specified under subsection (1) shall be subject to sections 15 and 16 respectively."**

Section 15(1) reads: **"The Authority shall subscribe to the Public Service Pensions Fund in accordance with the provisions of the Public Service Pension Law (2003 Revision) for the payment of pensions to all employees of the Authority."**

When we examine the Public Service Pensions Law there are two defined categories depending on tenure and date of employment. Those defined categories—if my memory serves me correctly—are defined benefits and defined contributions. I believe it was either 1988 or 1999 when the Law was changed. —I am not sure of the date but that is not important. Any civil servant being employed after that date was automatically placed on the defined contributions scheme. Employees hired prior to that date who were on the defined benefit scheme retained that scheme and such benefits. This does not speak to which scheme in the Public Service Pensions Law, it only speaks to the Public Service Pensions Fund.

What I am not clear about is if the majority people who are now employed with CAA—as I understand it one set is going to be with the CAA and one set will be with the Airport's Authority—will have the defined benefits scheme. However, there will be two sets of them depending on the time of their employment. What we want to make sure of is, if these two new Authorities are created and they are actually hired anew to those Authorities whatever scheme they were under, given what this proposed legislation speaks to, does not cause for all of them to go under the defined contribution scheme.

The Speaker: Honourable Member, we have reached the hour for the luncheon break. Is this a convenient time?

Hon. D. Kurt Tibbetts: Yes, Mr. Speaker.

The Speaker: Honourable Members, we will take the luncheon break at this time and return at 2.30 pm.

Proceedings suspended at 1.00 pm

Proceedings resumed at 2.45 pm

The Speaker: Please be seated. Proceedings are resumed.

The Honourable Leader of the Opposition, continuing.

Hon. D. Kurt Tibbetts: Mr. Speaker, when we took the break I was speaking to the pension benefits of the employees of the new Authority.

I was questioning under section 15 whether those employees of the existing Civil Aviation Authority, who were under the defined benefits scheme, would retain those same benefits with the shift to the new Authority. In my view, it was not spelled out very clearly.

Section 14 says: **"Pension arrangements and medical benefits relating to any employee specified under subsection (1) shall be subjected to sections 15 and 16 respectively."**

Section 16 says: **"The Health Insurance Law (2003 Revision) shall apply to the Authority except that the Authority may elect to provide free or subsidised medical benefits in lieu of, or in addition to, insurance coverage under that Law."**

We are moving into the health insurance aspect of it. Before I speak to that, I would like to go back to section 15(3) where it says: **"The Authority shall be considered to be an employer for the purposes of the Public Service Pensions Law (2003 Revision) and an employee referred to under subsection (2) (a) shall not be considered to have retired from Service for the purpose of that Law."**

That assists the situation however I have raised all of this to make sure that the Law spells it out so that the employees during the transition have no fear of what their employment arrangements are going to be with the two new Authorities. That is the entire point.

Whatever benefits they were deriving or are deriving now should at least obtain in the move forward. With regard to health insurance, if my understanding is correct, the existing Civil Aviation Authority is the only authority which is subject to public service regulations and General Orders. Thus, while it is an authority, what obtains presently is that it is managed and run as if it were simply an arm of the Civil Service from the view point of pensions, health and discipline. Whatever health benefits are derived by civil servants will obtain for employees of the Civil Aviation Authority.

The Minister spoke earlier this morning about the new government health insurance company and the move is to, if I understand correctly, have all civil

servants insured using the Cayman Islands National Health Insurance Company (CINICO).

Section 16 says: **"The Health Insurance Law (2003 Revision) shall apply to the Authority except that the Authority may elect to provide free or subsidised medical benefits in lieu of, or in addition to, insurance coverage under that Law."**

I have not been able to assess whether that is more beneficial to the employer, employees or less, hence I am not quite sure. All I know is that whatever this is saying, it should allow the employees, when they move into their new employment arrangement — whether it is the Civil Aviation Authority or the Airport's Authority—to have the same the health insurance benefits that they have now.

There is another question that we have had much discussion on, and sometimes arguments over, in this Honourable Legislative Assembly. I am speaking about section 18(4). It is not limited to the Civil Aviation Authority. For many years we have talked about it and the Honourable Third Official Member has alluded to some arrangement being made. With your permission, Mr. Speaker, this subsection reads as follows—

The Speaker: Just to say, Honourable Member, when you are quoting from a Bill you are debating, you may quote freely.

Hon. D. Kurt Tibbetts: Thank you, Sir.

"The Authority shall pay an annual dividend into the general revenue of the Islands as determined by the Authority and the Financial Secretary in consultation with the Minister based on the availability of funds and planned expenditures, and the balance shall be carried forward to the account of the following year."

I know of many arguments in the past with attempts to try to get funds from the various authorities to either prevent a year-end deficit or to assist with a recurrent balancing of the budget. As this reads, I am reminded that on past occasions Governments have coerced the authorities to engage in a certain level of borrowing—at the time the borrowings being diverted to central government's revenue—and Government giving the commitment to repay the borrowings but not wanting it to show up on their own books.

I believe that this subsection speaks to a certain methodology which is that this dividend shall be paid into the general revenue and it is to be **" … determined by the Authority and the Financial Secretary in consultation with the Minister …"**.

The Honourable Third Official Member is not here. His deputy is acting. In the past when we spoke about this there has always been a leaning to allow a certain latitude so that it can be treated each time on its own merit. Legislation should not be crafted in that manner. As far as I am concerned, if historical data from the Authority, for instance, needs to be collected and looked at to see what is either a percentage of their earnings or a figure to be named, based on what history has proven that the Authority has been able to afford, plus given their new circumstances where we now have two Authorities, then do something about that. However, leaving it like this, Mr. Speaker, leaves it just like how it was.

I am not saying the answer is that easy. I believe that there should be a minimum agreed upon and then if the Authority finds itself in a certain position that it has surplus then that part of it can be agreed upon. To leave it open-ended like this is a danger given the history of it. It so happens now that we are speaking about the Civil Aviation Authority but I say that not all of the Authorities are going to be in the same financial position. We understand that the formula for each of them would be different however I think it should be more defined rather than be left like this. This, to me, sounds like what would be used in any law for any one of the Authorities.

At least, during my time here, history has proven that this does not work so well. Mr. Speaker, I dare say you have a bit more experience than I do with it and you know that it has not worked well.

Just a general comment for the drafting personnel and I am not going to quote the specific instances, nevertheless there are a couple of occasions in both of these Bills where it is referred to mostly as **"Governor"**.

There is the definition section which defines that **""Governor" means "Governor in Cabinet"** but it says **"Governor in Cabinet"** on some occasions in the Bill. Thus, sometimes it reads as **"Governor"** and sometimes it reads as **"Governor in Cabinet"**. It needs to be consistent when the definition says **"Governor"** means **"Governor in Cabinet"**.

There is not much else in the actual Bill however there is another point that I would like to address.

Section 26, Part V on page 22: **"There is vested in the Authority –**

(a) the land with the buildings and works thereon listed in the Schedule, together with such other land used, at the date of commencement of this Law, for civil aviation purposes, as the Governor may at the time direct; and

(b) the plant, equipment, tools, and other goods the property of the Government, used in connection in civil aviation prior to the date of commencement of this Law, recorded in the inventory prepared at the direction of the Financial Secretary, approved by the Authority and entered as assets in the accounts of the Authority."

I have not had a chance to go through the Bill in fine detail so I will simply ask the question. I want to make sure that somewhere in this Bill it speaks to existing direct loans that the Civil Aviation Authority may have with the Government and that is addressed in

the manner that it should be. If there are no loans outstanding then that is a better situation, however I do not know if there are any loans existing. Therefore if so, then exactly how does the Bill address the situation?

Section 31 reads: **"Neither the Authority, nor any member, shall be liable in damages for anything done or omitted in the discharge or purported discharge of their respective functions, responsibilities, powers and duties under this law unless it is shown that the act or omission was in bad faith."**

The question is who or what entity could be liable? It seems like neither the Authority nor any member.

There is also an indemnification clause in section 32 which speaks to the Authority indemnifying the member against all claims, damages, costs or expenses. I suspect that it would be the shareholder which would be the Cayman Islands Government.

If this Bill which will be a Law—I am not professing that I know the entire situation—I would think that someone should be able to be liable.

If it is the Government and it is the intent of the Law not to state it and someone will have to find it out then that is fine too. However, it makes the point that neither the Authority nor any member shall be liable unless certain conditions exist which shows that the act of omission was in bad faith. There is a question Mr. Speaker.

It is noticeable in section 37(2) that perhaps when an investigation is being carried out for an accident, et cetera, the Director-General, as in the new terminology of the Civil Aviation Authority, shall have towards the general public powers equivalent to those exercisable by the Commissioner of Police in the carrying out of his duties **" … and the Director-General shall take precedence over the Commissioner when … "** he **" … is engaged in investigating an accident or incident involving aircraft."**

That may be what is acceptable and normal in the industry.

This is one that I am not one hundred percent familiar with. It would seem that depending on the type of investigation that evolves—for instance, an investigation which is of a technical nature where a tyre had blown on landing or an engine was in good repair—then I can certainly appreciate the way this is.

However, what happens if it is obvious that the investigation is one which needs to detect some type of foul play? Is it that while this Law gives the Director-General precedence over the Commissioner when investigating an accident, the Director-General will then readily realise and accept that this case is not of a technical nature but that foul play is suspected so therefore let the police take over? If that is the kind of *without-saying* then perhaps it is fine.

It is just the way it is worded here. What it says to me is that the Director-General will take it on his own whether he wants to give the Commissioner the authority to conduct an investigation.

My question is, is that the way it should be? We need to look at that. As I said, if we are speaking to an investigation of an accident or incident involving aircraft of a technical nature, fine, however when there is foul play suspected it is a whole different matter. We might wish to address that in some form.

Section 42(1) speaks to: **"The person who immediately before the date of commencement of the new Law was the holder of the office of Director, shall hold the office of Director-General under and for the purposes of the new Law as if that person had been appointed under the new Law on the same terms and conditions that applied to the office of Director under the repealed Law."**

This speaks to the benefits and terms of employment under which that person is employed right now however it only speaks to the Director who will be the Director-General.

I am just about completed with making the observations in this Bill. I just want to make the point that I am a bit baffled with this companion legislation in certain sections that I have spoken about; where the conditions in the Airports Authority Law are different from the one in this. I wonder why. We will get to that, I think.

If you look on page 26 of the Bill which is the last page, section 42(8) specifically states: **"On and after the date of commencement of this Law, neither the Governor** [which means the "Governor in Cabinet"] **the Civil Aviation Authority nor the Director shall be liable in damages for anything done or omitted in the discharge or purported discharge of their respective functions under the former Law, unless it is shown that the act or omission was in bad faith."**

This again, goes back to the point I made a few minutes ago about who is liable and who is not and who can be. Those observations are made and those questions are asked in an attempt for the Opposition to participate in the passage of this Bill; to give us the comfort zone that we can participate in the voting process without wondering whether we should support it or not.

There is nothing fundamental that we disagree with in the proposed legislation. There are just those points that we have come up with and raised to the fore to see if they can be addressed before the vote is taken. Perhaps there may be a few of the points raised that have good reason to remain how they are and the Minister can so explain and we will listen. I suspect that the majority of points raised are points which need to be addressed to make the legislation tidier and perhaps more in line. We will await the Minister's reply and certainly look forward to supporting the Bill. Thank you.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak?

The Second Elected Member for West Bay.

Mr. Rolston M. Anglin: Thank you, Mr. Speaker.

I have a few very brief comments to make on this Bill for a Law to Repeal and Replace the Civil Aviation Authority Law (1997 Revision); and to Divest the Civil Aviation Authority of its Functions in Relation to the Management and Control of Airports; and for Incidental and Connected Purposes.

The need for this change has already been spoken to by the Minister and obviously this is an important exercise for us to carry out in the Cayman Islands to ensure that we do comply with what is considered an international best practice regarding the manner in which we manage air services and airport services.

Looking at some of the specific sections—and I will ensure that I do not repeat points that have already been covered by the Leader of the Opposition—the definition of the term **"Governor"** means **"Governor in Cabinet"** except in sections 5(1) and 11(1).

If we look at 5(1) it deals with functions of the Authority and to be more specific 5(1)(b) speaks to the functions of the Authority which are: **" (b) with the consent of the Governor, to provide and control air navigation services."**

The Minister has pointed out that there are certain services that the Authority has to carry out also. I was wondering whether or not that specific decision would not be more properly represented by Cabinet having an input. Section 5(1)(a) already outlines what the Air Navigation Overseas Territories Order, and the regulations falling from that, call for the Civil Aviation Authority to carry out as a statutory authority.

When we look at one point that I think does need additional airing—and certainly I support the view that has been put forward by the Honourable Leader of the Opposition in regard to this whole business of the disclosure of interests and disclosure of directors' pecuniary interests—section 10(4); where we start setting thresholds and benchmarks for what is going to be considered an indirect pecuniary interest.

I will read the introduction to section 10(4): **"Where a director has an indirect pecuniary interest in the contract or license or proposed contract or license or other matter by reason only of a beneficial interest in securities of a company or other body, and the nominal value of those shares does not exceed one thousand dollars or one thousandth of the total nominal value of the issued securities or of any class of issued securities, section 9 shall prohibit him from taking part in the consideration or discussion of or voting on the contract or license or proposed contract or license or other matter, without prejudice however his duty to disclose his interest."**

First of all, setting benchmarks seems to be something that might be a tad dangerous for a piece of legislation to try and do. When we speak of a person's interests and whether or not that interest is going to influence or appear to influence their decision, we not only want persons who sit on these Boards to be independent but to also appear to be independent in their decision making.

When we attempt to set benchmarks we have to be careful how we craft them because in speaking to nominal value many people will interpret that—as you know Mr. Speaker, from your former profession — as to what is the company's nominal value for those shares.

Thus, as you well know, Mr. Speaker, in many instances the nominal value—and to come up with a nominal value of one thousand shares where a company has issued it shares and the nominal value is only one cent per share—could be a significant holding. Then, when you take that holding you and extrapolate it using the market value the holding could be significant. Even if it is $1 per share we are talking about one thousand shares. What if the shares are valued $1000 in terms of their market value?

Hence, when one looks for independence often if you are going to use a benchmark you look to the real or market value of holdings in relation to the holder. A couple's holdings of $50,000 worth of shares in a particular entity yet their net value is $5 million, is significantly different to a person whose net value is only $200,000 and they are still holding that $50,000 worth of shares.

I think we have to be very careful when we start trying to put benchmarks in place as to what will define these types of interest. I think if a person has an interest, in a community this small, it might be much wiser to say that the person should not participate and should not vote on a particular matter. There are some people, and I dare say, most people, who serve on these Boards who are very honest and upright business persons. Their consciences would cause them not to want to participate because they realise that the appearance of independence would not exist in a case like that. They recognise that Cayman is a very small place and they would not want to be accused of anything.

The whole issue of the Authority having to pay out certain funds to Government in terms of an annual revenue covered in section 17(4). I think that section does need to be looked at closely from the standpoint that you want to come up with a formula that determines if and when Government is eligible for a dividend from the Authority. I would also suggest that we might want to establish in developing that benchmark some sort of trigger amount of net income that should be earned before the Authority would have to pay out.

We have to be careful not to have percentages because if history has proven that the Authority needs to accumulate x-amount in retained earnings. If that x-amount is $500,000 and in one year the Authority makes $250,000, but at the beginning of that year they had only got up to a $100,000 of retained

earnings, that would mean that they still have $400,000. Would it be wise for Government to still get a dividend of whatever per cent knowing they have not even reached the desired level of retained earnings as yet?

Following on, Mr. Speaker, we would want to ensure that there is also a desired level of net income to be earned before Government may be eligible to have a dividend paid to itself. Again, if the Authority does not meet that target should Government realistically be expecting a dividend from the Authority?

I think coming up with that formula is a process that can be proven to be very difficult however I do believe that in all fairness the matter should be looked at very closely and may be we could develop a formula and handle it in regulations to the piece of legislation. However, I think we have to be very careful to ensure that we do allow the statutory Authority to mature in a rational and financially prudent manner.

Section 18(1), Financial procedure, says: **"The revenue of the Authority shall be classified under the following heads of receipt -**

(a) dues and charges received by virtue of this Law;

(b) amounts borrowed by the Authority; and

(c) miscellaneous receipts, including interest and service of investments, …"

That only goes to strengthen the earlier point that I made that we need to ensure that we come up with an appropriate benchmark and have appropriate guidelines in place in terms of what the retained earnings could be.

If we are going to count borrowings as earnings we could artificially inflate the net income as well and have Government qualify for a dividend simply because the Authority has borrowed.

In section 18(1)(b) we should not be speaking of amounts borrowed as being revenue. I think everyone knows that what you borrow is not revenue, it is a cash inflow; it is a borrowing receipt. It says: **"The revenue of the Authority shall be classified under the following heads of receipt - … "**

That again opens a can of worms that is prone to abuse. Therefore, I would recommend that section 18(1)(b) should not be there. Borrowing does not qualify under the definition of revenue at all.

We also have in section 18(1) where it says: **"… and such revenue shall, within seven days of receipt thereof, be paid into a bank account approved by the Financial Secretary."**

I am not certain what the Public Finance and Management Law says, however I am sure it is covered. Knowing the nature of this Authority the seven days may not be problematic because I could not see this Authority handling large amounts of cash. The business partners that would be involved including large companies—airlines mainly—would for the most part be sophisticated to either pay by direct wire, draft or cheque.

Hence, the risk of misappropriation of funds being left around the office for an extended period of time is greatly diminished. However, if monies are paid over by cash seven days after receipt this would, in my humble estimation, be a weak internal control because I do not think any business person would want cash, whether in a safe or not, to be left in their place of business for seven days.

The Authority also has the ability via the Governor in Cabinet: **" … to appoint any competent person or persons to conduct an investigation into the causes of the accident … and the result of the investigation should be submitted to the Governor.** That is found in section 37(1).

I am not sure if the Minister might want to be a little tighter in saying who is going to investigate accidents. I would think that we would not want to wait until an accident happens to then appoint the body that is going to investigate the accident. This may not be a major point because I must admit that I am not familiar with the workings of this type of legislation however it would seem to me that you would want to know who is going to be the investigative body when it comes to accidents. Obviously, most air accidents would be fairly serious in nature.

With those few and very brief remarks I can say that we certainly support the passage of this Bill, however, there needs to be some fine tuning done with some of the areas just to tighten things a bit an ensure that the intent and spirit of the legislation encapsulated within what it is that we will vote on and pass.

I thank you.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak?

If not, I will call on the Mover. Before doing so I will take a short suspension to allow for any amendments, et cetera, to be made before he replies.

Let us try to be back by 4pm.

Proceedings suspended at 3.30 pm

Proceedings resumed at 5.43 pm

The Speaker: Please be seated. Proceedings are resumed.

The Honourable Minister of Aviation replying.

[Pause]

Suspension of Standing Order 10(2)

The Speaker: I would call on the Honourable Minister to move the suspension of Standing Order 10(2) so that we may continue proceedings beyond the hour of 4.30 pm.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move the suspension of Standing Order 10(2) so that pro-

ceedings may go beyond the hour of 4.30 pm. It is the wish of Members that we proceed to finish the other Bill on the Order Paper and then take the adjournment Sir.

I have also been deputed to ask that the Private Member's Motion be moved onto the next agenda. I would move that motion at the correct time.

The Speaker: Thank you.

The question is that Standing Order 10(2) be suspended.

All those in favour please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 10(2) suspended to business to continue beyond 4.30 pm.

Hon. Gilbert A. McLean: Mr. Speaker, just before I reply to the points raised by the Leader of the Opposition I said that there was one more Bill, but there is another short one to complete both of those. Thank you, Mr. Speaker.

I wish to thank the Members who spoke on this Bill and it seems clear that all Honourable Members of this Honourable House understand the reason why the two Bills are here.

It is clear to everyone, I think, that this change is necessary if we are to stay abreast of changes in the aviation world; particularly the need to be mindful of security in this day and age. Aviation matters can be best managed when there is a clear separation between the regulatory and the operational so that conflicts which might arise can be avoided.

The Leader of the Opposition and the Second Elected Member for West Bay raised certain points and I think it is fair to say that in almost all of the points which were raised—where an amendment was necessary—amendments have been made. These amendments have been circulated to Members which have also been approved by you, Mr. Speaker, and at the appropriate time at the committee stage I would wish to move them.

In the case of section 4 an amendment has been made which clearly defines what the quorum will be and there has also been an amendment in section 8(5). There has been an amendment in section 10(4). In clause 18 there has also been an amendment.

I think with these amendments, as I have just stated, all sides and all parties can be satisfied. I would but comment on one which is changed in clause 2.

A section has been added to that clause that is section 37(1) which refers to the **"Governor"** and the **"Governor in Cabinet"**.

Under the Air Navigation Order the legislation from the United Kingdom under which the Cayman Islands aviation is governed in these three sections the Governor acts in his own right and in the other instances it is the Governor in Cabinet. Therefore, an amendment has been made there as well.

Without attempting to comment on every single instance other than to cite the amendments, I thank Honourable Members for their participation and indeed their patience and their agreement to go beyond the hour of normal interruption. I leave the Bill to be voted upon due course. Thank you.

The Speaker: Honourable Members, the question is that a Bill shortly entitled The Civil Aviation Authority Bill, 2003 be given a second reading.

All those in favour, please say Ayes. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Civil Aviation Authority Bill, 2003 given a second Reading.

Suspension of Standing Order 46(4)

The Speaker: The Honourable Deputy Leader of Government Business.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move the suspension of Standing Order 46(4) so that the second reading of the Airports Authority Bill can be taken.

The Speaker: The question is that Standing Order 46(4) be suspended.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 46(4) suspended to allow The Airports Authority Bill 2003 to be read a second time.

The Airports Authority Bill, 2003

The Speaker: The Honourable Minister of Aviation.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move a Bill for a Law to establish the Cayman Islands Airports Authority with Responsibility for Constructing, Controlling and Managing Airports; Providing and Maintaining Runways, Taxi-ways and Terminals for the Efficient Operation of Airports; Providing Facilities for Customs and Immigration Services, and Health and Security Checks; and for Incidental and Connected Purposes.

The Speaker: The Bill has been duly moved. Does the Honourable Minister wish to speak thereto?

Hon. Gilbert A. McLean: Thank you, Mr. Speaker.

The Airports Authority Bill, 2003 seeks to establish a Cayman Islands Airports Authority which will be responsible for the Management, Construction and Control of all Airports in the Cayman Islands. Currently the Civil Aviation Authority is responsible for the management and control of airports in the Cayman Islands while also exercising regulatory function over same.

The decision to establish a new body responsible for the operation of the Islands' airports arose from the concern of the Ministry responsible for Civil Aviation and the Cayman Islands Civil Aviation sector to comply with the recommendations of the International Civil Aviation Authority (ICAA). The ICAA recommends that as far as is practicable member states separate the regulatory and operational functions. Consequently, a consultant was hired to advise the Civil Aviation Authority and the Ministry on the process for the creation of an airports authority and the allocation of responsibility for aviation matters between the Civil Aviation Authority and an Airports Authority.

The consultant has recommended that those functions relating to the operation of airports including the provision of meteorological services be removed from the portfolio of the Civil Aviation Authority and transferred to an Airports Authority. The creation of a separate Airports Authority also gives recognition to the changing form of airport operations. Airports, in order to become commercially viable and to decrease reliance on Government's subsidy, have increased opportunities for commercial activities such as airport retail outlets and other facilities for travellers. As a result, the nature of airport management, while it continues to prioritise aviation safety and compliance with international operating standards, has now embraced a wider range of responsibilities which calls for a different set of skills.

Accordingly, the Airports Authority will act as a corporate body which will have the power to enter into contracts, buy and sell land and other property. The primary functions of the Authority will be to plan, develop, construct, maintain, administer, control and manage the airports in the Cayman Islands. In addition to other primary functions the Authority will also provide adequate facilities for the exercise of the regulatory powers of Government including customs, immigration, health and security checks.

The Civil Aviation Authority will regulate the operation of the airports and will certify each airport for compliance with the International Civil Aviation Organisation standards and recommended practices as regards its facilities and operational practices.

Under section 3(5) of the Airports Authority Bill, 2003 all property belonging to the Civil Aviation Authority with the exception of those parcels of land on which air navigation aids are situated is to be vested in the Airports Authority.

The Airports Authority will also manage the meteorological services of the Cayman Islands which is a necessary provision for aviation operators using airports.

Accordingly, section 5(1) (d) of the Airports Authority Bill 2003 confirms that the Authority will: **" … provide or make adequate arrangements for the provision of meteorological services to the CAA and the users of any airport; …"**

"**Clause 10 makes provision for the constitution and responsibility of the board of directors of the Authority.**

"The Board will consist of a chairman, deputy chairman, and not less than three nor more than seven other directors, two of which seven directors shall be public officers, to be appointed for three years by the Governor, but who shall hold office at his pleasure.

"The Board will be responsible, among other things, for -

- **(a) securing the effective implementation of the functions of the Authority;**
- **(b) overseeing the effective performance of the Authority; and**
- **(c) setting operational priorities with regard to the planning development, redevelopment and construction of airports."**

"Clause 14 makes provision for the appointment of the chief executive officer of the Authority."

"Clause 15 empowers the Chief Executive Officer to manage civil aviation services on behalf of the Authority, subject to the directions of the Board and to this end the Chief Executive Officer shall be responsible for -

- **(a) the day-to-day management of the airports;**
- **(b) financial and operation matters relating the airports;**
- **(c) the overall safety and security of airport operations;**
- **(d) developing administrative and human resources development manuals for approval by the Board; and**
- **(e) preparing regular financial and operational reports for the Board."**

"Clause 20 provides that the revenue of the Authority shall be classified under the following heads of receipt -

- **(a) dues, rents and charges received by virtue of the legislation;**
- **(b) departure tax received by virtue of section 4 of the Travel (Departure Tax and Environmental Protection Fee) Law (2003 Revision);**
- **(c) security tax received by virtue of the Airports (Security Tax) Regulations (2003 Revision);**

(d) amounts borrowed by the Authority; and

(e) miscellaneous receipts including interest on and service of investments."

Within the international aviation community it is acknowledged that the separation of regulatory and operational responsibilities is generally considered to be the ideal scenario for the development of an institutional framework of civil aviation. The Ministry responsible for Civil Aviation and the Civil Aviation Authority recognises that the separation and redefining of operational and regulatory functions of civil aviation will improve aviation operations in the Cayman Islands. Furthermore, the United Kingdom Government has directed all overseas territories to separate the operational and regulatory functions in keeping with the ICAO's recommendation.

Under the direction of the United Kingdom's Department of Transport, Air Safety Support International (ASSI)—a subsidiary of the United Kingdom Civil Aviation Authority—was established as a mechanism to ensure that overseas territories are compliant with this recommendation and also to provide a more cohesive system of civil aviation safety regulations in the overseas territories. If an overseas territory were unable to separate operational and regulatory functions ASSI will be appointed as a regulator for civil aviation in that territory in place of the CAA.

The Bill before this Honourable House makes it possible to effect the transition as stated.

I have taken into account, and have had certain discussions with Members of the House including the Leader of the Opposition, that certain amendments which have been made to the Civil Aviation Law will clearly need to be made in the Airports Authority Law. Mr. Speaker, I have requested the legal drafts-lady to produce such amendments and they have actually been done.

I would just like to alert Members to this fact when it comes to where they may wish to speak about it. Certain amendments have already been prepared. Having said that Mr. Speaker, I recommend this Bill to Honourable Members. Thank you.

The Speaker: Does any other Member wish to speak? The First Elected Member for George Town and Honourable Leader of the Opposition.

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

Perhaps I will not be as long with this one as the other one hearing what the Honourable Minister has said with regard to the parallel amendments. I think we will all agree that these amendments will be needed for this Bill.

In looking at the proposed Bill to establish the Cayman Islands Airport Authority and the committee stage amendments that have been prepared to the Civil Aviation Authority Bill, the Opposition is going to assume that similar committee stage amendments will be made for the Airports Authority Bill. Just to quickly go through them because there are a couple more points to be discussed besides what we assume will be committee stage amendments.

On page 15, I will refer section 7(1) and it reads: **"The Authority shall not without the written consent of the Governor,** [which means the Governor in Cabinet] **temporarily close to air traffic, discontinue the use of, or divest itself of the management of, any airport."**

Subsection (2) says: **"Notwithstanding subsection (1), the Authority shall discontinue the use of any airport if so directed by the Director-General, if in his view the airport does not meet the requirements for safe operation."**

The point that I wish to draw from that—and perhaps this will be a matter of opinion—is the Governor in Cabinet in this Bill is the only authority able to give authority in writing to temporarily close the airport premises.

Notwithstanding that the Director-General of Civil Aviation shall cause the Airports Authority to discontinue the use of any airport if he so directs if in his view the airport does not meet the requirements for safe operations.

There is a CEO of the Airports Authority and I respect the fact that we want to have some safeguards but is there no crisis imaginable where the CEO of the airport has the authority to shut it down or has the authority to temporarily discontinue the use? It could be 4 o'clock in the morning on a Sunday, people could be off the Island. This business about the Governor in Cabinet giving it in writing is fine. Mr. Speaker, I am not disagreeing with that.

However, I believe that there should be some authority given to the CEO of the Airports Authority, because if you are divesting the Airports Authority from the existing Civil Aviation Authority, and understanding the roles of both; one being regulatory, one being operational and understanding the role of the Cabinet, it is, in our view, not good enough to leave the only two avenues for action to be taken to exclude the CEO of the Airports Authority, whoever that person is.

It is just a matter of practicality that I speak to and I am not denying the fact that the Director-General of Civil Aviation should also have the authority if, on his examination as a matter of safety from a regulatory standpoint, he should be able to say, "Well, listen you have to discontinue the use of this facility until such time as whatever is wrong is made right." I do not have a problem with that.

I also do not have a problem with the Governor in Cabinet having to, in writing, give authority for the closure of the facility but, God forbid, we never, ever know when a crisis may occur. I do not believe that the spirit or intention of this legislation was meant to leave the person in charge of the operational side without any authority whatsoever to deal with it.

It goes on, Mr. Speaker, in section 8(1) saying: **"The authority** [that is the Airports Authority] **shall in the event of an accident or incident involv-**

ing aircraft, or any interference or damage to navigational aids, immediately bring such matter to the notice of the Director-General and act only on his instructions."

I see the intention but when something of that nature occurs are we saying then that no one has the authority to discontinue the use of that facility until the Director-General of Civil Aviation is contacted and he makes an assessment and then he so decides? Something cannot be right in the chain of command there, Mr. Speaker. I believe the matter needs to be looked into.

In summary, I am not questioning 7(1) and (2); I am saying an ingredient is missing. When we read 8(1) in the context that it is, it throws the gap more glaring as a matter of any action to be taken. It says that if an incident occurs you have to contact the regulatory side of things in order to close the operational side of things. So why are we separating them? I think that there is validity in that and I think that the express opinion does not need to change 7(1) or (2) but just needs to add something which allows the CEO of the Airports Authority to be able to have authority to take action especially in cases of emergency.

On page 16, section 10(4) speaks to the same situation as before about the number of the directors. I do not have to speak to that in detail; I am just flagging it up to make sure it is dealt with. That works along with 11(5) on page 17 which speaks to the quorum. I am pretty certain that also will be dealt with. On page 19, section 13(4) is similar to section 10(4) in the other Bill. It speaks about the pecuniary interest and one thousand dollars or one thousandth of the total.

I believe there is already a committee stage amendment which came forward. I was going to address section 16(1) where there was a difference between this and the Civil Aviation Bill, in that, the Director-General was able to do the hiring. However, as this came originally it spoke to the Board of the Airports Authority being able to hire however I think the committee stage amendment that is put forward will correct that.

Section 17(1)(a) is also a point that I raised although it seems everyone else is satisfied that there is no risk. I want to put it on record that there is no risk of any employee, who is presently employed by the Civil Aviation Authority and who will be employed by one of the two new authorities, losing any of their pension benefits that they are now with expectation of receiving. Whatever pension scheme they are under now, whether it is defined benefits or defined contribution, it should remain without any chance of them losing any of those benefits.

I am not so sure in section 17(1) where it says: **"A public officer employed in the CAA** [that is the present CAA] **on the date this section comes into force may be offered employment by the Authority."**

If there is a reason for using the term **" … may … "** then we would like it to be explained because while there is a process it must be understood from the beginning that these two new Authorities are to be set up and run with as maximum efficiency as possible. At the same time, the existing Civil Aviation Authority now controls both operational and regulatory functions. In its separation, we believe that it is only fair for the employees now employed to expect to be employed within one of the new authorities. The duties should not be any different; it is simply that we are taking away any possible conflicts and you will have one Authority, namely the Civil Aviation Authority, taking care of the regulatory side of things except for the air navigation operations, and the Airports Authority doing the operational side of things, which has to be done now. This has been the case forever with the one Authority. As a matter of terminology, all we are seeking, to ensure for us to participate in and vote for this Bill, is that no one is put at risk. And we want to put that on record.

I am moving as swiftly as I can. Section 20(3) on page 23 speaks about the Authority paying the dividend to general revenue. I think we accept that there will be the same amendment as has been proposed for the Civil Aviation Authority Bill and I think that takes care of the amendments that we were dealing with.

There is one last section that I wish to deal with and I need to say very quickly that this is something that I have been aware of for quite some time. I have my own personal concerns and I am with the great hope that this specific concern is one that is unfounded but I am putting it on record and I would love to hear more about it so that I do not have to worry about it.

The Civil Aviation Authority Bill was just read a second time; I will make reference to in section 42(1) in order for you to see the relevance, Mr. Speaker. It reads: **"The person who immediately before the date of commencement of the new Law was the holder of the office of Director shall hold the office of the Director-General under and for the purposes of the new Law as if that person had been appointed under the new Law on the same terms and conditions that applied to the office of Director under the repealed Law."**

Before I go any further, Mr. Speaker, I want to also make the observation that as I understand the chain of command to obtain presently with the existing Civil aviation Authority there is a director and a deputy. I notice in both of these Bills—and perhaps there is a valid reason—there is no provision for a deputy in either one of the new Authorities. It might be deemed that because the two Authorities are being separated neither of them is them is a big enough entity to require a head or a deputy head. I do not know whether the intention of the exercise is to ensure that the Civil Aviation Authority retains a certain "above-ness"—for

want of a better word—on the Airports Authority or whether both of them are on a level playing field.

I notice on the regulatory side it said that — where I made the complaint about the authority of the Chief Executive Officer of the Airports Authority to stop the use of the facility—he had to report directly to the director of the Civil Aviation Authority who would then decide. I do not know whether that is where it immediately says where the level of authority is but when we move into this Bill, having set that background and having shown in section 42 of the Civil Aviation Authority Bill, on page 31 of the Bill that we are debating now Mr. Speaker, section 45(1) says: **"A person who immediately before the date of commencement of the repealed Law was a member of the Civil Aviation Authority, shall be a director under and for the purposes of this Law as if that person had been appointed under this Law on the same terms and conditions that applied to him as a member of the Civil Aviation Authority under the repealed Law."**

I am absolutely and totally confused. I do not know what kind of director they are talking about, I do not know what they mean in this section. Mr. Speaker, I cannot even ask questions about it because I am totally lost. Forgive me if the person who wrote this expects me to understand it because I do not. If someone would take the time out to explain to me what it means I would be able to grasp it.

When I compare section 42 which speaks to the Director-General and we know that the terminology of the head of the Airports Authority is CEO I do not now which director they are talking about. As far as I can understand what obtains now is there is a Civil Aviation Authority Board for the Authority that exists now. When the two entities are separated and made separate entities there will have to be new Boards appointed. Obviously the Members who are on the Board that exists now are eligible to be appointed to one or the other of the Boards. However, there will have to be new people involved because the numbers that constitute the present Board are not sufficient to fill both of the other ones. Therefore, I do not know which directors we speak to with that.

I want to go back to section 14 of the Airports Authority Bill where it speaks to the appointment of the CEO of the Airports Authority. If my opinion is a biased one I will be happy for it to be called so however if the Civil Aviation Authority Bill can tell me who is going to be the Director-General—because it specifies who that person will be—and that person is going to be whoever is now the Director of Civil Aviation. When we move to the Airports Authority Bill it says nothing about who the person shall be, it simply outlines the terms and conditions of employment.

Now, Mr. Speaker, if there is absolute certainty about the process which has been talked about for months then I submit that those of us who are participating in the voting process for the passage of this Bill should know who is going to be the CEO of the Airports Authority also. If we are not going to know one then the Law should not tell me who the other one is either, and if the Law tells me who one is going to be I want the other Law to tell me who that one is too. I do not believe that that is unfair. It is obvious that what has to occur is all going to be done from taking the existing Authority and dividing it up in the manner that it needs to both with resources, property and personnel. Hence, we would not like to be nervous for a minute about the appointment of the CEO. It is very possible that everyone knows who it is and all of the discussions have taken place and everything is set to go; then let us know that. I do not want to make a case out of something that is not necessary but I have had enough experience not to take chances. This one needs to be clarified.

It is getting late and I do not wish to belabour that point however I would implore the Minister in his reply to deal with it directly so that we can feel satisfied on this side about how the situation is going to move forward.

We are quite content, as we are with the other Bill, to support this Bill and this one, in our view, is a lot easier than the first one because, they being parallel pieces of legislation, just about all of the amendments for the first one are going to fall through to the second piece of legislation.

It is only those two main points outside of that that we wish to bring to the attention of the Honourable Minister. I would hope that he would be able to address them so that we can all be totally satisfied and be able to participate in the safe passage of both Bills and that we may have a blessed and peaceful evening. I thank you, Sir.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? Before I call on the Honourable Deputy Leader of Government Business to reply he has just indicated to me that he would like to have a break to go over a few points that were raised. I will take a suspension at this time to allow for this.

Proceedings suspended 6.32 pm

Proceedings resumed 7.10 pm

The Speaker: Proceedings are resumed. The Honourable Minister of Aviation replying.

Hon. Gilbert A. McLean: Thank you, Mr. Speaker. Again, I thank Honourable Members for their tacit support and the Leader of the Opposition for putting forward certain points and opinions on the sections of The Airports Authority Bill which is before this Honourable House.

Cognisance has been taken of the point in particular which the Leader of the Opposition made with regard to the possible practical application, or conditions that might occur, which, should they hap-

pen, would require the person who is in charge of the Airports Authority to take action of an immediate nature without having to wait to get in writing from the Governor or indeed notifying the Director-General that he needed to take immediate actions, temporarily; to close the airport in circumstances where he considered there was a situation of air safety being jeopardised.

An amendment has been made to this particular section and will form part of the amendments which I wish to bring in the committee stage. There have also been amendments to the constitution of the Board and to the quorum and there will be a deletion in section 13(4). I have enquired, Mr. Speaker, prior to now about the situation with regard to the position of the Chief Executive Officer and the reasonable requirement for a position of deputy Chief Executive Officer.

I have been advised by the consultant on these matters and it has been stated to me that while it is right and proper to have in law the post of Chief Executive Officer it would be unusual to also put in law that there would be a deputy Chief Executive Officer. There is provision that such a person would be appointed and indeed, Mr. Speaker, an organisational chart is being prepared which shows the position of a deputy CEO and such appointment would be effected by the Board.

Also, I have enquired in that relationship about the position of the Director-General and why in that instance there should not be a Director-General. However, the Air Navigational Order provides only for a Director-General who is appointed by the Governor in his own right. The opportunity does exist though where the Governor in his discretion and his authority could appoint a deputy so that there is some succession plan.

There was a point raised about the transfer of officers to the Authority and it is expected that the persons who are presently employed with the Civil Aviation Authority would have their jobs in the Airports Authority and some would be with the Civil Aviation Authority.

It provides for such an opportunity if, in the process, a job position might be upgraded or changed by the use of the word **" … may … "**. There are certain efficiencies which may be affected and so this provides for that degree of latitude. To the best of my knowledge there is nothing that is being considered which would mean the loss of any jobs. It is a matter of dividing the numbers and seeing how many should properly stay with the Civil Aviation Authority and which should go to the Airports Authority. One is that the CEO position would have to be filled.

Another reason that was given why there has to be a transitional clause with the Civil Aviation Authority is that in law and by international standards there cannot be created any time when there is not in place a Director-General or a director of Civil Aviation Authority for various requirements and standards, processes and practices. Therefore, to transition that person into the Civil Aviation Authority is necessary. We have a few weeks of latitude in terms of appointing a CEO to the Airports Authority. However, once these Laws come into effect both positions have to be filled because they will be doing separate functions.

I think I have answered the points which have been raised by the Leader of the Opposition. I know that certain amendments have been circulated so once again I would just like to thank Members for their support and again for agreeing to be here at this time of the night and I look forward to us finishing these Bills which are before the House. I thank you.

The Speaker: The question is that a Bill shortly entitled The Airports Authority Bill, 2003 be given a second reading.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Airports Authority Bill, 2003 given a Second Reading.

Suspension of Standing Order 46(4)

The Speaker: The Honourable Temporary Third Official Member.

Hon. A. Joel Walton: Thank you, Mr. Speaker. I beg to move the suspension of Standing Order 46(4) to allow the second reading of a Bill entitled The Development and Planning (Amendment) (Temporary Provisions) Bill, 2003.

The Speaker: The question is that Standing Order 46(4) be suspended.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 46(4) suspended to allow The Development and Planning (Amendment) (Temporary Provisions) Bill, 2003 to be read a second time.

The Development and Planning (Amendment) (Temporary Provisions) Bill 2003

The Speaker: The Honourable Temporary Third Official Member.

Hon. A. Joel Walton: Thank you, Mr. Speaker. I beg to move the second reading of a Bill entitled The De-

velopment and Planning (Amendment) (Temporary Provisions) Bill, 2003.

The Speaker: The Bill has been duly moved. Does the Honourable Mover wish to speak thereto?

Hon. A. Joel Walton: Yes, Mr. Speaker, just briefly. This Bill relates to concessions granted in respect of infrastructure fees and building permit fees which were implemented by the Government in November 2001. The concessions generally provided for the temporary reduction of these fees by 50 per cent.

The initial concessions were introduced for one year with further extensions of six months which would then be followed by another six months and then by two months, totalling fourteen months. In January this year, the Cabinet agreed to continue the concessions until such time as appointed by the order of the Governor in Cabinet.

The Development and Planning (Amendment) (Temporary Provisions) Bill, 2003 now before this House accordingly provides for these concessions and infrastructure fund and building permit fees to continue until such time as is summoned by Cabinet.

I ask for the support of this Bill which seeks to provide for the continuation of these incentives in the area of infrastructure fees and building permit fees at the reduced rate of 50 per cent until decided by the Governor in Cabinet. Thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker. Just to say that the Opposition supports the continuation of the reduction in fees and to also say that this is proof that less involvement by Government usually turns out to be more from the populace.

We certainly support it. However, as we know there is there is also the reduction in taxes which is a companion to this which assists with the development in the country and it has worked exceedingly well over the last two years.

Also, I wish to say that this was initiated during the tenure of the Leader of the Opposition as the Leader of Government Business. So, we should not forget that this was an agreement between both parties whether it was then or now. We continue to support the position that we had at that time.

Thank you very much, Mr. Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? If not, would the Mover please exercise his right of reply?

Hon. A. Joel Walton: Mr. Speaker, just to say thanks to the one speaker and other Members for their support of this short amendment.

The Speaker: The question is that a Bill shortly entitled The Development and Planning (Amendment) (Temporary Provisions) Bill, 2003 be given a second reading.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Development and Planning (Amendment) (Temporary Provisions) Bill, 2003 given a Second Reading.

The Speaker: The House will now move into committee on the Bills.

House in Committee at 7.27 pm

COMMITTEE ON BILLS

The Chairman: Please be seated. The House is now in Committee. With the leave of the House, may I assume that, as usual, we should authorise the Second Official Member to correct minor errors and such the like in these Bills?

Would the Clerk please state the Bill and read the Clauses.

The Civil Aviation Authority Bill, 2003

Clause 1

The Clerk: Clause 1 Short title and commencement.

The Chairman: The question is that Clause 1 stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 1 passed.

Clause 2

The Clerk: Clause 2 Definitions.

The Chairman: The Honourable Minister of Aviation.

Hon. Gilbert A. McLean: Mr. Chairman, in accordance with Standing Order 52(1) and (2), I, the Minister of Aviation give notice to move the following amendment to the Civil Aviation Bill - In clause 2 by deleting the definition of **"Governor"** and substituting the following definition–"Governor", except in sections 5(1), 11(1) and 37(1), means "Governor in Cabinet";

The Chairman: Does any Member wish to speak? The question is that the amendment stands part of the Clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 2 as amended passed.

Clauses 3 through 6

The Clerk:

Clause 3	Establishment of Authority.
Clause 4	Use of seal and authentication of documents.
Clause 5	Functions of Authority.
Clause 6	Minister may give general directions.

The Chairman: The question is that clauses 3 to 6 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 3 through 6 passed.

Clause 7

The Clerk: Clause 7 Constitution and responsibilities of the Board of the Authority.

The Chairman: The Honourable Minister of Aviation.

Hon. Gilbert A. McLean: Mr. Chairman, I beg to move the motion – by deleting clause 7(4) and substituting the following – " (4) The Board shall consist of not less than five nor more than nine directors of whom -

(a) one shall be chairman;
(b) one shall be deputy chairman; and
(c) two shall be public officers, to be appointed for not less than three years by the Governor, but who shall hold office at his pleasure.".

The Chairman: The question is that the amendment stands part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 7 as amended passed.

Clause 8

The Clerk: Clause 8 Meetings of the Board.

The Chairman: The Honourable Minister of Aviation.

Hon. Gilbert A. McLean: Mr. Chairman, I wish to move – by deleting clause 8(5) and substituting the following – "(5) The quorum of the Board shall be a majority of the appointed directors."

The Chairman: The question is that the amendment stands part of the clause.

The Elected Member for East End.

Mr. V. Arden McLean: Sorry, Mr. Chairman, but I was trying to catch your eye.

I am wondering if the word "appointed" needs to be repeated here. Is there a difference between some of the Directors? Because the two public officers are all appointed by the Governor for not less than three years. Therefore, I wonder if there is a distinction being made.

The Chairman: The Honourable Minister of Aviation.

Hon. Gilbert A. McLean: Mr. Chairman, I do not think that there is anything being said here except to emphasise the fact that the Directors are appointed: the quorum of the Board shall be a majority of the appointed Directors.

[Pause]

Hon. Gilbert A. McLean: Mr. Chairman, I am advised that the word "appointed" is for a specific reason in that the clause allows for a certain number to be appointed but the full number may not be appointed. It

speaks specifically to those who, out of the possible maximum, have been appointed.

The Chairman: The Elected Member for East End.

Mr. V. Arden McLean: To ask the Minister if he could point us in the direction of the Law whereby other Directors will not be appointed.

The Chairman: The Honourable Minister of Aviation.

Hon. Gilbert A. McLean: Mr. Chairman, Clause 4 says: **"The Board shall consist of not less than five nor more than nine directors of whom –**

(a) one shall be chairman;
(b) one shall be deputy chairman; and
(c) two shall be public officers,

to be appointed for not less than three years by the Governor, but who shall hold office at his pleasure."

What it is saying here is that there may not be more than seven persons appointed. There may not be a total of nine. Therefore, for the number that is appointed, that will be the number which forms the quorum.

The Chairman: Does any other Member wish to speak?

The Elected Member for East End.

Mr. V. Arden McLean: Mr. Chairman, I am a little confused because it says: **"The Board shall consist of not less than five nor more than nine directors of whom –**

(a) one shall be chairman:
(b) one shall be deputy chairman; and
(c) two shall be public officers,

to be appointed … "

All of them are appointed, up to nine, for not less than years by the Governor.

The Chairman: I believe Honourable Member that the Honourable Temporary Third Official Member has an explanation to make on that.

Hon. A. Joel Walton: Thank you, Mr. Chairman. In this situation it is possible that there might not be more than five people appointed as directors.

If you say: "shall be a majority of the directors" it could be interpreted—

That is why it is important to have "appointed" there because you might not have the full nine.

Majority of nine which you cannot have because—

That is the point, yes.

If you just say "of the Directors" that could mean all nine.

The Chairman: The Elected Member for East End.

Mr. V. Arden McLean: Which is correct if you appoint five —the minimum—three will form the quorum. If you appoint nine, five will be the quorum. Therefore, at all times whether it is five or nine they have to be appointed. They are appointed. Therefore, to be a director you have to be appointed so I am saying that the word "appointed" in: **" … the quorum of the Board shall be a majority of the appointed directors …"** is unnecessary because they are appointed.

The Chairman: Honourable Member, I am trying very hard to make sure that you say all that you want to say and that you are not cut off.

Honourable Minister of Aviation, would you reply please?

Hon. Gilbert A. McLean: Mr. Chairman, I think we understand that all of the Directors will be appointed by the Governor but the word "appointed" is being used here to define the actual number that is appointed.

The Chairman: If that is satisfactory may I put the question?

The question is that the amendment stands part of the clause.

All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 8 as amended passed.

Clause 9

The Clerk: Clause 9 Disclosure of director's interests.

The Chairman: The question is that the clause stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 9 passed.

Clause 10

The Clerk: Clause 10 Director's pecuniary interests.

The Chairman: The Honourable Minister of Aviation.

Hon. Gilbert A. McLean: Mr. Chairman, I move that - clause 10(4) be deleted.

The Chairman: The question is that the amendment stands part of the clause.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 10 as amended passed.

Clauses 11 through 15

The Clerk:

Clause 11 Director-General.
Clause 12 Functions of the Director-General.
Clause 13 Administrative structure of the Authority.
Clause 14 Transfer of public offices to the Authority.
Clause 15 Pension Fund.

The Chairman: The question is that clauses 11 to 15 stand part of the Bill.

All those in favour, please say Aye. Those against, No.

Ayes.
The Chairman: The Ayes have it.

Agreed. Clauses 11 through 15 passed.

Clause 16

The Clerk: Clause 16 Medical benefits.

The Chairman: The Honourable Minister of Aviation.

Hon. Gilbert A. McLean: Mr. Chairman, in clause 16 I move that the Bill be amended– by deleting clause 16 and substituting the following clause – "16.The Health Insurance Law (2003 Revision) shall apply to the Authority except that -

(a) the Authority may elect to provide free or subsidised medical benefits in lieu of, or in addition to, insurance coverage under the Health Insurance Law (2003 Revision); and
(b) any person described in section 14 shall, unless otherwise notified by the Authority, be entitled to receive from the Authority the medical benefits provided to him on the day preceding his transfer to the Authority."

The Chairman: Does any Member wish to speak on the Motion? If not, the question is that the amendment stands part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 16 as amended passed.

Clause 17

The Clerk: Clause 17 Repayment of set up loan.

The Chairman: The question is that clause 17 stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.
The Chairman: The Ayes have it.

Agreed. Clause 17 passed.

Clause 18

The Clerk: Clause 18 Financial procedure.

The Chairman: The Honourable Minister of Aviation.

Hon. Gilbert A. McLean: Mr. Chairman, I move that – in clause 18 –

(i) in subclauses (1) and (2), respectively, by deleting the words **"The revenue"** and substituting the words "The receipts"; and

(ii) in subclause (1) by deleting the words **"such revenue"** and substituting the words "such receipts"; and

(iii) by deleting subclause (4) and substituting the following - " (4) The Authority shall make an annual payment into the general revenue of the Islands, calculated by a formula determined by the Financial Secretary after consulting the Authority and the Minister, and the balance shall be carried forward to the account of the Authority.".

(iv) by inserting after subclause (4) the following subclause - " (5) No receipts under subsection (1)(b) shall be taken into account in calculating the amount of any annual payment into the general revenue of the Islands pursuant to subsection (4).".

The Chairman: Does any Member wish to speak? The question is that the amendment stands part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 18 as amended passed.

Clauses 19 through 29

The Clerk:

Clause 19	Financial year.
Clause 20	Borrowing powers.
Clause 21	Advances, grants and guarantees.
Clause 22	Repayment of advances et cetera.
Clause 23	Reserve fund.
Clause 24	Applicability of the Public Management and Finance Law (2003 Revision).
Clause 25	Annual Report to be laid on Table.
Clause 26	Vesting of property.
Clause 27	Aircraft to comply with Law.
Clause 28	Lien on aircraft.
Clause 29	Authority not a bailee.

Hon. Gilbert A. McLean: Mr. Chairman, I think there was an amendment in clause 25 which I think would be—

The Chairman: I do not think I have a copy of that amendment.

Hon. Gilbert A. McLean: Mr. Chairman, I am sorry I made a mistake there. What was suggested has been found to be covered by the Public Management and Finance Law and that was not approved.

Clauses 30 through 36

The Clerk:

Clause 30	Arrest of aircraft.
Clause 31	Immunity.
Clause 32	Indemnity.
Clause 33	Arrest of persons.
Clause 34	Presumption of venue.
Clause 35	Suspected persons.
Clause 36	Director-General to be granted access.

The Chairman: The question is that clauses 19 to 36 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 19 through 36 passed.

Clause 37

The Clerk: Clause 37 Investigation of accidents and incidents.

The Chairman: The Honourable Minister of Aviation.

Hon. Gilbert A. McLean: Mr. Chairman, in clause 37(2) by deleting **"the Director-General"** wherever it appears and substituting "that person".

The Chairman: The question is that the amendment stands part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 37 as amended passed.

The Chairman: I believe I caught the eye of the Elected Member for East End.

Mr. V. Arden McLean: Mr. Chairman, I do not know if this makes sense but under subsection (2): **"A person appointed by the Governor under subsection (1) in the course of carrying out his duties shall have towards the general public, powers equivalent to those exercisable by the Commissioner of Police in the carrying out of his duties and that person shall … "**

The Director-General shall be replaced and, further down: **" … shall take precedence over the Commissioner when that person …"** (again)

Is **" … that person …"** not the same person as the Commissioner is?

The Chairman: The Honourable Minister of Aviation.

Hon. Gilbert A. McLean: Mr. Chairman. That would not refer to the Commissioner of Police. It is giving the person who has been appointed by the Governor the powers equivalent to that of the Commissioner of Police. It could be an incident that the Commissioner would not be appointed to deal with.

Mr. V. Arden McLean: I see so **"the"** in both instances have to be taken out also and replaced with "that".

Hon. Gilbert A. McLean: Mr. Chairman, the words **"the"** in both instances should be deleted for it to read correctly.

The Chairman: As stated initially, any minor corrections will be made by the Honourable Second Official Member.

The question has already been put on that.

Clauses 38 through 42

The Clerk:

Clause 38	Penalty.
Clause 39	Regulations.
Clause 40	References to Cayman Islands Corporation.
Clause 41	Repeal of the Civil Aviation authority Law (1997 Revision) and revocation of the Airports (Designation) Regulations (1997 Revision).
Clause 42	Savings and transitional provisions.

The Chairman: The question is that clauses 38 to 42 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 38 through 42 passed.

The Schedule

Land vested in Authority

The Chairman: The question is that the Schedule stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Schedule passed.

The Clerk: A Bill for a Law to Repeal and Replace the Civil Aviation Authority Law (1997 Revision); to Divest the Civil Aviation Authority of its Functions in Relation to the Management and Control of Airports: and for Incidental and Connected purposes.

The Chairman: The question is that the Title stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Title passed.

[Pause]

The Airports Authority Bill, 2003

Clause 1

The Clerk: Clause 1 Short title.

The Chairman: The question is that clause 1 stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 1 passed.

Clause 2

The Clerk: Clause 2 Interpretations.

The Chairman: The Honourable Minister of Aviation.

Hon. Gilbert A. McLean: Mr. Chairman, I beg to move that the Bill be amended as follows – In clause 2, by deleting the definition of **"Governor"** and substituting the following definition - "Governor", except in section 7(1), means "Governor in Cabinet".

The Chairman: The question is that the amendment stands part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 2 as amended passed.

Clauses 3 through 6

The Clerk:

Clause 3	Establishment of the Airports Authority and vesting of property.
Clause 4	Use of seal and authentication of documents.
Clause 5	Functions of the Authority.
Clause 6	Long range plans for airports.

The Chairman: The question is that clauses 3 to 6 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 3 through 6 passed.

Clause 7

The Clerk: Clause 7 Discontinuation of Airports.

The Chairman: The Honourable Minister of Aviation.

Hon. Gilbert A. McLean: Mr. Chairman in clause 7 by re-numbering subclause (2) as subclause (3); and by inserting after subclause (1) the following subclause - " (2) Notwithstanding subsection (1), the Chief Executive Officer may temporarily close to air traffic any airport if, in his opinion, the Authority is unable to provide for the safe operation of that airport.".

The Chairman: The question is that the amendment stands part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 7 as amended passed.

Clauses 8 and 9

The Clerk:

Clause 8	Accidents involving aircraft.
Clause 9	Minister may give general directions.

The Chairman: The question is that clauses 8 and 9 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 8 and 9 passed.

Clause 10

The Clerk: Clause 10 Constitution and responsibilities of the Board of the Authority.

The Chairman: The Honourable Minister of Aviation.

Hon. Gilbert A. McLean: Mr. Chairman, I move– by deleting clause 10(4) and substituting the following –" (4) The Board shall consist of not less than five nor more than nine directors of whom-

(a) one shall be chairman;
(b) one shall be deputy chairman; and
(c) two shall be public officers,

to be appointed for not less than three years by the Governor, but who shall hold office at his pleasure.".

The Chairman: The question is that the amendment stands part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amendment stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 10 as amended passed.

Clause 11

The Clerk: Clause 11 Meetings of the Board.

The Chairman: Honourable Minister of Aviation.

Hon. Gilbert A. McLean: Mr. Chairman, I move–by deleting clause 11(5) and substituting the following – "(5) The quorum of the Board shall be a majority of the appointed directors."

The Chairman: The question is that the amendment forms part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 11 as amended passed.

Clause 12

The Clerk: Clause 12 Disclosure of director's interests.

The Chairman: The question is that clause 12 strands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 12 passed.

Clause 13

The Clerk: Clause 13 Director's pecuniary interests.

The Chairman: Honourable Minister of Aviation.

Hon. Gilbert A. McLean: Mr. Chairman, I move that clause 13(4) be deleted.

The Chairman: The question is that the amendment stands part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 13 as amended passed.

Clauses 14 and 15

The Clerk:

Clause 14 Chief Executive Officer.
Clause 15 Functions of the Chief Executive Officer.

The Chairman: The question is that clauses 14 and 15 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

Hon. D. Kurt Tibbetts: Mr. Chairman.

The Chairman: The Honourable Leader of the opposition.

Hon. D. Kurt Tibbetts: It seems like this may be the most appropriate opportunity, because in the Ministers wind up I heard what he explained regarding the Chief Executive Officer but I must admit that it does not sat-

isfy my question from the beginning and I wonder if there is any chance of getting the matter cleared up.

The Minister has explained that it is necessary by some type of law for it to be the case in the Civil Aviation Authority Bill but that it is not necessary in this one.

He did say that from the time that these Bills become law that a Director-General of the Civil Aviation Authority and a Chief Executive Officer of the Airports Authority will have to be appointed.

Regardless of what is required in law for one and required for the other, my question is—this is the only forum I have to express my concerns and I am hoping to have them satisfied—if there is assurance for the appointment of the Director-General for the Civil Aviation Authority, why does it seem like it wants to be left hanging in the air as to whether it is going to be someone from the existing Civil Aviation Authority who will be the Chief Executive Officer of the Airports Authority?

I would like to be satisfied with some type of answer regarding that specific question.

The Chairman: The Honourable Minister of Aviation.

Hon. Gilbert A. McLean: Mr. Chairman, it is understood that there has to be a person designated as the Director-General for reasons which have been explained and that is the call of the Governor in his own right and by the United Kingdom legislation.

In the case of the Chief Executive Officer, as decision at the time of this Law, does not require the appointment of a Chief Executive Officer. Moreover, the appointment of a Chief Executive Officer has to be the decision of the Board of Directors of the Airports Authority. It might be somebody who is presently employed by the Civil Aviation Authority, as we know it now, but the likelihood exists that it might be another person. That is the best that I can explain the situation. One has a different role and function in the two scenarios.

The Chairman: Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Mr. Chairman, I understand clearly what the Minister has said because he just said that quite likely it may be—he can correct me if that is not what he meant— someone who is not a present employee of the Civil Aviation Authority.

Is that what the Minister just said?

The Chairman: The Honourable Minister of Aviation.

Hon. Gilbert A. McLean: I am very tired and perhaps I said that. I said it could be somebody who is presently in the management structure of the Civil Aviation Authority (CAA) but it could be somebody else who might be chosen by the Board of Directors. The Board does have the opportunity to look at who is available in this particular scenario.

The Chairman: The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: I heard what the Minister has said and I can only express my view. In my considered opinion the Civil Aviation Authority has been functioning quite adequately in dealing with the regulatory side and the operational side of the Civil Aviation in the Cayman Islands. It cannot be, and I am going to say it again, it cannot be that there is a need to go outside of the human capital within the organisational structure of the existing Civil Aviation Authority to be able to find heads for both the regulatory side, which will be the new CAA, and the operational side which will be the Airports Authority.

I am going on record to state that if there is an outside person who is appointed, I am not going to believe it is a fair process and I will be one who will be objecting strenuously to that. Not that I have any authority in the matter but I want it to go on record.

The Chairman: The Second Elected Member for West Bay.

Mr. Rolston M. Anglin: Mr. Chairman, is there any other Authority that has given the Board the discretion of choosing the chief person of the Authority?

The Chairman: The Temporary Third Official Member might be able to throw some light on this.

Hon. A. Joel Walton: Mr. Chairman, I am aware of the situation with the Public Service Pensions Board which I would argue is somewhat different in that that Board administers funds for employees. In that situation the Board can appoint a managing director.

In the case of Cayman Islands Monetary Authority (CIMA) the managing director is actually appointed by the Governor in Cabinet. Actually, most of the older ones were done in that way but the newer ones are done in this fashion.

The Chairman: I would like to remind Honourable Members of Standing Order 50: **"A committee to which a Bill is referred shall not discuss its general merits and principles but only its details."**

The merits and principles should have been discussed during the Second Reading debate.

Does any other Member wish to speak?

The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: I am not going to discuss the merits anymore but I will say that I made my contribution to the debate Sir, and as I pre-empted what I said earlier I did not have another opportunity to speak to it and was using this forum to ensure that my thoughts were heard.

The Chairman: Does any other Member wish to speak? If not, I put the question that clauses 14 and 15 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 14 and 15 passed.

Clause 16

The Clerk: Clause 16 Power to employ staff, et cetera.

The Chairman: The Honourable Minister of Aviation.

Hon. Gilbert A. McLean: Mr. Chairman, I wish to move an amendment in Clause 16 as follows:

(a) by deleting subclause (1) and substituting the following subclause - " (1) Subject to the approval of the Board, the Chief Executive Officer may employ, at such remuneration and on such terms and conditions as may be approved from time to time by the Board, such employees and engage under contract for services such professional, technical or other assistance, as the Chief Executive Officer considers necessary to carry out the functions of the Authority.";

(b) in subclause (3) by deleting the words **"The Board"** and substituting the words "The Chief Executive Officer".

The Chairman: The clause has been moved. Does any Member wish to speak? If not, I put the question that the amendment stand part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 16 as amended passed.

Clauses 17 through 19

The Clerk:

Clause 17 Transfer of public officers to the Authority.
Clause 18 Pension fund.
Clause 19 Medical care for employees of the Authority and applicability of Health Insurance Law (2003 Revision).

The Chairman: The question is that clauses 17 to 19 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 17 through 19 passed.

Clause 20

The Clerk: Clause 20 Revenue of the Authority.

The Chairman: The Honourable Minister of Aviation.

Hon. Gilbert A. McLean: Mr. Chairman, I beg to move that in clause 20 it be amended—

a) in subclauses (1) and (2), respectively, by deleting the words **"The revenue"** and substituting the words "The receipts";

b) in subclause (1) by deleting the words **"such revenue"** and substituting the words "such receipts";

c) by deleting subclause (3) and substituting the following -" (3) The Authority shall make an annual payment into the general revenue of the Islands, calculated by a formula determined by the Financial Secretary after consulting the Authority and the Minister, and the balance shall be carried forward to the account of the Authority."; and

d) by inserting after subclause (3) the following subclause - "(4)No receipts under subsection (1)(d) shall be taken into account in calculating the amount of any annual payment into the general revenue of the Islands pursuant to subsection (3)."

The Chairman: The clause has been moved. Does any Member wish to speak? If not, the question is that the amendment forms part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stand part of the Bill.

All those in favour, please say Aye. All those

against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 20 as amended passed.

The Chairman: Honourable Members, the next clause is really a new clause and under Standing Order 52(8) should be taken after all of the other substantive clauses in the Bill have been taken. Therefore, I will ask Madam Clerk to move to clauses 21 to 44.

Clauses 21 through 44

The Clerk:

Clause 21	Financial year.
Clause 22	Capital and borrowing powers of the Authority.
Clause 23	Advances, grants and guarantees.
Clause 24	Repayment of advances, et cetera.
Clause 25	Reserve fund.
Clause 26	Applicability of Public Management and Finance Law (2003 Revision).
Clause 27	Power of Authority regarding funds, gifts, lands, et cetera.
Clause 28	Application of funds by the Authority.
Clause 29	Airports designated.
Clause 30	Disposal of premises no longer required by the Authority.
Clause 31	Prescribed activities at airports.
Clause 32	Security at airports.
Clause 33	Compliance with Authority's directions.
Clause 34	Lien on aircraft.
Clause 35	Articles in care of Authority.
Clause 36	Public auction.
Clause 37	Arrest without warrant.
Clause 38	Proof of commission of offence.
Clause 39	Power of constable to request particulars.
Clause 40	Removal of animals.
Clause 41	Regulations.
Clause 42	Rules.
Clause 43	Immunity.
Clause 44	Indemnity.

The Chairman: The question is that clauses 21 through 44 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 21 through 44 passed.

The Chairman: We will now move to 45.

The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Mr. Chairman, I was out for a minute and perhaps there is an explanation about the new clause 28A.

The Chairman: We have not reached that as yet.

Hon. D. Kurt Tibbetts: All right.

Clause 45

The Clerk: Clause 45 Savings provisions.

The Chairman: The Honourable Minister of Aviation.

Hon. Gilbert A. McLean: Mr. Chairman, I am sorry I did not get which clause.

The Chairman: Clause 45.

Hon. Gilbert A. McLean: Thank you. I wish to move that clause 45(1) be deleted.

The Chairman: The question is that the amendment forms part of the clause.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 45 as amended passed.

New Clause 28A

The Clerk: New clause 28A Annual report to be laid on Table.

The Chairman: The clause is deemed to have been read a first time. The question is that this clause be read a second time.

Hon. Gilbert A. McLean: Thank you. Mr. Chairman, I beg to move that the new clause 28A which reads—"Annual report to be laid on table."

> "28A. The Authority shall, annually, prepare a report of its activities during the preceding year, and such report shall be laid on the table of the Legislative Assembly."

The Chairman: The clause has been moved. Does

any Member wish to speak? If not, the question is that the clause stands part of the Bill.

All those in favour, please say Aye—

Ayes.

The Chairman: The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: I am sorry, not to belabour but just as matter of procedure. Is it that it is necessary to read the marginal notes in or not? If it is not we are fine, it is just that the marginal notes were not read in.

The Chairman: I am advised that they were read in but if they were not then these are minor errors that will be corrected by the Second Official Member.

The question is that clause 28A stands part of the Bill and that the other clauses will be renumbered accordingly.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 28A stands part of the Bill.

Schedules 1 through 3

The Clerk:

Schedule 1	Property to be invested in the Airports Authority.
Schedule 2	Disposition of property to the Airports Authority, under the Governor (Vesting of Lands) Law (1998 Revision).
Schedule 3	Airports.

The Chairman: The question is the schedules stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Schedules 1, 2 and 3 passed.

The Clerk: A Bill for a Law to establish the Cayman Islands Airports Authority with Responsibility for constructing, Controlling and Managing Airports; Providing and Maintaining Runways, Taxiways and Terminals for the Efficient Operation of Airports; Providing Facilities for Customs and Immigration Services, and Health and Security Checks; and for Incidental and Connected Purposes.

The Chairman: The question is that the Title stands part of the Bill.

All those in favour, pleas say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Title passed.

The Development and Planning (Amendment) (Temporary Provisions) Bill, 2003

Clauses 1 through 5

The Clerk:

Clause 1	Short title.
Clause 2	Application of section 4 of this Law.
Clause 3	Amendment of section 38 of The Development and Planning Law (2003 Revision) - infrastructure fund.
Clause 4	Amendment of Second Schedule to The Development and Planning Regulations (2003 Revision) - building permit fees.
Clause 5	Validation.

The Chairman: The question is that clauses 1 to 5 stand part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 1 through 5 passed.

The Clerk: A Bill for a Law to Amend The Development and Planning Law (2003 Revision); to Further Extend the Temporary Reduction of Amounts Payable as Contributions to the Infrastructure Fund; to Further Extend the Temporary Reduction of Building Permit Fees; and to Make Provision for Incidental and Connected Purposes.

The Chairman: The question is that the title stands part of the Bill.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it

Agreed. Title passed.

The Chairman: This concludes proceedings in committee. The question is that the Bills be reported to the House.

All those in favour, please say Aye. All those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed that the Bills to be reported to the House.

House Resumed at 8.26 pm

REPORTS

The Civil Aviation Authority Bill, 2003

The Speaker: Please be seated. The Honourable Minister of Aviation.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to report that a Bill shortly entitled The Civil Aviation Authority Bill, 2003 was considered by a committee of the whole House and passed with amendments.

The Speaker: The Bill has been duly reported and is set down for Third Reading.

The Honourable Minister of Aviation.

The Airports Authority Bill, 2003

Hon. Gilbert A. McLean: Mr. Speaker, I beg to report that a Bill shortly entitled The Airports Authority Bill, 2003 was considered by a committee of the whole House and passed with amendments.

The Speaker: The Bill has been duly reported and is set down for Third Reading.

The Honourable Temporary Third Official Member.

The Development and Planning (Amendment) (Temporary Provisions) Bill, 2003

Hon. A. Joel Walton: I have to report that a Bill shortly entitled The Development and Planning (Amendment) (Temporary Provisions) Bill, 2003 was considered by a committee of the whole House and passed without amendment.

The Speaker: The Bill has been duly reported and is set down for Third Reading.

Suspension of Standing Order 47

The Speaker: The Honourable Deputy Leader of Government Business.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move the suspension of Standing Order 47 so that the Bills as listed under Third Readings can be taken.

The Speaker: The question is that Standing Order 47 be suspended to enable the Third Readings on the Civil Aviation Authority Bill, 2003, the Airports Authority Bill, 2003 and the Development and Planning (Amendment) (Temporary Provisions) Bill, 2003.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 47 suspended to allow all Bills to be read a third time.

THIRD READINGS

The Civil Aviation Authority Bill, 2003

The Speaker: The Honourable Minister of Aviation.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move that a Bill shortly entitled The Civil Aviation Authority Bill, 2003 be given a Third Reading and passed.

The Speaker: The question is that a Bill shortly entitled The Civil Aviation Authority Bill, 2003 be given a Third Reading and passed.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Civil Aviation Authority Bill, 2003 given a Third Reading and passed.

The Airports Authority Bill, 2003

The Speaker: The Honourable Minister of Aviation.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move that a Bill shortly entitled The Airports Authority Bill, 2003 be given a Third Reading and passed.

The Speaker: The question is that a Bill shortly entitled The Airports Authority Bill, 2003 be given a Third Reading and passed.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Airports Authority Bill 2003 given a Third Reading and passed.

The Development and Planning (Amendment) (Temporary Provisions) Bill, 2003

The Speaker: The Honourable Temporary Third Official Member.

Hon. A. Joel Walton: I rise to move that a bill entitled The Development and Planning (Amendment) (Temporary Provisions) Bill, 2003 be given its Third Reading and passed.

The Speaker: The question is that a Bill shortly entitled The Development and Planning (Amendment) (Temporary Provisions) Bill, 2003 be given a Third Reading and passed.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Development and Planning (Amendment) (Temporary Provisions) Bill, 2003 given a Third Reading and passed.

OTHER BUSINESS

PRIVATE MEMBERS' MOTIONS

PRIVATE MEMBER'S MOTION NO. 11/03

Economic Conditions of Cayman Brac
Deferred

The Speaker: The Honourable Deputy Leader of Government Business.

Hon. Gilbert A. McLean: Mr. Speaker, I have been requested by the Member in whose name Private Member's Motion No. 11/03 stands, to request that this Honourable House allow this Motion to stand over to the Order Paper at the next meeting of the Assembly.

The Speaker: The question is that Private Members Motion No. 11/03; Economic Conditions of Cayman Brac, be deferred until the next sitting of the Fifth Meeting of the 2003 Session.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Private Member's Motion No. 11/03 deferred to a later Sitting.

ADJOURNMENT

The Speaker: Honourable Deputy Leader of Government Business.

Hon. Gilbert A. McLean: Mr. Speaker, before I move the adjournment I would like to thank you most sincerely for your patience and the time spent here presiding in this meeting today which has taken us to almost nine o'clock and to all Honourable Members for remaining here so that we could finish the business which was on the Order Paper.

I would also like to thank the support staff, the Acting Director of Civil Aviation, the Consultant, Permanent Secretary and the Legislative Drafting Lady that also stayed with us until this hour to see this through and, certainly, the Legislative Assembly staff whose patience is phenomenal and their ability to work under stress the same. I must also thank Ms. Olivia Scott of the *Compass* who has stayed with us as well.

I would like to remind Honourable Members that we have met on the matter of the Elections Law and discussed certain necessary amendments to that Law which need to be taken care of as quickly as possible because time is running in the election process. It is my understanding that the Honourable First Official Member will be contacting Members about the matter of meeting for discussion of this Law prior to us meeting in the Assembly. However, it will be necessary for us to meet within this particular session to complete the exercise.

I would also like to give notice that I propose to bring forward the National Roads Law. I should have it in a day or two and I will see that it is circulated to Members. I would like to deal with that as it is in keeping with the responsibility which would be assigned to it having certain funds now being allocated for road works.

Having said all of that I beg to move the adjournment of this Honourable House sine die.

The Speaker: The question is that this House do now adjourn sine die.

All those in favour, please say Aye. All those against, No.

Ayes.

The Speaker: The Ayes have it.

At 8.36 pm the House stood adjourned sine die.

OFFICIAL HANSARD REPORT
FRIDAY
7 MAY 2004
10.24 AM

Ninth Sitting

[Deputy Speaker in the Chair]

The Speaker: I will invite the Third Elected Member for Bodden Town to grace us with Prayers.

PRAYERS

Mr. Anthony S. Eden: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Cayman Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together*:*

Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come. Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For thine is the Kingdom, the power and the glory, forever and ever, Amen.

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

Proceedings resumed at 10:27 am

The Speaker: Please be seated. Proceedings are resumed.

ADMINISTRATION OF OATHS OR AFFIRMATIONS

(Administered by the Clerk)

Oath of Allegiance
Mr. Kearney Gomez

To be the Temporary Honourable First Official Member responsible for the Portfolio of Internal and External Affairs.

Mr. Kearney Gomez: I, Kearney Gomez, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, her heirs and successors according to law, so help me God.

The Speaker: On behalf of this Honourable House, I welcome the Honourable Temporary First Official Member and invite you to take your seat.

Oath of Allegiance
Mr. Kurt De Freitas

To be the Temporary Honourable Second Official Member responsible for the Portfolio of Legal Administration.

Mr. Kurt De Freitas: I, Kurt De Freitas, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, her heirs and successors according to law, so help me God.

The Speaker: On behalf of this Honourable House, I welcome the Honourable Temporary Second Official Member and invite you to take your seat.

Please be seated.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies for absence from the Honourable Speaker who is off the Island, from the Honourable First Official Member, the Honourable Second Official Member and from the Minister of Community Affairs who will be arriving later.

PRESENTATON OF PAPERS AND OF REPORTS

The Annual Plan and Estimates for the Government of the Cayman Islands for the Financial Year ending 30 June 2005 together with the Annual Budget Statements for Ministries and Portfolios for the Financial Year ending 30 June 2005, Purchase Agreements for Statutory Authorities, Government Companies and Non-Governmental Output Suppliers for the Year ending 30 June 2005,

and Ownership Agreements for Statutory Authorities and Government Companies for the Year ending 30 June 2005

The Speaker: I now call on the Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I beg to lay on the Table of this Honourable House the Annual Plan and Estimates for the Government of the Cayman Islands for the Financial Year ending 30 June 2005 together with the Annual Budget Statements for Ministries and Portfolios for the Financial Year ending 30 June 2005, Purchase Agreements for Statutory Authorities, Government Companies and Non-Governmental Output Suppliers for the Year ending 30 June 2005, and Ownership Agreements for Statutory Authorities and Government Companies for the Year ending 30 June 2005.

The Speaker: So ordered. Would the Honourable Minister wish to speak thereto?

Hon. George A. McCarthy: Mr. Speaker, at the time when I move the Second Reading of the Budget Address I will speak to the documents.

GOVERNMENT BUSINESS

BILLS

FIRST READING

The Appropriation (July 2004 to June 2005) Bill 2003

The Speaker: The Bill has been deemed to have been read a first time and is set down for a Second Reading.

SECOND READING

The Appropriation (July 2004 to June 2005) Bill 2003

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I beg to move the Second Reading of the Appropriation (July 2004 to June 2005) Bill 2003.

The Speaker: The Bill has been duly moved. Does the Mover wish to speak thereto?

BUDGET ADDRESS

Hon. George A. McCarthy: Mr. Speaker, it is my privilege to present the Budget for the 2004-2005 financial year on behalf of the Government. In keeping with the normal practice, I will share this responsibility with the Leader of Government Business who will move the Budget debate.

The title of last year's Budget address was "Charting Our Course for the Future". That speech, together with the address from the Leader of Government Business outlined the Government's plan for the economic and social future of this country.

It was a plan designed to support the local economy and create employment opportunities for Caymanians. It was a plan designed to increase the educational opportunities available for our young people. It was a plan designed to ensure that health care and social support are available to those in need. It was a plan designed to improve the efficiency and effectiveness of Government and its agencies. It was a plan designed to set the foundation for the future of our country. It was a plan which, as the Leader of Government Business puts it, "charts a course to achieve … our national aspirations".

Mr. Speaker, the latest economic data shows that the plan is working. The Cayman Islands experienced higher economic growth, lower unemployment and lower inflation in 2003 compared to 2002. The economic recovery is forecast to continue in 2004 with the latest Labour Force Survey showing unemployment less than half what it was three years ago. A modest increase in the number of tourist air arrivals is also forecast for 2004. This will help contribute to an economic growth rate that is projected to be nearly 50 per cent higher than the 2003 level.

However, Mr Speaker, as Honourable Members of this House know, achieving economic and social prosperity is not a one-year exercise. Achieving that goal requires sustained commitment and effort. Achieving that goal requires keeping the destination in sight. Achieving that goal requires a steady hand on the tiller.

That is the objective and focus of this year's Budget; it is a "steady as she goes" Budget designed to support the plan for this country established by the Government over the last three years. It is a Budget that ensures the course to prosperity is maintained.

It is also a Budget that has been prepared in full compliance with the requirements of the Public Management and Finance Law (2003 Revision), and the first ever Budget prepared using accrual rather than cash accounting. This makes the Cayman Islands Government a Caribbean leader in financial reporting, and one of only a handful of countries in the world achieving this level of transparency.

Key Aspects of the Budget

The Annual Plan and Estimates outlines the actions the Government plans to take in 2004 – 2005 to maintain the course it has set.

The Government's Outcome Goals

That course is based around the eleven outcome goals established by Vision 2008 and specified in the Strategic Policy Statement tabled in this House earlier in the year.

I know that Honourable Members are by now familiar with those outcomes, but for the benefit of the public I would like to summarise them briefly. The eleven outcome goals are:

1. A strong economy that generates employment, income and a high standard of living;
2. A healthy resident population;
3. A socially supported resident population;
4. A strong Caymanian community and culture;
5. An environment protected for the use of both current and future generations;
6. A well educated and vocationally trained resident population;
7. A safe and secure country for residents and visitors;
8. An open, efficient and accountable Government;
9. Young persons positively involved in the community;
10. Strong family units; and
11. Economically and socially vibrant Sister Islands.

Key Policy Initiatives in 2004/5

The Annual Plan and Estimates specifies the policy actions the Government will be taking this year to promote these 11 outcomes and then allocates funding accordingly.

Those actions include the purchase of 215 different output groups to a total value of $273.5 million. The Annual Plan and Estimates provides a rationale for each of those purchases as each output is specifically linked to the outcome, or outcomes, to which it relates. Many of those outputs will be produced by Ministries and Portfolios. However 91 statutory authorities and non-governmental output suppliers will also be funded to provide outputs.

This year's Budget also includes 78 non-output policy actions for which approval is being sought from the Legislative Assembly.

The Leader of Government Business will outline the specific policy initiatives for the year when he makes his remarks.

The 2004/5 Fiscal Position

The policy actions are one half of the Budget. The fiscal position is the other.

The Government is well aware of the need for fiscal prudence and expenditure control, Mr. Speaker, and I am pleased to advise that the Budget is once again a fiscally responsible one. It provides for an accrual operating surplus of around half a million dollars, a cash flow from operating surplus of around $17.5 million, and a net worth balance sheet position of around $366 million.

This result has been achieved even after recognising around $20 million of additional expenditure for the first time. This is a result of the move to accrual accounting. A 2.5 per cent cost of living adjustment for civil servants has also been allowed for in the numbers. Ministries and Portfolios funded almost all of this cost of living adjustment from efficiency savings.

The Budget contains no new revenue measures. This is despite the fact that the Strategic Policy Statement targets allowed for an increase in fuel levies to help finance the National Roads Authority. In light of the recent rise in international oil prices, the Government has decided not to proceed with this increase at this time. This means that this is the third Budget in a row where expenditure demands have been accommodated within the existing revenue base.

Importantly, Mr. Speaker, the Budget complies with all of the Principles of Responsible Financial Management including the debt servicing and net debt ratios, and the cash reserve requirements.

The debt servicing ratio is forecast to be 5.9 per cent at the end of 2004-2005, compared to the 10 per cent limit established by the Public Management and Finance Law.

The net debt ratio is forecast to be 56 per cent, which is much less than the statutory limit of 80 per cent. The cash reserves ratio is forecast to be 63 days, which is over twice the level of 30 days required for 2004/5 by the Principles of Responsible Financial Management.

While accrual expenditure is more than cash expenditure, the amount of accrual revenue is similar to the amount of cash revenue. This means that the achievement of an accrual operating surplus is a significant improvement on the operating position of previous years. As reported in the Strategic Policy Statement, the 2003-2004 cash Budget when recasted onto an accruals basis, showed a deficit of $9.6 million. The 2004-2005 Budget therefore represents a turnaround of approximately $10 million.

In order to achieve this, Ministers and Official Members worked hard to ensure that core Government expenditure stayed within the allocations established by the Strategic Policy Statement. This was despite the fact that the Government's policy action plan for 2004–2005 involved a significant number of new policy initiatives. This has required a strong focus on efficiency improvements and reprioritisation.

In the case of the Portfolio of Internal and External Affairs, for example, in excess of $1 million of new initiatives, plus most of the cost of living adjustment, has been funded from savings and reprioritisation of expenditures within that Portfolio. This is a testament to both the new financial management arrangements and the dedication and professionalism of the civil service.

Ministers have also paid particular attention to the budgets of Statutory Authorities and Government Companies. With the move to accrual accounting, the aggregate net results of their operations are now included as a single line item in the Government Budget. Statutory Authorities and Government Companies were required to carefully examine their budgets to achieve a break-even position or minimise any forecasted deficits. This policy of requiring Statutory Authorities and Government Companies to comply with the same fiscal discipline that applies to Ministries and Portfolios will continue in the future.

A similar dedication to fiscal control is evident on the capital side.

Equity investments into Ministries, Portfolios, Statutory Authorities and Government Companies have been limited to an amount that can be financed from operating cash flows. The total amount of equity investments is $15.2 million, which is around $2.3 million less than net cash flows from operations. In other words, Mr. Speaker, in cash flow terms, the budgeted operating revenue more than covers both operating costs and balance sheet activity with short term benefits. This is a prudent, responsible and sustainable financial policy.

The level of capital expenditure has also been controlled. It has been limited to projects that have benefits that will be enjoyed by both current and future generations. These include new roads, school classrooms and the new abattoir.

Given the long-term benefit of these projects, it is appropriate that they be financed by borrowing. This ensures that the financing cost is spread over the life of the project. The Budget therefore makes allowance for $37 million of new borrowing in 2004-2005. The repayment of $10.5 million of existing borrowing will also occur during the financial year, resulting in a net increase in public debt of around $26.5 million.

Although further borrowing could have been justified on a cost-benefit basis, the Government has been conscious of the need to keep aggregate borrowing within levels that the country can afford. Accordingly, the amount of new borrowing is $8.8 million less than that allowed for in the Strategic Policy Statement. This has resulted from the careful and deliberate process of capital expenditure prioritisation undertaken by Ministers.

The excellent fiscal picture provided by the Budget is an indication of the Government's commitment to responsible financial management. It is also a reflection of the better fiscal management tools provided by the Financial Management Initiative.

The Last Big Change to the Budget—the Move to Accruals

Budget Documents

The Budget documentation is similar in format to last year and consists of four volumes.

The main budget document is the Annual Plan and Estimates, which is the one with the blue cover. This document summarises the planned actions and financial performance at an overall government level. The Estimates part of the book provides the list of appropriation requests.

The three other volumes support the Annual Plan and Estimates by providing information at a more detailed level.

The Annual Budget Statements, which is the book with the green cover, details the output delivery and ownership performance expected of Ministries and Portfolios.

The Purchase Agreements, which is the book with the yellow cover, specifies the outputs the Government plans to purchase from Statutory Authorities, Government Companies and non-governmental output suppliers.

The Ownership Agreements, which is the book with the pink cover, contains the ownership performance the Government expects of each Statutory Authority and Government Company.

Accrual Based Budget

As the Public Management and Finance Law comes fully into effect for this 2004/5 Budget, there are a number of enhancements to the content of the documents compared to previous years. Mr. Speaker, these are the last set of major changes required by the Financial Management Initiative.

The major change is the adoption of accrual accounting. The accrual method provides a more accurate reflection of the financial activity of the Government than the previous cash accounting approach. It results in four major changes to the way the numbers are put together.

First, a strict distinction between operating and capital expenditure is maintained with separate statements prepared for operating activity, assets and liabilities, and cash flows.

Second, operating revenue is recognised in the Operating Statement when it is due, not when the cash is collected. Revenue collected is reported in the Statement of Cash Flows and revenue due but not yet collected, is recorded as a receivable in the balance sheet.

Third, operating expenses are recognised in the Operating Statement when the expense is incurred not when the cash is paid out. Cash payments are reported in the Statement of Cash Flows, and expenses incurred but not yet paid are recorded in the balance sheet as a payable.

Fourth, non-cash expenses are also recognised in the Operating Statement. The major non-cash expense is depreciation. This reflects the use, or wearing out, of assets. Any write-off or reduction in the value of assets is also recorded as an accrual expense, as is the increase in any liabilities.

The financial information provided in all the budget documents has been calculated using the accruals method. The Budget forecasts themselves consist of a complete set of forecast financial statements that resemble private sector accounts. These include a Statement of Responsibility for their integrity and completeness.

Capital Expenditure

The move to accrual accounting and the full implementation of the Public Management and Finance Law means that the terms "capital acquisitions" and "capital development" are no longer used. Instead, a distinction is made between entity assets and executive assets.

Entity assets are the assets that a ministry or portfolio uses to produce its outputs. Under the Public Management and Finance Law these assets are controlled by chief officers and are recorded on the entity balance sheet. As part of the move to accruals, the cost of depreciation is included in the output price. This means that over the life of an asset, a ministry or portfolio is automatically funded for the replacement of that asset. This approach means that, as a general rule, it is no longer necessary to specifically fund entity assets.

However, there are two situations when the specific funding of an entity asset may be necessary.

The first is where the assets to be replaced are already depreciated. Many of the assets owned by Ministries and Portfolios are quite old and are already significantly or fully depreciated. This means Ministries and Portfolios are receiving little or no depreciation funding for those assets and therefore have no cash to replace them.

The second situation is where the asset to be purchased is new, rather than replacing an existing asset. If an asset is new, it is inappropriate to use the depreciation of existing assets to fund that purchase. To do so would result in no cash being available to replace existing assets when their replacement is due.

In these two circumstances, the Cabinet will provide funding for a ministry or portfolio to purchase an entity asset. Cabinet does this by making an equity investment into the Ministry or Portfolio. The requests for equity investments included in section 9 of the Annual Plan and Estimates include requests for this purpose.

Executive assets, Mr Speaker, are those assets that are controlled directly by Cabinet. These assets are recorded on the executive balance sheet and include Crown land, roads, public buildings, public recreational facilities, and the Barkers Environmental Park.

Under the Public Management and Finance Law, the purchase or construction of executive assets requires a specific appropriation. Requests for these appropriations are included in section 9 of the Annual Plan and Estimates under the heading "Purchase or Construction of Executive Assets".

The term capital development is no longer used as it previously referred to both entity and executive assets and as such is now ambiguous.

Inclusion of Statutory Authorities and Government Companies

The move to accrual accounting has also resulted in a change to the way Statutory Authorities and Government Companies are reflected in the Budget.

The accrual operating surpluses and losses of Statutory Authorities and Government Companies are now included in the Government's operating statement as a single line entitled "Net Loss in Investments in Statutory Authorities and Government Companies". Similarly, the net worth of Statutory Authorities and Government Companies is recognised as a single line in the balance sheet entitled "Net Worth in Statutory Authorities and Government Companies".

The inclusion of financial information about Statutory Authorities and Government Companies reflects the fact that the Government is the owner of these organisations. Their net worth is an asset of the owner and therefore needs to be recorded on the Government's balance sheet.

The inclusion of the operating surpluses and deficits of Statutory Authorities and Government Companies in the Budget also has a financial and economic advantage. As the aggregate loss is treated as a government expense, this loss needs to be compensated for by reduced core government expenditure. The budgetary decisions of the Government therefore automatically need to take account of the financial impact that the wider government sector is having on the economy.

Appropriations to Cabinet

With the coming into force of the Public Management and Finance Law, appropriations will now be to Cabinet rather than to chief officers.

This change is consistent with the accountability arrangements under the Law and reflects the role of Cabinet as the purchaser of outputs.

In line with this approach, from 2004/5 the funding that Ministries and Portfolios receive from Cabinet will only be for the outputs that Cabinet is buying. However, Ministries and Portfolios will also be able to keep the entity revenue they earn from providing outputs to other government agencies and from third parties. They will then use this revenue to fund their input costs.

Consistent with this change, from 2004/5 Ministries and Portfolios will charge each other for the services they provide to each other. These include, for example, outputs provided by the Personnel and Computer Services Departments to other agencies of

Government. The cost of those central services is allowed for in the output cost of the Ministries and Portfolios that use the services and the appropriations reflect this.

These changes mean that a number of outputs are no longer being purchased by Cabinet even though they are still being produced. Where this occurs those outputs are now not included in the Annual Plan and Estimates or Annual Budget Statements.

Cash Management Arrangements

A new set of cash management arrangements will also operate from 2004/2005.

This will involve Ministries and Portfolios having their own bank account and managing their own working capital. The bank accounts will be within a suite of accounts overseen by the Treasury and will have no impact on the Government's overall cash position because an offset arrangement applies to the overall bank account structure.

The requirement to manage working capital will mean that Ministries and Portfolios will need to ensure that they collect their entity revenue in a timely manner and manage their debtors and creditors so as to maximize their cash position. When I say debtors and creditors, some Honourable Members will know these terminologies as receivables and payables. Significant aggregate working capital gains are expected from this part of the financial management reform.

In preparation for these new arrangements, an entity bank account has been established for each Ministry and Portfolio and working capital equal to one month's worth of expenses will be placed in those accounts on 1 July 2004. This level of working capital is reflected in the forecast ministry and portfolio balance sheets reported in the Annual Budget Statements.

Overview of the Economic and Fiscal Position

I would now like to turn to the details of the economic and fiscal position, starting with an overview of international developments.

Economic Position

The World Economy

Global economic growth improved modestly from 3.0 per cent in 2002 to 3.2 per cent in 2003. This improvement was mainly due to a continued expansion in consumer spending and a recovery in business spending, particularly in the second half of 2003. Generally, global fiscal and monetary policies were supportive of the need to spur economic growth. The recovery was broad-based, with most regions experiencing accelerated growth in 2003.

The US economy grew by 3.1 per cent in 2003, up from 2.4 per cent in 2002. Consumer spending remained strong last year, fuelled by federal tax cuts, mortgage refinancing, and home equity lines of credit. There was a turnaround in private investment from a 1.2 per cent decline in 2002 to a 4.1 per cent expansion in 2003. This rebound was due to a recovery in business spending on equipment and software as well as accelerated growth in the housing market.

US corporate profits posted healthy gains in 2003 and financial markets responded positively to this growth, with the Standard and Poor's (S&P) 500 index rising by 26 per cent.

The labour market showed some weakness, however. The US unemployment rate increased from 5.8 per cent in 2002 to 6.0 per cent in 2003 and manufacturing jobs declined for the forty-first consecutive month in December.

The US dollar fell against major currencies for the second year in a row. Against the Euro, it moved from US$1.05 at the start of 2003 to close at US$1.26 at the end of the year. This depreciation resulted from low US interest rates and a growing current account deficit. Another concern in some quarters was the growing federal deficit, particularly in light of tax cuts that the Bush administration wants to make permanent.

The UK economy showed greater resilience than other western European countries. Gross Domestic Product (GDP) rose from 1.7 per cent in 2002 to 2.1 per cent in 2003. Economic growth in the Euro Area as a whole, however, slowed from 0.9 per cent in 2002 to 0.5 per cent in 2003.

The Japanese economy showed signs of a recovery, expanding by 2.7 per cent in 2003 compared to 0.2 per cent the previous year. The acceleration was led by a turnaround in business investment and exports to the United States and China.

Developing Asian economies continued to show strength in 2003. China's growth accelerated from 8.0 per cent in 2002 to 9.1 per cent in 2003, driven mainly by inward investments. Strong demand from China for raw materials has impacted positively on resource-rich countries. The Indian economy also accelerated from 4.7 per cent in 2002 to 5.6 per cent in 2003, benefiting from the outsourcing of services from the United States and other countries.

Closer to home, Latin America and the Caribbean grew by 1.5 per cent in 2003, reversing the decline of 0.4 per cent experienced in 2002. Argentina grew by 7.3 per cent and real GDP growth of over three per cent was seen in Chile, Costa Rica, and Columbia.

The Caribbean economies, particularly the English-speaking countries, experienced better economic performance in 2003 compared to the previous year. One major factor was the rebound in tourism recorded in the region. Also, strong prices and higher volumes benefited commodity exporters, particularly Belize and Trinidad.

The Domestic Economy

Real GDP growth in the Cayman Islands accelerated for the second consecutive year from 1.7 per cent in 2002 to 2.0 per cent in 2003. This upward trend mirrored the performance of the global economy. The improvement was reflected in continued buoyant activity in the local construction industry, higher imports, and an increase in Government revenue.

Consumer inflation increased by 0.6 percent in 2003 compared to 2.4 percent in the previous year. The inflation rate was influenced by price increases for medical services, household equipment, food and education. These increases were offset by declines in other areas, namely housing, clothing, and personal goods and services.

The reduction in the unemployment rate provided another piece of good news for the country. The unemployment rate in the Cayman Islands has been steadily decreasing since 2001 when it stood at 7.5 per cent. The latest Labour Force Survey results place the unemployment rate at 3.6 per cent.

I will now provide an update on the key economic sectors in our country, Mr. Speaker.

The financial services sector, as we all know, is fundamental to our economic well-being. This sector recorded positive results in most areas in 2003. Growth was seen in mutual fund registrations, insurance company registrations, insurance premiums, stock exchange listings, stock market capitalisation, and new company registrations.

One notable exception was the decline in the number of bank and trust licences which fell by 34. The reduction in bank and trust licences resulted from consolidations within the banking industry and the cost implications of establishing physical presence as required by the law.

A better indicator of the health of the banking sector is that Cayman retained its position as a leading international financial centre. External assets of banks stood at US$1.02 trillion in June 2003, up by US$4.6 billion from the December 2002 position. External liabilities increased by US$1.5 billion during the same period to US$981.5 billion.

The total number of insurance licences increased to 672 in 2003. This was primarily due to a rise in the number of Class 'B' (captive) licences. Class 'B' licences increased by 44 to 644 in 2003. The net increases were mainly due to professional liability, healthcare, and workers' compensation. Medical malpractice lawsuits in the United States continued to be the driving force behind the growth in captives, followed by workers' compensation.

Premiums for captives grew by US$700 million in 2003 to US$4.9 billion. Net income declined by US$400 million during the same period to US$0.3 billion, mainly as a result of payouts by healthcare and property-related captives.

Mutual funds are another Cayman success story. With over half of the world's hedge funds registered in the Cayman Islands, we remained the leader in this segment of the global financial market in 2003. In recent years, hedge funds have grown in popularity among wealthy individuals and institutional investors mainly due to the attractiveness of potential returns and the fact that they are more nimble than traditional mutual funds. The Cayman Islands continued to capitalise on this global hedge funds growth with fund registrations increasing by 523, or 12.2 per cent, to 4,808 in 2003.

The Cayman Islands Stock Exchange also posted gains in 2003. Stock listings grew to 735 in 2003, an increase of 25 from the previous year. Between 2002 and 2003, market capitalisation rose by a healthy 20.9 per cent to US$43.9 billion. Most of this increase resulted from the recovery in stock prices in major capital markets worldwide.

Total company registrations increased to 68,078 in 2003, or by 2,819. New company registrations rose for the first time in three years. The continued strengthening of the global economy had a positive impact on registrations.

Ship registrations totalled 1,473 in 2003 with gross tonnage amounting to 3.2 million. The number of new registrations in 2003 amounted to 186, including 152 pleasure yachts.

In relation to international initiatives, the primary one that has been the focus of our attention for the past two years has been the European Union Savings Directive (EUSD). Following intense negotiations with the United Kingdom, we were able to agree a "Framework Document" that contains a number of undertakings by the UK that we expect will help safeguard the interests of the Cayman Islands. It was only after successfully negotiating these undertakings with the UK that the Cayman Islands agreed to the implementation of the Savings Directive.

In accordance with the commitment given to the UK, the Government intends, following consultation with our financial services industry, to introduce legislation under which agreements will be entered into with EU Member States.

The tourism sector is the other pillar of our economy, Mr. Speaker. Over two million tourists visited the Cayman Islands during 2003. This figure represented an increase of 12.5 per cent over 2002.

The Cayman Islands was able to capitalise on continued strong growth in the North American cruise market with cruise ship visitors totalling 1.8 million during 2003, an increase of 15.5 per cent. Two key factors relating to the growth of this segment of the market have been the safety appeal of cruise travel and the availability of affordable and attractive package options.

Air arrivals declined by 3.0 per cent from 302,000 in 2002 to 293,000 in 2003. Air arrivals were impacted by global events, such as the war in Iraq and the outbreak of Severe Acute Respiratory Syn-

drome (SARS). As reported by the World Tourism Organisation, a 1.2 per cent decrease in international tourism was recorded over the 2003 period. In the Cayman Islands, while stay over arrivals from the United States fell by 12.5 per cent in 2003, the number of stay over visitors from the European, Canadian, and other markets grew.

Of some comfort, Mr. Speaker, is the fact that stay over arrivals grew by 4.9 per cent during the last quarter of 2003. Furthermore, that positive trend has continued during the first quarter of 2004. Group bookings are expected to boost the level of stay over visitors in 2004. These bookings extend to August 2004 and include weddings, families, divers, and meetings.

Real estate performed well in 2003 with the value of properties transferred growing by 19.0 per cent to $326 million in 2003. There was also greater activity in the marketplace with the number of properties transferred rising by 596 to 2,143 in 2003. A stronger global economy, historically low interest rates and an indefinite extension of the Government's stamp duty concession stimulated investment in real estate.

There was brisk selling of properties located along the Seven Mile Beach. One exceptionally large transaction was the $30 million sale of Vista Norte, a 270-acre prime area property.

Heavy pre-selling of units within the high-end condominium developments such the Meridian, Water's Edge and the Ritz Carlton also contributed to a rise in the value of properties transferred.

The strata apartment units of Frank Hall Homes, Secret Gardens and the Retreat developments also sold well during this period, with the Secret Gardens and Frank Hall Homes in George Town being sold out. The sale of single-family homes also rose.

Commercial space continued to be absorbed slowly by the business community. However, in comparison to the previous year, the pace of absorption was a little more rapid.

Real estate prospects for next year remain positive. While investor interest is expected to continue, the onset of higher prices is likely to dampen activity in the market place.

Construction continued to perform well throughout 2003. Favourable conditions such as historically low interest rates, and continuation of the 50 per cent concession on building permit and infrastructure fees bolstered activity in the industry. Significant projects slated for completion in the next year are the Ritz Carlton Hotel and the Royal Watler Cruise Terminal. Completion of the Ritz Carlton Hotel will bolster further sale of units within the development.

Economic Outlook

Let me now turn to the economic outlook, Mr Speaker.

Since 2001 there has been a steady improvement in economic conditions, as developed countries have adjusted to the fallout from the bursting of the dot-com bubble and corporate governance issues. Global growth is projected to accelerate from 3.2 per cent in 2003 to 4.1 per cent in 2004. This is well above the 1993-2003 average of 3.5 per cent.

Leadership in global growth is likely to come from the US where monetary and fiscal stimuli are providing a boost to near-term economic activity. Real growth in the US is projected at 3.9 per cent in 2004, up from 3.1 per cent in 2003.

Of immediate concern, however, is the jobless nature of the US recovery so far. Households tend to spend more when there is job security and when there is confidence about future job prospects. With the reduction in productivity gains from 5.0 per cent in 2002 to 4.4 per cent in 2003, there is hope that the unemployment rate will fall.

The Cayman Islands is likely to benefit from continued strengthening of the US economy in the form of inward investments and visitor spending. Real growth for the Cayman Islands is projected at 2.8 per cent in 2004, up from 2.0 per cent in 2003. Unemployment is expected to hold steady at 3.6 per cent in 2004. Inflation is projected at 2.0 per cent, up from a low of 0.6 percent in 2003.

Early indications suggest that there will be a modest increase in the number of tourist air arrivals in 2004 – potentially the first annual increase for the Cayman Islands in years. With the perceived threat from terrorism continuing, North American travellers are more confident about travel closer to home. The Caribbean is relatively close and has traditionally been considered to be safe. These are factors that are likely to benefit the Cayman Islands.

Fiscal Position

On the fiscal front, the Government is forecasting to collect $338.2 million in 2004-2005. This represents an increase of around $29 million from that budgeted for 2003-2004. It reflects the rebound in government revenue evident in recent months.

Operating expenses are forecast to be $328.2 million in 2004-2005. This number is not strictly comparable with the cash budget number from last year because it has been prepared on the accruals basis. Accordingly, it includes some non-cash numbers not recognised in previous years. The largest of these is depreciation which amounts to $13.6 million for the core Government in 2004-2005.

The Operating Expense number also includes the aggregate net loss of Statutory Authorities and Government Companies which amounts to $5.4 million. These two items make up around six per cent of expenditure.

The net surplus, which is the key operating measure, is forecast to be $473,000. When the sizes of the revenue and expenditure flows are taken

into account, this forecast net surplus is not significantly different from the target of $1 million established in the Strategic Policy Statement.

As a result of the move to accrual accounting, the fiscal forecasts include a balance sheet for the first time. This shows a forecasted net worth position for the Government at the end of 2004-2005 of $366.4 million. This is made up of forecasted assets of $716.7 million, less forecasted liabilities of $350.3 million.

The major asset category on the forecast balance sheet is Property, Plant and Equipment. This consists of physical government assets such as Crown land, roads and buildings. The projected book value of these assets as at 30 June 2005 is $454 million.

The Government's other major asset is its investment in Statutory Authorities and Government Companies. This is the value of the net assets of those organisations which in aggregate is forecast to be $167.9 million as at 30 June 2005.

The liability side of the balance sheet is dominated by two items: borrowings and the unfunded pension liability.

Borrowings are forecast to be $199.2 million at the end of the Budget year. This represents a net increase of $26.5 million from expected 2003-2004 levels.

The unfunded pensions liability, which amounts to $130 million, is the difference between the value of the assets of the Public Service Pensions Fund and the value of its future pensions payments. Under the Public Service Pensions Law the Government is legally responsible for this difference and makes regular payments to the Fund. Payments towards the past service liability have been budgeted at $10 million in 2004-2005. This is separate from the current costs which have been budgeted under the various Ministries and Portfolios.

The unfunded pensions liability figure is likely to be revised upward at some future time as a result of a recent actuarial report received by the Pensions Board. This report is currently under review before being submitted to Cabinet. Following the review, the Government will consider recommendations from the Board of Trustees that could have an impact on the level of past service liability contributions in the future. Any change to the value of the balance sheet liability will be made at that time.

The Government will have to look at the past services liability of the Pensions Fund very carefully. The assumption that has been made by the actuary is that the Government should be held responsible for the past services liability of not only central Government, but also Statutory Authorities as well. This is something that the Government will have to consider very carefully because it is now pushing the value of the past services liability up from the present $130 million to a new figure. What must be borne in mind, I am bringing this to Honourable Members because the actuary has presented a report, but this is one aspect of it that is being looked at very carefully.

To use an example, if a government department became a statutory authority on 1 January 1996, the Government should be held responsible for the pensions liability, up to that point in time, for all civil servants who would have been transferred over into the new statutory authority. However, if the statutory authority did not join the Pensions Fund until 1 January 1999, it would mean that there would be a gap there between 1 January 1996 through 31 December 1998 for which the Statutory Authority would be responsible for the pensions obligations of those staff members that it took on board even as civil servants on 1 January 1996 and new employees that came on board during that intervening period. That would constitute past services liability and although it will be administratively tedious for that exercise to be done in order to apportion the past services liability, it is important that it be done.

If it means that three, four, five, or six million dollars of that should be allocated to statutory authorities it is important that that allocation be made because statutory authorities have been set up on the basis of achieving certain efficiencies. If certain efficiencies are going to be achieved it means that the cost of their operation must be recognised and that includes the pensions cost of staff. I thought that I should point this out because this is one area where the Portfolio of Finance has been raised with Cabinet and there is common agreement that that section should be looked at carefully in order to allocate who has responsibility for what portion of the past services liability costs.

I said before and I repeat, Mr. Speaker, following the review, the Government will consider recommendations from the Board of Trustees that could have an impact on the level of past service liability contributions in the future. Any change to the value of the balance sheet liability will be made at that time.

The forecast cash flow statement provides for a net cash inflow from operations of $17.5 million, a net cash outflow from investing activity of $42.9 million and a net cash inflow from financing activities of $26.5 million. The overall impact on the Government's cash position from these activities is an increase in cash of $1.2 million. This results in a forecast cash balance of $48.2 million as at 30 June 2005.

Almost all of this cash balance relates to Funds, Special Reserves and the General Reserve. In aggregate these Funds and Reserves are forecast to be $47.6 million at the end of 2004-2005.

This means that the working capital cash balance is forecast to be $678,000. This represents a very lean working cash position and it is deliberately so, Mr. Speaker. The Government's working capital policy is to seek to begin and finish the year with a minimal working cash position, although the balance fluctuates during the year as revenue flows are uneven. What this is saying is that the Government has

to be very conscious of the amount of money it takes out of the economy because if we want to consider the economic turnover effect, it means that as much money as possible must remain in the hands of the private sector and private citizens of the country, since when the money remains out there, we get the true multiplier effect taking place within the economy.

The Budget forecasts contained in Part C of the Annual Plan and Estimates contain a wealth of detailed information about the Government's finances. I am sure that Honourable Members will find this information very useful.

Reflection

As this is my last Budget, Mr. Speaker, I would like to take this opportunity to reflect on the many changes that have occurred during my time as Financial Secretary.

Certainly the Cayman economy has changed much over the last 12 years. So, too, has the size and scope of government activity.

In 1992, nominal GDP was $653 million. The forecast for 2004 is $1,680 million. This means that the size of the economy has more than doubled over that period.

In 1992, operating receipts were $125 million. The forecast for 2004/5 operating revenue is $338 million, an increase of 170 per cent.

In 1992, operating expenditure was $117 million. The forecast for 2004/5 is $328 million, an increase of 180 per cent.

These numbers are interesting because they show that the size of the Government as a proportion of the economy as a whole has not changed a great deal over this time, despite popular belief to the contrary. In 1992, government expenditure as a proportion of GDP was 18 per cent. The forecast for 2004-2005 is 20 per cent. This is still quite low in international terms.

On the capital side, a total of $396 million has been budgeted for capital expenditure over the 12-year period, an average of $29 million a year. This is a significant level of investment for a country of our size. When one recalls that the total outstanding borrowing at the end of 2004-2005 is forecast to be only $199 million, it is clear that much of that capital expenditure has been financed from operating revenue.

There have also been some difficult and challenging times, Mr. Speaker.

As a relatively small economy, Cayman is susceptible to global economic influences not of our making. The standout example during my tenure is the impact that 11 September and subsequent related events have had on our economy and Government finances.

This ever-changing world economic situation is guaranteed to keep a Financial Secretary on his or her toes. So, too, does a slow down in revenue like the one we have experienced in recent years. This revenue reduction, together with the development pressures that come from a rapidly growing economy such as ours, has meant that each and every one of my 13 Budgets as Financial Secretary have been difficult to balance. Nevertheless, the commitment of the Governments of the day to achieving an acceptable solution has meant that a balanced budget has always been accomplished, even if it sometimes happened a little too close to the Budget deadline.

I have also had the privilege to represent this country in a number of international forums. My involvement with the Caribbean Development Bank has been most rewarding and helps put our own situation into the broader regional context. The two years in which I was Chairman of the Bank were a particularly enjoyable experience.

I have also been honoured to host a number of international conferences here in Cayman, most notably the Commonwealth Finance Ministers' meeting and two Annual Meetings of the Caribbean Development Bank. Such opportunities are privileges that one gives God thanks for and I have to say thanks to the Government of the day and to the people of the Cayman Islands for the trust that has been placed in me in order to be placed in a position to host these conferences.

As I look back over my time as Financial Secretary, Mr Speaker, two areas of my work stand out.

The first is the three or so years starting in the late 1990s. This was the period when our financial services sector was under significant threat from a range of international initiatives, all of which we are thoroughly familiar with.

This was a particularly difficult time for the Cayman Islands, the Government, and the Legislative Assembly of the day and, Mr. Speaker, it is quite likely that there are still challenging times in the future. While I am sure there will be ongoing work in this area, it is pleasing to know that there is now in place the expertise to assess and address these initiatives. In this regard, I am very grateful for the willingness of the private sector over the years in working with the Government to address these initiatives.

At this point, I must say that I was particularly pleased with the robust position that the Honourable Leader of Government Business took when he met with the Paymaster General during December last year. He pointed out to her that if the Cayman Islands were called upon to sign up to the EUSD tax savings directive, this could not be done unless the Cayman Islands was seen to be receiving something equal in return.

I remember on one occasion that both of them sat one on one, leaving the technocrats, persons such as myself, in the waiting area. I think that when we got back in, there was a more positive atmosphere which facilitated negotiations and, at the end of the day, what emerged from that was a framework document. I referenced that document earlier; we know that the intentions of the United Kingdom have been ex-

pressed in that document in terms of what they plan to do for the Cayman Islands. It is yet to be fleshed out and we do trust particularly the comprehensive tax agreement that is so important to this country, that we will see some window of positive work being done before 30 June this year comes around. I do believe that we have developed the expertise. I recall that both the Members of the Opposition on one occasion said in this House that there are certain things they are divided on, but when it comes to the financial services industry that is so important to the country of the Cayman Islands, that they will move in lockstep in order to secure what is in the best interest of the country. This is very gratifying and important for me to have this knowledge of that level of joint commitment.

The second area that stands out is the financial management reform.

To tell the truth, a decade or so ago I did not think there was too much wrong with the way the Government managed itself. Other Members of this House were championing financial reform long before I became an advocate myself.

In this regard I have apologised since to the Honourable Minister of Health and the Honourable Minister of Education. Mr. Speaker, I remember when they brought the Motion, but I am sure by now they have forgiven me in their hearts.

However, as Members of this Honourable House know, in early 1998 the Honourable Leader of the Opposition and I attended a Commonwealth Secretariat course on modern government financial management. That was a very intensive, but very interesting, experience. I quickly came to understand the way the Government budgeted, accounted and managed itself not only needed to be modernised, it was one of the causes of less than effective performance.

Not long after my return from the course, I invited the Honourable Ruth Richardson to visit Cayman and tell us about the New Zealand experience. That was the beginning of what has become known as the Financial Management Initiative or FMI. In this regard, I have to give credit to the Honourable Leader of the Opposition because he would call me on a frequent basis to find out what was being done and this was quite encouraging. I must say when the current Government came on board they came with the same level of enthusiasm and there has been commitment on both sides of the House to the reform.

FMI was launched in 1998. As with any major change management project, the path has not always been easy, nor the support unwavering. This should be no surprise to anyone. FMI was always going to be an ambitious project. Indeed, it needed to be, as it had to fundamentally change the way the Government manages itself.

The benefits of the reform are already clear for all to see and none more so than in the Budget documents presented to this House today. It is a great personal pleasure to be able to present the first accrual Budget in my last Budget address.

In many ways this Budget represents the culmination of the financial reform effort. However, there are many more opportunities to improve government performance. I look forward to turning my attention to personnel reform and following on the excellent work my colleague, the Honourable Chief Secretary has been doing in this area. Financial and personnel reform complement each other and both are necessary for good government performance.

Conclusion

In conclusion, Mr. Speaker, I would like to thank all those who have worked so hard to prepare this Budget over the last several months. The move to accrual budgeting and the full implementation of the Public Management and Finance Law have resulted in some new challenges this year. These have required extraordinary commitment and dedication on the part of the civil service and I would like to thank the whole of the civil service for this effort.

I would like to pay special recognition to the staff of the Budget and Management Support Unit, the past Deputy Financial Secretary, Mr. Joel Walton and the Treasury who have worked tirelessly for many months to achieve the landmark documents presented to this House today.

I would also like to acknowledge finance staff in departments, and particularly the chief financial officers of Ministries and Portfolios. They have carried an extra heavy burden in the move to accrual accounting. I should say that since the present Deputy Financial Secretary has come on board, he has approached this with an increased level of enthusiasm and that is very good. Mrs. McLaughlin in the Treasury, Mr. Jefferson in the Deputy Financial Secretary's Office, chief officers, Mr. Gough and his team in the Budget Unit — all of these individuals have contributed tremendously. Also, I give recognition to the excellent work that has been done by our consultant, Mr. Tony Dale.

I point out that during the Budget process it was quite heartening to see Ministers becoming so emerged in the Budget process themselves and inviting the heads of Statutory Authorities, particularly one, to give an account in terms of why a projected loss for the upcoming fiscal year had been set at that level and to invite that projected deficit to be revisited. The benefit of their hard work over the last few months will be evident for many years to come.

I would also like to take this opportunity to thank you and all the Ministers, Official Members and Members of the Legislative Assembly that I have worked with during my time as Financial Secretary. I am grateful for your courtesy, consideration and support over the years.

I would also like to thank the staff of the Portfolio of Finance and Economics, both those currently

in the Portfolio and those who have retired or moved on, for their support. Managing the Government's finances is always a difficult and pressured task and I thank them for the dedication to the welfare of these Cayman Islands.

In presenting this Budget it is pleasing to be able to bring to the House a document that is not only fiscally responsible, but one that is also coherent and understandable. The standard and quality of budgetary preparation that has now been achieved leads the Caribbean and is among the best in the world.

The Cayman Islands Government is one of only a handful of national governments that budget and report on an accrual accounting basis and in full compliance with internationally set accounting standards. It is something that we should be rightfully proud of. It gives us an international standing that most other countries can only hope to aspire to.

While much has been achieved economically, fiscally and in public management over recent years, we must not rest on our laurels. The search for excellence is never ending and I look forward to seeing how the Budget develops in future years.

The policy actions and fiscal position contained in the 2004-2005 Budget continue the Government's plan for the economic and social future of this country. While it is deliberately a "steady as she goes" Budget, it is a Budget that ensures active progress towards the Government's outcome goals.

The road to economic and social prosperity is a long, perhaps never ending one. However, with God's help, I am confident that as a country we can achieve it.

May God continue to richly bless these Cayman Islands and I am honoured to recommend to this Honourable House the Appropriation 2004/05 Bill 2004.

My presentation will now be followed by the Honourable Leader of Government Business who will set out the Government's policy initiative for the upcoming fiscal year 2004/05.

Thank you, Mr. Speaker.

[Applause.]

MOTIONS

Motion to defer debate on the Budget Address

The Speaker: I call on the Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Thank you very much, Mr. Speaker. I move that the Second Reading debate on the Appropriation (July 2004 to June 2005) Bill, 2003, be deferred until Wednesday 12 May 2004.

Under the new financial arrangements, the documentation is much more than under the old arrangements and therefore there will be a briefing for Members on Wednesday morning at 9 am. I would ask Members to remember that.

The Speaker: The question is that the Second Reading debate on the Appropriation (July 2004 to June 2005) Bill, 2003, be deferred until Wednesday 12 May 2004. All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Second Reading debate on the Appropriation (July 2004 to June 2005) Bill, 2003, deferred until Wednesday 12 May 2004.

STATEMENTS BY HONOURABLE MINISTERS / MEMBERS OF THE CABINET

Policy Statement "Protecting, Enhancing and Promoting the Cayman Islands"

The Speaker: I call on the Honourable Leader of Government Business to do the Policy Statement.

Hon. W. McKeeva Bush: Thank you very much, Mr. Speaker.

I must first apologise to Honourable Members for the late arrival of the Budget as the new Public Management and Finance Law which governs finances in these Islands mandates that the Budget must be brought by the first day of May.

Preparing the Budget under the new arrangements is very onerous therefore we are late, but only by six days. I pay tribute to the hard work of the Financial Secretary and Budget Management staff and, of course, my Cabinet and Back Bench colleagues for being able to present again a responsible Budget to this Honourable House. We are late with its presentation. I am sure that the people of these Islands, nevertheless, will be pleased with this Budget.

The old financial year ended in December of each year and therefore ended December last year. While we have traditionally started a new session in the beginning of each year and because we have started a new business year which now ends on the last day of June and begins on the first day of July, the last meeting of the last calendar year has been extended so that we can begin the process of conforming to the new Law.

The House should be prorogued under the new arrangements in time for His Excellency the Governor to open the new session in July thereby keeping in step with the new financial year 2004/05.

Introduction

The Honourable Financial Secretary titled his budget address "Maintaining the Course with a Re-

sponsible Hand at the Tiller". That responsible hand is the United Democratic Party Government with a solid civil service backup led by the Honourable Financial Secretary.

When the United Democratic Party (UDP) Government took office a little over two years ago the Government's budget position was a shambles. The previous year, 2001, the Government budgeted to borrow $55.5 million, much of it to fund recurrent expenditure which was spiralling out of control. The 2002 Budget, which was being prepared as we took office, was heading in the same direction.

Therefore, the very first thing the UDP Government did, Mr. Speaker, was to scrap that draft 2002 Budget in November 2001 and start again. Not only did we balance that Budget, we did it by cutting expenditure. We did it again for the 2003 (half-year) Budget; we did it again for the 2003/4 Budget and we have done it again for the 2004/5 Budget. That achievement is a clear indication that the UDP Government is a responsible hand at the tiller. It is not merely words, Mr Speaker; it is fact.

When Government took office, not only were the Government's finances in a mess, so too were most of its policies. In fact, in the course of reworking the 2002 Budget, it became increasingly clear that there were not any coherent policies.

Therefore, we energetically and diligently began the process of establishing clear, consistent and coherent policies to set the foundation for the future of this country.

As I have said many times over the last few years, the UDP Government's goal is to build a secure, prosperous Cayman Islands that can be a proud legacy for our children and grandchildren. You cannot achieve that, Mr. Speaker, without knowing what course you are taking and how to get there.

For a government, this means considering the policy options, choosing the ones that will best achieve your outcome goals, allocating resources according to those priorities, and then ensuring those policies get implemented.

Last year's Budget, which was entitled "Charting the Course", laid out the Government's medium-term policy plan. That plan was the culmination of much hard work and shows that the UDP Government is not only a responsible hand on the financial tiller; it is an equally responsible hand on the policy tiller.

Good policy is important, Mr. Speaker. However, policy without implementation is worthless. To achieve the desired results, policy must be implemented well, and done so consistently over time. It requires sustained focus and effort on the part of both Ministers and the civil service. The UDP Government has addressed this issue as well.

Last year we established the Cabinet Office headed by the Cabinet Secretary to co-ordinate the development of policy across Government and, most importantly, to monitor the effective implementation of that policy.

We have embraced and supported the new accountability arrangements under the Financial Management Initiative. The Annual Budget Statements, Purchase Agreements and Ownership Agreements, which are now in Members' hands, provide effective mechanisms to ensure that the policy actions approved by Cabinet are, in fact, implemented.

Most importantly of all, we have put together this year's Budget so that it supports and enhances the policy plan established in last year's Budget. That policy plan is working, Mr. Speaker. As the Financial Secretary has just outlined, the economy of the Cayman Islands is out-performing the world's economy. Our domestic growth is rebounding and unemployment is falling. In 1999, up to 2001, unemployment stood at over seven per cent, perhaps more. Today it is down to 3.6 per cent – the latest figures. Mr. Speaker, it took hard work, licks and, perhaps in getting all that done, there were many times of disappointment, of criticisms, of accusations, but we have done it.

Strategically, this Budget is therefore not something new or different from last year, or indeed the year before. It is a continuation of our policy initiatives to improve the social and economic prosperity of this country. It shows that the UDP Government is a responsible hand at the implementation tiller as well.

Overview of Policy Initiatives

We are not interested in words, Mr. Speaker; the UDP is interested in action.

During our short time in office, we have been one of the most progressive, determined and productive governments in the history of these Islands. For the benefit of Members and the public, I would now like to summarise some of the actions we have taken over the last two-and-a-half years and some of the new policy initiatives contained in the 2004-2005 Budget.

A Strong Economy

The UDP Government understands that a strong economy is the foundation on which a country's prosperity, including its social prosperity, is based. Stimulating economic growth, reducing unemployment and controlling inflation have therefore been high priorities for the Government.

Fiscal Management

We recognise, Mr Speaker, that the most important thing a government can do is to manage its own finances well. This is why fiscal responsibility has been the highest priority of all for the Government.

The Government is fully committed to responsible fiscal management and compliance with the Principles of Responsible Financial Management.

This Budget fully complies with those Principles. This is the third Budget in the history of the Islands to do so, all under the UDP administration. It even complies with a new debt-servicing ratio that the United Kingdom has recently forced us to adopt. Not only does the Budget comply with these Principles, it complies easily.

The debt-servicing ratio is a little over half the allowed limit and the cash reserves are more than double the level required. When this Government took office the cash reserves were practically zero.

We did not balance this Budget by increasing taxes on our people like other governments have. That is not the way to achieve prosperity.

No, Mr. Speaker, we balanced the Budget by controlling expenditure and assisting the private sector in growth. We re-prioritised existing expenditure to fund new initiatives and the Ministries and Portfolios were told to self-fund, through efficiency savings, the 2.5 per cent cost of living adjustment that we feel is only right should be provided to civil servants in the upcoming financial year.

The Government is also committed to ongoing improvements in government efficiency and performance. We have actively supported the Financial Management Initiative, even though it often constrains what Ministers would sometimes otherwise want or have been requested to do. The output approach enables Ministers to know more clearly where the money is being spent and it helps us to re-prioritise funding to areas of strategic importance to this country.

I congratulate the Financial Secretary and his team for their perseverance with the reform over the last several years. It is pleasing to see the reform culminating in the accrual Budget he has presented today.

The Government's efforts to improve efficiency do not stop with this Budget though, Mr. Speaker. The Chief Secretary will shortly be introducing a Public Service Bill to reform the Government's archaic personnel management system.

A Public Authorities Bill is also being prepared. This will provide an over-arching framework for the governance and accountability of statutory authorities and Government Companies. This Bill will complement the Public Management and Finance Law and the Public Service Law and will provide the Cayman Islands with a system of public management that will lead the world. This is, Mr. Speaker, the 21st century.

The Budget also makes financial provision for the office of the Complaints Commissioner. Not only will the establishment of this position help to improve civil service performance, it is yet another example of the UDP Government's commitment to openness and transparency. We should have the Complaints Commissioner in place shortly.

The proof of this commitment will be seen later in the year, Mr. Speaker. A month or two before the election the Government will be publishing a Pre-election Economic and Financial Update. That document will report the state of the economy and the Government's finances as they exist at that time. No government in the history of these Islands has ever provided the voters with information like that during an election campaign.

A government with things to hide would not do such a thing, but the United Democratic Party administration has nothing to hide. We stand by and on our record. The country can see for itself that the UDP Government is a good government. It is a government that can be trusted. It is a government that is open and honest about what it is doing for the people of this country.

As yet further proof, the Government plans to progress the Freedom of Information Initiative in 2004/2005. This reform will provide citizens and residents with the right to access government information. As specified in the Annual Plan & Estimates, we will bring enabling legislation to the House during 2004/5. I hope, Mr. Speaker, that we can get that legislation and there is nothing barring that legislation before the House is prorogued for General Elections.

While I am talking about government performance, Mr. Speaker, I would like to address government accommodation. As the Leader of Government Business, I have taken a keen interest in this issue, as has the whole of Cabinet. The new Minister has been very active in this regard with our Ministry.

Our two "headquarter" locations — that is the Glass House and Tower Building — are less than satisfactory for a number of reasons, not the least of which is the fact that both have serious code deficiencies and have reached the end of their useful lives. In addition, neither location affords Government the ability to carry out its functions effectively and efficiently. Government spends a great deal of money on private sector leases and is continually asked to spend more money to repair the Government Administration and Tower Buildings when the provision of new accommodation would be less expensive. The Government has previously committed itself to relocating Tower Building occupants no later than 2006.

For these reasons, the Government is taking swift action to address this serious problem. After carefully considering the various options, we have decided to acquire office accommodation under a standard lease-to-own arrangement, over a term of 20-25 years. While not a Private Finance Initiative (PFI), a lease-to-own arrangement is a well-established form of public/private venture. In this case, Government believes that new accommodation will be occupied earlier than under the previous PFI option.

The Government is currently reviewing a number of commercial proposals and will act with urgency so that the provision of new accommodation can coincide with earlier decisions to demolish the Tower Building in 2006.

In keeping with Cayman's reputation and leadership in the financial sector, one of the new buildings will be a Financial Services Centre which will also accommodate the Ministries. The other buildings will accommodate remaining government services and agencies.

I should point out that in 2001, Mr. Speaker, under the former Leader of Government Business and now Leader of the Opposition, Government started out on a course that would cost this country approximately $200 million on new office accommodation for government offices. Mr. Speaker, I can assure this Honourable House that we will deliver new office accommodation prior to the previously scheduled completion date and well under the proposed costs. The country cannot afford to spend that kind of money. We do not have it – simply put.

Economic Management

Responsible financial management is vitally important, Mr. Speaker, but it is only one part of the UDP Government's economic management strategy. The other key elements involve lowering the cost of doing business, promoting key sectors and promoting inward investment.

Lowering the Costs of Doing Business

Over the last two-and-a-half years we have worked tirelessly to make the Cayman Islands an attractive place to do business.

The deregulation of the telecommunications sector now well advanced with the successful removal of the Cable & Wireless monopoly, the establishment of the Information and Communications Technology Authority (ICTA) as an independent regulatory body, and the entry of new providers into the market place.

This reform has dramatically reduced telecommunication costs for businesses and private individuals alike. A recent promotion offered phone calls to the UK at 15 cents a minute. Prior to deregulation a common charge was $1.20 a minute. That is a reduction of 400 per cent, Mr. Speaker.

The Government will continue to work to reduce utility costs for businesses, including the electricity sector. This may involve the establishment of a further regulatory agency to oversee the operation of this sector.

The Government has also focused much energy and support into promoting and supporting key economic sectors.

Financial Services

In the case of the Financial Services Sector this has involved two years of extensive lobbying and negotiations with the United Kingdom over the European Union Savings Directive. This has required a significant investment of both financial resources and effort from the Government at both ministerial and civil service levels.

During this process we have been clear that we will not be pushed around and that we will control our own destiny. As Honourable Members are aware, this has culminated in a satisfactory resolution which has the support of the sector and which includes some very significant concessions on the part of the UK Government. The Government here is delighted that the Cayman Islands Stock Exchange (CSX) has been granted status as a recognised stock exchange by the UK Inland Revenue Department. This is something the Government has been pushing for as it puts the Stock Exchange on the same footing as competitors such as the Dublin and Luxembourg Exchanges.

For our part, we have agreed to negotiate specific tax information exchange agreements with relevant European countries and the Budget makes financial provision for this work.

The Budget also allocates funding for more media and public relations support for the financial services sector and for improving the research and policy capability in international tax and regulatory initiatives.

Tourism

In relation to the tourism sector, the Government has been pro-active in responding to the downturn in tourism following September 11, 2001. This has involved a concerted effort to attract greater cruise ship visitors and the numbers outlined by the Financial Secretary show that this strategy has been highly successful as an interim measure to alleviate the downturn. Mr. Speaker, we did not panic nor did we respond with any knee-jerk actions following the events of September 11, 2001 although criticisms levelled at me would probably have made someone else run for cover. We restructured our Department of Tourism (DoT) operations shifting the focus of our expenditure from administrative to marketing the destination. We restructured by putting more Caymanians in places. This restructuring resulted in a reduction of the DoT Budget from CI$24 million in 2000 to CI$20 million in this Budget. The Department employed and promoted more Caymanians than ever before.

The Government also commissioned the National Tourism Management Policy to establish an overall strategic direction for the sector over the medium term. This is currently being implemented and has a greater emphasis on stay over visitors.

Over the last two-and-a-half years the Government has committed significant financial resources to promoting Cayman, particularly to the North American and European markets. It is pleasing to hear the Honourable Financial Secretary report in his address that the number of stay over visitors has now begun to rebound. This is evidence that the Government's strategy is working and it is proof positive that we did

the right thing in not knee-jerking because of criticisms.

The Budget also provides resources for the future benefit of the sector by promoting tourism as a career for young Caymanians. It also provides funding for better support to the sector through improved statistical information.

The Government has also worked to ensure that the strategic focus on Cayman Airways aligns with the National Tourism Strategy. This has seen the opening of new routes to Fort Lauderdale, Chicago and Cuba, with a new route launch anticipated before the end of the year. This expansion has required additional shareholder support from the Government, but will provide extensive benefits to the tourism sector and the economy as a whole.

Cayman Airways

The 2004/5 Budget provides continuing funding for both tourism promotion and Cayman Airways (CAL) support. Mr. Speaker, on the 8 January this year I joined the Cayman Airways Board of Directors at their annual Strategic Planning Retreat in Little Cayman. In my opening remarks at the retreat, I said that when we gathered for our retreat the year prior in February 2003, we could not have foreseen then that we would be having our next planning session in Little Cayman, having flown over on our own Twin Otter operation. The launch of Cayman Airways Express is a symbol of our responsiveness, ingenuity and commitment to advancing the interests of all three Cayman Islands.

I have consistently kept the country up to date with the progress of Cayman Airways and while it is unnecessary to repeat all of our achievements in the past two years, I would like to highlight a few major successes.

In 2002, Cayman Airways responded to calls for more efficiencies by implementing broad reforms which realised crucial efficiencies and resulted in unprecedented savings. Last year, as Government aimed to revitalise the local economy, Cayman Airways was given the opportunity to take centre stage and show that it could be an engine for economic growth.

Working with the Department of Tourism, Cayman Airways identified and launched the new routes I spoke about. Consumers embraced our strategies to be the fare leader, to simplify the fare structure, and to provide a reliable and convenient schedule. This consumer support is evident by the higher load factors and increased number of passengers transported, including tourists. The next gateway launch is expected to be in the fourth quarter of this year and will be in the north-east region of the United States. In preparation for the next gateway launch and because we will have to retire one of our current Boeing 737-200s in 2005, Cayman Airways is actively negotiating the lease of a second Boeing 737-300 aircraft, making it two.

I want to commend the Board for working tirelessly to achieve a turnaround and yield positive results on behalf of the country. We would all be well advised, Mr. Speaker, to have guarded optimism as I have come to appreciate how fickle this industry is. It requires your best efforts every day, and as we grow our business, it will become increasingly important that we become brilliant at the basics. The efficiencies that Cayman Airways has realised in keeping overheads low, the staff complement appropriately sized, and productivity high, cannot be forgotten as we turn to growing the airline. We must remain competitive, we must remember that the shareholder is not the Cabinet but the people of these Islands and we owe them the highest level of diligence.

In terms of the future, Cayman Airways will continue to strengthen the relationship with the Department of Tourism. For a country of our size and limited resources, we must make such logical and natural synergies work. I can already see improvement in the performance of both agencies since this partnership has been resumed. Tourism is a major sector of our economy and Cayman Airways should take its rightful position as the pre-eminent air service provider for the Cayman Islands, one that we can depend on as our own in times of turbulence; when we do not have a grip on world affairs and no control on what hits us.

Cayman Airways must continue to seek beneficial synergies externally, such as code shares with other airlines. There is renewed confidence in the carrier and I believe that they can leverage this asset to the benefit of Cayman Airways and its mission to serve these Islands.

Cayman Airways has also been charged to either establish a credible and frequent cargo service or discontinue dedicated cargo service. CAL should set a standard to do what it does well or not to do it all. We cannot afford to be mediocre in any of our business efforts.

Before concluding my policy remarks on Cayman Airways, Mr. Speaker, I must speak briefly on the Cayman Airways 2004/05 Budget, which is included in the documentation before us. The Budget shows a deficit of CI$4.9 million after the equity investment of CI$7 million by Government. Mr. Speaker, while it would not be prudent for me to publicly divulge Cayman Airways' commercial information with respect to the launch of its next gateway, what I can tell this Honourable House is that the cost of launching that new route is expected to be approximately CI$350,000 and the cost of acquiring the second Boeing 737-300 aircraft is anticipated to be in the region of CI$1.85 million for a total of CI$2.2 million.

When you subtract that CI$2.2 million from the projected deficit for Cayman Airways of CI$4.9 million, it leaves a negative position of CI$2.7 million after the equity investment. I make this point, Mr.

Speaker, to say that Cayman Airways is doing better even as we continue to expand our operations and increase our already appreciable contribution to our national economy.

In that regard, I must remind this Honourable House that over one year ago the Deloitte study on Cayman Airways conservatively estimated the airline's annual contribution to the Gross Domestic Product (GDP) at 12.9 per cent using data from 2001. Clearly, Mr. Speaker, that contribution has since increased given the improvement in our load factor and it is timely for Cayman Airways to have that study updated.

It is also important to recognise that when an airline commences a new route it takes time for that new route to mature and to produce a profit. Mr. Speaker, we must demonstrate to our clients that we are serious when we take such decisions and we must ensure that our service to new and existing gateways is consistent, credible and sustainable. Mr. Speaker, we must avoid the mistake that was made in Atlanta many years ago when Cayman Airways pulled out of that market prematurely because they had some bad days. Going forward Cayman Airways' approach must, and will be, consistent and determined.

I know that Honourable Members will support Cayman Airways.

Film Commission

This year we intend to establish a Cayman Islands Film Commission which will become a sub-agency under the Department of Tourism.

The mission of the Film Commission will be to attract film and television production to the Cayman Islands through aggressive marketing and to foster the continued development of film and television infrastructure throughout these Islands.

The Film Commission will be a one stop source for productions originating outside the Islands to find locations, facilitate permitting, rent equipment, secure qualified crew in the region and locate necessary support personnel (for example, police and fire service personnel). The Commission will act as a liaison between film productions and the various public and private entities that are necessary in order for filming to take place.

The establishment of the Film Commission is an important component of our strategy to aggressively market the Cayman Islands as an ideal location for the filming of movies, documentaries and commercials.

Inward Investment

The Government has put particular emphasis on promoting commerce and inward investment as a means to growing our domestic economy. The Cayman Islands Investment Bureau was established in 2003 and now operates an office in London and New York as well as locally. The Marketing and Promotions Unit was transferred from the Portfolio of Finance to the Bureau last year to provide a promotion capability.

Together with the Financial Secretary, I recently led a delegation on a visit to Hong Kong both to learn from their experience and to promote investment in the Cayman Islands. This was a highly successful trip and a Tourism and Investment Office will shortly be established in Hong Kong as a vehicle for promoting Cayman investment and tourism to Asia.

The 2004/5 Budget makes provision for the establishment of an Investment Bureau website and the increased provision of printed collateral. We will also be putting significant effort into activating the "Brand Cayman" initiative, developing an investment incentive policy and establishing processes for the Investment and Growth Management Advisory Board to make recommendations to Cabinet on investment proposals.

The Government's inward investment strategy is already showing dividends, Mr. Speaker. Three new up-market hotels are planning developments in the Islands. A five-star Four Seasons Resort will be constructed on Seven Mile Beach and the developer has already purchased the land for this resort.

Two five-star hotels are planned for the Eastern Districts. One of them, a Mandarin Oriental facility, is in the advanced planning stages.

Economic Development

The economic management initiatives I have just outlined are designed to support the economy as it now is. It is clear from the data provided by the Honourable Financial Secretary in his address that these initiatives are working. The Cayman economy is growing at a rate well ahead of the United States and, indeed, the global economy as a whole. The financial services sector is secure and the aggregate level of assets is growing. The tourism sector is rebounding.

However, the UDP Government is concerned about the future as well as the present. The economy that has served us all so well in the past may or may not be the economy that will deliver prosperity in 10 or 20 years time. With this in mind, last year the Government commissioned Deloitte, a large accounting firm, to prepare an analysis of the current economy and make recommendations for its future direction.

The results of that work were reflected in the Cayman Islands Economic Development Plan that I recently tabled in this Honourable House. That Plan is currently being reviewed by a committee of senior civil servants under the leadership of the Cabinet Secretary. That committee is identifying how the Plan can be effectively implemented and will report to Cabinet shortly.

Economic development is an issue for the country as a whole, not just the Government. Last week I launched a major consultation paper entitled "Protecting, Enhancing and Promoting the Cayman

Islands" to get the view of interested parties on the Government's economic development measures.

In addition, the Budget also makes provision for other specific economic development initiatives including the preparation of a secondary development plan for Bodden Town, of course, continuing pressing forward with plans for Cayman Brac, promoting Cayman Brac as often and as much as we can and trying to work with the Cayman Brac people in order to lift the economy forward. These initiatives are yet another example of the UDP Government's economic leadership of this country.

A country's economic development is highly dependent on the quality of its infrastructure. Some of our key infrastructure assets are now over-stretched and unable to cope with the demands on our ever-growing economy. A failure to deal with this issue will have long-run detrimental consequences for the future economy of these Islands. We cannot afford for these Islands to come to a standstill again.

The UDP Government will not let that happen. Although there are people in some quarters who want to ignore this issue, the UDP Government is not frightened to do what is in the best interests of the country. The major infrastructural issues that we know need to be addressed, and for which the Government has requested that options be developed, are three-fold.

The first is the pressure on our road network. The only long-term solution to this problem is the construction of a national arterial highway from East End to West Bay; and the quicker we do it the better off we all will be. We have already committed significant resources to this vision through the funding provided in the 2003/4 Budget and now the 2004/5 Budget for the extension of the Esterley Tibbetts Highway to Indies Suites.

The second is the need for enhanced port facilities. It is clear to us all that the current facilities in George Town will not be adequate for the demands of our economy in the future. A more modern and efficient set of facilities is required and this will not be possible at the existing location. Although there are those who say, "not in my backyard", for the good of the country we all have to consider our backyards. The most viable alternative option — as the East End Member has just said we should go to the North Sound; maybe he could propose that — is a brand new port complex in the eastern districts. The Government will continue to work with the Port Authority to develop and accept viable proposals for the construction and financing of a new facility.

The third infrastructure need is our airport facilities. These are the lifeblood of our economy – the port and the airport. In 2003/4 the Government invested in the expansion of the airport terminal in Cayman Brac and the 2004/5 Budget provides funding to the Civil Aviation Authority for the construction of a new airport in Little Cayman. The Minister has already been able to pave a piece of what we currently use as an airstrip in Little Cayman.

However, in the medium term something will need to be done about Owen Roberts International Airport. The increasing passenger traffic, together with the length of the current runway, means that this facility is quickly becoming too small for the traffic that it needs to handle. The Government has commissioned the Civil Aviation Authority to develop options for the expansion of our airport facilities, including the option of relocating the international airport. My vision would be that the present Owen Roberts International Airport could become a Corporate/Executive Terminal and a regional station for maintenance which would create a very significant revenue source for this country. Mr. Speaker, I hear the grumblings, but we must be proactive and plan for the future development and needs of the country. We have already made mistakes and we should not make them again because we are going into this with our eyes wide open.

These are serious issues which the country must address. They also involve a large financial investment. As a country we need to be realistic about this and accept that we will be unable to afford this development within our existing revenue base.

The Government, therefore, is also addressing options for increasing government revenue in the future, something we know we all need. There is no use for political bickering, just for one-upmanship. When we cannot fund schools, when we cannot fund hospitals, when we cannot fund roads—in fact, when we cannot pay healthy salaries in this Legislative Assembly—then what? Not in my backyard? I say it has to be in someone's backyard. When we cannot fund housing and social needs, what then? We must get the revenue that is needed to keep this country safe, and it cannot be kept safe by talk. It can only be kept safe by taking sound actions and moving forward for the good of all. However, Mr. Speaker, it must be acknowledged that the Government does not have sufficient resources to improve our infrastructure to the level that is required; therefore, we shall be seeking to achieve these results through public/private partnerships. The UDP Government does not support a policy of increased taxation. Perhaps those people who are saying "not in my backyard", who do not want to see the increase in revenue can put forward their taxation policy, because that is the only place that the revenue will come from; either income or property tax of some kind, which will send us down the road to damnation. The UDP does not support a policy of taxation. Government cannot fund the needs of the country without encouraging good development and establishing the required infrastructure. This is where the revenue will come from. Mr. Speaker, within the next three to five years we anticipate approximately — already before us — CI$2.5 billion in direct development investment in the Cayman Islands. However, let me be very clear and repeat my position, Mr. Speaker, we will not consider an option that will merely further

burden the people of this country. No taxation is our policy. New revenue bases must be created.

Healthy Resident Population

The UDP Government's performance in relation to health care is a good example of this Government addressing the hard issues.

One of the first things we did is tackle the problem of spiralling health costs by establishing the Health Services Authority. More recently, we have amended the Health Insurance Law and established the Cayman Islands National Insurance Company (CINICO) to ensure that affordable comprehensive insurance coverage is available to all Caymanians. We have achieved all of this, Mr. Speaker, within the constraints of fiscal responsibility.

The 2004/5 Budget continues our reform of the health sector by providing funding for the Health Insurance Commission and the Health Practitioners Board. These regulatory bodies will help ensure that the health sector operates in a safe and equitable manner in the future.

The Budget also provides continued financial support for both the Health Services Authority and CINICO. This is to ensure that health services and health insurance are provided at an affordable level.

The Budget also provides $1 million for the development of new landfills in Cayman Brac and Grand Cayman. Also included is $900,000 for new Mosquito and Research Control Unit (MRCU) facilities and for the completion of the abattoir.

New health related outputs include more focus on controlling breeding mosquitoes and extend substance abuse services to Cayman Brac and Little Cayman.

The Government will also be revising the national strategic plan for health during 2004/5.

Planned legislative measures include developing a strategic plan and legislation for dealing with HIV/Aids, and several new laws to improve health status, including a revision of the mental health law.

A Well-Educated Population

The future of our country depends on the educational standards of our young people. The UDP Government has therefore been very active in the education area since taking office. They have given the Minister every bit of support that he needed in this area or that we have been asked to do.

A key initiative has been to prepare our children to be able to fully participate in the modern technological age. This project, which is called Improved Teaching and Learning in the Cayman Islands (ITALIC), is now in its third year and the 2004/5 Budget provides $1.2 million of further funding to support this initiative.

Last year, the Government introduced 100 additional education scholarships and funding for these continues this year. One hundred, Mr.Speaker! You do not hear much about that on the talk shows, but it was done and funding for these continues this year. So too does the Government's extensive financial support for pre-schools, private schools and tertiary institutions. This amounts to a contribution of $2.1 million in 2004/5.

Funding to the Community College has been increased to fund the introduction of the four-year degree programme in 2004/5.

Other new outputs planned for 2004/5 include funding for the West Bay public library, an extension of library outreach programmes, and pre-employment training for job seekers. I had better amend that to say continued funding because there are still funds in this year's Budget and hopefully that will begin shortly.

The Government's major financial investment into the education sector, however, is capital funding for the completion of the new Spotts Primary School, and output funding for its operation from the beginning of the 2004/5 school year – something I heard someone say in this House was not going to be done; proof positive that we are a government of action and not words.

The Government has also agreed to proceed with the construction of the new secondary school at Frank Sound and has instructed the Ministry to begin the pre-construction process and funding has been provided for this. However, the Government understands that there is significant pressure on classroom space at the existing High Schools. The Budget therefore provides for temporary classrooms as an interim measure.

A Socially Supported Population

The Government recognises the need to provide social infrastructure to assist those persons less fortunate in society.

Over the last two-and-a-half years a key part of our focus in this area has been the affordable housing project. The construction of these houses is well advanced and the National Housing and Community Development Trust has been established to own then resell the houses at an affordable price.

This year's Budget includes funding for the Trust to construct community facilities.

The second area of the Government's focus has been to improve the institutional arrangements for the delivery of social services. This has included the establishment of the Children and Youth Services (CAYS) Foundation, and the restructuring of the Social Services Department into the Children and Family Services Department and the Probation Unit.

New social policy initiatives in this year's Budget include increased training for adults with disabilities, increased places for residential drug treatment, and extending in-home care services for the elderly and adult disabled.

Other new outputs include expansion of the Cadet Training Corps and an increase in the number of foster parents trained in order to create more child placements. The Government will also be extending probation and aftercare services to Cayman Brac and Little Cayman.

The Government is also keen to support the community and will continue to provide ongoing support for a large number of community organisations providing youth programmes, sports programmes, community development activities and after school programmes. In 2004/5, funding will also be provided to establish sport and recreational leagues and for a new basketball court in West Bay, in the Mount Pleasant area.

A Safe and Secure Country

Safety and security are matters of concern to all residents and visitors and continue to be a high priority for the Government, especially at a time when there is a worldwide threat from acts of terrorism.

Over the last two years the Government has actively responded to threats to law and order and domestic security. The 2003/4 Budget provided additional funding to the police to allow increased foot and bicycle patrols. It also made provision for the replacement of a fire truck to maintain the capability of our fire service.

Further policy actions are allowed for in the 2004/5 Budget. An amount in excess of $1.7 million has been allocated for police interception equipment, the upgrading of the East End Police Station (which will be done in the next few months, before the end of the year) and the new Drug Task Force facility at the Marine Base.

In relation to emergency services, provision has been made for fire services in Bodden Town and a new fire substation in Little Cayman. An amount of $300,000 has also been allocated for the replacement of emergency generators for hurricane shelters.

To support the administration of justice the Government has allocated additional funding to the Judicial Administration to cover the servicing of the new Drug Court, as well as providing capital funding for the new Summary Court building.

A number of legislative measures are also planned. These include a review of the Police Law to update discipline procedures and a Penal Code (Amendment) Bill.

Constitutional Reform

I would like to comment briefly about constitutional reform as a matter of policy, Mr Speaker.

The Cayman Islands came under British control in 1655 and our relationship has evolved over time. When Jamaica became independent, we opted to retain direct links with the Crown.

The UDP has no desire to break these links or to seek independence. However, we do want the Cayman Islands to have greater powers to determine its own affairs. This policy is consistent with the UK Government's policy.

The UDP aims for a more progressive partnership with the United Kingdom. The Cayman Islands needs a constitution fit for the 21st century and the UDP desires a stepped change from the existing colonial constitution. This is a dynamic and forward-looking Island and we need a modern constitution to reflect our ambitions and to do the work that is necessary. We will continue to be impacted in various ways by Europe due to our connection with the United Kingdom. Therefore, we must secure for ourselves the constitutional ability to safeguard our future, particularly in our two most important industries of finance and tourism. A constitution that embodies the protection of our monetary systems and other key industries must be enshrined in the constitution.

I wish to state at this point, Mr. Speaker, that having regard to the changes within the European Union and the implications for the United Kingdom's own constitution, the Cayman Islands should adopt the approach that not even the Bermuda model is acceptable to us and the United Kingdom should not expect the Cayman Islands to accept old colonial constitutional templates that have continuously featured during constitutional talks with them, particularly the one done by the last Commission. Clearly, the developments in the European Union have made these templates, for all practical purposes, obsolete and we need to adopt a fresh approach.

The Cayman Islands is not a socialist country. While we believe in taking care of our own and while we believe in taking care of our own state of affairs, it is not a socialist country. Therefore, what comes from Europe in terms of some of the stuff that we have seen cannot be pushed on us.

Therefore the Cayman Islands must seek a constitution that is uniquely crafted for our country and that takes into consideration the changes that will inevitably occur in the United Kingdom and the issues of globalisation and the implications thereof. We must imbed in the Constitution our monetary system, our commerce including shipping and insurance where they cannot be touched. We cannot afford to settle for anything less!

The Government will continue to pursue constitutional discussions with the UK along these lines and we will make this an election issue one more time, so that all and sundry will have a chance to voice their opinions on the matter. I will table in this Honourable House a document for one and all once it has gone through the Party.

Tribute

I would like to take this opportunity to commend my colleague, the Honourable George

McCarthy, on his last Budget Address as Financial Secretary, Mr. Speaker. As you are all aware, Mr. McCarthy will relinquish his responsibilities as Financial Secretary to take up the mantle as the next Chief Secretary. Those who have worked with Mr. McCarthy in this Honourable House will confirm that his character and work ethic are beyond reproach. Mr. McCarthy, the Honourable Financial Secretary, is a Christian gentleman and someone whose humility and commitment to excellence exemplifies the best of the pubic service and Christian fortitude.

Having first joined the civil service some 30 years ago in 1974, he was appointed Financial Secretary in 1992. Mr. McCarthy has achieved many worthy goals during his 12-year tenure as Financial Secretary, both in his primary position and in regard to his role as Chairman of the Government's Private Sector Consultative Committee. He has seen this country through unprecedented external challenges such as the European Union Taxation of Savings Directive, the Organisation for Economic Cooperation and Development (OECD) Tax Initiative and the Financial Action Task Force (FATF) Review. Throughout these difficult times, he has provided sage council, passionate leadership and unwavering determination.

However, perhaps the most notable of his achievements, is his foresight in launching the Financial Management Initiative which has heralded the public service boldly into the 21st century. In the past three years in particular, Mr. McCarthy has championed financial reform and has fought to ensure that budgetary reporting tied Government's fiscal objectives closely to its policy objectives. By shrugging off antiquated approaches and embracing necessary change, Mr. McCarthy has enabled greater transparency and accountability in the public sector.

It is most fitting that his promotion will give him the opportunity to complete the second phase of reforms, when as Chief Secretary, he may continue to tackle personnel reform within the Civil Service. There is no end to his commitment to this country and his resolve to see the civil service and the country improved under his stewardship.

Therefore, while I regret that this is the last Budget which he will present in this Honourable House, I am confident that he will equally excel in his new role.

Mr. McCarthy, you have my sincere gratitude for your hard work and passion for reform and I wish you, your good wife and your family the very best as you embark on a new role within the public service.

I plan to continue to work alongside him and to have his sincere guidance.

I also wish to commend the incoming Financial Secretary, Mr. Ken Jefferson, on what I am confident will be the continuation of a legacy of achievement. He has demonstrated that he has the ability and will to fulfil this role and I look forward to working more closely with you in coming years.

Finally, I want to congratulate the Honourable James Ryan on the eve of his retirement. He has dedicated himself solely to the public service for some four decades. His leadership has benefited people on all three Islands as he had a significant tenure as District Commissioner for Cayman Brac and Little Cayman. On behalf of all the people of all three Islands, thank you for a job well done.

Conclusion

In conclusion, Mr. Speaker, the UDP Government is a government of vision, energy and action. We are a government with a clear plan for the economic and social development of this country. We are a government that is not afraid to face up to the hard issues and deal with them.

We are a government that is happy to be open and transparent about what we are doing. Most important of all, Mr. Speaker, we are a government that delivers. We deliver good policy; we deliver good implementation, and we deliver fiscal responsibility for all the people of these Islands.

In just two-and-a-half years year, Mr Speaker we have turned around the fortunes of this country; one from where people were leaving, apartment buildings were closed, people could not rent their investment, children that I know whose parents were not able to buy Christmas presents in December 2000 and in December 2001 things were very bleak. The fortunes of this country have been turned around by hard work and I thank Almighty God for all of the wisdom that He has given us and the help to tackle the problems before us.

The Budget presented in this House today is clear evidence of that and it is evidence of one more thing: that the UDP Government is a responsible set of hands at the tiller to lead the country in 2004 and beyond.

I thank you for your indulgence, Mr. Speaker, and I thank Honourable Members for theirs.

Suspension of Standing Orders 21(1) and 24(5)

The Speaker: I call on the Honourable Leader of Government Business for the suspension of Standing Orders.

Hon. W. McKeeva Bush: Mr. Speaker, as I stated earlier, because we are proceeding to a new financial year, the last meeting of the last calendar year is extended so that we can begin the process of conforming to the new financial year.

The Public Management and Finance Law which has mandated a new process; the Budget by 1 May and the closing of the financial year at the end of June, and the beginning of the financial year on 1 July. As we had to do this by law, Members were not able to put their questions or motions in and the Government decided that we would suspend those Stand-

ing Orders in order to facilitate all Members. We have made that decision in Cabinet and in the Business Committee, which I chair. Therefore, Mr. Speaker, I beg for the suspension of Standing Orders 21(1) and 24(5).

The Speaker: The question is that Standing Orders 21(1) and 24(5) be suspended.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Orders 21(1) and 24(5) suspended.

ADJOURNMENT

The Speaker: I call on the Honourable Leader of Government Business for the adjournment.

Hon. W. McKeeva Bush: Mr. Speaker, I stated earlier the House will adjourn today and will resume some time on Wednesday. At 9 am on Wednesday morning Budget Management will do a briefing for Honourable Members.

Members have from now, tonight, tomorrow, tomorrow night, Sunday, Sunday night, Monday, Monday night, Tuesday, Tuesday night to get used to what we have in the Budget.

When I entered this House, the Budget was laid Friday and I was told to be sure and be there Monday morning ready to debate. I did not have any time nor did I have information so this is a lot of time for Honourable Members to work.

I move the adjournment of this Honourable House until Wednesday 12 May 2004.

The Speaker: The question is that this House do now adjourn until a time to be determined on Wednesday, 12 May 2004.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 1.10 pm the Honourable stood adjourned until Wednesday, 12 May 2004.

OFFICIAL HANSARD REPORT
WEDNESDAY
12 MAY 2004
2.35 PM

Tenth Sitting

The Speaker: I call on the Honourable Member for the district of East End to lead us in prayers.

PRAYERS

Mr. V. Arden McLean: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Cayman Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together*:*

Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come. Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For thine is the Kingdom, the power and the glory, forever and ever, Amen.

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

Proceedings Resumed at 2.38 pm

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Vote of Thanks for Temporary Accommodations

The Speaker: Honourable Members, I had intended to make a few remarks at the first sitting of the continuation of this fifth meeting of the 2003 session of the Legislative Assembly which commenced on Friday, 7 May 2004.

Due to circumstances beyond my control, I was unable to attend that sitting. In order to ensure that all Members of the Legislative Assembly including myself and the officers of the Legislative Department are better informed as to the proposed dates of upcoming meetings, I have written to the Honourable Chief Secretary, who is also the First Official Member and is the Administrative Head of the Legislative Department, requesting him to use his best efforts to obtain a schedule of future meetings including the date of prorogation of the 2003 session and the official opening of the 2004 session.

As soon as I receive the requested information, I will ask the Clerk of the Legislative Assembly to inform all Members accordingly. I should also say that this memorandum was sent to him prior to my leaving the Island.

Honourable Members, I wish to thank the Honourable Financial Secretary for allowing the Legislative Assembly to be temporarily accommodated within these offices of the Investment Bureau and all members of the Investment Bureau staff for the courtesies they have extended to us.

May I also once again publicly thank the Honourable Chief Justice for allowing the Legislative Department the use of his offices and allowing the Assembly to utilise Court 5 for our meetings over the past 13 months.

I also wish to convey our thanks to the Public Works Department in relocating the Legislative Assembly from Kirk House to these premises.

Our sincere thanks also to Mr. Peter Young of Rothstein Kass and Company (Cayman) Certified Public Accountants and his partners for allowing the officers of the Legislative Department to use their boardroom on the fifth floor of this building on Monday mornings to hold our weekly devotions.

Special thanks also go to the Clerk and officers of the Legislative Department who worked diligently in preparing these offices for the legislative proceedings and to accommodate our legislative staff.

Honourable Members, please note that I will be off the Island from Thursday, 20 May through Tuesday, 25 May 2004.

Lastly, I will, in due course, provide this Honourable House with an update on the progress report of the Legislative Assembly building.

Thank you, Honourable Members.

Apologies

The Speaker: I have received apologies for absence from the Honourable Leader of Government Business and Minister of Tourism, Development, Environment and Commerce who is off the Island. Also, apologies for the late arrival of the Honourable First Official Member who is attending a meeting.

STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE CABINET

The Speaker: I have received no notice of statements from Honourable Ministers or Members of the Cabinet.

GOVERNMENT BUSINESS

BILLS

SECOND READING

The Appropriation (July 2004 to June 2005) Bill 2003

(Continuation of the Second Reading debate)

The Speaker: The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Mr. Speaker, a wise man once said if you plan for a year to plant a seed, if for 10 years then plant a tree and if for 100 years then teach the people. When you sow a seed once you will reap a single harvest. When you teach the people you will reap 100 harvests.

As I listen to the Honourable Third Official Member and the Honourable Leader of Government Business articulate the Government's fiscal and policy statements last Friday, I was struck again by the fundamental, philosophical difference between the United Democratic Party (UDP) Government and the People's Progressive Movement administration. It is plain to me, especially from the utterances of the Leader of Government Business, that the Government has no economic development or social plan for the Cayman Islands which is sustainable beyond the next year, let alone the next ten years. It is equally clear that the well-being of the Caymanian population, and particularly the young people, features very little in the Government's plans.

What has been outlined in the Budget address and the Policy Statement is a laissez-faire approach to the development of this country which says to the investor we will take what we can get and as much as we can get whenever and however we can get it regardless of how much it will cost us to get it.

What is very apparent is that the Government is intent on shackling the economic and social fortunes of the people of this country entirely to the wagon of indiscriminate and unbridled foreign investment and, if they have their way, the country will once again begin another cycle of uncontrolled physical development at tremendous social and environmental cost, the principal beneficiaries of which will be foreign investors and, indeed by pure observation, a select group of Government sympathisers. However, even this misguided and unsustainable approach to the development of these Islands has not been thought through properly.

On closer examination of the Budget document, we swiftly see that very little of the $328 million that Government intends to spend this year is being allocated to improving critical infrastructure such as roads, landfill and sewage facilities; absolutely and vitally needed to support Cayman's present development let alone, Sir, cope with three more five-star hotels as has been announced by the Leader of Government Business.

Everywhere I turn in Grand Cayman people are complaining bitterly about the state of traffic gridlock and with good cause. This is the case whether you are coming from West Bay or from the eastern districts in the mornings. Quite frankly, the traffic situation in this country has become intolerable and the Government is doing little more than paying lip-service to it. I dread to think what the situation on the West Bay Road is going to be like when, as the Honourable Third Official Member has stated in his address, the Ritz Carlton hotel is completed and opened during the course of the next fiscal year.

Simply allocating funds to extend the Esterley Tibbetts Highway to Indies Suites, as the Government has proposed in this Budget, is not going to materially improve the traffic situation.

The congestion on the roads continues to contribute to great inconvenience and higher stress levels for all people who live and work here and have to use the roads at least twice daily. It also makes Grand Cayman decidedly less attractive as a place to visit for a holiday or even as a place to do business.

I would have thought that all of that would have been patently obvious to the Leader of Government Business, who is also the Minister of Tourism and, as he quotes it, "his responsible hand at the tiller" would have caused some significant effort to be made to address what can only be termed at this point in time as a dire situation. Perhaps if he spent a little more time here on the Island and less of Government's funds on official travel he might be more aware of local concerns and there might be more funds available for basic requirements such as roads.

That aside, the Leader of Government Business did acknowledge in his address, and I quote: **"Some of our key infrastructure assets are now over-stretched and unable to cope with the demands on our ever-growing economy."**

He went on to say: **"A failure to deal with this issue will have long-run detrimental consequences for the future economy of these Islands. We cannot afford for these Islands to come to a standstill again."**

He pontificated that: **"The UDP Government will not let that happen ... The major infrastructural issues that we know need to be addressed, and for which the Government has requested that options be developed, are three-fold.**

"The first is the pressure on our road network."

Despite this acknowledgment, however, in the schizophrenic manner to which we have all become accustomed to with this Government, relatively little is allocated to these critically necessary road works in this Budget.

We have been treated in the combined addresses to the now familiar and very tiresome diet of sensational announcements of grandiose plans or proposals which, as the past three years have proven time and time again, generally come to nothing. What is clear from these infertile pronouncements is that the Government's economic and social development policy, in my view, is fundamentally flawed.

We entirely agree that a vibrant and thriving economy is key to the success of this country and that it is Government's duty to take actions, create initiatives and generally foster an environment which invites, encourages, supports and stimulates economic activity. It is also a fundamental reasonability of the Government to ensure that the economic activities of the Cayman Islands benefit the majority of our people.

Development is necessary for the economy of these Islands and good development certainly ought to be encouraged. However, the resources in these Islands, given their smallness, are limited and in most cases non-renewable and irreplaceable.

Government is entrusted to steward the natural and other resources of the country and to ensure that there is a future not just for Caymanians today, but for those future generations who are yet unborn. This is where the People's Progressive Movement parts company with the United Democratic Party. We regard their approach to development as narrow-minded, short-sighted, unsustainable and, in many instances, downright reckless.

The Leader of Government Business is fond of saying that we must embrace wealth or reap poverty. This seems to suggest that development must be encouraged and permitted whatever the cost and whether or not Caymanians benefit significantly from it. Indeed, in his recent address, the Leader of Government Business referred to anticipated direct development investments of $2.5 billion over the course of the next three to five years, and cited this as the means by which government revenue will be generated to fund the necessary infrastructural improvements the country needs. Mr. Speaker, this is absolutely unrealistic. The reality is that each new development creates more infrastructural demands. Therefore, it is impossible to gauge what infrastructural costs are going to be at present when all of these developments are taking place. The key, therefore, is to choose the right projects, those which are environmentally friendly and which fit into the overall developmental strategy for these Islands and also to plan properly when they come on stream so that the maximum benefit can be derived by the Caymanian people—I say it one more time—so that the maximum benefit can be derived by the people of the Cayman Islands.

I make the point again, Mr. Speaker, that not only is the United Democratic Party Government's physical development policy all wrong, but, in my view, their priorities are skewed. Even more glaringly obvious is the lack of attention and resources being devoted to the social and educational development of the Caymanian people who, when I repeated about maximum benefit being derived by the Caymanian people without the skills and education needed, will not be able to participate to any meaningful extent in the economic opportunities presented by a robust economy. History has proven that to us over and over again. It is said that only the insane keep repeating the same course of action expecting a different result.

Over the past 30 years or so Cayman has gone through at least two major development booms which have created tremendous economic opportunities in these Islands. While I will be first to admit—and I know it is a fact—that some of our people have benefited from these boom periods, significant numbers of our people have not. Principally, because they were not equipped with the necessary skills and/or they lacked the financial resources to do so. The reason for this—and this is something that I have preached for years and I believe it more and more every day of my life as I experience the problems that young people in this country have—is because I firmly believe that our educational system has never been properly geared to produce sufficient young people with the skills necessary to enable them to seize the job opportunities that our economy and our ongoing industries offer.

In order to truly benefit from the robust and vibrant economy, which we all agree is necessary, everyone in these Cayman Islands must be given access to both the tools and the opportunity to participate to the full extent of their abilities in the workplace and in the marketplace. That means they must have the benefit of the best educational system and product we can afford and a level playing field in the job market. I will talk about that for just a minute.

Human capital and education are the corner stones upon which hinge the social, economic and cultural well-being of any society, ours being no exception. We believe, therefore, that it is any government's responsibility to foster a culture of life-long learning and self-improvement among the people of the country. Likewise, it is part of government's role in

education and training to set standards, to promote educational and vocational excellence and to reward achievement. We believe, also, that it is government's duty to provide the nation, the children, the young people and the mature adults alike with learning facilities, programmes and opportunities which are relevant to both their aptitude and to the skills required by the industries in these Islands. This necessarily requires the recognition by government of the concept of multi-intelligence and the need to tailor school curricula to include vocational training as well as core academic subjects. Mr. Speaker, with the best of desires we have not achieved that and the tales are telling as we speak.

To achieve these fundamental goals government must, at a minimum, allocate sufficient resources to the development of education. Those resources include policy and curricular development, human resources and, very importantly, a physical plan. Quite frankly, given the lack of attention that most of these areas have received over the course of the current administration, and particularly in this Budget, education would not appear to be a priority of the current Government, although in his address, the Leader of Government Business paid lip-service to a few areas. That is unfortunately why, after three-and-a-half years in office, the Minister is hard-pressed to point to any one significant achievement or improvement in our education system since he has been there. Obviously, even if he has had great desires to make great strides his Government has not considered education to be a priority. However, of all of the under-achievement in this regard, there are two critical issues that are particularly tragic. The first and the most unforgettable of these is the failure of the Government to provide proper and adequate classroom facilities for our children in this country. The second is the failure again by the Government to include vocational training as a core component of the Government schools curricula and to make adequate provision for vocational training beyond high school.

They boast of the statistics that unemployment is the lowest it has been for four years, but if they check that unemployment survey and look to youth unemployment, they will find out factually that youth unemployment is in to double digit numbers and if that is not telling a story, then tell me.

It has been known for a long time now that a number of the educational facilities provided by Government has reached maximum capacity and that overcrowding had become acute. Indeed, while they paid no attention to it, the need for two additional primary schools and an additional high school were identified by the Government prior to 2000. This is not a new issue, yet here we are almost at the end of the term of the current Government and the Spotts Primary School is not yet finished and property, as I understand it, has not even been purchased for the needed high school in Frank Sound, although it has been announced where it will be located.

The situation at the George Hicks High School is so dire that the Government imported prefabricated temporary classrooms last year and there is provision again in the current estimates for more to be imported because they have to be used.

I really do not know what is going to be done in relation to the John Gray High School because, although I understand that overcrowding is going to be an issue there as well, as far as I can see there is no provision in the Budget for temporary classrooms for that site.

It is all a question of priority and education, by all indications, is not a high priority with this Government, meaning the United Democratic Party Government. I say that under a People's Progressive Movement (PPM) administration, education will receive high priority, particularly the upgrade and provision of adequate classrooms and related facilities.

The development of vocational training curricula or programmes or the provision of facilities for vocational training receives little more than an Honourable mention in the Budget address. It is the position of the PPM that vocational training needs to be made a key component of the curricula of all the government schools at varying levels in the various stages of a child's schooling.

Further, greater emphasis needs to be placed on vocational training beyond high school. I quoted those double digit figures for youth unemployment, meaning —I am not one hundred per cent sure, but I think—ages 18 to 21, because there is a lack of vocational training beyond high school. We have a short-, medium- and long-term problem and each of those needs to be addressed in a different manner. The current system of public education, in our view, is weighted too heavily in favour of the academically gifted student and it needs to be tailored to accommodate multiple intelligence and to recognise and honour the inherent value of vocational aptitude and its ability to bring self esteem to an individual and for them to find their own niche; to be the best that they can be.

While the PPM administration will continue to support and encourage academic excellence—let it not be misunderstood that any less focus should be there—and the pursuit of university education by as many of our people as possible, we will also promote vocational training and the acquisition of marketable skills by people who demonstrate a talent, willingness and aptitude for the trades and vocations.

In order for our people to be able to properly exploit the employment and economic opportunities which the Cayman Islands will offer under the PPM administration, we recognise that they must have the skills which the market place demands and is willing to pay top dollars for. In the past, far too few of our people have had the opportunity to acquire these skills in a properly structured learning environment and as a result the skilled trades and occupations in these Islands have been dominated by imported labour and much of that imported labour is integrated in

our society. Many of them are friends of ours, the vast majority of them are all good people, so it is nothing to penalise them, but it begs the question, why can't our people benefit from those opportunities? We will seek to ensure that learning opportunities are made available so that our people will come to look at the trades and vocations as occupations worthy of pride from which they can earn a very good and decent livelihood.

This applies not just to the tourism industry, but equally to the construction, mechanical and electronic trades as well.

I spoke earlier of the obligation of Government and the intent of the PPM administration to ensure that our people have access to the best education product we can afford and a level playing field in the job market. The two have to go hand in hand. Employers cannot be expected to employ persons of any nationality who do not possess the basic skills necessary to function in the workplace. While there will be positions for which the employer is able to offer on-the-job training, essentially employers want employees who can do the job that they are hired to do. That is why education and vocational training are so critically important to our people and to any future success of our society. Our people must develop the requisite skills to make them marketable in the Caymanian workplace otherwise they will not be able to demand the high-paying and satisfying jobs. That is simply the reality, otherwise that double digit figure that I speak to of unemployment among the young people will simply continue to spiral.

However, when our people are qualified and able to do the required job, they must be given first preference and they must be paid at the same rate that their foreign counterpart would be paid if he or she held the job.

When our people qualify for promotion they must be promoted and not passed over simply on the basis that they are not of suitable national origin. These are strong words, but I use them advisedly because by experience in observing and talking to these people I am very much aware of the phenomena that operate in the Caymanian workplace in some areas. I know that there are some of our people who believe that simply being Caymanian is a qualification in itself and that by virtue of the fact alone they are not only entitled to a job, but a promotion and raise each year as well. We know that is not the right attitude.

I also know that on the other side of the coin that discrimination in the Caymanian workplace is real and that worthy and qualified Caymanians are not always compensated or promoted in the way their counterparts are.

The position of the People's Progressive Movement on this is straightforward. Caymanians must acquire the necessary skills, qualifications and proficiency for their chosen occupation and should not expect to be hired or promoted merely on the basis of being Caymanian. However, qualified, willing and able Caymanians must be given preference in employment and promotion and discrimination, in terms of compensation on the basis of national origin, must be penalised because that is the only way it is going to stop.

Lest it be said that I and the People's Progressive Movement are anti-development or do not understand the importance of a thriving economy to the overall health and well-being of the nation, let me make this absolutely clear: I have been in business all of my working life and I have had a hand in some development as well. All of my colleagues fully understand that without a vibrant economy very little is possible and that poverty exacerbates social problems and lack of earning power hamstrings the ability of government to function and to provide the services that it needs to. I could never forget that. As I assumed the office as Leader of Government Business in 2000 when the global and Cayman economies were on a real downturn, coupled with this was a terrible state of the Government finances which we had inherited.

Then there was September 11 which literally drove the entire world into a recession, so I know first hand the challenges of running a government in hard times. I also know, as the Honourable Third Official Member has acknowledged in the Budget address, that the relatively small economy of these Islands is inextricably linked to the economies of the larger countries of the world and, in particular, the United States. I understand full well how dependent all of our industries are on foreign trade and on investor confidence not just in the Cayman Islands but in global trends. I am also very conscious of how susceptible our economy is to global threats such as terrorism.

Therefore, I know that while the present Leader of Government Business and his Government, like virtually all governments before them, are quick to claim credit for the recent and cautious economic upturn, the reality is that this is to be expected given the generally improved state of the global economy. However, the Leader of Government Business has gone even further than claiming credit for the current economic conditions; he has blamed me for the poor state of the Government finances which he says were in shambles when he took over in November 2001. In doing so, as is his usual style, he has conveniently ignored the state of affairs we found when we took office in 2000 and his role as Deputy Leader in the 2000/2001 Executive Council.

Because his statements to this effect are so misleading I am forced to refute them. I will do so in a bit of detail.

The special report of the Auditor General on the State of Public Finances prepared in 2001 certainly gives a clear picture of the Government's true financial position at the time of the General Elections in 2000. It provides some real insight into the state of affairs of the Government, of which I was the Leader of Government Business, inherited when we assumed office in mid-November 2000. The long and short of it

is that the Auditor General's Report shows that at the time of the General Elections in 2000 the Government was running a deficit after loan financing of CI$45 million.

The reality which we faced when we assumed office was that Government was unable to pay over $22 million of suppliers' and employers' invoices and we had to increase the overdraft facility from $4.5 million to $15 million in an attempt to meet some of these debts. We came to the Legislative Assembly to get permission to do that. Because the year 2000 was an election year—we all knew that—the 2001 Budget Address was not delivered until sometime during the second quarter of 2001 after months of battling to bring recurrent expenditure to some semblance of reality compared with projected revenue.

In addition, the economy had seen a tremendous downturn and although we knew we had to bring revenue measures, we tried to be both sensitive and sensible about it.

The revenue package that we proposed totalled some $19 million, Mr. Speaker, but because approval would not be granted by Finance Committee and this Honourable House until after the second quarter, we knew that we would not be able to collect at least $12 million of this $19 million during 2001 since this portion represented increased fees relating to the financial industry and the annual fees for the financial industry are always due on 1 January. So the vast majority are paid within the first quarter of the year and we could not tell them after the fees were paid that they had been increased retrospectively. The end result was that, in order to not repeat the mistakes of the previous Government and to be truthful about the financial position of the Government, some $54 million had to be borrowed of which $28 million went to balance recurrent expenditure and the remainder to fund capital acquisition and capital projects.

Most of the capital projects had either been started or committed to by the previous Government. We were also faced with relatively large numbers of people being laid off if we had chosen not to proceed with the capital side of the Budget. As it was, we had to do major reprioritisation, otherwise borrowings would have been significantly more.

The Government's Back Bench has at least three Members on the Public Accounts Committee (PAC) including the chairman, the Second Elected Member for West Bay; the Fourth Elected Member for West Bay and the Second Elected Member for Cayman Brac and Little Cayman. They have all had the full benefit of understanding the Auditor General's entire report on the finances of Government at year end 2000. No doubt they will have apprised the Leader of Government Business of the contents of that Report if he has not read that for himself.

The next year, the new Government which also comprised three Members of the Executive Council of the 2000/2001 Government; namely the current Leader of Government Business, your good self, Mr. Speaker, and the Minister of Education, produced a budget with a $55 million tax package plus they would also have had the benefit of collecting the $12 million that year that the 2001 tax package did not benefit in 2000.

The point is if we had even produced a $75 million revenue package in the 2001 Budget more than $50 million of that would have been uncollectible because that amount would have related to the financial industry which had paid most of its annual fees prior to the Budget being approved. I am certain the Leader of Government Business fully understands what transpired and has not forgotten what the situation was in 2000 and 2001, but, Mr. Speaker, as the *Caymanian Compass* noted in their editorial recently, it is an election year. So I understand the stones being thrown even when the facts are being twisted.

On page six of his Policy Statement the Leader of Government Business said, and with your permission, Mr. Speaker, I quote: **"I should point out that in 2001 under the former Leader of Government Business and now Leader of the Opposition, government started out on a course to spend approximately $200M on new office accommodations for government offices. Mr. Speaker, I can assure this Honourable House that we will deliver new office accommodations prior to the previously scheduled completion date and well under the proposed costs that the former Leader of Government Business was pursuing."**

That is what he said. It never ceases to amaze me how the Leader of Government Business with full knowledge of the facts can taint those same facts just to suit his own desires.

When I was Leader of Government Business we announced plans to build two new buildings to house personnel. Here was the rationale: the Tower Building with 40,000 square feet of office space was fast approaching the end of its useful life; we all knew that and know it today. We were advised by the technical staff that the Government Administration Building—the Glass House as we all know it—was badly in need of repairs and it would have had to be vacated by its occupants to be repaired, but it made sense to refit the 28,000 square feet of office space that building has. Based on the projections and the existing data from the accommodation section in the Lands and Survey Department, the plan was to build two five storey structures of approximately 60,000 square feet each and a two storey car park. We would also refurbish and refit the Glass House and government's accommodation requirements would be met for several years to come. The projected cost for all of this through orthodox financing at that time was estimated to be $60 million, not $200 million as the Leader of Government Business has recently, untruthfully, said. Government's cost of leased space at the time was somewhere between $4 and $5 million annually and the projected repayments for the entire project would

cost no more than those payments were. The only difference was that instead of paying rent as we still are we would own the buildings and simply use the money to finance the repayments.

The real reason that this original plan was recently scrapped, as I understand it, was because after I disappeared from the scene along came the Public Finance Initiative (PFI), the theme song of the Government, and they finally realised that under the PFI this plan was going to cost $200 million—nothing to do with me. Mr. Speaker, because of that I can maintain today that my plan still clings fast to the table of logic more so now than ever. The truth is that we were looking at the entire Government debt and looking to put together a financial package which would have reduced the overall debt service and provided needed capital to fund a number of critical capital projects. The refinancing package we were looking at during that time was some US$250 million which approximately would be CI$200 million. This would have liquidated Government's central debt, built the two government office buildings that I referred to earlier, the primary school which is now under construction at Spotts and the forever talked about but never built, Frank Sound High School. That is what the package of $200 million that we were looking at would have done then for the country.

Instead of doing this, the Leader of Government Business and his UDP Government nearly two years later borrowed $136 million and we took nearly $22 million of this borrowed money on which interest is being paid as I speak, into Government's general reserves. Why? I heard all kinds of reasons then why it made sense, but in my view, it was so that in this election year the Honourable Third Official Member could come to this Honourable House and tell the country what a wonderful job the Government has done. Just look at the general reserves. We have 63 days general reserves in hand, 30 odd more days than the law calls for, but $22 million, plus whatever interest has accrued since then, is borrowed money so that the Leader of Government Business could also boast, as he has in his Policy Statement, that cash reserves are more than double the level required.

It is easy to have reserves if you borrow the money. That is like me borrowing money from Royal Bank and taking it into CIBC and putting it on a fixed deposit then coming back to you and saying, "You think that you have any more money than me you check CIBC", but I did not tell you about what I owe Royal Bank.

That is their great financial logic, but it does not end there. Having put the borrowed $22 million into general reserves they then turned around and re-borrowed another $10 million to build the primary school at Spotts. We are still paying approximately $5 million in rent. I have no idea of the figures now, but I know that it has to be more because other Government accommodation have been leased. In fact, several more have been leased since then.

The Government still does not have the new office accommodation and, if my understanding is correct, it has not even purchased the land for the school at Frank Sound yet, let alone started the project, despite the Minister of Education announcing on two occasions in the past that the school would be completed in time for the start of the 2005 school year.

Then, the Leader of Government Business has the audacity to tell this Honourable House last Friday that the Government is taking swift action to address these serious problems. Had the Government followed the plan developed, that I just spoke about while I was Leader of Government Business, Government would by now be occupying the two new office buildings or be very close to occupying them. The lease payments would have ceased for the Government accommodation, the Primary School would have been built—understanding that it would have taken some time for the technocrats to go through the planning stages I would like to say that the High School would have also been completed—but if not completed it would have been well on the way to completion. Our children at that point in time would not be housed in temporary classrooms today, tomorrow and next year.

It is, indeed, refreshing to hear the Leader of Government Business speak so positively about Cayman Airways (CAL) now that the subject is under his Ministry. He says that in 2002 Cayman Airways responded to calls for more efficiencies by implementing broad reforms which resulted in unprecedented savings. However, if the truth be known, the Leader of Government Business is claiming credit for reforms that were largely underway when he took over responsibility for the airline from me in November 2001.

I want to take a minute and quote a few figures regarding the subsidy and I want to bear in mind from the very beginning that all of the figures I am quoting will be in Cayman Islands (CI) dollars.

The subsidy this year is up to $7 million as compared to $4.6 million in 2000, $4.6 million in 2001, $4 million in 2002 and $4 million in 2003. The Leader of Government Business went to great lengths this time in his address to explain the large deficit of $11.9 million. He spoke about launching a new route, he spoke about a new lease, but no matter how he explains it even if he brings a bit of "Trumanomics" into it, the operational deficit is still $11.9 million. This compares in previous years to deficits of $11.5 million in 2000, $12 million in 2001, $5.7 million in 2002 and $9.2 million is 2003. Mr. Speaker, the same way he took the time out to explain something, I need to take just a minute to explain something else.

In 2000, when there was an $11.5 million deficit for Cayman Airways, what had transpired over many years before is that there had been no write downs for the equipment that Cayman Airways had. It is the same thing that we spoke about earlier on when we had the presentation this morning, about depreciation of equipment. So having not done it for several

years, in 2000 it meant they had to have an aircraft write down of $5.8 million which is included in the $11.5 million deficit. In 2001, there was a $6.5 million write down in equipment depreciation and its value and that is included in that $12 million. Curiously in 2004, in what is projected in this $11.9 million deficit, there is no aircraft write down.

I am not suggesting that there is not a valid reason for that. I think in doing what they did in 2000 and 2001 it brought it up to where it should be so they do not have to have any major write downs again. However, the fact remains that if we speak to operations and nothing to do with depreciated value of the aircraft, the end result is no better today than it was before. It is absolutely no better!

I am not taking any pot shots at Cayman Airways; it is a matter of understanding the value of the airline.

We all know that with the best of intentions and with all of the resources that we can put to it and with as good a board that the airline has, the industry and all of us are quick to admit that. Some of us have more knowledge of the industry than others, but it is truly fickle and one can only dream of Cayman Airways being financially self-sufficient. The principle, in my view, that has to be applied is that you continually have to strive to contain the financial bleed with Cayman Airways so that it does not become a haemorrhage.

The key to the whole affair is recognising CAL's contribution to the economy and it seems that now that it is his baby, the Leader of Government Business has suddenly realised the tremendous value of these contributions both directly and indirectly.

I vividly recall the Leader of Government Business' past actions and statements when his position was that closing Cayman Airways down was the only option. In his 2002 Budget Speech, he plainly said that the Cayman Airways subsidy was going to be $4 million; that was that and it was sink or swim! Indeed, Mr. Speaker, looking back on it; "so loud is the thunder but so little it rains.

Therefore, here we are now with projected losses being comparable, as I just proved, to the previous years. Instead of it being the worst thing in the world, and there being cries by the Leader of Government Business to shut it down, he now recognises that the airline has great value to the economy and it must continue to strengthen its relationship with the Department of Tourism (DoT). Mr. Speaker, God must have had a hand in the paradigm shift in his outlook. I say thank you God, thank you very much but God, would you please help us in a few other areas?

That brings me conveniently to the subject of tourism. In his Budget address the Honourable Third Official Member went to pains to point out that tourism is one of the pillars of our economy and that over two million tourists visited the Cayman Islands during last year. He boasted that this figure represented an increase of 12.5 per cent over 2002. However, he was forced to concede that air arrivals had continued their downward trend during this period, falling by a further three per cent in 2003.

In his policy statement, the Leader of Government Business referred to the National Tourism Management Policy and claimed that this is being implemented and that it has a greater emphasis on stay over visitors and says that tourism is on the rebound.

However, Mr. Speaker, the question is do his statements bear examination? It is fair comment to say that tourism is the life-blood of this economy. It is estimated, depending on which quarter it comes from, that it contributes anything from 30 to 50 per cent to our Gross Domestic Product (GDP) and that foreign exchange earnings from tourism could be as much as 70 per cent of our total foreign exchange earnings.

However the tourism industry's history of continued growth and prosperity is no longer assured. Not just because of international factors such as the aftermath of 9/11 but for reasons also to do with both the quality and the cost of our tourism product. Bluntly put, the widely held perception is that Cayman is an overly expensive destination and the quality of its tourism product may well be on the decline. To a large extent we are at the mercy of the external factors which impact the industry, but there is much we can do, both about the quality of the product we offer and the widely held perception that the Cayman Islands are no longer good value for money.

My contention, Mr. Speaker, is that Government simply is not doing enough to address the problems with this critically important industry at their root cause. Sure, we are treated to a regular diet of press announcements about some novel initiative that is going to develop some new niche market for the industry. In reality, little or nothing has been done to address the underlying problems with our tourism product, which are eating away like a cancer at the long-term viability of that industry.

During this administration, the Government commissioned The Tourism Company out of London, UK to carry out an analysis of the Cayman Islands tourism product and to provide recommendations to address the problems identified and to develop a plan for the continued sustainability of the industry.

We have talked about this before, Mr. Speaker, but we have to talk about it again because nothing is being done.

The Tourism Company delivered a report to Government in December last year and that report was entitled "Focus for the Future, a draft tourism policy framework for the Cayman Islands". The report, which runs to some 85 pages, provides an in-depth analysis of the state of the tourism industry in these Islands. It identifies strengths and weaknesses and it makes very specific recommendations to the Government as to what should be done to correct the problems that it has recognised. It refers to earlier reports and it is obvious that many of the issues relating to our tourism product which this report identifies now,

have been around for a long time and have been recognised in these previous reports. It is carefully researched and it is a well thought out piece of work.

The only problem with it is that although Government has said publicly that it has adopted the report, in actuality, the Government is not only ignoring many of the key recommendations, but, in my view, it is deliberately pursuing a course of action in direct contradiction to those recommendations.

The report recognises what all sensible persons in these Islands already knew. Simply, tourism cannot be left to develop unchecked. It needs to be managed in a sustainable way; meaning that it will not dry up tomorrow, and 10 years from now and for the next generation, it will still be a healthy vibrant industry providing employment opportunities for our young people and also making its huge proven contribution to our economy.

A policy framework is needed to ensure that everyone involved in the industry is aware of the overall goals and parameters and that everyone is pulling in the same direction.

On the issue of sustainability, Mr. Speaker, the report confirms what has been widely believed that as the number of cruise ship visitors has skyrocketed, the number of stay over visitors has correspondingly diminished.

In 2000, there were 354,000 air arrivals. This number fell to 334,000 in 2001. In 2002, it dropped further to less than 303,000. It dropped further still last year to a mere 293,517 bodies.

Comparatively, Mr. Speaker, the number of cruise ship passengers has grown rapidly. In 2001, the figure was 1.2 million. In 2002, it rose to 1.5 million and last year it rose further yet to 1.8 million.

As at the end of March this year, there have been just under 95,000 air arrivals and 671,091 cruise ship arrivals. I did not go further with these figures because the first quarter does not always trend out proportionately to an annual figure, but it does give a very good indication.

The report noted the concern at the decline in the number of stay over visitors and the impact that this is having on the national economy. There is also concern that the proportion of visitors to Cayman Brac and Little Cayman remains very small, at between three and four per cent of the total stay over visitors, while comparatively they have approximately seven per cent of the bedrooms in the Cayman Islands. If we were to extrapolate figures what that would mean is Grand Cayman proportionately gets twice the number of stay over visitors as Cayman Brac and Little Cayman. The point here is that efforts need to be made to increase because you cannot have these rooms and the occupancy levels being so low that it is not good business to keep the doors open.

The report also acknowledged that the growing imbalance between the two visitor types—the cruise ship visitor and the stay over visitor—is one of the overriding issues raised by tourism stakeholders in the Cayman Islands, that is, in the private sector.

Such large volumes of relatively low-spending visitors is seen as a deterrent to stay over visitors as well as cruise ship visitors, seriously diminishing the quality of the experience in George Town and at key attractions, for example, at Stingray City. It is also seen as a major contributor to congestion and the reduction of the quality of life for those who live here.

Importantly, the report noted that recent research suggested that while the Cayman Islands continued to enjoy a positive image, especially with regard to safety and the friendliness of the people, the overall conclusion was that the tourism product was deteriorating.

This is not me standing up and saying this, Mr. Speaker. This is a report that has been accepted by the Government of the Cayman Islands. It goes on to say: "The current image associated with the Cayman Islands is one of expensive living overdevelopment, traffic and people congestion notably at the western end of Grand Cayman which is also exacerbated by the cruise ship issue. The Cayman Islands image is being diluted by perceived poor service, narrow product offerings and a product that is more American than it is Caymanian."

The report warned that the short-term strategy of increasing the number of cruise ship visitors to compensate for the loss in stay over visitors was, at best, a short-term and stop-gap measure which is likely to be temporary and which may actually compound the problem in the long term.

More importantly, in the long term, the unconstrained growth in the number of cruise ship visitors will simply strangle the tourism industry as the built and environmental infrastructure is overwhelmed by the sheer number of bodies that are forced upon them.

It is for this reason that the report recommended Government limit the number of cruise ship visitors to 9,200 or four ships per day.

In December 2002, when the report was presented, the port was working with thresholds of up to 14,000 passengers per day with projections that this would continue for the next two to three years.

In page 54 of the report it expressed alarm, and I quote with your permission, Mr Speaker: " … that the real concern is that this growth is happening without a clear understanding of the impacts or a long-term strategy for managing these visitors.".

It sounds the following warning, Mr. Speaker: "Cayman is in a position to negotiate controls as long as it remains a special destination. It will not be if that advantage is lost."

As I said, last year there were 1.8 million cruise ship visitors. That number is expected to increase this year and we are already greatly exceeding the recommended number of 9,200 per day.

The Minister of Tourism and the Leader of Government Business will no doubt say that the Gov-

ernment is bound by existing contractual arrangements with the cruise ship companies and cannot reduce the number of visitors overnight. There may well be a certain truth in that assertion but, faced with the recommendations contained in the report of The Tourism Company which I have just discussed at some length, how can the Minister explain the agreement which he signed with the Florida Caribbean Cruise Association (FCCA) which has the effect of committing the country to accepting more than two million cruise ship visitors a year for each of the next 15 years.

When I made that statement a few months back, Mr. Speaker, he just about called me a liar and that I was misleading. That was not the case.

As stated in the local press—and it is as clear as crystal—the Port Authority will be borrowing US$26 million which will be repaid, with interest at LIBOR plus 1.5 per cent over 15 years by the Florida Caribbean Cruise Association, from a fund created by a charge of US one dollar per passenger brought by them to the Cayman Islands. That fund gets its money from one dollar times each number of the bodies that are brought by FCCA to the Cayman Islands. Since it is one dollar we can just talk about numbers from here on in because anything times one is the same thing.

At the present, which is a very low LIBOR rate of 1.5 per cent, the repayment rate for this loan will be $2.17 million per annum. This simply means that in order for the FCCA to repay the loan from this fund you need 2,170,000 bodies coming in here, that they get one dollar each to put into the fund. If we want to simply round it off and give everyone the benefit of the doubt, no matter which way we cut it we are talking about a minimum of two million cruise ship passengers annually. Some people will say, "Well, it goes for good business, bring them in." If that were the answer my life would be easy too. I would not have to think about it. I would tell them to bring 40 ships a day. However, we know that for every good there is an accompanying downside.

So, while the Minister of Tourism has paid lipservice to the report, his actions, and, I believe, his inaction, in certain instances, make it plain that in accepting the report the Government still has rejected the most fundamentally important recommendations that are in it. There will be no restriction on the number of cruise ship visitors and, indeed, the number is bound to continue to increase significantly. While this may have the short-term effect of making certain people rich, if I may simply use that four-letter word, it is going to have disastrous consequences for our tourism product and for these Islands generally in the medium and long term.

Every one of us who has been in this Legislative Assembly for any length of time speak to short-term gain for long-term pain in so many different areas, because as we are here long enough we actually live the facts and see why it makes no sense to cut off your nose to spoil your face; to just think about today and not remember tomorrow.

It is plain to me that despite the recommendations of the report, the Government seems to have decided that mass tourism is the way to go for the Cayman Islands. Quite frankly, a mass tourism policy for Cayman—I have said this before and will say it again—in the medium and long term is nothing short of lunacy. It is certainly not sustainable and it will further erode both the natural and built environment. It is going to significantly reduce the appeal of these Islands to affluent stay over visitors and it is going to negatively impact the quality of life of the people who actually live here— not the visitors but us who live here.

The future of the tourism industry and by extension the Cayman Islands, in our view, does not lie in mass tourism. It takes a bit of courage to make that statement because plenty of people can be fired up in the short term because they will say that you are trying to keep them out of their jobs and all that. We have to develop a culture in this country that as legislators and representatives of the people and the leaders that are looked upon for sage advice and everything else, that we must be able to see further than tomorrow and to be able to inculcate in the minds of our people what is in our best interests, not just for today but for tomorrow and future generations.

The Cayman Islands does not have a future in mass tourism. The future lies in preserving, improving and marketing those natural gifts we have been blessed with. The Cayman Islands have a small and finite land mass. Our unique appeal for tourism lies in our natural beauty, our climate, the quality of the marine environment, our relaxed way of life, our special character and, Mr. Speaker, never to be forgotten, our people.

We cannot hope, nor should we wish, to compete with major resorts on the mainland or larger islands. Our future lies in us being different and unique. We must work on making the Cayman Islands more Caymanian and less American, as the report states, or just another Caribbean island. We must come to appreciate the importance of Caymanians interacting with our visitors as part of the visitors' overall impression of their holiday experience. This means we must concentrate on getting more Caymanians into the tourism industry, not only because it should provide good and well-paid employment to our people, but because our own people are critical to the quality of the tourism product that we offer to the tourist who visits these shores.

We must make greater efforts to protect, preserve and promote our natural environment by limiting the number of persons who visit places like Stingray City and certain dive sights. We must educate our people and the visitors of the importance of our environment to the overall quality of life of this nation including our tourism industry.

The Speaker: We will now take a 10 minute break and let us try to be back by 4.15 pm. Thank you.

Proceedings suspended at 4.12 pm

Proceedings resumed at 4.23 pm

The Speaker: Please be seated. Proceedings are resumed. The Honourable Leader of the Opposition continuing.

Hon. D. Kurt Tibbetts: Thank you, Mr. Speaker. When we took the short break I was speaking to the need for greater efforts to protect, preserve and promote our natural environment by limiting the number of persons who visit places like Stingray City and certain dive sites, and the fact that we must educate our people and visitors of the importance of our environment to the overall quality of life in this country, including its importance to the tourism industry.

Our view is that we must create more open spaces and more greenery in urban areas; simple little things but aesthetically pleasing. We also believe we must convert central George Town into a friendlier shopping environment and find wholesome ways to make it come alive at night. We need to manage that industry, not allow it to manage us. We make the strong statement that we must control development and its pace, insisting on high standards and resisting development just for the sake of development.

Obviously Cayman, at this juncture, will never be a low-cost destination nor, in our opinion, should it strive to be, but what is important is the fact that we must provide good value for the money that is spent by visitors. Therefore, we must improve the quality of the product. We must excel in performance and service and, in so doing, gradually we will rid ourselves of the prevailing image of being overpriced. Mr. Speaker, it is just like everything else. If someone goes to Foster's and Kirk's and they buy an item that is commonly bought by all consumers and they see that one is priced noticeably above the other, they are going to tell all of their friends; they are going to say go to one or the other because you get so and so cheaper. It is the same way in that industry; word gets around, besides all of the advertising.

If the experiences of those who come here are not what their expectations are, then when they go back home they are going to talk about it and it just continues. As good as it is, is as bad as it can be, depending on what their experiences are.

The tourism industry, and its future, is a challenge, but we believe in the right hands it will have a bright future. Those right hands are our hands, the hands of the People's Progressive Movement and certainly, God willing, come November of this year, tourism will be in the right hands and back on the right track.

I could not give a contribution to this debate without addressing Cayman Brac and Little Cayman, even if I do so briefly. Cayman Brac and Little Cayman need special attention, and each of them of a different nature. Little Cayman's development needs to be planned more carefully, especially in the light of the construction of the new airport, while Cayman Brac needs more economic activity—activity which benefits the residents; again that is our cry for here. Obviously, tourism will need to play an important role and eco-tourism has been spoken about. There are many natural attractions on Cayman Brac; the difficulty has always been getting the bodies there whether by air or by sea. There is tremendous potential for cruise ships. There are some natural drawbacks which exist because of the present facilities; where I grew up as a boy; where we call the Creek—

The Speaker: Honourable Members, we have reached the hour of 4.30 pm and I would call on the Honourable Deputy Leader of Government Business to move the suspension of Standing Order 10(2) to allow the Honourable Leader of the Opposition to complete his debate.

It is my understanding that Honourable Members would wish to take an earlier adjournment than was announced on Friday following the debate of the Honourable Leader of the Opposition. Therefore, after the Honourable Leader's debate, I will call on the Honourable Deputy Leader of Government Business to move the adjournment.

Honourable Deputy Leader of Government Business, will you move the suspension of Standing Order 10(2) so that we can continue?

Suspension of Standing Order 10(2)

Hon. Gilbert A. McLean: I beg to move the suspension of Standing Order 10(2) so that the debate may continue beyond the hour of 4.30 pm and the Honourable Leader of the Opposition can complete his debate.

The Speaker: The question is that Standing Order 10(2) be suspended to allow the Honourable Leader of the Opposition to complete his debate before adjournment.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 10(2) suspended to allow the Honourable Leader of the Opposition to conclude his debate on the Budget Address.

The Speaker: The Honourable Leader of the Opposition continuing.

Hon. D. Kurt Tibbetts: Thank you, Mr. Speaker. I was speaking about the facilities that presently exist on the Brac where cruise passengers could be tendered to shore and that is at the port facility in what is known as the Creek. The unfortunate situation with that location is the prevailing winds allow for the weather not to be conducive for this to happen much of the time. Without having all the knowledge to make any firm suggestions, there needs to be a closer look at another location which would allow for cruise ships to be able to stop in on a regular basis and not be affected so much by the weather. The answer is not one where you click your fingers. However, I believe that is where we need to head to look for a solution and, if that is encouraged, the natural spin-offs would occur. If you even had two cruise ships a week coming to the Brac, there would certainly be enhancement of business opportunities and the economy of the Brac would get a well-needed injection.

I think also if a concerted effort was made to encourage more, what I call, local tourism, better packages including hotel, car rental, restaurants and air fares between here and Cayman Brac for residents of Grand Cayman to enjoy a weekend or a few days. It is not a new thought, I am sure, but certainly efforts need to be made in that direction.

We talked about this years ago, but I firmly believe that the transfer of some of the existing overflow of public service activities and the location of new public service jobs on Cayman Brac remain a very viable option. I believe that. I am not going to get into specifics because time will not allow, but I believe that we simply need the real commitment to make that happen. It is obvious what happens in the Brac—many of us, including myself, are examples—because of the lack of employment opportunities there, most of the young people have to come over to Grand Cayman to seek decent employment and it continues in that fashion and it has the double whammy effect on the economy in the Brac. If we were able to get more jobs placed in that location, we would have more people staying on in the Brac. Not only that, we would have many because there are many who would gladly return if they had opportunities to have decent employment. Those are some of the things that we really need to look at very seriously.

The Honourable Financial Secretary spoke with great enthusiasm about the Government's plans, its goals and its achievements that, if I did not know better, I would think that he was running for office. However, I do know that as a Member of the Cabinet, he, unlike some others, understands the principle of collective responsibility. In other words, part of his address sets out the Cabinet's position and we should see it as such. On the other hand, his Budget address provides a quantity of important information and some genuinely encouraging facts, along with some which, after careful reading, I thought I could be tempted to say, needed to be taken with a pinch of salt, but that was only a temptation.

With regard to the financial services sector, the Financial Secretary, the Honourable Third Official Member, gave a number of interesting statistics for 2003 and, as I said, most of these are encouraging. It is particularly heartening to have confirmation that mutual funds work continues to increase in the Cayman Islands and we say, long may this last. The mutual funds business has become a major factor in our economy. So major that we must make every effort to address developments abroad that could have an impact on that business here. Of course, we must make every effort to maintain and develop other parts of the financial industry remembering the old adage about not having too many eggs in one basket.

In one important respect, the picture is not quite so encouraging. The Honourable Third Official Member acknowledges a decline in the number of bank and trust company licences. He suggests that this decline resulted from consolidations within the banking industry and the cost implications of establishing physical presence, as required by the law. However, I want to proffer two other factors in addition to the logic that he put forward because I believe they deserve mention.

First, licence fees for banks and trust companies were raised substantially by the present Government, notwithstanding warnings that this would have an adverse effect on the number of licences.

Second, there are disturbing indications of a decline in private client work due partly to an unfortunate and, I hope, a mistaken perception that the Government is not interested in retaining or encouraging that part of the industry. I wonder if the Honourable Third Official Member is in a position to provide us with statistics on the health of that part of our financial industry and maybe he might also be in a position to indicate what steps are being taken to turn things around and to recover Cayman's pre-eminence in that field. Perhaps he would wish to comment.

He also stated, and I quote: **"In relation to international initiatives, the primary one that has been the focus of our attention for the past two years has been the European Union Savings Directive (EUSD)".**

There is still a great deal of mystery and uncertainty about what exactly did happen Mr. Speaker, or what did not happen over the last two years and what exactly the concessions that were negotiated by the Government last December are. From all appearances—and Mr Speaker one must draw conclusions from the Government's refusal to answer questions raised in this House—the Government is trying to make the best of what it seems was truly a bad job.

Of course, the Opposition and the private sector are keen to make the best of things, particularly to make sure that the cost of doing business in the Cayman Islands is not increased and to get as much as possible from the concessions which seem to depend very much on the continuing goodwill of Her Majesty's Government.

Nonetheless, the Budget debate is, in part, a retrospective look at what has happened. It seems clear enough that this was a serious case of Government mismanagement; something that it is not the first time that I have alleged; and something that I can be taken to task to at any time because no answers seem to be forthcoming that are clear and concise that give us the true picture.

It was also troubling, to say the least, that the Honourable Third Official Member made no mention whatsoever of another aspect of the international initiatives. One that I believe, after speaking with many of them, that most people in the financial industry would regard as more serious than the European Union Savings Directive at this time. I refer to the growing trend in other countries to introduce tax laws, other laws and practices that discriminate against offshore centres such as the Cayman Islands. I also refer to the pressure being put on the Cayman Islands to enter into tax information exchange agreements with other countries.

For the last year, the financial community has been saying to the Government that we have to focus on this and get it right. In talking to them, I am told unequivocally that they have been offering their assistance to get it right, but there seems to have been a quite extraordinary lack of any effective reaction from the Government. It seems like the Honourable Third Official Member was right when he said that the Government's focus was elsewhere, that is on the European Union Savings Directive.

I am sure that this reminds myself and others of 1999 in which the Government focused on the Organisations for Economic and Co-operative Development (OECD) initiative and overlooked what the Financial Action Task Force (FATF) were doing, resulting in the Cayman Islands being placed on a blacklist and suffering a very serious set back and causing us to have many sleepless nights trying to rectify that situation.

It is now essential that Government focuses on the related topics of foreign discrimination and foreign demands for tax information. It is essential that we get this one right. The future of the financial services industry depends on it. It is absolutely essential that we do not have another episode in which nothing constructive is done until the last minute when it is too late to make any real difference. It is essential that the financial community also be fully involved. No more secret trips to make deals that no one else has heard about. Let us hope that this Government will have learnt from its mistakes.

There will only be a few months until the General Election, but those few months do matter. Mr. Speaker, not only is this the final Budget being presented by the Honourable Third Official Member, but this is the final Budget to be presented by the UDP Government.

Every means has been sought by the Leader of Government Business and, to a lesser extent as I have explained, by the Third Official Member, who understands collective responsibility, to claim for the UDP not only responsibility for the cautious economic upturn, but also accolades for sound fiscal management. The reality is, however, that the economic fortunes of these Islands are largely a result of the improvement in the global economy. As far as prudent management is concerned, the UDP like every Government before them, have not reduced recurrent expenditure; not in the figures that I see. As I pointed out earlier, the reserves that they boast about are in the vast majority borrowed money on which we are still paying interest and the surplus of less than a half a million dollars is, if I may use the word, unremarkable.

The real question that must be asked of the stewardship of this Government is whether it has adopted economic and developmental policies which are sustainable in the long term. They will have their view and they will argue that view, but so will I have mine. I submit that they are not. The policy of indiscriminate development will create an environment requiring huge numbers of imported labour and will seriously stress both the social and the environmental elements of the country.

The lack of proper educational and vocational resources will result in Caymanians being unable to participate significantly in the development and will create serious social and labour issues.

The policy adopted in relation to tourism, if it is allowed to continue, will ultimately destroy that very important industry. The combination of unlimited cruise ship visitors and of inattention to the quality of the overall product offering will prove fatal to that industry in the long run.

The true test of any government is how it allocates the limited resources at its disposal because there is always more demanded of government than it can provide, so it comes down simply to prioritisation.

This Government, the United Democratic Party Government, I submit, has its priorities all wrong. This country deserves a government which cares about its people and puts those people first—not just with words, not just to tell them how things are going well—and gives them the tools and the opportunity to share in this great experience of the Caymanian story.

Those here in the Cayman Islands who hail this Budget as a stroke of genius, must cast their minds back to the last budget presentation and the one before that. Twenty-four hours after the presentation there is always a feeling of comfort and satisfaction based on, what I term, the literary gymnastics of the Leader of Government Business and, as I said to a lesser extent, the Honourable Third Official Member.

Last year those persons who took at face value the stated intentions of the Government went away believing that many, if not all, of their fears and concerns would be addressed. They heard the Government broaching many of the issues of concern to them both in their personal and their professional

lives. They heard mention made of the social sectors and a resolve to tackle the problems in health, education, youth deviancy, care of the elderly, housing, economic empowerment and such like. All the budgets of this country have glossed over and given lip service to these issues, but three years after assuming office the country is still awaiting that paradigm shift that was promised.

The point which has to be made is that when it comes to this annual ritual and exercise, the people of the Cayman Islands have come to appreciate and realise that talk is cheap. Any good speechwriter can assemble words of reassurance. This Government has exploited to the fullest the fact that it is blessed with a few good speechwriters who can master the English language. They can use and disguise figures to bear out almost any point, but in the final analysis the records will show that essentially this is all that they do. When the speeches are written and they are presented by the spokespersons for the Government that is where the seeming obligation of the Government ends.

For three years we have heard of the concern of this Government over the plight of our young people. They have established committee after committee to look into crime, anti-social behaviour, youth deviancy and lack of economic and entrepreneurial opportunities for our school leavers who are not the most academically inclined. The Leader of Government Business, to his credit, said precious little about the so-called low income and Affordable Housing Initiative undertaken by this Government. I am sure that he is aware of the very negative reviews that it has received in many quarters. We will have more to say on this issue when we see the final product that is being offered to the residents of this country in 2004 and when we hear what the final cost to the purchaser will be.

This Budget presentation fits the agenda of the UDP this time. The UDP wishes, in my view, merely to echo a few catchphrases in the hope that the sound bites that emanate would resonate in the country. This Budget is not the end result of consultation and dialogue with the people of the Cayman Islands. The UDP has set forth its policy and, no doubt, they will shortly take to the streets in symbolic fashion to consult the residents of these Islands on the issues that concern them.

We, the PPM, have been on the ground, not underground, with the people for the past 18 months and we are fully apprised of the issues that are of concern to them. There is no way that a PPM administration could have come to this country in 2004 without addressing specifically the issues of youth and youth opportunities; issues such as health care and the issue of HIV/AIDS.

This Government comes to the country and makes no reference, for instance, to the lingering issue of the grant of status to 3000-odd individuals and the impact this will have on our social and core services, particularly health and educational institutions. You see, we are long past the stage where one discusses the efficacy of the action itself. It has already happened, but the fact remains that there are now a minimum of 3000 additional individuals who now have to be factored in to the social and economic equation and that is the bare minimum. Obviously, the UDP Government has given no consideration to this because there is nothing in the Budget that shows any consideration for that.

I guess the so-called silly season is upon us. A Government that has ignored and virtually silenced the voice of the people in three years will now overnight become totally transparent and accountable. We hear of special publications to account for the stewardship of this Government. We hope that all the issues of interest and concern to the people of these Islands will be also addressed in that document.

We expect that very soon the Ministers and their Back Bench supporters will return to the communities that elected them four years ago. For four years the vast majority of them stood away from the people of this country. For four years they have been too busy to listen, but the election is nigh at hand. Now we expect that in the weeks and months ahead they will be knocking on doors with notepad in hand wanting to hear all that the people would wish to say and aspire to.

My appeal on this occasion is that the people of this country be not fooled. The policies of this Government are formulated among a small elite group of advisors and there is essentially no provision in the process for ordinary Caymanians to input or participate. Not even, as I understand it, are the rank and file members of the UDP consulted on matters of national importance. The people of these Islands must not allow themselves to be fooled and they must not be fooled by the crocodile tears of those who will come and say that they are not supporting the Leader of Government Business in what he does and how he does it. If that is the case and they feel that strongly about it then they must step out of the arrangement and make it clear to the electorate that they wish not to be painted with the same brush.

The Budget, as presented last week, is essentially more of the same thing; it offers nothing new and it does not address the issues of pressing concern to the people of this country. The PPM has been out there among the people, consulting them every step of the way and very shortly we will be coming to this country with a blueprint for change; a blueprint for recapturing the pride and a sense of belonging; the blueprint for bringing about greater social and economic cohesion in this society.

In my view, the Budget, as presented, was, in effect, a non-event. It has not generated any great interest or excitement in society because, for the main part, it is abstract to the needs and aspirations of the average resident.

We, the PPM, are in touch and by now we are in tune with their needs because we have spent the

time to determine what those needs and aspirations are. Come November 2004 we are going to provide the alternative that the country so desperately needs. Today, I urge the residents of this country to hold strain for a little longer because in six months they shall have a government, not only of which they can be a part, but one of which they can be justly proud. This country deserves a PPM government. November 17 beckons and, pray God, hasten the day. Thank you.

Ruling by the Hon Speaker on the use of Cellular Telephones in the Chamber

The Speaker: Honourable Members, before calling for the adjournment, I would just like to say that in the interests of good order in this House, I am once again reminding all Honourable Members, Officers, the press and any others in these Chambers to turn off all cell phones during the proceedings of this Honourable House, so as to not unnecessarily disrupt proceedings. If you must have your cell phones, please turn them on the vibrate setting. I now call on the Honourable Minister for Education to move the adjournment.

ADJOURNMENT

Hon. Roy Bodden: Mr Speaker, I rise to move the adjournment of this Honourable House, until 10 am tomorrow, Thursday, God willing.

The Speaker: The question is that this Honourable House do now adjourn until 10 am Thursday 13 May.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 5.02 pm the House stood adjourned until 10 am Thursday, 13 May 2004.

OFFICIAL HANSARD REPORT
THURSDAY
13 MAY 2004
10.46 AM

Eleventh Sitting

The Speaker: I now call on the Third Elected Member for West Bay to lead us in prayers.

PRAYERS

Capt. A. Eugene Ebanks: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Cayman Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together*:*

Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come. Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For thine is the Kingdom, the power and the glory, forever and ever, Amen.

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

Proceedings Resumed at 10.49 am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: There are no readings or messages under this item except that I received apologies for absence from the Honourable Leader of Government Business, who is

also Minister of Tourism, Development, Environment and Commerce, who is off the Island on official business.

STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE CABINET

The Speaker: I have received no statements from Honourable Ministers or Members of the Cabinet.

GOVERNMENT BUSINESS

BILLS

The Appropriation (July 2004 to June 2005) Bill 2003

(Continuation of the debate on the Budget Address)

The Speaker: Does any other Member wish to speak? The Second Elected Member for West Bay.

Mr. Rolston M. Anglin: Thank you, Mr. Speaker.

I rise to offer my contribution to the Budget address. In fact, because of the change in the financial year for the Government, this would be my fifth contribution because we did have a 2003 half-year Budget as well.

This is an extremely important part of the legislative process. This is when the Government of which I am a back bench member, comes to the country and offers its policy statement whilst in the Budget document we do have the broad outcome goals. It is the resource allocation that is outlined in the Government's Budget that tells the country precisely how, for the next twelve months, we are going to go about trying to achieve our goals.

This is the debate on the Budget address during an election year and I think it would be remiss of me if I did not thank the people from my great district of West Bay for having the confidence to send me to this Honourable House to represent them and for the trust and the confidence that they put in me some three-and-a-half years ago. For that I will be eternally grateful, Mr. Speaker.

I say all of that with the confidence that given the performance of which I am a part, the contribu-

tions that I have made over those three-and-a-half years that the good people of West Bay would see fit to send me back to continue the important work that has been started on all of our behalf.

It was quite a painful episode yesterday to have to sit through—and as I mulled over what I would put forth in my debate and what I would say in response to the Honourable Leader of the Opposition, I must say that I did have to search because as I said it was quite a painful episode to sit through—what was an eloquent delivery and a well-written speech but it lacked substance to challenge the policies of the Government and to have us rethink precisely what it is that we are doing in regard to raising revenue and the allocation of the resources of the country as laid out in the Budget.

So, no pun intended, after mulling it over for about a half hour or so, I said, since that was a painful episode to have to sit through let me read from one of my favourite authors, Thomas Paine, the legend of the American revolution. On December 19, 1776 he said and I quote, "These are the times that try men's souls. The summer soldier and the sunshine patriot will, in this crisis, shrink from the service of his country; but he that stands it now deserves the love and thanks of man and woman.**"**

I will come back to that a little later in my contribution.

The Honourable Financial Secretary, in his Budget Address and the Honourable Leader of Government Business, in his Policy Statement spoke much about the tiller and the responsible hand that the United Democratic Party has on all of the critical areas that affect this country. I would like to focus on fiscal responsibility, policy development and implementation and the prioritisation of Government policy.

I think it is fair comment that some of the details of individual ministries will be covered by speakers to come. In regard to policy development and implementation this not only involves the financial position of Government and the state of the economy but also the social development within this country. In particular, it is important to note that the Government continues its heavy investment on youth and youth-related programmes; also programmes designed for the care of the elderly, for the persons who built the foundation upon which all of us now benefit and upon which this Government continues to build and enhance.

I can confidently say that the Budget that has been presented before us is very grounded in the here and now, grounded in today but building for the future. What more can a country ask for of its Government than to have that critical factor be the predominant theme and underlying current in the formulation and presentation of its Budget?

It is grounded in today because the United Democratic Party Government continues the strong fiscal legacy that we started, and you were a key part Mr. Speaker in your former role as Minister, when we started down this road of insuring that the financial footing that this country was placed upon in 2002 was one that was solid and one that did not continue to stress and stretch and reach into the pockets of the common man and woman on the street.

I remember those days vividly when we put together that first United Democratic Party Budget and I remember then how the current leader of the Opposition and the current Second Elected Member for George Town in particular, painted a picture of doom and gloom. They said that we were going to chase away Class B banks in the Cayman Islands; that we were going to make ourselves so uncompetitive from a price perspective that the fees implemented as part of the $55 million revenue enhancement package at the time were going to have a dramatically negative effective on the finances of Government. I remember them clearly saying that not only would we not achieve the $55 million on a long-term basis but that the country was going to be set back to a worse position because we were going to lose that business; so even with the enhancement of $55 million which went on top of some $20 million that were already being raised, we were going to lose the entire piece of revenue from the Government.

Well, Mr. Speaker, it is often good to sharpen the eye and to sharpen ones perspective; sometimes one has to look back. And so here we are in 2004 and yet in the areas that the Government raised the $55 million in revenue we have not only realised it but we have built on it because the business volume has increased over the past 24 months. The Honourable Financial Secretary has outlined for quite some time in this House the reasons why the Cayman Islands would lose some Class B licensees. With the requirement to have a physical presence in the Cayman Islands there have been entities that have chosen for business reasons not to take that up and to simply relinquish their licence. It is clear and has been proven that from the outset, from the very first Budget presented by the United Democratic Party—the Opposition has not agreed—our performance has proven us right and has proven us to be prudent managers of the financial resources of this country.

I think if the Opposition were true to themselves and completely true to the people of the Cayman Islands they would have to admit that Government has had a strong fiscal record and has delivered the necessary service to promote the interests of the Cayman Islands and its citizens not only for today but building for tomorrow and the future.

We regard prudent fiscal management as a crucial deliverable as a Government, for how is it that we are going to implement and continue to enhance policies that are designed to benefit our people and to further the interests of our people if we do not have the financial resources to fund them?

In this Budget we do have, by our standards, a much larger than usual borrowing package. However, when one looks at the Budget document and

when one looks at the critical areas that are going to be improved, one who is going to be fair in their analysis can quickly and readily agree that the borrowings of the Government are building for tomorrow. Because if you get so lost in today and so entrenched in looking back at yesterday you lose all perspective and vision and in fact you may not then have the ability to have any vision in moving forward.

As I reflect, if there is one thing that dominated some of the minds too often post the 2000 Election was looking back, laying blame and talking about the country being broke instead of having as a clear vision, as a clear goal looking forward, knowing that you are in a bad situation but looking forward, and coming up with ways in which you are going to make the situation better. Because if you find yourself in a bad situation and you ask for pity from the public by crying about the bad situation without doing something about it what better are you going to be and how are the people of these Islands going to be better off.

When we look through this Budget document, the Annual Plan and Estimates as presented by the Government speak volumes in regard to how the financial resources of this country are going to be spent in order to enhance the quality of life and to further the interests of our people.

The Leader of the Opposition had much to say about youth and youth-related spending and I am sure, as we are in a election year, all the typical suspects are going to come out with the all the typical same old rhetoric that I can remember hearing from the time I was a young boy in this country. All that changes are the faces but the difference that the United Democratic Party has made is that we have done something about it and we have tried and continue to have a programme in place that deals with the major issues that face this country.

It depends on how one would like to count so I will give leeway to different opinions and interpretations; I beg to put forward the view that somewhere around $55 - $59 million in this year's Budget are directed at youth and youth-related services. Out of a Budget of some $300 million 20 per cent is a significant amount of resources to be allocated toward the future generations of this country.

One could easily pick up the Budget document and get lost by simply looking at the spending of the Ministry which has the title "Youth" and, if one is crafty enough, one could mislead the public by looking at that Ministry's Budget and complain by saying, "What is the Government doing for our youth? How is the Government allocating resources towards our youth?" I would like to put forward the view that because the Government has a cohesive structured policy towards youth that one has to look in various budgets to see precisely what the United Democratic Party is doing to build for tomorrow and the future, because I did start off by saying that this Budget is grounded today but investing in the future.

I will look at the major areas in which the Government proposes to invest in our youth and many of them are not contained in the Budget of the Ministry for Youth.

I start off with the Ministry of Education because surely primary and secondary education upon which the tone of $36.6 million are being spent this year on investment for the future; that is direct spending on the youth because the last time I checked the school age in the Cayman Islands is geared toward the youth because we have in our Budget an investment that is going to reap many benefits in the future.

I know that everybody likes to play on words and likes to split hairs so let me, for the benefit of the Opposition, say that when I say youth—if one wants to get technical and start talking about definitions of youth—I am simply talking about persons in this country who are under the age of 25 years. One can start talking about nine to 25. People who are less than nine years old under the education Law have to be in school from 4-plus years. And so we continue to spend heavily on education.

I believe that the Ministry continues to enhance and develop policies that are going to bear fruit in the future. You do not see all of the results of an investment overnight. When one plants a tree, if one expects to go and pick fruit the next morning one is being unwise to say the least.

When we look in that same Ministry and we see $4.5 million being spent on special needs children's education. We see $1.5 million being spent on transportation and canteen services, we see just over a quarter of a million dollars being spent on the Cadet Core. We see $1.3 million being spent on public library services. All of those services are designed to enhance the opportunities of all our young people.

We realise that it is not the amount of money you spend but it is how effective those programmes and policies are at reaching those persons and impacting their lives. So we have the opportunity to continue …

The Speaker: Order!

Mr. Rolston M. Anglin: … to build upon the foundation that we laid from 2002.

When we look at the $2.1 million that is going to be spent on tertiary-level teaching and vocational training; when we look at the provision of pre-school education programmes, youth rehabilitation programmes, youth after-care programmes, school lunch and uniform programmes, the supervision of pre-school programmes, the foster care programme, the national mentoring programme, the monitoring of the implementation of the national youth policy, education scholarships for recipients to study overseas, education scholarships for study at local intuitions, we see that in scholarships alone the Government is allocating somewhere around $3.5 million this year. Those are investments in the future; those are in-

vestments that will continue to bear fruit in the long term in the Cayman Islands.

We have the possibility to continue to build and that is what we have grasped, the opportunity to make that possibility a reality for the people of this country.

There are often debates among people as to what is the most critical area that a government should spend on. Some will say education, others will say health. I ask Honourable Members of this House and the wider listening public a very simple question. If you had one last dollar to spend on your child and the choices were send them to school or to give him/her a vaccination that you would save their life, which one would you spend the dollar on? It is easy to get caught up in the catchphrases that are thrown out by the Opposition but we have to get back to reality; we have to get back to realising that resources have to be allocated in all the critical areas that the country needs, and I say that the country's spending on health services in this Budget looks out for the interest of the Cayman Islands because you must have a healthy resident population and we must have that before you get an educated resident population.

Therefore, in this Budget the Government is proposing to spend some $33.6 million on health and health-related services. Much of the spending of Government goes unnoticed because people tend to focus on their own favourite topic but where would we be without spending the $800,000 on the collection and disposal of waste? Where would we be without spending the $4 million on the mosquito control service that is offered and provided by the Government? Where would we be without the $5.2 million that is going to be spent on the medical care for our indigent people? Where would we be without the $1.8 million that is being proposed to be spent on overseas medical?

The Government recognises all the needs and allocates its resources accordingly for that is our duty as we are the managers of the financial resources of the country.

However, if you ask the same parent about that one dollar and ask them another question, would they rather spend it on ensuring that their child is secure? That throws another element into the equation for consideration and so the Government is proposing to spend $9 million on policing and police-related activities in the upcoming year. I think under the new Commissioner and his new management team the Police are refocusing their methods of policing and the way in which they are part of our community in building relationships, building trust and getting back into the community at the grass roots level and ensuring that they are not seen as the enemy/outsider.

In that vein the people of this country need to appreciate more the necessity for a strong police force. All too often we hear complaints and gripes simply because people refuse to admit that their own family could be at fault so if the officer had to arrest him justifiably then it is the officer that is the bad guy.

We have to continue to instil in our own minds and in so doing in the minds of our young people, the respect for authority and the necessity for a good police service within these Islands.

What of community development and the policies to ensure that we are building a vibrant community, that we are building the infrastructure that allows Caymanians and the Caymanian community to continue to have the type of community that is peaceful, loving, caring and nurturing?

Thus, the Government has to act as a social agent. In any country you go to all Governments have to play that role. That is one of those roles that while the private sector contributes, and I must say that in the Cayman Islands it contributes heavily, the Government has inevitably to be the key social agent.

When we look at the $6.6 million that are being proposed to be utilised for social services for families this is money that has to be spent. This is not money that the Government just wants to spend; this is money that needs to be because we must ensure that those who fall through the cracks for whatever reason have the possibility of picking themselves back up if they are able and of the age to do so, to get back into the mainstream and become productive citizens. One of the key policies of the Department of Children and Family Services is to instil within the recipients in the social programme the whole concept and notion that they are there receiving a benefit however, once you are of the age and have the health and strength to do so, you must be able to also try to rearrange your life to get back on your feet.

We do have aged persons in our population who do need permanent assistant, who have reached that age that they cannot work any longer and do not have the resources to take care of themselves. So when one looks at the poor relief programme you see that the Government continues to invest heavily in our elderly. When you look at the monies that the Government has allocated for institutions like the Golden Age Home and the Pines Retirement Home, one sees that the Government continues to take care of its resident population where it has to. We have well in excess of $14 million that is being spent on community development type services.

Some that would fall of the radar that are important include the spending for small business development by the Government and the small business loan programme that is in place at the Cayman Islands Development Bank. That continues to serve a very useful and productive service to young entrepreneurs who may need some guidance to refine their business idea and the finances to make that idea grow to reality.

I spoke earlier of the elderly; we also are proposing to spend around $8.1 million directly on items principally for the elderly. We have proposed spending of $2.9 million on the medical care for seamen

and veterans. The ex gratia benefits programme for seamen is some $2.7 million. The payment to ex-servicemen is some $1.9 million. These are persons who built this country when Cayman Islands were not the Islands that so many outside persons were willing to come in and invest in, when the Cayman Islands were the Islands that time forgot, when the Cayman Islands were overridden by mosquitoes; our seamen and our elderly women who took care of the homes were the people that built this country. I often hear people say, "What of the good old days?" but really what has changed most about the Cayman Islands has been the good old values and the good old work ethics that persons in that age group brought to the table.

We do have and continue to have a very ambitious indigenous population in the Cayman Islands. However, I think all of us in this House would agree that certainly every one of us have had the benefit of development that causes us to not have to work as hard as our forefathers.

Hence when the Government proposes to continue to care for elderly persons who cannot care for themselves I do not think anyone can fairly criticise the Government and say this is not money that is well spent.

Infrastructure and infrastructure development continues to be a high priority of the Government. It realises that for the next wave of economic activity to truly be maximised in the Cayman Islands that we do need the road corridor that is going to run from West Bay, linked to the EsterleyTibbetts Highway and its continuation into the district of Bodden Town, North Side and East End.

We are blessed to have made it this far with the limited infrastructure that we have. However, for us to be able to build for the future we must have an enhanced policy that leads us towards furtherance of our infrastructure.

I think all in this House would agree that given the resident indigenous population that is here, we simply do not have the people to sustain the level of economic activity that we benefit from. Thus, like every other country, we benefit heavily from foreign direct investment!

Foreign direct investment, as I said in this House before, does not only take the form of a person coming into the Cayman Islands and proposing to build a hotel; that is physical foreign direct investment. But what of the financial services industry and the monies that are spent by that industry that benefit all of the persons in the Cayman Islands by the fees that are paid over to the Government?

For every mutual fund that is registered here, for every bank and trust company license that is taken and continued, for every captive insurance that is formed in the Cayman Islands there is a benefit that is derived directly to all. There are more specific benefits to the persons who work in that industry. What would happen if that industry were not in the Cayman Islands? What would happen if we did not have the 400-plus accountants that work and live in the Cayman Islands, the 400-plus lawyers that work and live in the Cayman Islands? Some of them are Caymanians, many are not. Those that are not require housing. Think about the monies that so many Caymanians have invested in real estate that benefit directly from the professionals that live and work among us in the Cayman Islands. That is just a small example; look at the supermarkets. When we look at the benefits that we derive from foreign direct investment and the element of outside labour that is in the Cayman Islands we quickly see that a lot of businesses would not (at least not with a prudent business sense) have made the types of investments they made had it not been.

So, we see the Government continuing its policy of inclusion as being a key to the future survival and future development within the Cayman Islands.

I would like to touch on a point that I have heard a number of people raised. In fact, I had a constituent raise it with me just last week and it is a perspective that is quite understandable. The person posed the question, "Why is it that the Government is supportive of a $30-plus million development at the Cayman Islands Turtle Farm when we have other critical areas, such as the road infrastructure and investment buildings, such as the school buildings, that are still needed?" Mr. Speaker, whilst I can see the reason for the question, the one thing that all of us in this House and the wider public must continue to remember is that private sector activity versus public sector activity is very different.

The funding of the Turtle Farm is not Government money. Government is not talking the money out of the Budget and spending $36 million on the Turtle Farm. A private debt offering was used to raise those funds. Those are persons who are making an investment. Unfortunately, one of the things that frustrates people when they look at capitalism and realise that it is the best system, is the fact that they often see the public sector not having the types of money that the private sector can have. However, we must remember that the motivation for profit drives people to put resources in certain areas that they will not put money in willingly in the public sector and that is for good reason. People who have the creativity and the want and desire to make themselves better is what drives the economy.

I would like to draw an analogy. When we look at the United States of America, the country that most people use as the prime example and pillar of capitalism and democracy, we see every presidential debate in the last two decades has had education and building education as a key subject. However, just yesterday, 12 May 2004 on the New York Stock Exchange there was a total of 3,456 issues that changed hands. The volume of trading was well in excess of $1 billion. We see that in that country their citizens could make the same argument and the

same confusion in terms of looking at public sector versus private sector. In one day we had that type of activity on one stock exchange. Sure, if that money was all spent on education it would build them the grandest schools, the biggest and brightest schools as some of us like to say. However, that is private citizens spending their money on private uses.

So, to bring that back to focus, the Turtle Farm project is the same thing. This is a private placement in which people were allowed to invest and in those types of investments one has to go to large institutional investors because it is not ready and it is not subject to the type of infrastructure environment that would allow a private placement offering, because I know that there would be some people who would argue that point and ask why Caymanians did not have the opportunity to benefit.

That is something that is in the focus of the Government. We do need to continue to build the Stock Exchange and continue to build the infrastructure in the Cayman Islands so that we can get more sophisticated in our methods of raising capital for various projects so that people in the Cayman Islands can readily benefit.

That is an argument and a debate for another day, Mr. Speaker. However, I would like to have it on record that that is another issue that the Government, of which I am a part, are actively looking at and trying to ensure that we have that built into the equation of the Cayman that is to come.

We have shown beyond a reasonable doubt, and I would argue that we have shown as a matter of fact, that we are prudent managers of the financial resources of this country.

We have delivered a balanced Budget again and when we look at the difficult time that national governments are having globally, and when we look at the numbers of the G7 countries whose governments are running large deficits in order to try to buoy their economies and keep the vibrancy in their economies and continue to try to ensure that economic turnaround is sustained, we, in the Cayman Islands, can once again be well pleased that our Government has not had to institute any such measures.

The confidence in this economy, the confidence in the way forward of this country is unbelievable. When we look at the dollar value of approved projects that are currently on the way versus 2002, 2001 in particular and even 2000, we see that this economy is moving in the right direction and I say, that as I have been told on a daily basis by people in this community, the hard work of the Government and the fiscal performance and prudence of the Government has gone a long way to contributing to this turn around.

The Leader of the Opposition inferred that one of the main reasons for the turn around has been an improvement in global economic conditions. However, global economic conditions impact only certain sectors of our economy directly and when we look at the dollar value of approved projects it is a key measuring stick and they know this; if they do not, they do now. It is a key measuring stick for what is really happening within the Caymanian economy.

I know one prominent Caymanian who I happened to have a detailed conversation with some time in the last month and he outlined that currently he has under way some $18 million of projects with $32 million that are either in the planning or approval stage and he had one comment that the United Democratic Party is not preaching a message of doom and gloom that the country is broke, blaming it on the past Government, but that it took the reigns and dealt with the situation, put the financial position of the country back on an even keel. Now people can have the confidence to move forward because they know they have a Government that is balanced, a Government that—whilst it spends on the development of its people and enhancement of the life of our people—is grounded in the reality that jobs create earnings, not the other way around and will continue with the programme that is in place because it is bearing fruit and it is doing good for this country. I know one of the things that the Opposition wishes they could throw at us would be poor fiscal management but they know truthfully they cannot.

I would like to deal with a few matters that were said yesterday by the Honourable Leader of the Opposition. As I sat and listened and was troubled by the very thought that here were all of the usual criticisms with no real tangible alternatives or solutions, I had to say to myself, "Wow, this, to the country, seems to be reading of its obituary." I must say that the Honourable Leader of the Opposition, which spoke on behalf of the Opposition, got up and talked about everything single under the sun yet I have yet to hear one real tangible and concrete solution that they are going to produce. However, I must say in his two hours there was a little teaser. He said that they are going to produce a blueprint. So I guess we are going to have to wait to see the blueprint because the blueprint is really what is going to knock our socks off and will really have us on our heels and jumping for joy at the thought that the People Progressive Movement (PPM) would be the administration that we want. I find it rather convenient that at this time and stage—the perfect forum, the last Budget by the United Democratic Party—that the blueprint would have not have been outlaid yesterday.

We should have been left on this side of the isle scratching our heads and scrambling to come up with responses because they had come up with all of the solutions to all of the problems and everybody is going to live happily ever after and that everybody could feel warm, fuzzy and comfortable. But no such luck.

I must say I am glad to be living in a democratic society because I realise that the Leader of the Opposition, in his usual style, is going to criticise. But

I am so glad that another side can be told and what is so beautiful about democracy and debate is that one side is thrown out then the truth comes.

[Laughter]

I must say that the Leader of the Opposition conveniently forgot to mention that he was not only the Leader of Government Business but that he failed miserably in his one year as Leader of Government Business to deliver any of these grandiose things that I hear him talking about now. I must say that few things change around here as I have now come to understand and one is that the Leader of the Opposition has a consistently short memory; so I will remind him because I have a consistently good memory.

I will remind him, this country and his colleagues that to just get up and criticise is not good enough because Mr. Speaker, the Leader of the Opposition said that he is now a changed man, he has a change of heart; the people's opinion is what matters now. He now says, when elected he says his PPM administration is going to be the dawn of a grand new day for the Cayman Islands. But I want to get an answer as to why for one year as Leader of Government Business is it that the current Leader of the Opposition did not have all of the consultation and public meetings that he is now talking about.

You get over run in the street these days by the People's Progressive Movement! Yet for one year I was out there on the street and boy, I could not see them anywhere. You see it is now a convenient thing. However, I think the doctor of forgetfulness has struck again.

There was mention made that there was some $136 million borrowed by this administration. I can see where the Honourable Leader of the Opposition is coming from but there is yet another piece of that story that needs to be told. In 2002 the Government restructured its debt and had a private placement note issuance/bond issuance. We all know what we are taking about. So whilst in the year 2002 you would see that the Government borrowed $135 million we also repaid $113 million because we had to repay the debt that was outstanding. It was a simple refinancing! So, Mr. Speaker, if you go, or some citizen goes, to refinance their house and moves their mortgage from Royal Bank to Cayman National Bank (CNB), just because you have borrowed $200,000 to do that in a particular year, you cannot then say that you have borrowed $200,000 and say that is the complete story. You have to then say that you repaid an existing debt on the other end.

The Speaker: Honourable Members, I propose to take the morning break now. I hate to interrupt the Honourable Member when he is on a roll but I propose to take a 10 minute break now and to remind the Honourable Member that he has one hour remaining.

Also, to remind Members that I have been requested by the Honourable Deputy Leader of Government Business to have the House adjourned following the completion of the Honourable Member's debate to allow all Members that would wish to attend the funeral of Mrs. Carolyn Hislop Bodden who was a former head teacher and education officer in these Islands. I know many of us were taught by her and those of us that were not I am sure had some interaction with her during her lifetime.

I believe that because of the contribution she made to these Islands that at the adjournment I will invite all Honourable Members to pay a moment of silence in her honour.

We will now take a 10 minute suspension.

Proceedings suspended at 11.53 am

Proceedings resumed at 12.14 pm

The Speaker: Please be seated. Proceedings are resumed. The Second Elected Member for West Bay continuing.

Mr. Rolston M. Anglin: Thank you, Mr. Speaker.

When we took the suspension I was clarifying the issue of Government borrowing and I wanted to ensure that the House and the listening public were aware of the entire story in regard to borrowing. I did not even know this but just to ensure that no one gets up on a point of order, the portion of the Leader of the Opposition's speech has been already typed, so it is not just my notes and I said that he said it was $135 million but he said it was $136 million in borrowing.

The net borrowing was dramatically less than that. The net borrowing was only $18 million and we see that the Government continues on its programme of prioritising and ensuring that we do get a physical infrastructure that is of national importance completed.

The Leader of the Opposition spoke at length on tourism and this is another area that I would like to offer a slightly different perspective.

Firstly, he quite rightly pointed out that in order to finance the loan for the Port developments around 2.1 million cruise passengers would be needed at the $1 per head increase coming out of about $2.1 million for the repayment of the debt. He also said that there were skyrocketing numbers of cruise passengers arriving and a slight fall-off in air arrivals. He seemed to suggest that the increased cruise arrivals is causing or contributing to the downturn in air arrivals. He then went on to say that we should be brave and educate our people, many of whom are surviving off the cruise arrivals, as to the damage it is doing to our tourism product. Whilst the Leader of Government Business has admitted in this House and in many forums, including public meetings and the Chamber luncheons, that yes, on certain days the numbers of cruise ship passengers arriving does greatly burden our infrastructure.

However, what the Leader of the Opposition failed to also acknowledge was that yet again the

Government has a plan of action. Yet again, the Government is building.

Unfortunately, we were not in the position, because there were contractual obligations made and we also knew how difficult it is to get business back once you have shunned it. Weighing all that up Mr. Speaker, we decided to go ahead and have the cruise program increased to somewhere around two million passengers to be levelled off at that level for the foreseeable future.

Hence, the Royal Watler Cruise Terminal is being built as we speak. That facility is going to go a long way to ease the burden caused by cruise arrivals. To go along with that everybody knows that we have proposed the building of a West Bay cruise facility and again we do realise that ferrying a large number of cruise passengers directly into West Bay will ease the burden of landing everybody into central George Town. Going to West Bay is logical. The two most popular attractions are in that district, the Turtle Farm and Stingray City. If persons are taken directly to the facility in West Bay by ferry and do not have to clutter the road infrastructure and do not have to come through central George Town we will definitely have persons going directly to the attractions and we will have persons landing in West Bay, being able to go to the Turtle Farm and Stingray City. We also know that those tours, depending on the length and exact tour that a cruise ship passenger buys, are typically offered either two or three times per day.

One of the other bits of information that we are aware of in consultation with the cruise industry is that a lot of persons come off the ships to initially go on their tour and then they go shopping. Some do come off, go shopping and then go on their tour. However, by moving people directly to West Bay we will achieve the objective of not having large masses in central George Town all at once because the person who goes on the early tour directly to West Bay will be returning to that facility and coming back to town later in the day. The persons who went into town to shop and then go on their tour will be leaving George Town at that time going to West Bay, to Stingray City, Hell or Turtle farm on their tour.

We see that as being the type of progress that is needed in the Cayman Islands. When we keep saying that Cuba is going to open up, what impact it is going to have when Cuba opens up; we have to have ourselves ready. Are we going to then be in the situation where some government will sit there and blame everybody in the world and say, “Tourism is off because Cuba is finally opened up and nobody prepared for this day”?

The United Democratic Party Government knows how to plan; the United Democratic Party Government is building for the future. Everybody knows that Cuba currently has some eight ports that cruise ships can go to. It does not take a rocket scientist to realise that a seven-day cruise could be just on Cuba alone.

Therefore, Mr. Speaker, we have to ensure that we expand our port facilities around these Islands to ensure that the benefits are spread around, the people are spread around and we can then get to a situation where we can have less of a strain on central George Town.

Cayman Brac is also in the plans. We have spoken extensively with the Florida Caribbean Cruise Association in developing the viability of getting passengers to Cayman Brac. The initial concept is that we would offer a tour for passengers arriving in Grand Cayman to take them to Cayman Brac and back to Grand Cayman before they leave on the cruise ship.

In the long term, we know that we need to find the place in Cayman Brac that we can get a cruise facility so that ships can go to Cayman Brac. That is necessary for the long-term interest of having a stable economy in Cayman Brac. It goes to show that we are thinking about all of the Islands and all of the possibilities to allow us to accommodate more people.

Some people might ask, why West Bay first? But cruise— I hear the Opposition laughing like cackling hens as usual over there but they know what I am about to say is absolutely true. You have to have facilities built; then it becomes the egg and chicken situation. Do people invest in facilities before the cruise ships come or will the cruise ships come before facilities? We know that the cruise ships are not going to go unless there are tours on land for their guests to enjoy. Because of West Bay being home to the two most popular land-based attractions, the Turtle Farm and Hell, and the most popular water-based attraction, Stingray City, we saw that as part of the packaged solution that would serve the interests of the Cayman Islands in the immediate term.

We understand clearly that we need to ease the burden in central George Town and so the Government is doing that.

I do lay a challenge to the Leader of the Opposition. He spoke about the education process; that we need to be leaders and statesman and to pronounce to the persons in this country the damage that the cruise industry is doing. I challenge him, since he seems to have positioned himself as the People's Progressive Movement’s education and tourism minister, to go out and be the statesman and preach and start that education process and I want to ask him to make sure that in the education process he gives a voucher that is backed by hard Cayman Islands or United States currency so that the people who are employed and have developed businesses in this industry can take them to the bank and to Foster’s, Hurley’s and Kirk’s supermarkets, because people have invested and the benefits from the cruise industry are immense to this economy.

There have been many studies in various jurisdictions. The last study that I saw and I must admit this is aged, this study was done in the early 1990s, suggested that in the less lucrative Caribbean juris-

dictions, the average spending was around US$50 to $60 but in the more premier destinations such as Cayman the spending was more in the order of $75 to $100 per passenger. With the increased activity that we have had onshore over the last five years, but in particular over the last two-and-a-half years, I dare say that spending will have increased. However, I do not have a study so I say to this House and the public that is my opinion. I think it is a logical opinion because the last study was done many years ago.

The financial community and the international initiatives; I must say that—whilst the Leader of the Opposition accused the Government of having Ministers who got up and made well-written speeches—he had a well-written speech yesterday, a very shiny and new speech, bigger and better than any he has delivered but I say that either the Leader of the Opposition or his speech writers fundamentally do not understand what is happening in the financial services community because if they did his message would have been completely different.

The financial community has welcomed the approach of this administration; they have said that the openness and transparency in which this Government operates is a breath of fresh air.

Let me use a classic example, the European Union Savings Directive (EUSD), I know that they know and I will prove it. Mr. Speaker, during the consultation in regard to that crucial matter, in its final meeting with the financial community the Government had a position put forward by members of the community as to the stance the Government should take—I was at the meeting so this is not hearsay—and, of the 19 members from the financial community present at that meeting, 17 supported the position that was put forward. Therefore it was obvious that many of them had already spoken to each other and had come up with a collective view. That is the position the Government took and came to this Honourable House with. How can you say that there is not consultation if the position with the financial community put to us was the position that the Government took and there was consultation right the way through on this important critical matter? I know that the Opposition knew because their chairman was at this meeting for the entire meeting.

I was going to say something unparliamentary and I will restrain myself Mr. Speaker.

The Speaker: Thank you Honourable Member.

Mr. Rolston M. Anglin: I say that to say that the Member who said that I would get maimed if he does not listen a little more and stop being an East End parrot that he would learn a lot in this House.

[Inaudible interjections]

The Speaker: Order!

Mr. Rolston M. Anglin: Mr. Speaker, he has to understand and acknowledge the fact of what I just said. The chairman of his party was there the entire meeting and it is no surprise that of the two of the 19 members who did not support the position of the Government he was one; right on cue. I take it therefore that it was his ill-advice to the Opposition that caused them to come to this Honourable House and abstain on this most critical and crucial matter to the country where we should have put aside petty politics and shown one united position for this country.

The other person that was there that did not initially agree when asked just said he was there to listen; he had been sent by his association. He was then asked about his personal view; he said personally he supported the position but he could not vote because he was there as a representative from The Society of Trust and Estate Practitioners (STEP)—I cannot remember the gentleman's name however I can certainly find that out and inform any Member who would wish to know. I am sure the Honourable Third Official Member could easily find that out for us.

Any wonder why they abstained in such a critical matter? Ill advice. If that is going to be the advisor for the financial services industry, woe be to that industry if the People's Progressive Movement is elected in November. Imagine this: one out of 19—a distinct minority—and that is the position that they would take instead of a position that was taken by 17 of the 19 that were there—a distinct majority. Disagreeing for disagreeing sake.

The Leader of the Opposition rattled off some statistics about the mutual fund industry. The Minister of Education and I have been talking in recent times about the specific needs of not only the financial services industry as a whole but in particular the mutual fund industry. One of the things that people automatically draw images of in their mind when they hear of vocations is persons who are carpenters, electrician, mechanics, air-conditioning technician and plumbers. I suggest to this Honourable House and public that there are specific need areas in the financial services industry that do not require any formal tertiary education or specific qualifications for Caymanians to be employed and employable once they are given skills sets in a particular area, and the mutual fund industry, in my humble submission, is one that is right.

We know that it is the fastest growing sector within the financial community and we also know that we have a number of large reputable administrators and more coming to the Cayman Islands. I understand that there are two major groups that are going to be coming here sometime in the next six to eight months and they need people and not all of them need to be qualified accountants. You need the qualified accountant to be the overall account manager, the overall supervisor, the person that signs off on the Net Asset Value (NAV), however often the fund reports this to its holders.

There are jobs in the shareholder and registration area, there are jobs in terms of becoming experienced administrators and there is much reward. My sister is a classic example of a person involved in this industry. She does not have a university education and she is therefore not a qualified accountant but she has gained experience in that area and right now she makes as much as some qualified accountants in the private sector. When she told me the package that her current employer gave her I was shocked, and when she came to me over the Christmas and showed me what her bonus was for a person that was unqualified I was shocked.

One of the things that those employers do need is persons who can come to the table with skill sets. I am of the view that within our current education environment there is room for us to be able to craft certain curricula to suit our particular needs. We can be flexible in that way because we see where the growth areas are. Once you start to apply skills there is no reason why a high school leaver could not come out knowing what NAV means, what shareholder registration and transfer agent work involves, they already do a general business studies course. We have the opportunity—and, as I said, the Minister of Education and I have spoken about ways of improving and moving forward—to start to equip young people and people coming out of school with skills that they can take directly to employers because that only makes a person more employable and it only helps the economy by giving us better skilled people because Mr. Speaker, at the end of the day that is something that is definitely on the Government's agenda to continue to strengthen, enhance and improve.

I must say that is would be interesting for the Leader of the Opposition to verify the unemployment figures that he had for youth because he said that he thinks—he thinks—that if the Ministers got the information that they would find the statistics were a certain way. I could get up and say that I think that you would find anything once you have done the research but the House should be about the facts; what the existing factually documented situations are? They have other speakers to come so maybe we will be enlightened.

The Leader of the Opposition seems to suggest, in his speech, that he is going to be the great saviour for education and tourism; that he is going to be the great leader the country is in desperate need of. However, I think they know and I think that he knows as well as anybody else that he has shown the country how he would act and react once given that opportunity because he has once before. You see that is the beauty of this whole situation that we have before us; he has been there.

Since he had so much to say about education he too would agree that one of the key ingredients for parental involvement in the Cayman Islands is the reporting session. So, I say that one of the key ingredients of every citizen who is eligible to vote in this country is also the reporting session; we just happen to call our reporting session the General Elections. Mr. Speaker, as you in this Honourable House would remember there is always time for us to reflect and so I say, that at this point and for the next six months, it is indeed truth time, Cayman. And I say that on this 13th day of May 2004 that I can give a very unbiased and independent report card for the Leader of the Opposition versus the Leader of Government Business. The report card will be laid out as follows. I will name the subject, give the comments and give the final grade.

Openness and transparency; that is such a great political buzz phrase, it just sends shivers up the spines of the voters because they want an open and transparent Government and they want an open and transparent politician.

Comments on the Leader of the Opposition, the Honourable Kurt Tibbetts; in one year as Leader of Government Business he held no public meetings; there was no genuine consultation with the people. I do not know how that can be described as open and transparent but I think that is a fair commentary. Therefore, based on those actions, the grade would be an F. In our school you either pass or fail and F is for fail.

The current Leader of Government Business, the Honourable McKeeva Bush in his year as Deputy Leader of Government Business and the last two-and-a-half years as Leader of Government Business; we have held quarterly public meetings and special meetings on special topics.

Speaking of special topics, the Leader of the Opposition kicked up a lot of hay about Cayman Airways. Well, with Cayman Airways, the Leader of Government Business, my other two colleagues from West Bay and I held a public meeting in West Bay before we made any final decision on what our position was going to be on Cayman Airways. If we remember correctly, we were going to Finance Committee for a restructuring of Cayman Airways. Remember that Cayman Airways was the subject of the Leader of the Opposition at that point. We held a public meeting; we even took a poll at the public meeting. We asked who was in favour and who was not. The Member for North Side said it was all set-up, Mr. Speaker. I would like to know how we could set-up a public meeting which was advertised and any member of the public could come. I say how can you set-up a nationally advertised public meeting? But perhaps she may has a way of doing it—

The Speaker: Order.

Mr. Rolston M. Anglin: —she may have done it before.

No, you were not with me at the meeting, you were somewhere else.

[Member: I was]

Mr. Rolston M. Anglin: I would like to know where the Leader of the Opposition was at that point, it was his subject and he was not even at the meeting.

Based on performance, not people's opinion or warped opinion, I would have to say for openness and transparency; pass for the Honourable McKeeva Bush.

Accountability; dark days reigned in this country for one long, tiresome year. You talk about democracy under threat. I tell you that was a long, long frustrating year.

I refer back to my comments on openness and transparency. If you are not meeting with the public, going public with your feelings and if you are not consulting with the people I cannot see you being accountable so, Mr. Speaker, I am forced to give a failing grade to the Leader of the Opposition.

Accountability; the Leader of Government Business is willing and does listen. He changes his mind based on other people's points of view. The Opposition has got up in this House and questioned why we changed our minds during the Constitutional debate. Yesterday, the Leader of the Opposition questioned why the Leader of Government Business changed his mind on Cayman Airways. It seems to me that people who are accountable to the public are willing to face them and are willing to change their mind if the public do not agree. I am once again forced to give a passing grade to the Leader of Government Business.

I want the Second Elected Member for George Town to listen to this carefully because it proves how unbiased I am in my reporting.

Achievement oriented; Leader of the Opposition. He wants to make a difference. This can be noted during his service in the Lions Club and standing for public office and having been elected three consecutive terms. No doubt, the gentleman is achievement oriented; passing grade.

The Leader of Government Business has given 20 years of his life to public office and has a deep yearning to help people; passing grade. Achievement oriented; both passing grades.

The next subject is one that is crucial. Makes promises and spreads propaganda; the Leader of the Opposition and the People's Progressive Movement is the best of the best. They drive the biggest and brightest promised automobile. The Leader of the Opposition is often heard—

The Speaker: Honourable Member would you please take a seat and allow me to make a statement.

Honourable Members, I know we are in an election year and having been in politics for a very long time I can well appreciate that we are going to have some crosstalk, especially as we lead up to the November Elections. You are all seasoned politicians and I would ask you all in the interests of the good order of this House to try to desist from crosstalk and I would also invite the Members who are on their feet speaking to ignore these comments because the listening public is not really hearing what is being said and you are not really making too much sense by trying to answer the comments that are being made by the Opposition or anybody else.

I also draw Members attention to Standing Order 34 in regard to interruptions in the House. Many of you, I know, know better and I expect better from you. So please co-operate with the Chair in assisting me to conduct a well-run House and that the proceedings go uninterrupted.

Please continue Second Elected Member for West Bay.

Mr. Rolston M. Anglin: Mr. Speaker, I would say thank you because yesterday when the Leader of the Opposition was making his speech, we desisted from making any commentary and we allowed him to proceed. I think the old adage is the truth hurts, and so I can expect to have crosstalk as I deliver what I believe to be a truthful representation of the facts as they exist.

As I was saying, the Leader of the Opposition is often heard saying, "PPM, let 's get in the promise mobile" and off they speed in no real direction but they speed off anyway; passing grade. Remember the subject, makes promises and spreads propaganda.

Like any good politician the Leader of Government Business has been at this business a long time and so he makes promises like the best of us. Everyone one of us has to make promises otherwise no one knows the future so we have to promise what we are going to do for the electorate. However, we really do not get our propaganda out very well and so oftentimes on the talk shows and the other forums you do hear the propaganda that is being spread and so I am forced to give a failing grade on this point, to the Leader of Government Business, that is, makes promises and spreads propaganda.

Keeps promises; that is a key subject and that is where the PPM rubber never meets the road.

The Speaker: Honourable Member. I just want to make another point, please take your seat.

Whilst it has been a tradition and is well accepted that on the Budget debate and Throne Speech the [Chair] will give a lot of latitude to speakers especially in this Election year, it is something that I propose to do but I would nonetheless remind Members of Standing Order 63(2) and I will read that: **"On the motion for the Second Reading of an Appropriation Bill, debate shall be confined to the financial and economic state of the Islands and the general principles of Government policy and administration as indicated by the Bill and the estimates."**

As I said it is proposed to give latitude as has been done in the past but I will remind Honourable Members that we are debating the Budget. Thank you.

Please continue, Honourable Second Elected Member for West Bay.

Mr. Rolston M. Anglin: Mr. Speaker, to tie everything back to the Budget, one key ingredient to this report card is the fact that the Leader of the Opposition got up and said that come November 17th there would be a new administration; his PPM administration. He spoke very eloquently in a well-written speech as to all the promises and different things that they were going to make. So I think my colleagues on the other side would also admit in doing that, that when we debate we have to also offer our position in regard to how viable some of those promises are and whether or not we believe that the House and the country are going to see the benefits of those promises.

I can say that, as has been noted there is an elaborate, well-versed, good-sounding and bright and shiny PPM promise mobile but the promises have to be kept and I am forced therefore to suggest that the grade here would be a failing grade.

When we look at the Leader of Government Business we see a man who keeps his word and actions speak louder than words. He is focused on getting the job done.

Fiscal responsibility: who can say truthfully that the United Democratic Party Government is not a fiscally responsible Government? When we look at the Budgets that we have presented and the actual results that have emanated from those Budgets over the last two-and-a-half years, the Budget is balanced again. We are living within our means. So I would have to say that having three full years Budgets that are balanced and having the first two-and-a-half actual results meet them we would have to receive a passing grade on this point and I know the Opposition agrees.

On fiscal responsibility the Leader of the Opposition admitted yesterday that during his time as Leader of Government Business he had put together a $55 million borrowing package—and these are the numbers straight from his speech—and that is in one Budget. A whopping $28 million was used to cover recurrent expenditure. Mr. Speaker, I cannot give a passing grade on fiscal responsibility; an F.

Ability to prioritise. The ability to prioritise during the Budget process and ensure that what you propose to the country via the Budget is a crucial skill that this administration has attained. The Leader of the Opposition spoke eloquently about the $60 million towers that were going to be used to house civil servants, but he said nothing about why it would have been that he would have proposed the $60 million for towers versus for schools, yet he turned around and said that we are in dire need of schools and therefore that is where the money should be spent. Whilst we understand the need for additional and new accommodation for the civil servants, we have to prioritise the resources of this country and the building of those towers does not elevate in importance beyond the items the Government has presented in the last two Budgets that we have used in regard to capital works.

We are continuing to and making good progress on the road infrastructure. The Primary School in Spotts is almost complete. We know that the Minister and the Government is moving forwards and making progress in regard to the High School in Frank Sound. Thus, when it comes to prioritising we could not see how spending on the towers was justifiable over those other areas that are building for the future.

Conveniently, the Leader of the Opposition also stated that we have done nothing to reduce recurrent expenditure. I remember correctly when the Second Elected Member for George Town once said in this House that the amounts of money we are spending on personal emoluments was too great and I agree with that comment and I think all Members of this House agree with that comment. However, given that comment, why would we go and proceed at this point with the towers when we know that currently there is fundamental restructuring in the civil service in terms of personnel reform which is now following the financial reform that has taken place? We really have to get to the point where we are confident and we know precisely how many civil servants need to be housed in these towers. Why build for building sake? We do need to ensure that the Government continues to prioritise and continues to show good leadership in prioritising.

Therefore, I am forced to give the Leader of the Opposition a failing grade on the ability to prioritise and to give a passing grade to the Leader of Government Business on prioritisation.

Now for the overall grade Mr. Speaker. I think it is fair comment to say that for those who have followed and listened keenly to the subjects and to the grades on the subjects that overall we have heard a very good speech by the Leader of the Opposition. Good points were raised.

However, we do understand that we do see—when we look at the overall grade and what is good for the Cayman Islands—a very sharp, fancy PPM promise mobile. It is an election year as you pointed out Mr. Speaker, so this is the year when all of the critiques are heightened and the promises are sharpened and so we do see a very fancy PPM promise mobile driving around. I proffer the view that it is a hazard to the good Cayman Islands' public. Please beware, because you may wind up in a disastrous crash with the PPM promise mobile. I say avoid it on reporting session on November 17th.

Overall grade therefore would have to be fail. The Leader of Government Business gets the job done, positive results are his strength. I say no more; a pass grade.

When we look at the picture that was painted by the Leader of the Opposition, Mr. Speaker, he envisages a PPM administration after the 2004 Elections. I think we really have to look at that and think

about this Budget and say, "If it was the People's Progressive Movement, what would they have done differently?" because that is the mother element of debate that was lacking in that well-written speech. I did not hear a lot of alternatives but then we also did not hear a lot of "What we would do if we were there.".

I say that when we truthfully look at the administration he is proposing we see that there are five of them and there are five cabinet seats. Of course, they will have others running with them and we are not sure yet who is going to be proposed as their cabinet so for right now we can only deal with the currently elected Members. I challenge them and I ask each of them what is different, how they would have improved the prioritisation and the allocation of resources? I do not think that they would have been able to improve it. In fact, I am confident in saying that they would not have been able to come up with such a good Budget.

We see that we have a number of friends on the other side—I do mean that Mr. Speaker because I think the public sometimes gets the view that once you are on opposite sides in politics you have to dislike each other but that is not necessary at all—and since they are such good friends and friends can give constructive criticism to friends I would beg to also proffer another little insight to the House. This one is not to the voting public so I am not campaigning; I am now speaking to the House and to all of us because we are 15 Caymanians with a lot at stake. This is a precious country and we all love it dearly. However, Mr. Speaker, I am not sure if we are going to have a Ministry for trying to make McKeeva look bad, but if they do I would propose that the Second Elected Member for George Town would have to be that Minister because that seem to be his modus operandi (MO) and I am hoping that during this debate that we hear some fleshing out of the blueprint.

We would have nothing that a good committee cannot fix. That is certainly an MO that also fits with our friends on the other side.

The Speaker: Honourable Member you have 10 minutes remaining.

Mr. Rolston M. Anglin: Thank you Mr. Speaker.

The Minister of Commerce wants commerce and economic development but he keeps saying not in his backyard. I would say that when it comes to Health Services our current Minister of Health has done a wonderful job and, in your year as Minister of Health Mr. Speaker, you started and did a lot of work in that area; you worked tirelessly in that area. We must remember when it comes to health it cannot be cured by any doctor deaths. We must have people who are willing to take the decisions to deal with health insurance, the structure of the Health Services and to move those critical issues forward because a healthy resident population is something that we all recognise as a national priority.

I could not end the last Budget address before the General Elections by saying what I know the good Leader of the Opposition would say if he were here, in terms of my commentary for his proposed administration, "Oh *bobo*, you see, it really not like that".

[Laughter]

This election and this debate needs to be about the issues and the fact that the United Democratic Party Government has delivered again on what I believe to be is a key responsibility for Government that is prudence and fiscal management.

I say that this country is in the right direction and I will turn back to Thomas Paine before I end. He once said: **"The dejection lasts only for a moment; they soon rise out of it with additional vigor; the glow of hope, courage and fortitude will, in a little time. . . kindle the whole heart into heroism."**

I will now apply this today in our circumstance in this House Mr. Speaker. The dejection that Mr. Paine speaks of was the feeling that the majority of the people in the Cayman Islands was left with for the past 13 hours when they had to listen to the address by the Leader of the Opposition and at the thought that the PPM would become their Government.

"The glow of hope, courage and fortitude," is the thoughts and feelings of the majority of our people when they think about the United Democratic Party and its leadership. The kindling of **"the whole heart into heroism"** is what every eligible voter needs to do for their country on November 17th and return the United Democratic Party and their fiscal prudence to office.

I think it is beyond a shadow of a doubt that whilst we heard some sweet nothings about a blueprint the country has been left with no alternative but to realise that the fiscal hand, the hand that is at the tiller, the United Democratic Party Government is the right hand for fiscal responsibility, the right hand for policy creation and implementation, it is the right hand with prioritisation.

Therefore, I give my whole-hearted support to the 2004-2005 Budget and I want to wish the Honourable Third Official Member a warm, happy and prosperous move as this was his last and to wish the Honourable First Official Member God's Blessings on his retirement. I think it goes without saying that whilst we may not have a big shiny promise mobile we do have a house that is built on results.

Thank you, Mr. Speaker.

The Speaker: Honourable Members as announced earlier I now propose to take the adjournment. However, before calling on the Deputy Leader of Government Business to do so, I would invite all Honourable Members, Officers and members of the Press to join me in observing a moment of silence in honour of Carolyn Hislop Bodden who sadly passed away yes-

terday. As mentioned to Honourable Members Ms Carolyn made a major contribution to these Islands especially in the field of education and is very well known to all of us in this House. I would ask all in these Chambers to stand for a moment of silence.

Moment of Silence in honour of Carolyn Hislop Bodden

The Speaker: The Lord giveth and the Lord has taken away, blessed be the name of the Lord.

Please be seated.

It is also my understanding Honourable Members that the funeral services will be held this afternoon at 4 pm at the Webster's Memorial Church in Bodden Town.

I now call on the Honourable Deputy Leader of Government Business to move the motion for the adjournment.

ADJOURNMENT

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move the adjournment of this Honourable House until 10 am tomorrow Friday, 14 May 2004.

The Speaker: The question is that this Honourable House do now adjourn until 10 am tomorrow Friday, 14 May 2004.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 1.13 pm the House stood adjourned until 10am Friday, 14 May 2004.

OFFICIAL HANSARD REPORT
FRIDAY
14 MAY 2004
10.25 AM

Twelfth Sitting

The Speaker: I call on the Second Elected Member for Cayman Brac and Little Cayman to lead us in prayers.

PRAYERS

Mr. Lyndon Martin: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say The Lord's Prayer together*: Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 10.28 am

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies for the absence from the Honourable Leader of Government Business and Minister of Tourism, Environment, Development and Commerce, who is off the Island on official business, and from the Fourth Elected Member for West Bay who is also the Deputy Speaker.

STATEMENTS BY HONOURABLE MINSITERS/MEMBERS OF THE CABINET

The Speaker: I have received no statements from Ministers or Members of the Cabinet.

GOVERNMENT BUSINESS

BILLS

SECOND READING

The Appropriation (July 2004 to June 2005) Bill 2003

(Continuation of debate on Budget Address)

The Speaker: Does any other Member wish to speak? The Honourable Minister of Education.

Hon. Roy Bodden: Thank you, Mr. Speaker. I rise to make a contribution to this year's Budget debate. It is important that I speak and make my contribution for a number of reasons, not the least of which is the fact that as a Minister of Government I have a responsibility to report on my stewardship. Importantly, too, is the fact that I am proud to be a member of the United Democratic Party (UDP) which is the governing political directorate.

I also need to reply to the debate by the Leader of the Opposition. I do not know why the Leader of the Opposition, who seemed to have failed at leadership, thinks he can be a successful Minister of Education. The gentleman is my friend, but when I get through my debate I am going to set the record straight and inform the country as to who should be the Minister of Education and who is most fitting and deserving to be so by outlining my record, speaking of my vision of education and educational leadership and speaking of my professionalism.

There is a difference, Mr. Speaker. I am a professional educator. I do not consider myself to be in the ranks of amateur educators. Amateur educators can make a lot of comments and I will explain the difference between those who are armchair educators from those who are professional educators and players and why it is important for the country to be led by

the professional educators and leave the armchair educators, like we do the armchair footballers, to talk about the game on the weekends. However, when the actual game is played it is played by the professional quarterbacks.

I want to begin, Mr. Speaker, by talking about the path which we have embarked upon now in terms of financial management and this whole business of the new financial system that has been implemented which makes it more sensible, more easily understood and more practical for us in the management of our country's finances.

I am proud to be associated with the movement from which this emanated. In 1995, my colleague, the now Minister of Health, and I brought a motion to the Legislative Assembly which asked for the Government of the day to adopt the system similar to what was in place, in practice, in New Zealand at that time. Mr. Speaker, the Hansard will show that we almost got railroaded out of town by the then Government. Certain Ministers—whose names I will not call now because there is an old adage that says "speak no ill of the dead", the political dead, that is—got up and said it was not their business to know what the laws of New Zealand were and that we were introducing an act of parliament of an independent country so we were trying to take the Cayman Islands into independence. Mr. Speaker, on that occasion there were only three people who supported the motion; myself as the mover, the then Minister of Health and the present Leader of the Opposition. The Government got up and went from A-Z in the encyclopaedia saying we did not know what we were talking about, we were trying to lead the country into independence, and we had no experience.

I am happy that time and events have proven us right and that at last the Government has embarked upon a system of accrual accounting which makes our financial management sensible, practical and achievable. I feel especially proud to know that the Cayman Islands are one of a handful of, less than 10, jurisdictions who now operate under this system. I am sure, Mr. Speaker, when knowledge of this is digested by the administering power in the halls of the Foreign and Commonwealth Office they will be pleased to know that we have such a system in place. Such a system, Mr. Speaker, I might add, which they do not have because they are still operating on the old system.

When I came into the Legislative Assembly, I wondered then how it was that our system was so antiquated because I came from an establishment in the private sector where, at the end of any given day, I would quite frequently see my Managing Director examine his ledgers. Many times he called me in as Manager and he would say, "Manager, I want to bring this to your attention. This is where we are now, a year ago we were here." or "This thing is not doing so well. Why? Why is it, when a year ago we had achieved this level?" We were operating on an accrual system and everything was so clearly laid out.

Thus, when I came into the Legislative Assembly and found we were operating an antiquated system where we were one year behind I said, "How in the world can a Government function like this when we are a whole year behind in our financial records? What is the problem? Why can we not change and have at our fingertips the most up-to-date information and knowledge which will give us the power to make greater, more effective and more beneficial financial decisions?"

I am happy to know that this system was presided over, and to a great extent has been orchestrated by, the Financial Secretary for whom this will be his last Budget Address. I am happy that he could have seen this move. I am also happy to know that he was so gracious as to acknowledge that when this move was proposed he did not understand nor was he so willingly accepting of it. Mr. Speaker, it is a mark of the gentleman's humility that he acknowledges the error of his ways.

I congratulated him and told him that he is fortunate because it is not often that the *Compass* makes saints out of people in their Editorial when they are still alive. I am happy to see that not only did the *Compass* beautify him but they declared him a saint when he is alive and can appreciate it because most of us have to wait until we are six feet under for the *Compass* to give us that kind of recognition and even then they do so only grudgingly.

These are indeed interesting times in the Cayman Islands. As we embark our election campaign no more will we have the wrangling as to how much money the Government has and we will not need to summon Auditor Generals to sign off on statements saying this is the balance sheet or this is not the balance sheet and the Government saying one thing and the Opposition saying another and everyone pointing fingers, accusing and wrangling. We will have the facts.

However, Mr. Speaker, I am most happy about this; that I can stand up here and associate myself with a government which has produced not only a balanced Budget, but a Budget with a modest surplus. Good stewardship, good management is something to be proud of in these days because so many people had written us off, "This bunch of crackpots, they have no experience. Who do they think they are? They are not going to get far. They will self-destruct. They will come asunder."

We have proven the critics wrong and you know what? Greater things have yet to come. I am confident that when the results of the elections of 2004 are known, the United Democratic Party will come back with a resounding and sweeping majority mandate. I believe that to my soul. I believe that to my heart. I believe that because I know and I have confidence that the people of the Cayman Islands can understand and appreciate good management.

You know what? This is not a good time to be in the Opposition. Trust me; I am a good judge of that, because I was there for 12 years. This is not a good time because the Government has performed well, the Budget is balanced and the future looks good. I am happy that I am on this side because the prognosis for the Opposition is more years of opposition. I expect that they will try to make the Government look bad. I expect that they will try to put us down. I know about that too. I could write a book on that. I had 12 years of that, Mr. Speaker. I am not angry with them. They are doing their job. I do not blame them. Oftentimes, my colleague and good friend, the Minister of Health and I have a little side-bar and chuckle and we say, "Boy, if we were in Opposition, this is what we would do."

We understand and appreciate that they have a responsible role to play and I heard the Leader of the Opposition speak, although I regret that he burdened me most when I was out of the Chamber. I read what he said in his speech and that is his job Mr. Speaker. His job is not to make the Government look good; his job is to make it look like we do not know what we are doing and the alternative lies with them. They are my good friends but they know when it comes to performance the Minister of Education can perform. As Mr. Speaker witnesses, I have no cues, no notes, no books, no pencils, and no paper. However, I am going to get across to you convincingly, Mr. Speaker, why you should vote for us to be returned as the next government.

I am happy that at this time in the Cayman Islands all and sundry can have hope and confidence that things are well. Tourists are coming; even the rains are coming now, Mr. Speaker. We are doing well. The Government is confident.

Of course, we have our challenges. I heard the Leader speak about roads that are traffic-congested. However, I say that success often comes with its own set of challenges. Perhaps we would be lamenting if we had roads and no traffic on them. Of course, we have to find a way to deal with the traffic congestion and we need to find a long-term solution. A long-term solution may be expensive but if we continue to prosper, if our economy continues to grow and we continue to attract people to come here to work and we continue to promote ourselves as a tourist industry we are continuously going to have to deal—not only with cars on the roads—with a congested town centre, when we have five and six cruise ships with 14,000 and 15,000 people. Therefore, we are working to finding a balance.

I often say too, that the Cayman Islands are on a treadmill from which cannot get off easily, because no one would want his standard of living to suffer. No one would want his standard of living to decrease now because we want to slow down.

I believe that development must have a balance, that we must find a formula to grow at a manageable rate. Now, it is a vogue to describe it as sustainable development and, of course, there are concerns. There are concerns I share with the Opposition; there are concerns that we in the political directorate of the Government share amongst ourselves. We are striving diligently and working assiduously, to find the formula that is manageable, and affordable, that we can achieve without mortgaging the future, without sacrificing the future to the present or without frittering away the future of our progeny.

I think the Cayman Islands are doing well, Mr. Speaker. I think we are eminently poised to take advantage of worldwide economic situations. I think we are eminently poised to continue to be a model, not only in the Caribbean but in the world.

I have just returned from a breakfast function being held for the visiting ship *Logos II* and I heard speaker after speaker mention how impressed they are with this community, its cosmopolitanism, the fact that it is clean and orderly. These are things for us to be proud about in spite of the preaching of those people who preach doom and gloom, those persons who say that the Government was going to self-destruct and that we were going to come apart. We are doing well. The country has good leadership and good stewardship, Mr. Speaker, and there can be no greater proof than that today of the Budget that has been presented; the outputs that are proposed to be brought; the services that we are aspiring to provide for our people; the vision that we have of leading them into a future with confidence; of preparing our young men and women to take their places not only in this society but in a borderless world by introducing them to the knowledge economy, Mr. Speaker.

This is a good point for me to launch into my vision of education and my explanation of what I have done and why I have done it. Mr. Speaker, much hullabaloo was made by the Leader of the Opposition of temporary classrooms and the fact that we need schools. I want to begin by saying that the Opposition already has to eat a big pile of crow because they said that the new Prospect primary school would not be finished. Oh, Mr. Speaker, that they would have a good appetite, because they are going to have to eat some crow!

We have temporary classrooms. Why? It is a problem that this Minister inherited, Mr. Speaker. However, I am not frightened by that. It is not an insurmountable problem. It is not a challenge which is going to defeat me. It is but a temporary measure because we have a ballooning public school population for which ample provisions were not made down the line. I am not pointing fingers. I am not blaming my predecessors. I am not blaming anyone. It is for me, as a good educational policy maker and administrator, to deal with that in a way that our children, our cohorts of students, are not detrimentally affected. I have said that we have brought in temporary classrooms and they are serving the purpose. Even as we speak, Mr. Speaker, we are in negotiations to buy 26 acres of land for $590,000, for a new high school in Frank Sound. It will come but, Mr. Speaker, my vision for the

educational development of this country is not unifocal. I do not only want to provide school buildings, I want programmes because it is the programmes that are going to make the difference. I have already provided effective programmes.

I did not hear the Leader of the Opposition talk about the challenge we had with the gravitation of our young people toward criminal gang behaviour; I did not hear him talk about the national mentoring programme; he did not talk about the Cadet Corp; he did not talk about the Coaching for Success whose graduation we just had a few days ago; he did not talk about the success of these programmes. You know why, Mr. Speaker? He does not know because he is not a professional educator. I am the doctor!

He talked about school buildings. You could put up the most impressive edifice but if you do not have people inside who can direct the orchestra what good is it to have expensive instruments? What good is it to have the best seats if the football team cannot perform, if the coach is no good, if the quarterback does not give the right signals?

That is where they are making the mistake and that is where the country has to understand that the difference lies between the person who is not only going to make provision for the buildings but who is going to ensure that within those walls there are programmes.

I did not hear him talk about ITALIC (Improved Teaching and Learning in the Cayman Islands). Mr. Speaker, you know what we have done? We have embarked upon a movement that is going to profoundly change the way we deliver education, the way our students learn, the way they interact, the way they are being prepared for the knowledge economy. IBM: we have signed a strategic agreement, they are our strategic partners.

Education in the Cayman Islands is going to be different from what people have known. We are talking about information and communications technology and intranet and internet wireless, preparing our students for the knowledge economy in the 21st century. Over the next five years, approximately $6 million not only in hardware and software but in consultancy services; that is the strength. An ongoing consultancy where our cohort of students and our teachers are going to be introduced to the best provided by the leader, IBM, on the cutting edge of information technology. I did not hear the Leader of the Opposition talking about that. He does not know about the importance of that; he does not know the significance of that.

You see, Mr. Speaker, anyone can read the play book but it takes a smart quarterback to know when to call one signal from the other. And that is what it is about. In his debate he tried to make it seem like I was not supported and I did not get the resources. Mr. Speaker, nothing could be further from the truth.

I cannot stand here this morning and debate and say anything other than my colleagues have been ever supportive of the requests I made for the provision of educational services. To say otherwise I would be stifling my conscience and I do not do that easily and lightly. I have received the support I requested.

I think that we are dealing with the challenges well, we have programmes in place, we are increasing them. I did not hear the speaker comment that there is about to be implemented consultations towards a new modern Education Law, which is going to take account of education and its relations across the spectrum from even our dealings with parents, from the responsibilities of parents, the responsibilities of students, the responsibilities of the teachers, the Ministry and the Education Department.

So, do not come trying to make it seem like the UDP Government gave education short shrift. No! Mr. Speaker, a thousand times no! I am confident that the country has the best education Minister it could have at this time. I am not a theoretician. Check my record in the Caymanian classrooms when I was there—flawless! And a flawless academic record! I have married the theory with the practical and we are delivering tangible, achievable, affordable results.

I did not hear the Leader of the Opposition talk about the Community College and the concept of its transformation to a University College and why it is important for us to do this; I did not hear about that. He only talked about temporary classrooms and no school buildings. Mr. Speaker, I am telling you that I have so much confidence in myself that were I given the physical facilities of a tamarind tree I could deliver excellent results because I know what the vision is and what it should be for our children.

Let me say something about technical and vocational education. Anyone can make some analyses. You believe that we can, overnight, implement a successful system of technical and vocational education? You could package anything but is it effective? I could put this water in a dark bottle and tell you that it is an elixir that will give you youth ad infinitum but is that so? I do not want to have the kind of system where I build a building or put one computer in it and say this is a technical or vocational. I want a programme with a logical progression from the primary schools right up to the university college because my vision for education is about life-long learning. That was tried before. I saw programmes where students were paid to go into vocational areas and it flocked. You know why? Because no one gave the thought to establish any natural sequence or natural progression or make any provisions for foundations.

What we are doing is the right thing, Mr. Speaker; administering the right medicine in the right portions. We are building the curriculum, we are strengthening the curriculum. Not only are we strengthening the curriculum; we are simultaneously identifying students of promise at this time and routing them into technical and vocational studies.

I did not hear the Leader of the Opposition say that we are sending eight students from the Community College to the British Columbia Institute of Technology in September to pursue courses and degrees in Applied Technology. At the same time as we have consultants coming from British Columbia to strengthen the curriculum in our high schools in areas of technical and vocational education.

As a coach I am not unifocal, I do not drill my players only in physical exercises and make them physically fit, I give them the game plan which involves tactics and techniques and set plays and teach them how to win coming from behind. I do not see anything in what the Leader of the Opposition said that should frighten me. I am prepared to bare my chest and go the country and tell them to examine the record of the United Democratic Party (UDP) in education.

I did not hear the Leader of the Opposition talk about the Government encouraging institutions of excellence coming here like St. Matthews University which gives scholarships to our students and where one of our students, Mr. Darren McField, scored in the top one per cent of all students who took the medical board examinations in the United States. I do not hear the Leader of the Opposition talking about that. I do not hear him talking about how to build capacity by encouraging the University of the West Indies to become more closely involved in the development of our community by enhancing its presence in setting up a distance learning centre. I did not hear him talking about distance learning and virtual education. He focused on buildings. Buildings are the least.

I do not want to waste the Government's money building $30 million high school with no purpose other than to warehouse the students. I am talking about programmes that complement the buildings, I am talking about a vision for education that deals with life-long learning, putting facilities in place so that people can train and re-train so that there can be lateral movement; so that people who have now been in one profession or vocation for 20 years can have the opportunity to go to an institution and cross over into something else. I am talking about educational programmes that ensure that our at-risk youngsters have mentors, models, people that give them self-esteem and self-confidence. I am talking about an educational system which offers constructive opportunities like the Cadet Corps so that our youngsters need not gravitate toward criminal gang behaviour when they want attention.

I did not hear him talk about programmes in citizenship education and human rights education as has been implemented by this Ministry and by this Government. No, Mr. Speaker, he focused on buildings and said "The long often talked about third high school, not on line yet."

Ah, Mr. Speaker, that does not mean that our children are disadvantaged. We will get the high school, these things take time. There is a process and procedure. All has been achieved within the budget, in an obvious time line; in a schedule that is acceptable. We are making these achievements every year. Since I have been in the Ministry the numbers of students we have sent over seas have increased. I did not hear the Leader of the Opposition say that. At the same time we are making provisions for that 80 per cent who do not excel in ways that would send them to colleges and universities. I did not hear him talk about these things at all so I want to set the record straight; I have never been handcuffed by my other Cabinet colleagues. I have all the resources that I have asked for.

I did not hear him talk about what is at long last happening with one of the primary schools in his constituency (thanks to the constant bringing to my attention by Dr. Frank McField of the situation which exists at the George Town Primary school). I did not hear the Leader of the Opposition talk about what we are doing; how we have project definition plans and design plans for addressing the flooding, for modernising the school and we are starting to do that by using the classrooms in the new Prospect school to transfer some children from George Town Primary school that will give us an opportunity to bulldoze those old facilities and to fill the grounds and bring it up to a level so there will be no more flooding and that the children can have physical surroundings and can learn in a physical setting where they will not be inconvenienced by flood waters. I did not hear him talk about that. I took him to show him the facilities and told him that we are going to address this and we are beginning to do so because we have set the wheels in motion.

I did not hear him talk about the money that the Ministry and the Government have expended on updating school libraries and ensuring that our students have access to the internet and intranet with proper supervision.

Let there be no doubt, Mr. Speaker; there is a difference between the Leader of the Opposition and me. I have a vision which is not unifocal. The Government would be ill-advised to focus only on buildings and edifices without at the same time complementing that investment with programmes and personnel which can administer effective education and learning that our students can grasp and appreciate. Life-long learning; that is the difference and I am proud to be the person responsible for presenting the United Democratic Party's educational plan because it is a plan which can stand scrutiny barring none. It will take the five members of the Opposition to be one education minister that I am and if the people elect them for the Government the Government will only have one ministry because it will take every Member of the Opposition to make a minister of education. What would happen to the other ministries?

[Inaudible interjection]

Hon. Roy Bodden: Our Improving Teaching and Learning in the Cayman Islands (ITALIC) is the envy of the Region. We have had people from the Bahamas and other jurisdictions who want to model what we are trying to do. From May 2002 until now we have made great strides in that programme and will continue to do so. I did not hear the Leader of the Opposition talk about that.

I look forward to inviting my colleagues on the other side to witness the success in these things. I am confident but my responsibilities not only lie with education. I have to tell you the truth although I am educator by training I have to give equal attention to the other areas that I have assigned to me by His Excellency the Governor. Human resources, which we have come to accept as labour and culture, and equally so we have made great strides in the Ministry in these areas.

The business of employment and employment relations in the country is as critical as is this whole idea of providing an effective education and opportunities for training. I want to say quite solemnly and soberly that the business of employment relations in this country continues to be a challenge. Even now as we speak there is confusion with regard to when the new Employment Law is coming into effect. If we do not have excellent employment relations in this country then we will not have good budgets because people will not want to come here to work. People will not perform and we do not want the kind of society where there is disharmony or disruption because it is us against them, faction against faction. So, it is of crucial importance that we have, as a beginning, to craft policies that will enable all who come and operate in this jurisdiction to feel that they have a stake in what is happening.

I am happy and proud to be associated with a Government which takes this seriously and knows that we have to expend monies on human resources, on the development of our people on changes of attitudes on this whole business of being accommodating and building relations with people who come outside.

For the first time in the history of governance in this country and constitutional developments there is a ministry which has three portfolios with logical links; Education, Human Resources and Culture. Mr. Speaker, as Minister, I have tried to make the best of that by building on the links between education, employment and culture and I think that we are doing that well. We are setting up a national training board and the responsibility for training is actively placed with the Employment Relations office. I never heard the Leader of the Opposition talk about efforts that are being made to train persons. I never heard the Opposition talk about efforts and investigations made into the development of an apprenticeship programme; this whole business of the TechVoc (technical and vocational) Fair that we had and how successful it was.

There cannot be an overemphasis on this. You cannot build a system on a plan which is unifocal; it has to be comprehensive. We are talking about not only educating the top 20 per cent but coming to grips with meaningful training programmes, attitude changes, development of interpersonal skills with the other 80 per cent who also have to be constructive citizens and these things cannot be delivered only by building buildings and edifices. It has to be delivered by exposure, experience and involvement. That is what we are about and that is the support and encouragement that I got, from my colleagues in the United Democratic Party, to deliver. We are doing that. The Cayman Islands continue to remain an attractive jurisdiction. Education itself is becoming attractive to the economy because frequently now the Ministry is receiving applications from educational institutions who want to use this jurisdiction to set up. So, education as a service is growing in ways that we will be able to contribute to the economy of the country and will help us balance our budget.

There are those who would dare to believe that the United Democratic Party political directorate is bringing the Cayman Islands to an economic end. I say the contrary. The United Democratic Party Government is leading the Cayman Islands into economic prosperity. If there were any Doubting Thomases they should check the records. For all of the brief time that we were responsible for the stewardship of this country the economy was in sound hands.

I want to say, with regard to borrowings, that no government or entity in the private sector which is vibrant, successful, and which has a plan to grow, can do so without at some stage accessing capital for development outside of its own internal orbit. There is nothing wrong with borrowing and the records show that we are well within manageable means. We have improved the funds in the general reserves; we have demonstrated that monies expended on capital project were expended on needy capital projects. We have demonstrated that we have a concern for the recurrent expenditure and the spiralling of the civil service by trying to be constrained in its growth. All these things are not happenstance, all these things are not the work of fools and nincompoops and idiots, all these things are the work of persons who are committed and who are aware and who have a vision. I say without fear of successful contradiction that there is no alternative at this time to the Government which is the United Democratic Party Government. No alternative, no alternative. There has been, as far as I am concerned, no convincing demonstration of an alternative financial, educational, social or medical plan that would lead me to doubt that we what we have offered in this Budget and what we have done in the past is not what should be done or what is best at this time for the Cayman Islands.

I look forward with confidence to the future. I am heartened to know that the electorate, discerning and informed as they are, will make the right deci-

sions. I say, as far as I am concerned, I will continue to do my best to see that the finances of the Cayman Islands are properly managed and that sensible growth can take place.

I encourage the Opposition in their responsibilities. I understand that they are not going to get up and admit that the Government is doing excellently because it would mean that they would be dimming their chances of becoming the government. However, I wish to caution them by saying that so far they have demonstrated no credible alternative, no acceptable and believable reason why they should be the government.

As far as education and the education vision is concerned perhaps when I decide to leave—if I open my consultancy, as I am minded to do—and the Opposition can afford my services, I will sell them an education plan from my consultancy. But as of now I am firmly in the ranks of the United Democratic Party which is the best party and the most responsible Government, the most visionary Government and a Government which, I think, pools the best prospect for the future.

After 16 years here I realise that I no longer have to be long-winded. There is a certain confidence that comes with the aging of good wine. Its effect is not in the quantity one drinks but in the quality of the sip. I do not need to go beyond what I have already said because I have established beyond a doubt that the responsibility which I hold has been carried out effectively and appropriately to the best of my ability and, I say again, could not have been bettered by the Opposition. As respectful as I am of their efforts they fall short because you cannot send an amateur quarterback when you have need of a professional, and I am a professional.

Thank you.

[Members: Hear, hear]

The Speaker: Honourable Members, I will take the morning break at this time for 10 minutes and I would ask you all to please be back by 11.30 am. Thank you.

Proceedings suspended at 11.19 am

Proceedings resumed at 11.54 am

The Speaker: Please be seated. Does any other Member wish to speak? Does any other Member wish to speak? The Third Elected Member for Bodden Town.

Mr. Anthony S. Eden: Thank you, Mr. Speaker. As I rise to make my contribution to the Budget, as I listened yesterday and again today we had a lecture from the teacher/preacher and he even gave us a grade. Fortunately, Mr. Speaker, this is not how the electorate grades us politicians. That will be done by a secret ballot on the 17 November. Sadly, that is a final grade.

As I looked in *Cayman Net News*, dated Tuesday 11 May, there was the heading on page 2; Innovative Budget Released for 2004/5. Government preaches one thing and then does another thing. When I was a member of Executive Council from 1994–2000 I always felt that respect was due to those who not necessarily supported the Government, who were on the Back Bench. It was always my feeling that respect must be shown to them. I am not complaining I am just making comments as I go through. The press was lucky enough on 7 May to have a press briefing on the Budget and its documents before we had the honour. A very educational job was done here for us five days later on the 12th. It is not for me to decide at this time who and when learns about the Budget and the new process that we are now going through. That is life and it goes on.

It was good to see in that press statement it said that: **"Financial Secretary, Mr. George McCarthy, had a vision in 1998 for this innovative budget and today is a landmark day for him."**

We all take our hats off to the Financial Secretary and I am a person who believes in giving credit where credit is due. We all know, and the *Hansard* of this House will reflect as was indicated this morning by the Minister of Education that this first concept started with him and the present Minister of Health back in 1995 when they brought a Motion.

I was in Executive Council (Cabinet, as it is called today) when this idea was put forward and the Honourable Leader of the Opposition today, Mr. Kurt Tibbetts, along with the Financial Secretary, made the trip to New Zealand. Once we understood the benefits that could be reaped from this we agreed with it and it is good to see that it has now come to fruition. As a matter of fact some of the people who are now touting it so loudly were not in the Government at that time and I am pleased that the support was given. We know you cannot get the fruit until you plant the seed. The seed was planted. It is good to see that a few years later it has finally come to fruition.

The Honourable Third Official Member said in his delivery on Friday May 7th that this Budget has been prepared in full compliance with the requirements of the Public Management and Finance Law 2003 and the first ever budget prepared using accrual rather than cash accounting. That is exactly what has happened and I must take my hat off to the perseverance that not only he but the entire legislature, including the Members who were elected in 2000, continued with and made sure it came to fruition.

He mentioned that as a result of accrual accounting a 2.5 per cent cost of living adjustment for civil servants has also been allowed for in the numbers and that ministries and portfolios funded almost all of this cost of living adjustment. Just to draw to the attention of the listening public—this is something that has been done a number of times in the past and indi-

cates that this is the third budget in a row where expenditure demands have been accommodated within the existing revenue basis. Further down in the document we have preparation to borrow $37 million. Sometimes you wonder—and I am no accountant—but accommodations are made within the budget. Then, as with all governments, money has to be borrowed.

The achievement of an accrual operating surplus is a significant improvement on the operating position of previous years, he says. I wonder how this was measured against previous years when, to my knowledge, there are no figures or documentation or what could have happened if this process had been adopted earlier,. But that is all history, it did not happen, we were not ready at that time so we must now go forward.

I come to the area of tourism where it is indicated that arrivals declined by three per cent and one of the reasons given for that was the war in Iraq, yes. The next one that I question is the outbreak of Severe Acute Respiratory Syndrome (SARS). To the best of my knowledge this was heavily concentrated in the Asian countries. Looking at some of the other Caribbean territories, we see that their tourism has shown some increases. I would think that with Cayman being where we are, that should be one reason why there should have been some increase in tourism.

Yesterday, the Second Elected Member for West Bay commented that certain infrastructure have been put in place to cater to cruise tourism. He indicated that a cruise visitor spends between $50 and $75 on a visit here. A stay over visitor, Mr. Speaker, would probably spend that at Burger King or one of the other fast food chains while staying here from three to 10 days, depending on whether they pay their bills to the hotels, the restaurant, the taxis, rent-a-cars, night clubs, tourist attractions such as Hell, West Bay, Stingray City, tips to the waiter, tips to room maids and busboys, and yes, our very most important asset; Cayman Airways. There are probably billions of dollars invested by the hotels, restaurants, condos, rent-a-cars, to name just a few, and it is my belief that they will not survive if we do not continue to seriously look at the continued decline in stay over passengers. It does not take a genius to show that. It is my belief that these same stay over tourists spend ten to twenty times more than the cruise ship visitors – and a whole lot less congestion as we have seen in George Town on certain days.

I feel like most of us would, if we went to a city or a destination literally having to turn sideways to walk down the streets, as is happening now in George Town. It does not leave a good taste in that visitor's mouth and when he goes back I am sure he will tell his friends and others that, yes, Cayman is a nice, safe place but oh, what a crowd.

I think one of the great selling points that we could have here in the Cayman Islands is the safety factor. We need to be pushing this more because there are not too many places in the world that you can go that have the safety that we have here in Cayman. I am hoping that the powers that be will be looking at this.

The Honourable Third Official Member entitled this Budget Address, "Maintaining the Course with a Responsible Hand at the Tiller." That is true but where is the good ship Cayman going on this course? Is this the course the Cayman people have told the Government they want? Did the Cabinet or the Government discuss with the residents (tracking back over the last three years) if they wanted a party type system of government imposed on them as transpired in the first quarter of this new election that took place back in November 2000 and on that fateful day 8 November 2001?

The people indicated they would like to see certain improvements in their Constitution, Mr. Speaker. As we know much of that had been agreed except for a few points but, without going back extensively to the public, that was changed. Emanating from certain proposals in the draft Constitution 17 single-member constituencies were established. Lo and behold that was changed.

Thousands of people wanted a referendum so they could have input into what they felt should be in their Constitution but that did not happen for whatever reason.

The granting of almost 3000 Caymanian status without any discussion with the public who elected us as their representatives; some of these recipients were here for short periods of time, some had been turned down by Immigration, some had left the Islands. Sadly there are still a number of people who have been here 20/30 years who have not had the benefit of receiving that security of tenure. But that is still an open book.

When we talk about openness and transparency we really cannot consult with the people one out of the four years that we have been elected. We talk about transparency and openness; sadly many of us do not practise it. We bring Bills with very short notice and expect to do all three readings, sometimes in one day.

Yes, Mr. Speaker, there have been significant improvements in the way that we do finance business within the government. Once again I take my hat off to the Honourable Third Elected Member for spearheading this.

Moving on to the area of drugs and crime: As we read in Tuesday's *Caymanian Compass* a young defendant who was incarcerated (I believe, at Northward Prison) went to court and testified before the Judge saying there is still availability of drugs within Northward Prison. I am asking, Mr. Speaker, where are the drug dogs? We need to stay on top of this.

Mr. Speaker, as I have said to you a number of times, and other colleagues of mine, it is very, very important to deal with international financial issues such as we have done when we had to—the Organi-

sation for Economic and Cooperation and Development (OECD), Financial Action Task Force (FATF), whatever—and I have worked through some of them with the different government entities.

I am saying it again today if we do not deal with drugs and crime in the Cayman Islands the rest of the financial initiatives really will not matter. When you look at some of what has happened in some these districts, George Town, West Bay, East End, Bodden Town, the results . . . We know that most of the inmates at Northward Prison, probably over 60 per cent, are there for drug related offences. Mr. Speaker, it is a sad situation. I remember being in ExCo at that time with the representative for Cayman Brac and Little Cayman when she shared her concerns of things going on in Cayman Brac and it is my belief there is still not relief over there. I am saying that if we do not deal with this cancer *"dog eat our supper."*

It was pleasing as I looked at the newspaper this morning and saw four very sharp young ladies who have taken over certain senior management roles at the Health Services Authority.

[Applause]

Mr. Anthony S. Eden: I take my hat off to the Minister of Health and I am sure he was behind seeing that this type of management Ms. Eloise Reid, Ms. Shirlene Henriques, Ms. Lizzette Howell and Cathy Gomez and I would like to offer my congratulations to these very capable ladies and I am glad that they have had this opportunity and I am sure they will make us proud.

I will touch on just a couple of areas and perhaps the Minister of Health, the Second Elected Member for Bodden Town, will respond. There was a situation that was brought to my attention where a lady who went to a specialist clinic back in November last year had some tests were done and it was not until May of this year she eventually got them, I think. Perhaps he could find out why there are delays like this.

The other area that I would like to look at was, and he will probably have an explanation, the Budget for Cayman Brac. On page 443 of the Purchase Agreement, where in the forecast 2003/4 year there was approximately $3,319,000. The Budget for 2004/5 indicates $2 million. Maybe something has been shifted to another area. I just wonder because it also indicates that the health transactions that would take place would increase from $17,538 to approximately $18,700. I hope there is some explanation.

As I visit the Hospital there are still some concerns of the people who work there and hopefully this will be dealt with. Some of the morale is not as high as I would like to see it but this is what happens in business and I think it needs to be looked at.

I would like to briefly speak about an area on page five of the Policy Statement. I found it quite interesting and for the record, with your permission I would like to clarify where the Honourable Leader of Government Business says, **"A month or two before the election the Government will be publishing a Pre-election Economic … (and Financial) Update. That document will report the state of the economy and the government's finances as they exist at that time."**

This is the catching part that if the people do not know any better they could be mislead or misinformed.

"No government in the history of these Islands has ever provided the voters with information like that during an election campaign."

Do not let the public believe that this was put in place by the UDP leadership. This is required under the Public Management and Finance Law, section 26. With your permission I would like to read this . . .

The Speaker: Please continue.

Mr. Anthony S. Eden: . . . so that the public listening can know that this is not some fancy thing put in place by the UDP Government, this is something that any government, even after this one, will have to follow.

"26.(1) Subject to subsection (4), not more than forty-two days, nor less than twenty-eight days before the day specified in a writ issued by the Governor under the Elections Law (2000 Revision) as the date for a general election, the Financial Secretary shall gazette a pre-election economic and financial update.

(2) A pre-election economic and financial update shall include-

- **(a) economic forecasts for the current financial year and for the next two financial years, which shall contain the information set out in Schedule 1;**
- **(b) forecast financial statements for the entire public sector for the current financial year and for the next two financial years which shall contain the statements and information set out in Schedule 2;**
- **(c) a statement specifying the date on which those economic forecasts and forecast financial statements were prepared; and**
- **(d) an explanation of those forecast financial statements accord with the principles of responsible financial management and, if those forecasts depart from those principles, the information required by section 14."**

It goes on Mr. Speaker, but this is what I just want to bring to this House's attention and to the public in general that this is not some miraculous thing that was created by the United Democratic Party. It is stated in a Law passed by this entire Legislative Assembly and is part of the Public Management and Fi-

nance Law. It says that: **"this Government has nothing to hide"** and **"would not do such a thing.**

"We stand by our record. The country can see for itself that the UDP government is a good government."

As you, Mr. Speaker, and I know people will decide that come November.

As I alluded to earlier, in tourism I found this quite interesting on page seven of the Policy Statement under Tourism. The Honourable Leader indicated: **"This has involved a concerted effort to attract greater cruise ship visitors ... "**

Later on he talks about adopting the tourism policy study but to me this is a contradiction in itself when the study indicates that one of the difficulties that we seem to be experiencing is the congestion within central George Town and with the many numbers of cruise visitors as opposed to stay over visitors. I look forward to seeing this area addressed; it is extremely important.

Many decisions have been made by this Government without asking and discussing with the owners, the electorate, "Is this the course you want the good ship Cayman to take?" As I said earlier, they will make the final decision. Come November 17th the electorate will decide whether that responsible hand at the tiller has charted the course that the owner of the ship said they – you the people – wanted. "Can we trust you with four more years making your own decisions without first coming to us the people?"

I would like to close by reading a quote from George Washington, the father and first president of the great United States. As I look along and see what is happening in Cayman; the imported culture, the continued increase in liquor licenses, the extension of restaurant and bar hours, it is my belief that when people come to the Cayman Islands it is for the special reason that we are different and no one can convince me that the majority of them come here to drink and party.

I hope and trust as I read what George Washington said that we as legislators will bear in mind **"it is impossible to rightly govern** [this nation] **without** [reference to] **the Bible."**

People say you should not mix religion and politics. Yes, that is true but when you go back and look at history all of the great nations of the world from Babylon on down, the day that they turn their backs on their Maker was the day that those countries started to crumble from within.

As we look at what is happening in the great United States; the turmoil that is going on—you cannot read a Bible in the public classrooms. They will not allow judges to post the Ten Commandments in certain areas. Look at the murder rate. Look at the devious and evil things that have happened in that once powerful country. I just hope that we can learn from history as we go forward. No, you do not have to go to church here every day and stand up with your Bible but it is my firm belief that we need to be extremely careful on the course we are treading and where we are going. Let us not forget where we came from – the belief that our ancestors have made these Islands the most wonderful nation in the world, rising to prosperity that is second to none. This can disappear overnight if we do not do the right thing. Thank you.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? The Honourable Deputy Leader of Government Business and Minister for Health.

Hon. Gilbert A. McLean: Thank you, Mr. Speaker. I always get somewhat of a kick out of watching when the Speaker calls for someone to speak and everyone gets "turnitis"; they are turning to the next one to see who is going to get up because the situation is such that when one speaks the next one gets to come behind and criticise and maybe even say things that you cannot reply to. Mr. Speaker, that is nothing new and I have been around this Legislative Assembly for a number of years and I do not think it will change too much as time goes by. However, be that as it may, each thing has its own special characteristics and so does the Legislative Assembly.

I rise to speak to the Budget 2004/5 laid in this Honourable House which will take effect once it has been voted on by the majority of the House and I expect that will be in another few days. Mr. Speaker, we have come from a situation of doing things in a certain way to a modern change in the way we do our public accounting in the Cayman Islands. This accounting, I am told by people who are accountants and by people who know, is the type of accounting that any accountant out there in the private sector could take these accounts now and look at them and see exactly what has been happening in Government, which they could not necessarily have done in the old cash accounting system.

When the proposal first came to the Legislative Assembly to make a change in the accounting way back in 1995, Mr. Roy Bodden and I, (who were members at the time) brought the Motion asking for it. For the historical records and to see how ignorant and dismal things were then in the way of thinking, people should read the *Hansard* of this Honourable House and read. In it they will see that every stupid remark that could have been made, about independence for one thing, was made by the people who were then on the government side. Those days if you said the word "independent" it was treated somewhat as a crime and it was an old bogey man that the Government of the day used repeatedly to try to frighten the people of this country who really were not informed the way they are now about our constitutional status and indeed where we are and where we should be.

At that time (again, just for the records) the House was made up of the following Members:

Honourable James M. Ryan
Honourable Richard H. Coles

Honourable George A. McCarthy
Honourable W. McKeeva Bush
Honourable Thomas C. Jefferson
Honourable John B. McLean
Honourable Anthony S. Eden
Mr. John D. Jefferson, Jr.
Mr. D. Dalmain Ebanks
Mrs. B. Thompson-Murphy
Capt. Mabry S. Kirkconnell
Mrs. Edna Moyle
Mr. D. Kurt Tibbetts
Mr. Gilbert A. McLean
Mr. Roy Bodden
Dr. Stevenson A. Tomlinson
Honourable Truman M. Bodden

Interestingly, Mr. Speaker, when the Division was taken on Private Member's Motion 10/95 the following people voted for it. The Ayes were: Mr. Kurt Tibbetts, Mr. Gilbert A. McLean and Mr. Roy Bodden.

Today we have been able to leave some of the dark ages behind and some of the ignorance of the past about independence where certain people did their best to frighten their fellow citizens with ignorant talk about independence. In fact, it was suggested by a whole slew of the people who spoke on this Motion that for us to adopt any thing like we have now was another way of myself and Minister Bodden trying to get independence for the Cayman Islands. So, it then begs the question that if they were advocating that it took dependent territories . . .

[Inaudible interjections]

The Speaker: Order.

Hon. Gilbert A. McLean: . . . to be the ones who had the best accounting systems, where did the accounting systems come from anyway? Was it the five little dots in the Caribbean or was it the industrialised and developed countries of the world? Of course, the latter is the case.

I think it is important to refer to the times then, to the times now, how we got to this particular point in time, who the players were and what happened in those times. Mr. Speaker, you know as I know that the Budget is now contained in four new huge volumes. The details in there are enough to satisfy even those who are most thirsty for detail. Government's accounts are settled now in a way that every single bit of expenditure is shown in a particular way and in the greatest detail. The accounting system which we have been following since last year is the strictest that government has ever followed in all of its history simply because of the type of system that it is. There is no such thing as padding a budget any more. That used to happen on the cash system. Everything now is in great detail.

One must compliment the people who worked with this: the people in the Treasury Department and certainly the budget management, Mr. Gough and Mr. Dale had much to do with it. They really have to be complimented because I know they were working against some of the strictest deadlines, there were certain changes but yet they have come up with these documents which will be scrutinised in greater detail in the Finance Committee.

The point that was made back in 1995 is the point that we can make today. No longer can people, including those who were members of the House back in 1995 who did not vote for it, get up and say, "These are not the Government's accounts, here is my accounting system; these are what the accounts of the country really are." These are the accounts of the country. The Cayman Islands are better off now for having this system which brought about this particular type of accounting so that all of those arguments in effect, have been killed and laid to rest.

The Opposition or anyone else might criticise that this Government is not giving the right priorities to areas that we think should have priority but they cannot go now, as was done in the past, to get the Accountant General and so on, to sign inter-office memos about something that they publish in their manifestos in an attempt to show that what came out was wrong from what the Government accounting officials were saying.

There has been a major change. Mr. Speaker, I am glad to know that I played a part in it and that today this is the way we now account for the people's money and that politically we are better off that we can, in an election year, have accounts where the old argument of how much was in the Treasury and how much was not there is laid to rest by this system. Of course, that does not stop anyone from criticising where the priorities are in it.

I would only wish to speak to certain areas of my responsibility in this particular Budget because it will be gone into great detail in the Finance Committee. However, to comment on it now, I think, is in order.

Let me take, for example, the matter of roads. For the Opposition and the Leader of the Opposition to say that nothing has been done with the roads infrastructure, he is absolutely stifling his conscience or telling an untruth. Mr. Speaker, before you took the Chair of this Honourable House, you were the Minister for Works and there was considerable road work done during the approximately two years that you were there. And I say without flattery to you that I can truthfully say that you accomplished much in the area of capital development in this country, including roads.

I can also assure you and this Honourable House that for the past six or seven months road works have become my responsibility; considerable road maintenance and improvement has also continued and is taking place. What the Opposition never seems to get around to saying to the public on a whole is that, everything costs money and money is extremely limited.

The Speaker: Honourable Minister, just one second. I would ask any Member discussing within the Chambers to please keep it as low as possible. It is a small room and it is carrying right across and disrupting the Minister speaking. So, please keep the discussion as low as possible. Thank you.

Please continue, Honourable Minister.

Hon. Gilbert A. McLean: Thank you, Mr. Speaker.

Finding a way forward with roads is a big challenge. We all know that over the years, government always took a portion of the money that came in as revenue normally about $3.7 million to $4 million to use for road maintenance, development and the like. Obviously, with the increase in the number of vehicles using the roads this can no longer be an acceptable way of dealing with things.

Many years ago when my colleague, the now Minister for Education and I, were Back Benchers, we brought a motion to the Legislative Assembly asking that Government set up a particular fund that would receive the revenue which came in from motor vehicle licensing, motor vehicle oils, fuels and so on, and that it be put into this particular fund which would be specifically earmarked for the development, maintenance and so on of roads. That has to be almost ten years ago.

At long last, and I wish the Opposition to be aware of this, that there is in the works a National Roads Authority. In fact, a white paper has been produced where that dream is actually taking shape and will be before this House, God willing, this Meeting. So, that is there.

One of the challenges of the Government was if you break out certain revenue that went to central Government how do you replace it? It has taken months of work by the Financial Secretary, the Deputy Financial Secretary, the Financial Secretary designate, the Budget office, and so on, to try to craft a way by percentage; how much could be taken from one area and how much could be taken from the next until we could accumulate sufficient money to be able to even start what is obviously a sensible thing to do. Those are the realities of government that the Opposition tends to forget, Mr. Speaker.

Once the National Roads Authority is in place, given sufficient time, the Government will be in a position in any given year to set policies and say to the Roads Authority, "Here is what we would like you to accomplish."

Of course, if what the Government wants accomplished falls short of what the Roads Authority has to spend then central Government will have to give it the extra money to accomplish the work to be done. The thing about it is that there will be clear areas going straight into a fund for roads in this country and that has to be a better situation than it has been over all the years that we have known it.

It will not be purely a matter of it being a subject for Grand Cayman; it will also apply to Cayman Brac and Little Cayman. What we are talking about is management just like the new accounting system. What we are talking about is a new way of managing the money and accomplishing the work.

While I am aware every day of my life of the gridlock on Cayman's roads something is being done about it in a most innovative way and a way that past Governments did not do anything about. Therefore, I can report that this is one more thing that has been addressed by the present government, the United Democratic Party Government.

There is one thing that is very much a characteristic of the Cayman Islands, the country of which I was born and love, and that is we love to criticise. We do not necessarily like to sit down and count our blessings. There are a few countries on the earth—I do a fair amount of reading and research and listening and watching television—that are as well off economically as the Cayman Islands. It did not happen by an accident, it took building over the years. While I have been critical of Governments prior to this I acknowledge that they have played a part in it. While I criticise and even disagree to some proposals, even within the Government of which I am a part—I have my views as to where we should spend the larger sums of money or whatever and perhaps the methodology—I try to admit that we are so very fortunate in these Cayman Islands; the standard of living that we have, the roads that we drive on.

One of the things that the Leader of the Opposition spoke about was education. We can have an education system which is purely learning theory about something. It is like mathematics, you can have pure math and you have applied math. We can have education where someone gets a Masters or a Ph.D. and be full of theory and who does not use that theory to interpret things in life. We have another difficulty in our country where our people, in some ways, are encouraged by political acts over the years to believe that everything is free and that the Government has all the money in the world and all they have to complain or ask and their needs will be satisfied. Nothing could be further from the truth. Mr. Speaker, we need to start a kind of education to get across to the people of this country—and I must say some residents who come live here from other countries, tend to catch our malady real fast, they believe it is all free—that there is nothing that is free. To have roads to drive on it is absolutely necessary that we pay our vehicle fees. The charges that Government makes are so that the Government can find money to satisfy the wants and needs and the requirements of the public at large. If we get across that particular education then that will definitely flesh out and fill out our whole education process, which I think is very high.

The Leader of the Opposition also spoke about the number of tourists coming by boat. Any sensible person must acknowledge that there is something called saturation and it is possible that we can have too much of anything, including visitor arri-

vals at one time. However, it is not a perfect world and we cannot perfectly adjust the flow because when doing so the flow might go elsewhere. We have to try to accommodate that flow as is much as is possible. Going back to the idea of gaining revenue we have to look at it in terms of it bringing revenue to the country to the Government so the Government in turn can deal with the roads, schools, hospitals, pay the salaries. That is the way it is. Mr. Speaker, I am afraid that we have a long way to go in getting that point across but we must work in getting that done otherwise we are going to miss a clear understanding of the reality of life as we have here.

One cannot cast aside the fact that other countries of the world—I think some of the dependent countries—do have taxes of whatever level in whatever areas of a different kind than we have in Cayman. Everything is in the red. If the goods are not coming in, if we do not import a whole lot of goods here then our revenue falls instantly because the majority of it comes from customs duties. We have sources from the financial sector of course, and in comparison to other countries we know the amount is small for in other jurisdictions these institutions are highly taxed and that is why they are coming here to get away from it. It is always a balancing and a juggling act. We need to get this across to our people in a major way in these Islands.

One of the things that I believe we need to look at in this country as well—and we are talking money, we are talking—

The Speaker: Honourable Minister, if you are moving to another part of your debate perhaps this might be a convenient time for the lunch break.

Hon. Gilbert A. McLean: Yes, Mr. Speaker, that is fine.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: Before taking the break I would just like for the records to reflect that I was told yesterday by the Honourable Leader of the Opposition that he would be absent today.

Honourable Ministers and Members, I propose to take the lunch break at this time and return at 2.30 pm.

Proceedings suspended at 12.55 pm

Proceedings resumed at 2.48 pm

The Speaker: Please be seated. Proceedings are resumed. The Honourable Minister for Health continuing.

Hon. Gilbert A. McLean: Thank you, Mr. Speaker. When we took the suspension I was about to mention another area where I think we could wisely help ourselves as a people—certainly I believe the commercial sector would be better off if we paid more attention to it—and that is the area of pricing of goods and services.

I think that the Cayman Islands as a country would be better off not to allow ourselves to be consumed by greed; we do our best to sell an item that might be worth $10 for $25. A basic principle of good business is volume and it seems to be lost on a number of people in the commercial world in the Cayman Islands.

We can hardly continue to attempt to convince people to buy in Cayman and not go to Miami when the price of the goods is so much excessively higher than what one can pay if one should buy a ticket, pay for accommodation and everything else compared to what one could go to Miami for and buy these goods.

Of course, Mr. Speaker, you know like I do that in the majority of instances our people are tending more and more to look on Miami as a district of the Cayman Islands when it comes to going shopping. I think in terms of the way it affects the country on a whole, the way it affects the Government in purchasing goods and services from the private sector here in Cayman to build buildings, fix roads or do whatever, it is a reality that is everyone's business; the business of government and certainly the business of the private sector. Education is such a wide spectrum concept and if we are going to educate as I believe we should, we have to educate to these realities.

And as we are talking about finance and the Government's Budget here today and for the past few days these are things that we need to take into consideration. This, of course, applies to the electricity company and the telephone company.

I must say again when attempts are made by the Opposition to diminish the achievements and the efforts of this United Democratic Party Government they should think back to what has been accomplished in terms of liberalisation of telecommunication services, which you started, Mr. Speaker, in your time as the Minister, and which has been carried on since and indeed, with the new Minister, what we have been able to achieve in negotiating reduction in prices for electricity in these Islands. Thus, the Opposition has an extremely difficult task to disprove the proven and I submit that a very strong record of accomplishment and action stands on behalf of the present Government.

As I speak about the Government I observe that those who would be detractors or those who would blame are following a particular strategy; they are attempting to point to certain individuals because

to point to the whole is too big a picture and it is too plain. Therefore, the strategy is that when they say "The UDP Government "they attempt to direct it at an individual or two as the case may be, and so detract the minds of the public from the overall reality.

There are two parties here, Mr. Speaker, although the Opposition Members tend to call themselves a movement they have moved into the position of a party. I am one who has always subscribed to the concept that the best way to accomplish and achieve in government is under the Westminster system. You take a dozen different views and bring them together, agree on a particular course of action and follow it. Thus, I have the opportunity, being in the position I am now, to take forward any course of action to accomplish a particular objective. I do it first for and on behalf of the people of the Cayman Islands and certainly I do it on behalf of the Government of which I am a part. When we put all the pieces together that is what this Government is talking about and what we take credit for, knowing that we have accomplished certain things in this country in the past 27 or 30 months.

I would like to mention a few of the subject areas that I am presently responsible for Mr. Speaker, and one is the area of Aviation. The transition from one entity into two is an ongoing process. Again, it is a question of money as to how well it succeeds. Fortunately, the entity as it presently exists, and will until it changes on 1 July, has been quite successful in its efforts of doing business for and on behalf of central Government.

The present entity will stay in its mode as the regulatory entity for Aviation in the country. With us raising the standards higher, so to speak, there will be the opportunity of more employment. Again, it is a question of cost. We are in a process, which comes out in this Budget as well, of having to cost each item and identify them now in the Budget for that. That is clearly set out.

The other part of the Aviation operation is one that deals with the operation of the Airport and all that goes with it; the rental of spaces, the landing and parking fees, et cetera. To be run to the level it should be, now that it is becoming a new entity all in itself, there is an opportunity there of employment as well.

It is set out in the Budget what services will be paid for and what it expects to get in revenue. For example, the Airports Authority that will deal with the operational side will now buy services from the fire services. It is simply no longer the case, as we have always known it for the past 30-plus years, that there is a fire service and their budget is a particular amount. They will sell their services and the two inter-agencies will pay each other for the services it receives. So, again one will clearly identify where costs are going and where revenue is coming from.

In that regard, to answer the question raised by the Third Elected Member for Bodden Town, the reason for the reduction from $3 million plus in the Budget for Cayman Brac to $2 million is easily explained because that amount goes to actually run the plant (the hospital and its ancillary business and operations in the Brac and Little Cayman). The extra million went to pay for the medical care for civil servants, veterans, and seamen and so on and that is no longer shown under that particular heading because it is now being paid through the Cayman Islands National Insurance Company (CINICO). That is the reason for the shift in that but you can certainly see how it would show up in the Budget in another area. That again is a major change in managing our finances and it has to be emphasised that never before has any government ever been called upon to "toe the financial line" like this Government does under this system.

I take the credit for being the one in the forefront and spearheading whatever has been accomplished in the area of Aviation, but I am doing so on behalf of the people of this country and the Government of which I am part as Minister.

The Health Services Authority is the toughest job I have ever undertaken in my whole life and professional career in attempting to build on what was there before and to correct problems which existed before. It has challenged every thought, view, every bit of skill or knowledge I have in management and it has tested my nerves and my patience, to say the very least.

I want to make the point to all concerned in this Legislative Assembly that I did not create the Health Services, is was created a two generations or so ago and in more recent times in the past two or three decades. I did not create the problems in it; I simply had to deal with what problems I found. Unlike what the Member for East End says, I am not crying, I am talking the hard cold facts.

The thing that I am amazed about is that those who criticise, expect a perfect world of health services and such a thing does not exist in the world. If someone goes to the Hospital and does not get seen in a minute and a half it is a major problem. If they go to Miami they might sit in a corridor and wait for three hours and it feels good, I guess, because you do not get any complaints about that. However, let the slightest thing go wrong, as is perceived by the person in a Cayman Islands hospital, and it is a national disaster.

The Cayman Islands Hospital is not a perfect place, it is not perfectly run. There are difficulties and there are problems in every single area of it but what the objective is to minimise that as far as possible. Criticism came from the Opposition and, in particular, the Member for East End over the months from last year that I was taking away the jobs of Caymanians and they were losing their jobs. I understand that coming from him as a Member of the Opposition, that is the right type of song to sing but if he does that for the purposes of political gain, which is not wrong, it is the game that he is in, but if he understands I would like him and everyone in the country to understand that right-sizing of an organisation is necessary in certain

instances if one is to cut away the surplus costs because of over-staffing and so on.

Does the Hospital now need staff in certain areas? It does. There are about two or three doctors being recruited now and I hear of instances where it is thought that there needs to be an increase in nursing in certain areas, and this has to be done. However, before one can try to fix it the Hospital management has to work it to see whether it works correctly or not and make such adjustments.

At one time, the only thing about the Hospital that mattered was the fact that an individual that was hired as a Chief Executive Officer (CEO) and the only thing that mattered was how much he was making. Mr. Speaker, I hope that anyone who works gets a certain salary and he was paid a considerable salary but that was done on the basis that he brought certain skills, experience and qualification and connections and everything from two of the most outstanding medical institutions in Florida, our second home. The Board decided that his person could help us move things forward. As it turned out it did not quite work out that way and the individual left but now there are four Caymanians who have been promoted by the Board into positions of management. Now I want my friend up there from the East End district to go and criticise them. Let him do that now.

[Inaudible interjections]

Ms. Edna M. Moyle: Four women!

Hon. Gilbert A. McLean: Four women! Very qualified and experienced. They have my support, they have the support of the Board and I believe they will do a good job because they have an interest in it; they have something to lose. If they do a good job the world will love them, if they do not the world will criticise them, although they will be criticized anyway, that is for sure. However, I want to tell my good friend, the Elected Member for East End, that I am still not going to tell him what their salaries are either because it is not in the best interests of the country.

The Hospital services have been improved, in that we have put in the Hospital—and it has cost money—close to about US$5 million, but it has made a tremendous difference. There are still a few bugs here and there but it has reached the point where we are seeing the result of having it. It was the only way that we could fast-track to getting somewhere for the Hospital to function as it should financially. Its finances are improving and I certainly hope that—and I would love to believe that within the coming financial year—it could break even or come up with a small surplus. That is the objective that it is working toward. Whether it will be achieved is left to be seen. It all comes down to finances. The arrangement between Central Government and the Health Services Authority is ”Go out and you must try to get paid for the services that you deliver. If you have tried your best and you fall short in the overall then the subsidy which is there will be paid to you to top it up so that you can meet your financial commitments”. There are ongoing efforts to catch up with bills to know what the situation is overall and it is an everyday process. I try to kid no one where that is concerned.

The difference between me and Members of the Opposition is that I do not believe in sitting and looking at a situation that needs to be fixed and not attempting to fix it. If fixing it means that you have a piece of dead wood that needs to be removed I believe proper management dictates that you get rid of that dead wood and bring in a piece of live wood and you give them the job and let them get on with the job. I do not have any problems at all in supporting that kind of management because it is dynamic. The other kind is didactic which some of my friends just like to talk, that is what didactic is all about.

Another area that has been necessary to be dealt with overall is health insurance. The Cayman Islands is one of a few countries in the world that health insurance is mandatory and, that being mandatory, the state is not providing the service. The Law as it was and as it is makes it mandatory and it is left strictly to the providers of health insurance in effect to do as they see fit. While it was made mandatory it was not made mandatory that the insurance companies had to insure everybody. In fact, there are clauses that they can absolutely be excluded and they have been doing that right, left and centre, hundreds of people, for all sorts of frivolous reasons, as far as I am concerned. I have been trying to grapple with it now for two years and the only thing that I saw to do was to provide an alternative.

I think what the insurance companies wanted me to do was to try to strong-arm them and tell them they must insure this person, that person, whom they had chosen to exclude. They would have had a real field day with me but I did not do that, Mr. Speaker. I looked around and realised that the Cayman Islands is the place of registration for hundreds of captive insurance companies and companies on the whole and certainly the Cayman Islands Government is not precluded from forming a company of its own. Therefore, the Cayman Islands National Health Insurance Company (CINICO) was formed, under the same strict and stringent rules as everyone else, having to meet all the criteria like every other company.

Thus, the people for the first time, since being forced to have insurance now have an alternative. Now, the health insurance companies that have had it all their way are really lamenting and screaming and hollering and saying it is not sustainable, and what I did, and Government is infringing their rights to make their money, exclude who they want and leave that cost to government. Well, they are out of luck because there is an alternative now. The poor, who could not afford the high premiums, can get insurance. Those who are sixty years old, that they say “It is time for you to die now, off to the side”, can get insurance. Those

who were excluded for frivolous reasons can get insurance. Mr. Speaker, it is very clear—and I hope the insurance companies catch the idea—that the more clientele they create the bigger CINICO will grow.

I go back to that old concept of volume. Perhaps the premium that CINICO is charging is low but if you get enough people into it then the cash flow becomes a thing of beauty. I think the insurance companies are aware of this shift now and they would like to see it go away but it is not going away.

Right now—and this relates to the Budget—what has happened is that the $22 or $24 million that the Ministry of Health used to handle has now been taken and divided up among all the civil servants, be it 3000, 4000, or 5000, whatever. Each department pays the health insurance company (CINICO) an amount as a premium. Therefore, when those folks out there, who would have the world believe otherwise, say that nothing is being paid and there is no cash flow to CINICO they have $22 million to $24 million and that is the true thing that is really rattling their chains because the Government must use our health facility and our doctors on staff first, which is only right. We are handling the people's money. Government is subsidising it and that is what the great holler is about right now. We should not for one minute believe that there is no money going into CINICO; try $22 million to $24 million.

There is an added benefit, Mr. Speaker; having in place a computerised system specially built for health care management. The hospital bills are no longer sent to the Ministry, where we added the columns up and got the right amount, there was no question of paying anything without reconciling it. We now have a third party administrator whose business is to do this type of business and look at every single bill to see whether a procedure was necessary or not. Mr. Speaker, they will even say to the Health Services Authority (HSA) "Look, you did a procedure here that was not necessary and we are not paying you for it" so the Heath Services Authority will have to find it elsewhere.

I also want to make the point that private doctors are not precluded from giving medical service to a civil servant or a covered person but they must first go via the HSA system. If a doctor there says "We cannot deal with you here, you need to go a specialist" the money that would be charged by that doctor in the private sector is paid for by CINICO. So, there have been major improvements. While I have been working point on it, it is attributed to the work of this Government at this time which I hope will go on for a long time ahead and there will be improvements to what is in place and that it will grow better and better all the time.

The Leader of the Opposition spoke about Cayman Brac and Little Cayman and he said he did not want to see them left out. Well, they have been getting quite a bit of attention in the Budget before us, and that will be seen as it is examined over the days ahead.

However, from my own perspective, while I had the subject assigned to me; that of District Administration, I can cite a couple of things that happen in the first place that you see when you get to the Brac and that is at the Gerald Smith Airport. A new conveyor belt that has been needed forever has been improved. There is much more space and it easier for visitors and local passengers coming into the Island. There has also been an extension to the east side of that terminal where a whole baggage screening machine can be put into. From abut 1980 or whenever it was completed there has been a huge open space upstairs over the terminal building that has now been turned into offices.

Road work has been ongoing there since the subject was given to the Minister of Planning who is a representative for Cayman Brac and Little Cayman. This is an ongoing exercise.

Between both of us, for the first time in history, the Little Cayman Airport has been chipped and sprayed and we are looking at extending it another five hundred feet which will cover the 2000 feet. I am told that they are working on it right now. For the first time in history of the Little Cayman Airport there has been a complete study done of wind direction, et cetera. We have located property on Crown land and surveyors have completed two-thirds of the survey on it. Little Cayman will have a designated area and Airport to the level of its needs. If I am around and have continued association with it I am not going to get into some of these $10 million grandiose things like I see things develop into. It will get all that it needs both in the facility and the actual runway because we must realistic and stay within a budget.

All of these are accomplishments of this Government and so having mentioned these things it certainly must flex the minds of my good friends on the other side, who wish to replace the present management, to be able to convince people that we have done nothing.

No doubt Mr. Speaker, I will be grilled in all the areas related to the subjects that I am responsible for during the Finance Committee and I will be happy to answer all questions, except the individual salaries of the doctors and nurses and the managers at the Hospital. The details that I spoke about now I thought were necessary. There is but one other which comes to mind, as I have not prepared a written speech, that I would like to mention before I take my seat.

In the separation of the Airports Authority from the Civil Aviation Authority or the regulatory from the operational it is necessary to hire a Chief Executive Officer of the Cayman Islands Airports Authority. When I had that Bill before the House I was distinctly threatened that if a particular individual was not allowed ascension I would have serious answers to give and what would be done and so on because of that. I would just like to let the Honourable House know that

we have hired a consultant who has been working with us for the past several months; a person of unquestionable experience, ability and qualifications.

The consultant has recommended that we should advertise only the post of the CEO at this time and attempt to hire a CEO because there are about five or six management posts within the operation now which will meet the requirements of the International Civil Aviation Organisation (ICAO). However, it is necessary to get a CEO who could become involved with the interviewing when these posts are advertised rather than just advertise a slew of posts at one time. I thought it made sense. I am not and will not be involved in any selection. The post of CEO has been advertised both within the Aviation department locally and it is also being advertised in one of the biggest international aviation magazines and there has been a large number of applicants, some of them with incredible experience and qualifications from different parts of the world. I do not know why they are particularly interested; maybe they feel like they would like to come to a pleasant society, sea, sand, sun and so on.

The present Chief Executive Officer of the entity wrote to the department inviting all members of the department who wished to apply to do so and some did. They have all been included in the short listing. A four-person panel is set up that will be interviewing all the applicants on a points basis. If they are handsome or beautiful so much for that, if they walk on two legs so much for that, if they have worked for ten years so much for that, and at the end it will be all added up and we will see how it has been weighted. Why I did that Mr. Speaker is because when I get questions here I would like to have that in my hand so I can invite all Honourable Members to take a look at it and re-do it if they will. That is the way it is proceeding.

My good friend, the Second Elected Member for George Town said he wanted to know about the salaries there. Well, I do not know about the salaries but they have to be a lot higher than what they are paid right now. I believe in Government keeping salaries at a level that is reasonable, that can be justified. I do not think the Government can try to attain the level as the private sector does for the simple reason there are less people employed in any given corporation than in Government in the Cayman Islands. We are talking thousands. So, if we increase everyone's salaries we are talking tens of millions. However, it certainly would need to be increased and I hope that the consultants come up with a salary that is realistic.

When you say "realistic", I have had to argue the point quite a bit in recent times that the minute you take a department and put it into an authority you pay them more salaries. Well, there is one fundamental reason why. When a person is a civil servant he has what is forever called the security of tenure. Health care is free, vision is free, dental is free; everything is free, just that alone. Pension is free. When they cross the line and they go into the wall of reality in the private sector those things do not go with them. In each authority that I have association with it stops, what you earned up to this point is frozen and kept for you until such times as you will collect when you have reached the appropriate age. However, from hereon you get into the world of reality where there is no more security of tenure; where you are called upon to pay some of your pension, where you are called upon to pay for your health care or can be done, and they go under the Employment Law. So, that is where the difference comes in.

In the private sector jobs are carefully evaluated. If you are at the top of a big corporation like the airport, that is an international airport and we have a number one rating throughout the world (class A rating), you are in charge of all the planes and all the lives coming in there and all the security and all of the other things that go with it you pay those persons right. Therefore, I hope the CEO will be offered an attractive salary. Indeed, I will certainly recommend that the salary of the present person who is in charge be reviewed because that individual will also be entering into another brave new world and should be compensated accordingly. That is why out in the big world of reality you do your job or you get fired. No one cries, you do not apply to any public service commission or having to be warned six times and so forth; you are fired. One of the most fundamental reasons why salaries change is because they no longer have these goodies on this side, they move into a world of greater uncertainty and more demand on them. I simply make that point as I think it is very necessary. I feel and smell that something is occurring in that direction and I just want all of those with interest to hear and know that I am waiting to answer their questions.

There are other things that I could speak about Mr. Speaker but I will not do so at this time and I thank you and Honourable Members for allowing me your attention. I thank you very much.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? If not, may I call on the Second Elected Member for Cayman Brac and Little Cayman.

Mr. Lyndon L. Martin: Mr. Speaker, just on a quick point. I certainly would like to make a contribution to this very important Budget. However, I am catching a flight to my constituency which will extremely limit the time that I will have to contribute. I am simply rising at this point to ask if there is any concession that could be made in that regard because I certainly would like to speak but I have to catch a 4.40 flight.

The Speaker: Honourable Members, I think the request that has been made by the Second Elected Member for Cayman Brac and Little Cayman seems to be a reasonable one. I am really in your hands in this matter.

I believe the Honourable Minister for Community Services would like to speak at this time.

Dr. the Hon. Frank McField: Mr. Speaker, this is not the most comfortable venue nor is it the most appropriate time for me to begin what might be considered to be a long defence of the Government's budgetary proposals for 2004/5.

I was reflecting on what is meant by a national budget. What is really being presented? Why is it being presented? My understanding is that I, as a Member of the Government, have decided upon certain policies that are supported by the Government with regard to social development and that the Government proposes to implement these policies by seeking the financial resources to make this task possible.

So I am here today as a Member of the Government to defend the Budget that has been brought to this Honourable House to get this Honourable House's approval for the fiscal year 2004/2005.

Because I am the Minister responsible for Community Services, Youth, Sports and Gender Affairs which is responsible for the strategies and methods to enhance positive social change and address some of the negative social factors will concentrate on this particular part of the Budget and leave the other Ministers to presenting and defending their particular proposals.

I could have come here—especially that this is an election year, if my Government had been so minded, to be careless, reckless, without prudence in dealing with the fiscal affairs of the country—with a wish list that was massive, especially recognising the potential strength of such a portfolio. It is one of the portfolios that deals with the allocations of limited resources to the general public in the form of providing them with poor relief, financial assistance, school lunches, playing fields, playing equipment, housing and money for repairs. All types of needs that cannot be met by the general public are provided through the agencies involved in the Ministry of Community Services, Youth, Sports and Gender Affairs.

Therefore, from the point of view of a political platform, this Ministry could have been reckless in saying that to increase this and increase that, to take care of this and take care of that, would in fact cause some persons to believe that that would be looking after the general good in a responsible manner. However, Mr. Speaker, we have learnt through the years, especially by the past governments—governments that the Third Elected Member for Bodden Town was involved with—that they left office not having to give the country a strategy for fiscal and social development. They did not have to do a budget before the elections. As a matter of fact the Budget at that particular time went all the way to the end of the year and it would be in the March after the Election that people would know exactly how much money the Government had spent and the financial state of the country and only then could we talk about the fiscal health of the country.

Before going to out to campaign we are allowed to truly know and note the proposed spending of the Government and what the Government intends to accomplish by spending money in this way.

I would like to remind the Third Elected Member for Bodden Town that when the Leader of the Opposition, who he now proposes to be the future Leader of the next Government, took over in November 2000 he started to make statements about the fact that the Cayman Islands Government was left without money. That there was no money for him to begin as a new Government, decide on new policies and new strategies for the country.

We can remember in 2000 the way in which asphalt was put on the roads in a hurried manner. We can remember the conduct of the last Government, the Government that the Third Elected Member for Bodden Town was a part of. We can remember that the transparency that we are able to offer here today did not exist then, otherwise the Leader of the Opposition would not have been blinded by what he would have discovered when he went to the Glass House and when he brought his Budget in March of 2001. When he went out and borrowed all the money even to pay for recurrent expenditure, he was blind. He was taking over the ship without all of the documentation that he needed.

Whichever government we have in 2004, they will have the advantage of this new system that is a part of our Law that compels all of us to manage the fiscal affairs of this country in a particular manner. That is an advantage that most of them would want to take credit for also but still not credit the process that we have arrived at.

"I was the Government", says he "that was involved in encouraging this." Well, what we have encouraged is what we are dealing with today and although I might not have been involved in this, in the very end I see the benefit of the results.

I can truly say to the country that this Budget is the most transparent of all the budgets. All that we have to do is look at the documentation, explanation and the contracts in the explanation to recognise how transparent. Back then it was always a row about the fiscal affairs of the country and whether or not the country had or did not have money and who was more prudent. We understand now that prudence had nothing to do with age and conservative background; it has to do with intelligence and reason. The United Democratic Party Government is not old or conservative but it is new and reasonable and it has used reason and said that this is the best system possible which we have accepted. It gives every citizen in our country that will take the time to examine exactly why the Government is spending the money, the opportunity to know so.

What is the criticism of the Opposition then? The criticism of the Opposition is that the country has

more social needs, the Government has not dealt with all the social needs, the country has young people that are in need, the country has people that are without employment and they are right. When I was elected in 1996 I knew from the very beginning that there were so many things that had to change and I know that I have not done that much that all of the things that I wish could happen, have happened. I know that there are still critiques that I must make but I do not make them on the performance of the United Democratic Party but I make it of the society as a whole, that we have not through the ages been able to collectively deal and manage certain issues to the point where we can say that we live in a utopia or a totally harmonious society. There are challenges that continue to present themselves to us. There are challenges that we have tried to get a grip on but which have evaded us simply because they are too deeply rooted, simply because of the performances of previous Governments that had no interest in the social development of the people of these Islands.

When I hear the Opposition trying to pretend that they represent the common folk in these Islands I have to say that is because they probably cannot find a position. At the end of the day, I recognise that through the Leader of Government Business, the Honourable McKeeva Bush and his Cabinet and Back Benchers, we do not only represent the working people, we represent the business people, and we represent all the people. The United Democratic Party motto is "For all the people".

We recognise that without finances we would not be able to allocate to sports development what we are allocating to sports development. When we take an association one by one, I could read through all of the associations, all of the contracts, all of the donations that the Government will give to allow the associations to carry out their strategic objectives in using sports as a tool of social and intellectual development.

All these things the Government does as a result of raising revenue. We have a system of indirect taxation, we raise revenue because of economic activity and the higher the activity the more the revenue, the lower the activity the lower the revenue. Who creates the economic activity if it is not the business class?

So what would people like me, who has to come in to try to be the fixer at this very late stage in this development, do without the economic class generating the business activity to generate the indirect revenue which I am now dependent upon to do housing, substance abuse issues, to improve the prisons, to have the crisis centre to protect battered women, to give partial community development scholarships to people? What would I do without the business class?

The Opposition must say, therefore, how they would be able to improve the revenues of this country, to do more than the United Democratic Party is proposing to so through this Budget. The Opposition must say how they would be able to increase funding within my Ministry in order to do more things for more people. They must tell us how; where they will get these funds from.

Will they increase the stimulus for economic activities to generate more indirect revenues or will they tax? Will they tax the rich, will they tax the poor or will they tax them all? Will they increase taxes, will they be like past governments that have spent all the money during election time and as soon as it comes to March, and the first Budget after the election, they introduce taxes? Where will the money come from for their ambitious programmes, where?

I would not venture to say that we have done as much as we should do. I am only saying we are doing as much as we can do without taxing the financial resources of the people.

I think that we have an agreement with the general public on this point. I think that the general public knows that they want more playing fields, that they want more coaches, that they want more homes; that they want more financial assistance; they want more. They want more, and we think that they could use more.

The question is where should the resources come from? If this is not a good Budget because it does not deal with all the incredible whims and fancies of the Opposition, then the Opposition must say where they would finance a different Budget from. They have no answer to that, because if they had then *All-to-All and the Kingdom-of-Everything* (where everything is nothing and nothing is everything) would have dealt with it when he read his very nicely prepared speech.

I am saying that I do not have to come here and argue what I am doing in sports. The sporting community in this country knows what I am doing in sports. It is not because of spending more money, because we cannot afford more money. It is because I become more involved and I actually assist in the improvement of dialogue, vision and co-operation; I assist the process by the way in which we employ coaches.

At the end of the day, our sports programme, over the last three years, has been assisted in development. I know that there are a lot of people in the sporting community … not all of them, of course, because some of them are members of the Opposition and they are not going to give me credit for anything I have done in sports.

As a matter of fact, they are out there talking about how I have de-stabilised everything, but that is the way they will talk because they are Opposition (opposition means they are "opposed to" anything the Government does). That is why, Mr. Speaker, it is not a nice job to be a member of the Opposition. I am happy that I am not a member of the Opposition, at this particular point, because to oppose without having solutions is not a comforting thing, not even to those persons who are saying it because at the end of the day they are going to think, "Well, I just said that to that person but maybe that person is going to have

enough sense to know that what I am saying, I am saying just because anybody can say anything."

Being a member of the Opposition is not easy, especially when you are opposing people who are on the right track, who are doing creative things, who are bringing new ideas, who are taking the same money and getting more of a result out of their actions.

I know that what I have done in sports—in terms of my involvement, showing my concern, care and interest, encouraging coaches, the Department of Youth and Sports to be more active and more aware—has made an impression on people.

We just had countdown to GOAL 2004 at the Harquail just a few nights ago. We did not have any members of the Opposition there, because members of the Opposition do not come to anything I do. They did not come to Eagle House when we opened that either.

However, I am saying that if they had turned up at the Harquail they would have seen that it was not the first time that we had done these programmes. They would have seen the interest. They would have seen the way it has developed in terms of the interchange between people and ideas so that everybody really knows at the end of the day we are not competing. We have to co-operate and collaborate. We have to find ways of using the limited resources which the community has in such a way that it satisfies all of us; in such a way that we are nor divided into expatriates and Caymanians, women and men but in a way where we come together collectively to know that "Yes, there are limitations on the amount of resources we have in this society and we have to come together to use them more effectively and more efficiently rather than to ask for more and more and waste more and then indebt the country and the future generations", which had been the pattern established in this country for so long.

I do not know how the Opposition proposes to do many of the things that they propose to do. I know that there are certain things that the Opposition seems to want to mock me about. However, I am a candidate in the next election. I will be running with the United Democratic Party. I have said publicly in this country that I have had issues with certain members of the United Democratic Party and I do not have to retract that. I know, Mr. Speaker, that in a new system their personalities will all be different, and I am not the easiest person in the world anyway, a lot of people know that. The fact that I might have issues with someone does not mean I have to divorce. I want to make it clear at this particular point that I do not see the Opposition members as any saviours to this country or to me. Therefore, I am satisfied with being a member of the United Democratic Party and I intend to campaign on that particular level.

I know that people who are going around me understand that one of the things the United Democratic Party has achieved, through my initiative, and embarked upon is an Affordable Housing Initiative. They continue to ridicule it and make accusations about my involvement in it. They go around to peoples' houses and they say certain things to people about peoples' characters, because they have to devalue that initiative. That initiative has been important to people in this country for a very long time, so they have to devalue it.

That is what an Opposition is like. They devalue even the smallest possibility of somebody on that level to achieve something simply because the Opposition did not put it forward, the Opposition is not control. They make the Government look like it is corrupt and filthy and horrible because they are not in control. The same institutions, the same chairs that they are mocking, so they want to paint the picture of this Government and persons like myself as dark as they can. Why? To discredit us, so that people will believe—that although we have performed in a fantastic manner—we should not return.

The Budget that we bring here today Mr. Speaker, challenges all of their pretences. It says to the people, clearly and fairly, that this Government's stewardship over the past three years is superior to the stewardship during the first year and is superior to the kind of stewardship that that Leader of the first year is offering people over those other years to come.

I am saying this because it is about time we understood that there are certain people in this country who are more talented when it comes to using personality issues. Some of us have to work hard to be recognised. We have to produce things. So, when I produced the Housing programme, which is talked about in this Budget, which we have come to the Government to say give us funding for certain things here … Mr. Speaker, I will make a separate report to this House on the Affordable Housing Initiative before we close.

I would just like to say with regard to this particular situation; they laugh at us about trying to help the people? If they want to make fun of the way in which I struggle to help, then let me see them do something concrete for the people. I do not want to talk about john crows on the wall, sitting there. I am saying what the Government proposes to do with this Affordable Housing scheme, what the Financial Secretary has done … Do you know how the idea started?

The idea started when the Financial Secretary and the Leader of Government Business in discussions with the Caribbean Development Bank found that it would lend the Cayman Islands Development Bank $4 million for affordable housing for the Caymanian people, The maximum [per person/family] would be $70,000. So, here was the amount of $4 million that they were willing to lend us, but we had no product that cost $70,000 or less.

What point was there in having the money when our people could not buy homes for that amount? Perhaps in Barbados and Guyana that

amount could have been helpful, but in the Cayman Islands we have no housing product where people can buy for that amount. So we started to think and the Financial Secretary said that if we could find a product, he would let our bank here lend a person and then it would make a request to the bank there and they would send the money back to the Cayman Islands Development Bank.

I thought it would be great if we could get our hands on the $4 million. We could start developing something. Then we thought we could not get our hands on the $4 million because they would only give the money over after you have loaned the money here. As a result of that we were able to find someone who convinced us that they were able to supply us the material for the affordable houses for below $4 million. We went to Cabinet and they agreed we could purchase the material.

The point that I am making, Mr. Speaker, is that we paid $3,116,486 for the material. We then said that we would need to build the houses nevertheless and we decided to employ the persons who had secured the materials for us – we gave them a contract to construct the units and that contract was for $5,628,152.

The Financial Secretary advanced us the money to pay for the materials and to mobilise the contractors and, of course, there were other costs as we went along. However, what happened was we were genuinely of the opinion that if we were able to develop houses for $70,000 or below we could sell them. At least we knew that there would be up to $4 million to sell them from the Caribbean Development Bank

I must say that I had my own ambitions to see these houses completed as quickly as possible and not everything has worked according to my dreams. I have learnt a lot along the way. I am just trying to say that I am tired of those persons in the Opposition trying to cast aspersions on people with regard to this particular scheme and trying to make it seem as if these houses are not decent enough for people to live in. That is how much I feel that they begrudge our accomplishments and they begrudge the common people.

With all of this negative publicity about these homes we have over 300 applications completed and turned in. We have done numerous interviews. I see the Member for North Side looking in disbelief but soon, because we live in a transparent Government, all the information can be made available to her and her colleagues. We already have over 180 applications for the 63 houses that we will finish in George Town by July.

I am just saying this to say to the general public, Mr. Speaker. We recognised from the very beginning that housing had to be one of the core issues in a new dynamic social management strategy.

I hear them talking about youth and they are talking about youth as if, at this particular point, we define them from 11-21 or if we define them from 9-21; that somehow this is some kind of objective criteria and not a subjective thing. I could say that the youth is as soon as it comes out and has the potential to be a human being and to enter whatever. We are interested in our youngsters, our children. We know that to talk about them in isolation from their families is confusing. It is because they lack social intelligence and have no social research why they say “youth, youth, youth, youth, youth” as if it some phenomena that can be separated from the family.

We, therefore, propose to have a multi-disciplinary integrated approach to solving youth issues, since youth issues are related to parental issues. Thus, housing was one of the issues that we needed to be tackling simultaneously with trying to deal with some of the more serious family issues.

The fact that we will make housing available; the fact that we are going to make more community space available for more communal programmes; for pre-school, after-school, baby-minding and counselling programmes through these new communities, is something that the Opposition also refuses to see. We are not just building homes; we are building and managing communities.

That is the reason why the social development unit was eventually transferred to the Notational Housing Trust becoming the National Housing and Community Development Trust so that we can deal with all of the issues. It is only when you have that kind of approach to solving social problems that you will really be able to be successful. So this thing about youth in isolation from family is because they do not know.

The affordable housing, or affordable rent because we do not have to sell the people the homes; people do not have to buy them. Even if we rented to people they would still be getting rent much cheaper than they are getting it now where they are paying $1,200 for a one or two bedroom. The fact is that we are making accommodations available to low income persons. Who tried to do it before? Why is it therefore that I am getting all the blame for doing something wrong when the wrong has to be in the fact that no body has tried to really to do it before?

They figure if I am successful, which I will be because God has blessed me to be, this will be a big plus for the United Democratic Party in the election. So they are going to run down this and that. All that they do is prevent some poor person from inquiring sufficiently to know what the Government has made available to them but there are so many other people that do not let the Opposition fool them. They come and see what is there. Many of them are builders and have worked in the construction trade and know that these homes are stable, safe and aesthetically pleasing and that they are above value for money! It has not cost the Government one cash dollar!

Those people are being integrated into a system where they can afford to pay for their own ac-

commodations. We are making available the product to make that possible since the friends that you all come to support most of the time refuse to develop homes that that particular income class could have access to as renting accommodation or as homes that they would own; not even if they had given them for homes to own but at least make them available as renting accommodation. Look at the price of rent in this country for a poor single mother! Look at the money that Children and Family Services are spending at this time and that we have spent in this financial year; over $700,000 to deal with rental assistance to people.

Why should the Government not make the effort? I have been to Bermuda where they spend millions and millions of dollars each year to support people to allow them to have accommodation, not to own but at least to be able to live in accommodation at a cheaper price because of the real estate value in Bermuda and we have a similar situation here because land costs are so high.

The mere fact that we are trying to locate the majority of the 200 homes in the district of George Town where people have access to schools, hospitals, transportation and to jobs to maintain payments on these homes is a task in itself because land in the district of George Town so very expensive.

Imagine these people having the possibility to live off Eastern Avenue, next to Kirks where they can go to the supermarket and across the street to catch the bus to Seven Mile Beach and get a job as a waitress or somebody who is cleaning rooms and we will help them in the community with our community development system to upgrade their skills so that their earning power can be increased because that is part of our vision and plan.

All they try to tell this community is nonsense and this is the reason why they are going to be surprised in the district of George Town, if nowhere else, because people have been tired of being told nonsense for so long. They can see and touch and we will give them the possibility to touch and see these houses and to feel the real pride of ownership. That is one of the things that we thought and analysed will have a great impact on the lives of the people who we want to socially assist and manage.

The Trust is up and working and as I said, I will make a full report in this Honourable House because the Opposition wants to know, I see in their propaganda piece they have said that they would like to know, what the houses will really cost Government. It asks why Dr. Frank McField's Ministry did not award the contract to fill the low-cost housing site in Windsor Park to the lowest bidder and about the true cost of low cost houses. They will have the possibility to know that. Also, I would like everybody to know that the Auditor General's office has had their turn to come look at the records and I am not the record keeper in my office but if anything is wrong I am quite sure that the people who are competent and qualified by the Constitution to look into these issues will do so. I am just tired of the Members of the Opposition slurs about people.

One of the interesting areas that we have in terms of the new Budget is the Budget's purchase agreements for statutory companies and non-Governmental suppliers. When we hear them talk about youth and I look in the Budget and see that Cayman Against Substance Abuse (CASA) is going to receive from the Cayman Islands Government monies to work with young people. We have increased the amount to CASA by not putting any additional burden on the general population but by rearranging the amounts that we were spending in some of the other areas. That has been the motto of my management, not to create new expenses but if you want something new you will have to give up something that is old.

However, with CASA, it will conduct an annual challenge leadership training programme for high and middle school students, government and private, on Grand Cayman and Cayman Brac during drug awareness month in October. The Challenge Leadership Programme is a student workshop focusing on leadership skill, development, team-building and character education. The goal is to foster improved communication between school leaders and school groups, to enhance leadership skills, teach the powerful impact of teamwork and help students feel better about themselves and the positive impact they can have on their schools.

CASA will also be conducting parenting, anger-management, self-esteem workshops and workshops on relationship issues including domestic violence and workshops on the dangers of substance abuse for the inmate population of Northward and Fairbanks. The goals of this are to provide a safe and drug free passage for the children of the Cayman Islands by strengthening the adults that surround them. CASA will conduct Youth to Youth Programmes in all senior and junior high schools, government and private, on Grand Cayman and Cayman Brac by employing a full-time person to conduct the programme.

Youth to Youth is a positive peer prevention programme designed to equip and empower young people with the attitude skills and motivation to make healthy lifestyle choices. It also covers other issues that our young people are confronted with such as violence prevention, sexuality life choices, community responsibility and self-esteem. The broad components of this are namely personal growth, information and education, community action and drug free fun.

This is just one case. CASA also have programmes to conduct annual youth workers training. The workshop will be open to all persons in the community who work with our young people. Prevention programmes on the dangers of substance abuse and violence aimed at youth housed at Eagle House. Eagle House is the new youth and juvenile rehabilitative/correction facility.

I would just like to point this out because, if I were to go through all of these purchase agreements,—one with Cayman Brac Sports Club which tells us the outputs and what the Government is purchasing —it is about time that people realise what Government really is. Government does not have to be the supplier all the time. We are also the purchasers of outputs or of assets be they human or physical assets that can benefit the community.

When you look you will find we are making so many agreements in these purchase agreements. We have one here with the Cayman Islands Athletic Association and it tells you exactly on what basis we are paying a $30,000 grant to this sporting organisation and why another $40,000—a total of $70,000—is being paid to that particular association during the financial year 2004/5 and what we have contracted to specifically receive from them.

In addition—we will go through numbers and numbers of different places—basketball, churches and others are types of associations that are willing to deliver to the community the kind of social and personal development programmes that we think are important.

So when they say that nothing is being done they must not forget that people have access to these documents that I am going through. If they have access to these documents and see them then they realise how misleading.

The Cayman Islands Rugby Association will develop a junior programme; they have thousands of kids already in their programme. What about the swimming and softball programmes? The Cayman Islands Government is coming to Legislative Assembly to get approval to spend its money on all of these things for the general betterment of the population. How can the Leader of the Opposition say that there are no programmes to improve the general welfare of the country?

There are probationary and aftercare units since we know that we do have serious crime in our society. We have recognised, and it is pointed out in the Budget in the way in which we have decided to pursue certain strategies and purchase certain outputs, that although we try to intervene in the further development of anti-social behaviour and criminality, that we have missed someone.

When I say "we" I do not mean the United Democratic Party but I mean that institution of government which transcends whatever group is in power. We have missed certain kids and they become adults and many have become career offenders. Thus the probation aftercare unit is seen as a very important instrument in reducing recidivism and better therefore in assisting people to realise their full human potential thereby having an impact on the youth/children that they have fathered. We have got to see the connection because we know that the children that are getting in trouble are from families that have already been in trouble in the majority. We take the whole question of rehabilitation and therapeutic policies very seriously.

We are coming to ask for money for the Probation Service Aftercare Unit which serves the courts, the prisons and the community. We have separated the Probation Service Aftercare Unit from what used to be Social Services and we have allowed the Probation Aftercare Unit to become a unit on its own to better deal with the questions of rehabilitation. In this Budget we are going to fund, which we are doing at this particular moment, we will continue to stress this development where we have an additional officer responsible for looking after community service orders. We had one before now we have two.

We are also hiring two new probation officers because we realise how important the whole issue is. We note with some degree of encouragement that the prison population at this moment (males at Northward) is below 160 and when we note that the average last year must have been about 200 and odd—

The Speaker: Honourable Minister we have reached the hour of 4.30 pm. It is my understanding from the Deputy Leader that Members would like to take the adjournment at this point. I would remind the Honourable Minister that he has one hour and five minutes when he continues on Wednesday.

I now call on the Honourable Deputy Leader of Government Business to move the motion for the adjournment.

ADJOURNMENT

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move the adjournment of this Honourable House until Wednesday, 19 May 2004 at 10 am.

The Speaker: The question is that this Honourable House do now adjourn until Wednesday, 19 May 2004 at 10 am. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 4.31 pm the House stood adjourned until Wednesday, 19 May 2004, at 10 am.

OFFICIAL HANSARD REPORT
WEDNESDAY
19 MAY 2004
10.40 AM

Thirteenth Sitting

The Speaker: I call on the Honourable Member for North Side to lead us in prayers.

PRAYERS

Ms. Edna M. Moyle: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say The Lord's Prayer together*: Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 10.44 am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received notice of apologies for absence from the following: the Honourable Minister of Health Services, Agriculture, Aviation and Works, the Second Elected Member for West Bay, and the Elected Member for East End.

Apologies have also been received for late arrival from the following: the Honourable Second Official Member; the Honourable Minister of Planning, Communication, District Administration and Information Technology; and the Honourable Minister of Education, Human Resources and Culture.

GOVERNMENT BUSINESS

BILLS

SECOND READING

The Appropriation (July 2003 to June 2004) Bill 2003

(Continuation of debate on the Budget Address)

The Speaker: The Honourable Minister for Community Services, Gender Affairs, Youth and Sports continuing with the debate. Just to remind the Honourable Member you have one hour and five minutes.

Dr. the Hon. Frank S. McField: Thank you, Mr. Speaker.

It is a beautiful morning here in the Cayman Islands from this perspective; nice showers. I am quite sure all the plants and trees can use this great water. It just goes to show that we are a blessed people and regardless of what the Opposition says about what a terrible state of affairs the country is in, we see that we are blessed when we observe the fact that in our country, although we have crime and some serious crime, there is still safety and security for the majority of our citizens, residents and visitors. Of course, Mr. Speaker, part of my Ministry's objective is to make sure that we have a healthy resident population and a safe and secure country for residents and visitors. We have always attempted to achieve this through cooperation and collaboration with all departments, agencies in Government and outside in the private sector.

Just to recap, Mr. Speaker, I am still interested when the Opposition gets up to speak against my presentation to know from them what do we do in a country that has made the decision, traditionally, not to introduce a system of direct of taxation. What do we do if the revenue base is as narrow as it is? Do we come each time we present a budget and tax, or do we learn discipline and prudence, thereby allowing us

to somehow adjust the expectations within what the country can afford without being pushed into a direct taxation system? The question again to the Opposition is: Do they feel that the Government could and should do more? Where would the finances come from? Would they enlighten this Honourable House and the general public as to where they would find these additional funds to implement these programmes they have in the back of their minds or someplace in space near their minds?

I believe again that this is a conservative Budget that pays specific attention to the priorities of the people of these Islands, in particular, respect to my area of concern, which is the Ministry of Community Services; we have done a reasonable job pointing out areas where we would like to receive finances for over the next years.

In order to make sure that we have a healthy resident population, and in order to achieve the safety and security for the country, visitors and residents, the Cayman Islands' Her Majesty's Prison (HMP) in Northward, strives to achieve these objectives by being there to enforce the orders of the courts when individuals are sentenced to prison. The prison system is there to make sure, first of all, that the orders of the courts are carried out. In order to do that the prison system seeks to provide regimes that are workable, culturally applicable and which will address offending behaviour, improve education and working skills; develop civic pride and cause prisoners to lead a responsible and law-abiding life.

We do recognise that this is a difficult task that we are asking the country to continue to provide money for, to improve and implement. At least 50 per cent of the persons in prison are there because of drug related offences. It would be ludicrous for us to continue to seek solutions in the same manner that our predecessors have sought the solutions to these particular issues. Therefore, we intend to establish a therapeutic community at Northward Prison over the next year. The primary goal of this is to change negative patterns of behaviour, thinking and feeling that predispose drug use.

We have also recognised that certain key factors for the success have been identified. First of all, that the Prison Service Senior Management recognises the impact of drug abuse economically upon the community, the prison budget, public safety and ultimately the entire government. Therefore, staff members are willing to break new ground in addressing these issues and appropriately train prison staff to understand the rehabilitation philosophy. In doing so the Prison Department is beginning to develop partnerships with other agencies, and in particular the Department of Substance Abuse and the Probation and Aftercare Unit. They are working closely and effectively with the prison, the parolees, prison staff and the general community on a continued basis. Over the next years we will see this developing, in terms of spending the money that is being requested for the Prison. The Prison has recognised the importance of the inter-disciplinary and inter-agency approach to problem solving. We do not expect to achieve rehabilitation solely by containment or confinement.

We are requesting a substantial amount of money again for the Department of Substance Abuse Services. In the next year this Department will attempt a system analysis. It will embark upon a public relations strategy to get a greater level of awareness of substance abuse issues and the willingness to assess and point others towards help, in order to gain a reduction in the impact of substance abuse on society. We will be establishing, with the finances that we are asking for here, a community outreach programme, which will begin to network with other agencies.

Just as we have spoken with regard to the Prison, the Substance Abuse Services will be seeking to network with Children and Family Services, with Probation, Aftercare and the Prison Service. There will be a greater integration of these services thereby being more efficient in the use of the people's money. We are going to increase outputs while at the same time decreasing or maintaining the inputs that are invested in these services. I would not take the fact that we are not spending a lot more money to be indicative of what we are attempting to achieve. We have readjusted the way in which we go about achieving a more healthy resident population and a society that is safe and secure; not by spending more money, but by being more co-operative with each other in the different agencies.

The Probation and Aftercare unit is a very important part of that entire multi-disciplinary, multi-agency approach that we established when we came into Government in November 2001, which was to put these different agencies together to achieve exactly what it is that we are now beginning to finally achieve. Thus, Probation and Aftercare, Substance Abuse and the Prison Services are now beginning to move closer together in order to evaluate the services and identify needs; to collaborate with other agencies and to better meet the clients' needs. So, within the next year, the Probation and Aftercare Services will enhance public education; the prevention programmes will use newsletters, presentations and workshops in order to better identify needs and better meet the needs of their specific clients and partnering agencies.

There is much talk about the youth, Mr. Speaker, and the introduction of Eagle House to provide a structured, safe and secure environment for youth and staff in that particular institution, as it is a magnificent development. It is unfortunate that society needs this lockup for young people but it is now there and we are proud that we have the physical capability to establish a comprehensive, effective and integrated continuum of care ranging from assessment through treatment and transition programming that will adequately and responsibly meet the needs of male youth committed to Eagle House by the courts.

Again, Mr. Speaker, it is taking some time, but we have not just produced a secure remand facility for juveniles; we have produced a facility for young offenders. I note that the intention of the previous person responsible was to produce facilities for juveniles only and that would have meant that the young offenders would have remained locked up in the adult prison at Northward.

There is much to be done in terms of building the programmes at Eagle House and we have assembled a management team that is doing a tremendous job in making sure that there is a good understanding of some of the difficulties that will be encountered.

The Department of Children and Family Services was previously referred to as Social Services, which had such a broad meaning that it was decided to focus and bring society's and government's attention to the fact that when we identify social problems we can say that these social problems stem from parental and family relationships. The child learns to develop his attitudes, his character, and his learning desires between years one and five. We knew that if the educational system is a system that just deals with children at a later age it would not be able to deal with some of the root causes of juvenile delinquency and a social behaviour. For this reason we started to focus on the family, not just on the youth. Juvenile delinquency is the result of us not having taken preventative measures in the early life of the child and the particular family.

The Department focuses on children and family and does recognise that it cannot treat them in isolation. What they will do over the next year in employing this Budget is to develop regulations for the Children Law 2003. Also, they will pilot a "Support Towards Autonomy, Retraining and Self-sufficiency (STARS)" initiative to enable repetitive temporary financial assistance clients to become more self-sufficient. Rather than to continue giving them financial assistance it is to help them become more self-sufficient. I will explain that a bit, Mr. Speaker. We have started to decentralise services to all districts, which is an important development that this Government has done and it has been difficult for us sometimes to get total co-operation which is necessary but it was possible and we are happy that we have achieved this result.

This Department will also use their Budget to expand the Golden Age Home to provide additional residential spaces for indigent, elderly persons and improve day-care facilities for disabled and elderly persons. I hear the Opposition say that we are not dealing with the social needs of the community. We will use this money to develop a national parenting programme because parenting is not an easy job and it is so essential to get it right if we are going to prevent children from developing a social behaviour and becoming delinquents that end up in our court system, eventually at Bonaventure, and then, perhaps, at Eagle House.

We will continue to implement staff training programmes with the money the Legislative Assembly will vote to us. We will continue to deal with the essential relief services, preparation of hurricane shelters, recruitment and training of shelter wardens and district representatives. We will continue a host of programmes with the money that we are asking the Opposition to also vote for here. The Opposition says that we do not do anything, but if we do not get the money for these things, Mr. Speaker, it means that we would even do less. Perhaps that is the intention of the Opposition; to make sure that we cannot do anything; that our hands are tied by voting against this Budget; by criticising it and coming prepared to vote against it. Imagine! If we needed the Opposition to pass the Budget the people would not have any money because the Opposition says it is not a good budget.

Just a little bit more about some of the money that we are asking the Opposition to vote for; where it is going to go with the STARS programme, which allows recipients receiving temporary financial assistance to develop a self-sufficiency plan that will prepare them for jobs while providing support services. The aim is to remove recipients from temporary financial assistance to work as quickly as possible. The STARS initiative is being piloted with 20 clients in Grand Cayman and five in Cayman Brac and will later expand to include temporary financial assistance clients as dictated by evaluation results. So, we need the Opposition to vote some money to help these people to come off welfare.

The referrals to STARS programme will be made by social workers, after intake and assessments. Clients will continue to have an assigned social worker. Support will be given through life and job-skills training; apprenticeship programmes; networking with other community agencies; mentoring; financial assistance; career testing and public education. I think that it suggests that the Government's programme in terms of social stabilisation and social improvement is well thought out. The district offices that we now have (one in West Bay) will include additional service such as group counselling, community outreach through back yard meetings in the various neighbourhoods, workshops such as parenting classes, budget management, managing relationships. These seminars and workshops will be held in conjunction with the STARS initiative and other related agencies. There will be liaison with other agencies such as the Department of Substance Abuse Services, Cayman Islands Crisis Centre, Police and Family Support Unit, Education Department and the Probation and Aftercare Unit. We can see how we are beginning to develop those units in the various districts to be better positioned to deal with the social programmes from a preventative, interventionist perspective rather than

trying to wait for the problems to become chronic and then try to cure them or throw money after them.

The George Town office will be relocated and will address a number of issues which currently plague, or at the very least, hinder this Unit's ability to deliver efficient and effective services. The challenges include, but are not limited to, poor public image of the Department; inadequate parking in current location; a physical redesign of office space to separate the welfare and therapeutic services. It is very important that the welfare and therapeutic services be separated. Therefore, we are asking the Government to give us the money to be able to have this happen because sometimes people believe that Social Services is only about welfare. We want to extend flexible hours of operation, which is something that should have come in a long time ago—the whole idea of social workers being nine-to-five—with earlier and later working hours to facilitate and enable clients to access services and attend groups outside their working hours. These are programmes that are being offered to the country by those people who are in need of counselling and assistance in order to improve their social and vocational skills, and therefore, the quality of their lives and the lives of their children. This is what this Government is offering. What has the Opposition offered?

Further restructuring of the Unit to include specialist teams to provide services currently being provided free of charge, which could generate income. These services include, but are not limited to, mediation, custody evaluation or social inquires, which are requested in relation to divorcing families, supervised access, adoption assessments and supervision. The Department is also thinking about how to make some money back in order that government does not always have to come to tax the people in order to deal with some of the social issues or challenges that we have in this country.

There will be an office in Bodden Town, slated to be opened by the end of May 2004, which will serve the three districts of Bodden Town, East End and North Side. A social worker will be assigned to the four primary schools in the districts: Savannah, Bodden Town, East End, and North Side. This being the assignment to the perspective schools, it is hoped that problems can be identified and addressed before they escalate into full-scale behavioural problems; that is what the Government has been doing and is doing, Mr. Speaker.

We have been working out a social scheme enabling us to better manage the social problems. The Opposition can get up and criticise us for the fact that we have crime in the country but we have only been in government for less than three years. So, the real serious crimes developing are the result of chronic anti-social criminal behaviour that has been produced as a result of the lack of social intervention by previous governments, including the one that was there for one year, which caused us only to have three years.

Office hours will be staggered; for instance, Bodden Town: 8:30 am - 5 pm on Mondays, Tuesdays, 8:30 am - 8:30 pm, as hours will be extended to facilitate group work, Wednesdays, 8:30 am - 5 pm. Thursdays 8:30 am - 5 pm. Fridays 8:30 am - 7 pm with extended hours to facilitate collection of financial assistance by clients.

The Sunrise Adult Training Centre is one of the issues which we are seeking finances for from the House. The vision there is to provide the support and services needed by all persons with disabilities in the Cayman Islands, to build permanent facilities that will address programme needs and provide appropriate residential options as well, though not necessarily in the same building. People with special needs form a very important part of our society. Those of you are familiar with the Special Olympics will know that they perform emotionally as beautifully as they perform athletically. It is up to us to continue to have that responsibility for them, not just in the Lighthouse School when they are protected by the Education Law, but that we extend care and protection beyond into adulthood and that we make provisions for giving them the kinds of skills and residential abilities to be able to help look after themselves and lead productive and enjoyable lives. Again, we come to this Parliament to ask for the financing to deal with this issue. We cannot see how the Opposition would be contemplating voting against these persons, for this particular cause.

The Women's Crisis Centre is an important issue that we come again to ask for funding for; $200,000 to be exact. The slogan for that particular organisation is "There is no excuse for domestic abuse." The mission here is to provide, safe, temporary shelter and a supportive environment for abused women and their children.

How can the Opposition say that the Government is not looking after the social needs of the country when the Government recognised from the very beginning that violence is first of all learned in the home? Unless we are willing to tackle domestic violence we are not going to be able to deal with public violence. Again, we go back to rooting out the evil at its inception, where it is produced and nourished. Yet, the Opposition says that the Government does not have a clear vision.

However, the Opposition cannot point to their accomplishments with regards to these issues. The Opposition cannot say that a crisis centre for women was established during their period in government. Perhaps it is simply because we are able to adjust our vision to the point that the country can afford it rather than having these highfalutin ideas about how to bring something into being and not being able to pay for it at the end of the day, but being able to criticise and say how terrible the Government is that we do not have swimming pools at the Crisis Centre.

The objectives of the Crisis Centre are to provide safe shelter, to facilitate counselling, education and support, to assure community resources are made available to women and their children and to work with existing community organisations to increase community awareness about domestic abuse with the aim to eradicate it. How can the Opposition say we are paying no attention to women issues when in fact we are being criticised by men because there is not a crisis centre and a resource centre for men? How can they say that we are biased and prejudiced against women? What did they do?

What would it all be like without housing? For all these problems and all of these things that we understand about social problems, what would a government be like in tackling its social problems if it did nothing to make housing affordable? How can we talk about families and not talk about houses? The Opposition will have to criticise the Government again for doing something by criticising the National Housing and Community Development Trust. I have lectured on that already and I will be giving a statement to this Honourable House on all the details that the Opposition wants to know. They seem to want to know more about those details than they want to know about the social economic conditions of the people that we are providing these homes for. Perhaps their friends have something to do with the interest in those details that they want to find out rather than ask about the details for the common people that we will be helping; no, they are not interested in that. They will get all the details. Just like their general has access to them, this Parliament has access to all the details. Mr. Speaker, again it is a major accomplishment that was necessary if we were going to have a holistic approach to solving social problems in this country. They cannot say that this Government does not have a vision; that this Government does not have a blueprint for social development and management. All they can do is to demean what the Government has accomplished.

The Department of Youth and Sports spends so much in maintaining fields in coaching. We coach inmates, students and youth within the districts, we spend so much money on upgrading and maintaining fields. We could deal with more fields. There is not an athlete in this country who would not tell you that he does not need increased facilities. However, we have always said that we have to live within our means otherwise the Government would have to tax. The people do not want the burden of taxation and as a result of that the people *say "Let us live within our means and do as much with what we have"* and not always try to outdo the other one by building something more like how it went when they had to build this in this district and that in that district.

At least there is one good thing about party politics and that is, it does not give that pork barrel politics where*, "because you got it in your back yard I have to have it in my back yard too".* We maintain the sporting fields to international standards in this country; we work with the Water Authority to ensure that the fields and parks are adequately watered; we work in the park with youth to empower them; we have Youth Flex, Hotline and other programmes going like the Scranton, Arthur H. Martin Creative Empowerment Youth Centre that is an extension of our vision to get more youth who are not clubbable, who were not easily integrated into the more traditional sporting programmes to give them the possibility to become involved in more creative activities.

Because you offer something does not mean that people take it up right away or because you put bait out there for the fish it does not mean that they will bite. However, in time it proves to give them possibilities to develop what might have just been a leisure leaning to something that is a skill which is saleable. They could be DJs, producers, people who put commercials together. They could sell their songs and be proud of being involved in something that is creative, which at the same time is something they can exchange for something else they need, namely cash.

We are doing something to help the youth but we have to remember when we say "the youth" we are not talking about the 99.99 per cent of the youth in this country who are quite willing to be involved in the wholesome activities that their parents, the school system and the Government are able to provide them with. We are talking about some youth that are detached and have problems. However, they make it to believe that because these youth are not easily cured; because the problems are chronic or that they are not easily contained, we are not doing anything about the youth in this country and that is nonsense.

I hear people still going around saying that there is nothing for young people to do in this country and I have been hearing it for the last 30 years. My schedule in terms of attending events is so busy that I say to the people "Give me a break", because this thing is happening this evening and that thing is happening. There are so many things happening that it is a shame anyone in this country would say today there is nothing for young people to do. It is a shame for people to say that. It is a shame!

Some children do not want to do anything more than they want to do. Regardless of what you offer them and regardless of how you friend them at that particular point in their lives, when their social issues have become chronic it takes time, professional intervention, and a lot of resources to be able to turn those individuals around. Therefore, do not judge the performance of this Government by the fact that we have some children who are angry with themselves, their parents and with their country. We came 20, 30 years too late to this problem. We came too late but we did not come too late because of our own decisions. We came too late because other people prevented us from participating in the decision-making process that would impact these youngsters as far back as 1972 in this country. We are not to blame! We are trying to help!

The Opposition would be well advised to assist us with the task of trying to rehabilitate those most serious offenders and anti-social youngsters in our country. I know that we have held out jobs to these youngsters. We have said to them "Look, we have mechanics in the area; we would like you to become an apprentice to someone in your community if you do not want to go into another community. If we feel that there is some kind of social distance you can take up an apprenticeship in your own community with people there; we will pay those persons in your community and we will pay you." At this particular point, Mr. Speaker, it is so difficult to get children involved in that. The same people that are running around saying the kids are angry because they cannot get jobs or be included are only creating and sowing the seeds to give rationalisation for criminal acts against society later on, when it is not society that is to be blamed at this particular point. The problem happened in the family from an earlier stage and perhaps, if the Government had got involved before, as we are suggesting, on that particular level, we would have prevented it from happening. However, it has happened and there is no point in us feeding them with the ammunition to come back to attack us.

I do these things sometimes in offering programmes because I feel I need my conscience at least to be clear. I know that we are making an attempt in central George Town to deal with some of the issues that impact these children. If the Opposition cares for them then they should tell us. Even within the next three or four months that we are still in Government, tell us what to do since they know. Let us see them down in these areas working with these kids getting them to change. Since they know so well how to change and how to relate to these kids, let us see them do that if they have the magic. If they want to devalue what we are trying to do, then let them tell us what to do. We are so interested in finding a solution, not just for the benefit of these children but for the benefit of the entire society; to make the entire resident and visiting population safer in this country.

The National Youth Commission, Mr. Speaker, which we will again fund this year, has adopted a literary theme as the primary focus of its work in 2004. The Commission will evaluate the effectiveness of out-of-classroom programmes and activities and recommend new and improved programme systems and practices where necessary. Tell us if we are not going in the right direction. Do not let us go blindly if we are not doing it right. Opposition, tell us if we are going down the wrong path. The Commission will work within the guidelines of the National Youth policy goals (b), (e) and (i) as well as relevant national goal policies and strategy.

My Ministry is definitely blessed in having some of the most energetic, intelligent, dedicated young Caymanians. They have been responsible for assisting this political directorate in developing a vision that is holistic, which takes into account all of the different aspects needed to be figured in if we are going to have a healthier population, where we will be able to achieve the security and safety of our residents and visitors. These young people have been promoted within the Departments. We have seen someone new in Probation and Aftercare who does a fantastic job in developing that Unit. We see someone in Substance Abuse Services, we see the decentralisation of the Children and Family Services that will give a head to the one in George Town, Bodden Town and West Bay, creating a more lateral type of management rather than a traditional hierarchical management where people are just working to try to get up to the last two positions. We have seen the change. We can see how the Government has spent its money in this particular area.

Usually, people who are responsible for social management are criticised for wasting money in developing dependents. We have not wasted money over the last two years and in this year, 2004 to 2005 we will not waste the people's money. We have used that money as effectively and efficiently as it has ever been used in this country by social management. We have reduced the numbers in our prison and we are reducing the numbers that are becoming dependent on government.

Just look at it this way: if we create these communal communities that we are talking about in these housing estates, rather than them becoming ghettos they become places where people can go back to traditional values of helping each other: one woman helping the other one with her children. There might come a day, while everyone is going out to work, one woman decides to stay home and look after the children, and as a result they pool together and pay that woman something. We are going to provide the facilities within all of those places.

You will see in the Budget for the capital that we are requesting $760,000 to put the communal facilities in each of those places, which we think should be government's responsibility, and which is a direct government interjection of cash in order to better manage the social problems by getting back to the community. Imagine the kind of communities. I am asking the Opposition, just do not think about marl and fill, think about a community where single mothers can work later at night. If they need two jobs to pay their mortgage they can do so because within that communal concept there is a possibility that their babies can be minded; there are the facilities to use if they are having difficulties with rent or mortgage. If they are having problems with their employers there are counsellors there; if they are having substance abuse problems there are people right there—not far away—to begin to deal with this from the beginning.

We know so well, and I have been stressing this—I lost my job in 1979 because I said pre-school education is the key. It is still the key! I envisage our little community with a $250,000 subsidy from the National Housing and Community Development Trust—

with programmes for these kids, these people will be special. These are special communities.

Members of the Opposition, we are asking for $250,000 to go towards the National Housing and Community Development Trust to start to put the programmes there directly and not have to wait until the day comes when we have to put the police there. That is crime prevention! I want you to examine your hearts when you talk about this programme; when you try not to find out anything about it besides who got the contract for the fill. I am telling you that there is more to it than who got the contract for the fill.

Let us be fair and tell the people that this is a well thought out Budget; that the Budget is a result of their monies and resources; that the Government does not reach into the sky and get the monies, but the Government takes the monies from them directly or indirectly to create the finances for the country over the years. Let us tell the country that if the Government is to have access to more money at this particular point, to spend more, it must take more from the people. Let us give the people a choice. Let us ask the people if they prefer taxes or do they prefer living within their means. They will tell you that they prefer living within their means and that they are happy the United Democratic Party is of that disposition and not of the other disposition, which is to lead them down the path of living beyond their means and bringing them into a situation of direct taxation afterwards. Therefore, we are given the people the possibility to help improve all that we are asking to be financed.

We continue to rely upon voluntary organisations and to hold them up as shining examples of good citizenship. Without the Rotary Club, the Lions Club of Tropical Gardens, Kiwanis Club, the Boys Scouts, the Girls Brigade and all of those organisations, the Government would have to spend ten times as much the money. Voluntary support is what we need. We need to encourage people even in the poorer communities to understand that they can volunteer and help; that they do not have to wait until rich people come to their neighbourhoods to give something back; they can also give something back. In our communal communities we will be guiding people in that direction, creating a spirit of pride and voluntarism that perhaps never existed in this country before.

So, we do not want the message to get out that this is not a place that people want to be. We would like them to understand from the very beginning that the Cayman Islands Government, the United Democratic Party, is one hundred per cent behind people who need these houses. We are not building them to run alone or get into any kind of difficulties; we are there with them with regards to the physical and social management of these communities and these houses.

Mr. Speaker, I think that I will just finish by saying, if you will allow me, Sir, that I know that there is an election in November; I know now that the Opposition in George Town will most likely not come at me but they will send their friend from North Side to come at me. She will probably start talking about how I dislike women and all those other things she accuses me of to make me look bad while the two Opposition males from George Town go by as if they have nothing against me.

I would just like to say to this House and to the people in George Town that I have done my best and I am willing to be evaluated upon my performance and not upon hearsay or vindictiveness or jealousy or lack of respect from other Members of this House. I am willing to say to them that had I been given an opportunity in November 2000 (when the Leader of Government Business, now Leader of the Opposition) to be the Minister that I am now. . . Even after signing with my own pen an agreement, he went against it and went to West Bay. Now he tries to blame me for the fact that the gentleman from West Bay is now the Leader of Government Business; I do not know how that could be.

I am saying that I am the Minister responsible for Community Services, Gender Affairs, Youth and Sports because the now Leader of Government Business gave me the possibility of being a Minister. He obviously did not listen to any of those people and none of these people told him that I was too black and too radical to be in this position. However, obviously someone else must have been told something like that as I heard through the grapevine why they did not want me to be a Minister in 2000. Therefore, they are on the Opposition and I am in the Government. If people think that that is bad for the country, that I am dishonest, that I am playing games then they had better check the Leader of the Opposition and find out a little bit more about the games that he plays and the way they use the lady Member for North Side to do their work for them. They need to stop criticising me because when they start doing that I have already told them how it is going to rock and roll.

The Speaker: Honourable Members, perhaps this is a good time for the morning break. We will now take 10 minutes and I will ask you all to be back here by 11.55 am.

Proceedings suspended at 11.45 am

Proceedings resumed at 12.17 pm

The Speaker: Please be seated.

Honourable Members, on the request of our Opposition Members the Government has agreed that we take a suspension at 3 pm this afternoon with the understanding that we will reconvene at 6 pm for the continuation of today's sitting. You will further recall that it had been previously agreed by this Honourable House that we would continue each sitting until 10 pm until the business before the House is completed. We also propose to take just an hour today for lunch so that we can get back by at least 2 pm, but no later. Thank you, Honourable Members.

Does any other Member wish to speak? Does any other Member wish to speak? I will ask for the last time then I will call on the Honourable Leader of Government Business to close the debate. Does any other Member wish to speak?

The Elected Member for North Side.

[Pause]

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

Before I start my contribution, it seems like it is a joke because I got up to speak. The last speaker, the Honourable Minister of Community Affairs, has said that I will defend the Honourable Leader of the Opposition and the Second Elected Member for George Town, but he—more than any other Member—knows that the Second Elected Member for George Town needs no one to defend him against him. If we go back to the records, the Second Elected Member's debate on the entire last Budget Address was dealing with matters under that particular Minister.

In making my contribution to the debate on the Budget Address and the Annual Estimates of Expenditure for 2004 to 2005, I wish to comment on the social aspect of the Budget or the lack thereof. The Leader of Government Business in his Policy Statement talked about a socially supported population. The Honourable Minister responsible for the Ministry of Community Affairs got up and told us of the amount of money in the Budget for these programmes.

Mr. Speaker, I come from a small district and in reply to a supplementary question that I asked at the last meeting in this House, the Honourable Minister sent me the reply. Unfortunately, I did not bring it with me but I guess Parliament must have been supplied because it was sent to me directly from the Ministry. He spoke about all the programmes that are in George Town, Bodden Town and East End and admitted there were no programmes in the district of North Side for coaching of football, netball or otherwise. He spoke at length this morning and yesterday on funds that the United Democratic Party is providing in the Budget. I hope when it comes to Finance Committee those Budget figures can be broken down to include the district of North Side.

We heard much about the housing project. The Honourable Leader of Government Business in his Policy Statement said we have spent some two and a half years on this project and we are being told that it is an affordable housing project. The emphasis on that project must be on the word "affordable", affordable for the people who need that sort of housing. We have spent two and a half years on this project and the Honourable Minister has admitted that there are only 63 of these houses completed. My question to the Honourable Minister is: What has caused this serious delay?

I have typed the quotations that I wish to quote rather than leafing through the unedited *Hansard* of this Honourable House. I am going to quote from the unedited *Hansard* of 28 February 2002 where that Minister in an answer to a question from the Second Elected Member for George Town said, and I quote: **"It is the intention of the United Democratic Party Government** [The word intention is used again which I think is a typographical error] **to make available approximately 200 low-cost houses for Caymanians to acquire over the next 12 months."**

I quote once again from the unedited *Hansard* of 28 February 2002 in a supplementary to Question No. 23 asked again by the Second Elected Member for George Town. So, we all know that the Second Elected Member for George Town does not need anyone to defend his cause in this House, I quote: **"Madam Speaker, I intend to prove to the Second Elected Member from George Town that that is not a pipe dream that we have, to put these 200 houses on the market within a year."** We are now in the year 2004, May, as a matter of fact, almost a half of the year has gone by and still we only have 63 houses completed.

You know, Mr. Speaker, when a country spends some $8 million on housing for the people of this country who need housing, certainly, since 2002, at least one house should have been sold. There has to be something wrong. I am no genius and I know nothing about building, I admit that, but certainly if we have spent two years and $8 million something should have been shown for that amount of money having been spent.

I quote now from the unedited *Hansard* of Wednesday, 1 October 2003, again in reply to Question No. 84. This time the question comes from the Honourable Member for the district of East End. I quote the answer of the Honourable Minister. He said: **"Honourable Members of the Legislative Assembly are aware that we are presently constructing 200 affordable homes. It is anticipated that approximately half of these homes (100) will be completed by January 2004, and the other half (100) by the end of May 2004."**

The question is: Where are these homes? Have we already paid the contractors the $5.3 million that the Minister mentioned in his debate and still have no homes?

Again, Mr. Speaker, in the Honourable Minister's debate he stated in October 2003 that they now have over 300 applications for these houses. That is what he said in his debate yesterday. But in the answer to the same Question No. 84, I quote: **"Honourable Ministers** [I think that meant "Honourable Members] **are also reminded that in July 2003, Finance Committee approved the funds advanced by the Government for the Affordable Housing Initiative. The $25 million that we are presently seeking is to allow the NHCDT to pay for these 200 homes and to provide an additional 200 homes. These funds will be drawn down in tranches in order to ensure**

that the Government and the NHCDT are able to recoup their investment in a timely manner. It should be noted that as soon as this is feasible, the Government would make arrangements to recoup the advanced money from the NHCDT. Currently, over 800 people have expressed an interest in purchasing these homes."

In the purchasing of these homes, I again ask the question: Why are the people not coming forward to purchase these homes? Why are only 63 homes completed in two and a half years?

I hear the Honourable Leader of Government over there speaking, but I am sure that in his winding up he will deal with whatever is necessary.

I have spoken to many women in these Islands, particularly. They have come to me and said that rent is so expensive, and when I ask how much rent are you paying they say $600 a month. I say to them, "Why do you not go and look at the low-cost houses that are being built in Windsor Park?" and their answer to me is, "I am not going to live in those." That brings me to the point, Mr. Speaker, that there was no research done as to whether these particular homes would stand up to the elements in the Cayman Islands, as to whether the people would be interested in living in project style homes—

Point of Order

Dr. the Hon. Frank McField: Mr. Speaker, a point of order.

The Speaker: The Honourable Minister of Community Affairs, please state your point of order.

Dr. the Hon. Frank McField: I think that the Member for North Side is misleading the House when she says there was no research done and she has no information to prove the fact that no research has been done. So, that is to deliberately mislead the House and the public to think that there is some defect in terms of the way in which this was done.

The Speaker: Member for North Side, on this point of order the Honourable Minister is saying that you are attempting to mislead the House in saying that no research has been done on the low cost housing, would you reply to that please.

Ms. Edna M. Moyle: Mr. Speaker, any Member of this Honourable House has the right. It is my opinion, because I have been told that these houses are already rusting.

The Speaker: Thank you Honourable Member.

Instead of making a categorical statement you have qualified it by saying that it is your opinion and it is not based on any empirical evidence so I would ask you to continue.

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

I will go back to the *Cayman Net News* on 18 June 2003.

In a statement to this Honourable House by the Honourable Minister responsible for Housing on 23 June 2003, in referring to an article that appeared in the *Cayman Net News* publication 18 June 2003, I quote, the Honourable Minister said: **"The journalistic quality of the *Net News* article is poor in that it states that houses will be available for $50,000 or less and yet we have repeatedly said that our most expensive unit will likely be priced at CI$59,500 and the smaller unit $48,500."**

I now ask the question: Are those prices still the same? It has been brought to my attention that they are now going to cost $65,000 and $54,000 respectively. The Minister himself admits that they will now cost more that that. The question must be asked and answered, why, when in the beginning were we quoted a price of $59,500 and $48,500?

There are local contractors in this country who build three-bedroom pre-cast cement homes for CI$90,000. I continue to ask the question, why have the prices of these homes increased so dramatically? Are we really building houses for the people in our communities who really need low cost houses? In my opinion, I do not think we are. I ask the Honourable Minister: Is it because of the housing scheme? The building of these schemes has been re-engineered so that they can now, in my opinion, stand up to the elements in the Cayman Islands?

Why, I ask, are we building these homes for the needy people in our society? I have such a good memory, and it stems from the fact that I worked as Clerk of this Honourable Parliament with the Honourable Speaker, Mrs. Sybil McLaughlin. At the time when she was Clerk, I was Deputy Clerk. The proceedings of Parliament had to be taken in Pitman's Shorthand and retyped on Gestetner paper to be run off on the Gestetner machine. I have built up a very good memory because sometimes when they spoke, they spoke so fast I had to record it in my brain.

I remember the Honourable Minister (again from the unedited *Hansard* of this Parliament 23 June 2003) in his debate on the Budget Address saying, and I quote: **"They seriously believe the government that can deliver affordable housing in this country will win the next election. Therefore they have to sabotage . . ."** speaking about **"they"** meaning the Opposition. So, was it an effort to put in place something that would allow them to win the next election without any thought of the persons buying these homes?

I believe if the Government had spoken to a number of local contractors who are in the building trade and has been for many years, these houses could have been provided at a price that the people needing this housing scheme could afford. Persons requiring these homes probably make $1,200 per month. How are they going to qualify to purchase one

of these homes unless the Government has taken the decision that it will be putting in place a fund to pay for the monies to be borrowed for these homes for these people? All I am saying is, if that is the case, tell the country.

When we look in the Eastern Caribbean, and I say this without fear of contradiction by anyone sitting in this Parliament, we can see that it is a pleasure for persons who require these homes to go and buy one, two and three-bedroom homes built of concrete. They are about $30,000 to $40,000 cheaper than the price we are going to have to sell these low-cost houses for. We have not been told the true figure of what these will be sold for.

When I look in the Budget document—and if I am wrong I am sure the Honourable Third Official Member, in his reply, will correct me—we are now carrying in our advance account approximately $8 million for these homes. I look in the pink one and I see the target for 2004/5 is $2 million for the completion of 200 houses. Is this another $2 million to be added to the $8 million that has already been advanced until the National Housing and Community Development Trust gets set up and they will be paying the Government the monies that have been advanced?

The houses I spoke of are those I saw in the Eastern Caribbean. They are well designed and have low maintenance costs for the persons buying them. If we have a building of concrete, I am sure that at Christmas we can power wash it if we cannot afford to paint, and it will look new; yet, we have gone about putting in place these metal buildings that salt spray, no matter how much we spend to maintain, will destroy. You know, Mr. Speaker, if the persons buying these homes between $70,000 and $80,000—I am throwing out a figure—have to go the bank and get a loan for 20 years what will be the total cost of that house at the end of 20 years? I have heard it said in this House that the life span of these homes is only 20 years.

Point of Order

Dr. the Hon. Frank S. McField: Mr. Speaker, on a point of order.

The Speaker: Honourable Minister would you state your point of order.

Dr. the Hon. Frank S. McField: Mr. Speaker, it is incredible how the lady Member for North Side, doing the job of the Second Elected Member for George Town, continues to misinform this House, speculating about issues that are not removed from the ability to prove. We are dealing with an empirical fact here. This is not a social issue where it is her opinion; this is an issue that is documented. When she says that the life of these buildings, for instance, is 20 years, that is a lie and it is misleading. There is no evidence to prove that she has available to her—just like many other things, but, in particular, with regard to this, the Member is totally out there making allegations about this particular project without any basis in fact.

The Speaker: Honourable Members, as I said earlier, I know this is an election year and we are going to have these issues arising. However, I would ask all Honourable Members not to use inflammatory language such as “another Member telling lies” or that sort of thing. Just say that “perhaps it is not true”—using a softer term because that can only inspire a similar reply.

Now, the Honourable Minister stated that there is no empirical evidence to support what you, the Member for North Side, have said about the life-span of the buildings being 20 years. Was that a statement made in your opinion, or do you have facts to support it?

Ms. Edna M. Moyle: Thank you, Mr. Speaker. I will not get into an argument with the Honourable Minister but I am certain. I do not have the *Hansard,* but I heard that said in this Legislative Assembly. However, Mr. Speaker I will withdraw—

[The Hon. Minister of Community Services rose]

The Speaker: All right. Just a second, Honourable Minister!

Ms. Edna M. Moyle: I will withdraw saying “the life-span of those homes is only 20 years,” but I call—

Dr. the Hon. Frank S. McField: Mr. Speaker!

The Speaker: Just a minute, Honourable Minister.

[Addressing the Member for North Side] You have withdrawn the statement that you have made.

Honourable Minister, may I hear from you?

Dr. the Hon. Frank S. McField: Mr. Speaker, if I am a business person and I have a product and a member of the public in the position that the Member for North Side is in, is allowed to devalue that product and to discredit that product without using the facts—

The Speaker: Honourable Minister, just a minute.

The Member for North Side has just withdrawn the statement so I cannot allow any further debate on that particular point.

Honourable Member for North Side, please continue.

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

If that point upsets the Honourable Minister to that degree, I will ask to have it edited out of the proceedings.

The Speaker: I think by saying it was withdrawn it would be made null and void, so would you please continue by moving to a different subject please?

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

I now ask the question: what is the lifespan of the homes? Mr. Speaker, I would like to read a letter from the *Hansard* of this Parliament, dated 23 June 2003. It was read into the *Hansard* of this Legislative Assembly by the same Honourable Minister, Dr. the Hon. Frank S. McField, and I think it was written to the Auditor General when some questions came up about the Stores Regulations for putting out—

The Speaker: Honourable Member, could you give me the date of that *Hansard* again please?

Ms. Edna M. Moyle: 23 June 2003, unedited *Hansard*. It reads:

"Dr. the Hon. Frank S. McField: Dear Sir, following ratification by Executive Committee, the Ministry of Community Services, Women's Affairs, Youth and Sports is now to embark upon the procurement stage of the Affordable Housing Initiative. I have retained the services of Mr. Andrew Gibb as project manager responsible for the procurement and execution of the assembly, erection and delivery of two hundred houses under phase one of the initiative and over a period of time not exceeding fourteen months.

"The Ministry has embraced the concept of value engineering in order to achieve the procurement of these houses at the least possible cost and over the shortest possible time frame.

"As purchase prices for these houses are determined by affordability to purchasers rather than the sum of total input cost, we are committed to a dynamic process of cost benefit analysis on an ongoing basis and as such have already embarked on a fast tract procurement program that challenges traditional construction methodologies and related cost.

"I have directed the project manager to spare no effort in applying rigorous cost reduction criteria to every stage of the procurement and delivery process in achieving cost and the time targets that I have set for this project, he will have to ensure that everything procured for the initiative will have to be at the lowest possible cost within the shortest possible time frame and in so doing will comply with Government's requirement for best value for money."

This is 23 June 2003 unedited *Hansard*. We are almost one year later and we have now discovered that the price of these homes will be increased and still have not completed 100 homes. There is something wrong! I make no accusations but it is a matter that needs to be looked into deeply and carefully.

I know full well, as a representative for the district of North Side, that there are needs of people in my district who also require these low-cost houses. I think from what I see in the Budget, a total cost of one hundred will be approximately $14 million. I am sure if I am not correct the Third Official Member or the Leader of Government Business will correct me. If it is going to take some $28 million to provide 400 homes, when will the Government be in a position to provide a similar service facility to the people of the eastern districts?

I had nothing to say when the Honourable Minister for Community Services was speaking; I listened to him very carefully. I even listened to him more carefully when he ended so that I knew exactly what he was saying. There are some people who can go on the theatre stage—I am not one of those.

[Inaudible interjection]

Ms. Edna M. Moyle: I can only act on the things that you have taught me to act on, Mr. Leader of Government Business.

The Speaker: Please continue Honourable Member.

Ms. Edna M. Moyle: Now, Mr. Speaker, I have said what I had to say on the housing scheme and I want to make it very clear that I, as the representative for the district of North Side, call on the Cabinet of these Islands to investigate this housing project and let the people know the true facts because we must clear up the perception out there.. It is left to the Cabinet to take on board that challenge because I personally will not support another $2 million in this Budget, whether I be accused that I do not want those people who require these homes to be able to get them or not. However, I am not, as a Legislative Assembly Member, going to continually support funds for a project that is going no where. I am here to say that if I were a part of a government, my first interest would be to give homes to these people that they could afford, not to build a project to get me re-elected in the next election. Let us stand on our records, not using these people to get re-elected because in the meantime we are using the country's money that the country cannot afford.

I will now touch on Social Services. That one year that I spent in the Ministry it would seem as if I were superwoman and could have achieved all kinds of things. You know what Mr. Speaker, I am here to list today the things that have been achieved in that Ministry in the last three years. They were left there during that one year that I had the opportunity to serve there.

[Inaudible interjection]

Ms. Edna M. Moyle: I did not implement them; I am saying they were there so it is much easier than start-

ing from scratch. You remember the libraries when Julie used to go and open them and you got so upset that you had started them? Same thing! All right?

I refer to the Crisis Centre. I am not here to say that I started the Crisis Centre.

You know, Mr. Speaker, was it Mr. Jim who said that when you throw rocks in the pig-pen the one that squeals the loudest is the one that it hits. That is what is happening here this morning. I never interrupted this man. Ask him to shut up until I am finished!

The Speaker: Continue, Honourable Member.

Hon. W. McKeeva Bush: Mr. Speaker.

The Speaker: The Honourable Leader of Government Business, are you rising on a point of order?

Point of Order

Hon. W. McKeeva Bush: Yes, Sir. I think I have to rise on the language that is being used. No one on this side of the House is a pig and it is not right for that lady Member to say that. I understand the back and forth that is going on, Sir, but I draw the Chair's attention to that type of language.

The Speaker: I think it is a very good point made. As I said, I know that this is a very emotional period in our political session; that it is the election year, but I would ask that we try to contain our language to a more civilised situation so that we are not directly insulting anyone. I have heard that phrase used before and I think it is in the *Hansard* but I would ask that we desist from using it.

Please continue Honourable Member.

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

As I was saying, there was a plan for the Crisis Centre when I went into the Ministry—I guess if I use another word here now of what took place in 2001 I am going to be asked to withdraw that so I will say, 'after what took place in 2001'. It was a priority in that Ministry and this entire country knows that in 1995 it was Edna who piloted Private Member's Motion No. 1/95 to set up a women's affairs office within one of the Ministries. If we go back to the *Hansard* debate on that Motion, a place of safety for women was in the debate on that Motion that every Member of Parliament accepted without change to anything.

Retooling of persons on temporary financial assistance was what I was having the Permanent Secretary in the Ministry look into, along with the Director of Social Services. The facility for the Sunrise Centre was a disgrace; I left funds in the Budget to rent a larger facility, which was followed through. Community officers in the district and social workers in the schools; if the Honourable Minister of Education was present he could bear me out that a meeting took place between him, his Permanent Secretary, the Chief Education officer, the Director of Social Services, the Assistant Permanent Secretary in the Ministry of Community Affairs, and myself, because there is a dire need for social workers in our primary schools. I do not believe the answer is going to be using the social workers who need to deal with other matters in the district, in the schools. There should be educational social workers because—Mr. Speaker, I have been privy to this—the anti-social behaviour in the primary schools in this country leaves a lot to be desired. We can put in place as many programmes as we want and spend as much money as we want, but if we do not nip that anti-social behaviour in the bud in our primary schools it is too late when they reach George Hicks and John Gray.

We heard about the Children and Youth Services Foundation (CAYS). I congratulate the Minister on setting up the CAYS Foundation but the question that begs to be asked is why it is that the first Chairman of the CAYS Foundation relinquished his position? It is my understanding—and I am sure the Honourable Minister will get up on a point of order if I am not correct—that the entire Board has resigned because they were requested to fire the Chairman.

How are we going to achieve if we are going to constantly be changing the people who are trying to deal with these problems? We are compounding the problems if we continue to take these things. Mr. Speaker, the country needs to know why we got the land that was purchased in East End sometime ago. We heard we had to get this property, it had so many fruit trees on it and it had this and it had that, saying that all Members of this Assembly are interested in the welfare of our juveniles who need help.

The Speaker: Honourable Member, if you are going on to another subject perhaps this is a convenient spot to take the luncheon break. As I mentioned earlier, we will return in one hour sharp so that we can reconvene at 2 pm as we plan to do a suspension at 3 pm to reconvene again at 6 pm and continue until 10 pm tonight if that is necessary. Thank you.

Proceedings suspended at 1.01 pm

Proceedings resumed at 2.14 pm

The Speaker: Please be seated. Proceedings are resumed. The Honourable Member for North Side continuing her debate.

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

Before I pick up where I left off when we took the luncheon break, I think in my debate where I said $14 million was for 100 houses that should have been 200 houses.

Sometime ago, this Honourable House approved funds for the purchase of property in the district of East End for a programme to be known as the Wilderness Programme. This programme was for the

juveniles in these Islands. I now question what has happened to this programme? How many juveniles are at that programme? How many have achieved from that programme and how many have not? The country needs to know what programmes are in place at Bonaventure Boys Home for the rehabilitation of the young people being held there. I wonder if we are only providing a babysitting service for these juveniles who need serious help.

You, Mr. Speaker, on many occasions in this House, since I was removed from Executive Council, have heard various Members say that nothing was achieved in the Ministry when I held that position but I am here to say today that the biggest mistake that the United Democratic Party made, as far as the juveniles of these Islands are concerned was when they closed Cayman Islands Marine Institute (CIMI). I have to say that when I was given responsibility for that Ministry CIMI was in disrepair. There were no programmes; the kids would run away; nobody would go and look for them. I made it my business to visit the American Marine Institute in Tampa that was providing us with that service and I sat with them and said I wanted someone in charge of the Cayman Islands Marine Institute that would deal with our juvenile problem. They sent a gentleman, I do not recall his surname, but his first name was Dan and, if the Government does not believe what I am saying they can sit with the Director of Social Services; that programme improved tremendously! That young man came to these Islands and got involved with the juveniles. I think it was the greatest increase of juveniles being sent to that facility by the courts in many years. He got involved to the point that if a child left, that child was found and returned to the Cayman Islands Marine Institute because of the relationship he had with the police.

I am of the opinion that no such programmes now exists at the Bonaventure Boys Home. If I am wrong I will be happy to apologise because the juveniles of this country together with our good youth are the future of the Cayman Islands.

We hear of Eagle House on the grounds of Her Majesty's Northward Prison. Whether the Honourable Minister or the Government wants to believe that because this is a separate facility, the stigma of Northward Prison is not going to be with those juveniles for the rest of their lives, they are sadly mistaken.

When I was the Minister we knew that we had to find a facility in a hurry for our juveniles because the downtown and West Bay lock-ups were unfit for human beings, much less juveniles. Therefore, the Social Services Department and the Ministry got together, and I believe the Ministry of Education was involved, but I may be wrong. We got a plan drawn for Orchid House which was going to be a facility where the children would be educated, it would have been on the property next to Fairbanks, but that was squashed because it was going to cost too much to operate it.

When I look at the description under rehabilitation, development and education in the Budget of juvenile offenders it reads, and I quote: "**To provide prisoners with individual and group counselling …"** Yet they are telling me these juveniles will not have the stigma of being known as prisoners, and yet the Government, in the description, tells me it is: **"To provide prisoners with individual and group counselling …"** I do not claim to be any accountant and I would not take that profession from the honourable accountants in this country, but in my opinion the sum of $177,461 is a laugh to operate Eagle House with the proper staff members required for a juvenile facility. We cannot use prison officers from the adult prison; they have been trained to deal with adult prisoners. These officers that will be dealing with the juveniles at Eagle House must have the necessary qualifications. I believe that the only member of staff at Eagle House—I may be wrong and if I am, I apologise—who has had any training at facilities of this type for the rehabilitation of juveniles is the lady who now heads that facility.

My next question is: What community developments will be taking place in the district? Before I move on to that my Honourable colleague has reminded me—where is the juvenile facility that will house young girls? It has been stated that Eagle House is only to house male juveniles. I go back to the community officers. I remember when the National Team was putting in place community officers for the districts; at one point there was some discussion about using the community officer for Bodden Town for the district of North Side.

The Speaker: Just a minute Honourable Member.

I will ask Members to please keep the discussion very low as it is a small room and it is feeding throughout the room and disrupting the proceedings.

Thank you very much. Please continue.

Ms. Edna M. Moyle: I met with the Honourable Minister responsible for Social Services at that time, my colleague, the Third Elected Member for Bodden Town, and the district of North Side was provided with a community officer. We are now being told that these community officers will be at the housing scheme — I want to make it clear before I am accused. I understand that there is a deed in the housing scheme for community officers but we cannot allow, particularly, the eastern districts to be without a community officer even though we will have social workers in Bodden Town. The presence of that community officer in the district is very important because it is time that we started to empower our communities.

I now ask a question on the Housing Scheme. On page 536 of the Purchase Agreement it says to me: **"Provision of a grant to fund the administrative and management services to monitor the implementation of the Government Guaranteed Housing Scheme and the Affordable Housing Pro-**

gramme. Quantity: number of management staff: 2. Quality: a qualified chairman of the Trust: 90-100%: for a cost of $250,000." I need to know what are the qualifications of the Chairman, whoever that may be, of the National Housing Trust, to require this type of salary, as I do not have a clue. Are there other things included in this $250,000?

I would now like to move on to the Annual Estimates under the heading: **"Central George Town Community Projects. Description: Provision of youth and community programmes based on the Rehoboth's Action Plan and including the provision of the Scranton Programme."**

Appearing in the Budget is a figure of $300,000. Forecast for 2003/2004 was $286,000. My question is, in Finance Committee on the last Budget a Member of the Opposition, I think it was the Honourable Member for East End who saw a figure of $241,000 for the same Central George Town Community Projects. When this was questioned it was said that it was a computer glitch. I would like for it to now be explained: Why is the forecast for 2003/2004 in this Budget quoted $286,000 and it is going to be increased to $300,000? I ask the question because as a representative in this Legislative Assembly, I need to know in order for me to vote these funds. What is the Rehoboth action plan? I do not have a clue!

[Inaudible interjection]

The Speaker: Order.

Ms. Edna M. Moyle: The reason I now ask this question; I have heard of transparency, accountability and openness.

The Rotary Club of Grand Cayman was on CITN advertising its Meals on Wheels through the same community programme. We need to know what the Rotary's contribution is to Meals on Wheels; what the Government's contribution is; who are the qualified personnel, the recognised institutions, and how many are in the adult literacy programme. We need to know if any parents pay for the after-school programmes and how much, and the reason for the specialty visits to four persons per week.

These are the questions that need to be answered and the Honourable Minister is whispering across to my colleague about Ms. Lucille Seymour writing this for me. I need to make him understand, you should be the first one because it is your sister who operates the Rehoboth Ministries. Let it be transparent alright!

[Inaudible interjection]

The Speaker: Honourable Member, please continue.

Ms. Edna M. Moyle: When we look under that same heading we see that a community development officer is to be provided by the Department of Youth, Sports, and Community Development, which will also be providing the recreational and educational programmes included in the $110,639. My question is: Is the salary of this Community Development Officer being paid from that sum or is this being paid otherwise?

We heard a lot said about sports and I agree that sports can be a positive force on young people because I have been there. Yet, in this Budget I have looked and there is very little to assist the young people of the eastern districts to reach their potential in any sport. I particularly mention the district of North Side; it is the only district that has not had a coach provided over the past year.

We must understand that when you try to punish me through lack of facilities for the young people; when you do not allow them to develop their potential as in any other district in the Island, it is not me that you are punishing. I particularly mention swimming; it is a fast growing sport but there is not one primary school child, to my knowledge, in the eastern districts who is able to travel to the Lions Pool to reap the benefits of the services offered there.

I would love to have seen in this Budget, at least, a small sum that the Ministry would have been looking into the possibility of providing those young people in those districts with a swimming pool and not only the young people, but there are many adults who cannot swim. I guess it is because I am a Member of the Opposition and so is the Member for East End.

I have made mention to the Honourable Minister responsible for Sports, if he recalls. When we look at the photograph of our swimming team going to CARIFTA, and I am proud of those young people and I would particularly like to make mention of Shawn Fraser who has now qualified for the Olympics. However, there is not one Government primary school child in that number of children! There is not one George Hicks, if we want to go that far. There was one John Gray and one Triple C, so it has to be that we need to allow these primary school children to develop their potential.

I now come to the end of my debate, but I spent until 1 am trying to find that figure in the Budget that used to be there from when the Honourable Leader of Government Business was responsible for senior citizens and social services. There was a figure and there were plans drawn up for a facility for the district of North Side because the senior citizens of that district are in East End and at The Pines. I wonder why that figure has now been removed. It is a genuine need in the district of North Side for a facility for the senior citizens.

When we come to Finance Committee, I hope that the Minister of Education will be in a position to identify that enough funds are in the Budget to provide the North Side Primary School with the full number of teachers. We can no longer deal with double classes. I will also be looking to that Minister, if there are funds, because I have requested for a bus for the North Side Primary School. In 1993 when the National Team was

in Government the North Side Primary School returned the reception class to the school and it has been growing and has now outgrown the bus that it has. To transport those children to sports day at the Truman Bodden Sports Complex it takes two buses. I have spoken to the Honourable Minister and I look forward to him identifying in the Budget funds for a North Side school bus.

I am calling on the United Democratic Party Government that should there be discussions with the Minister of Health on the use of the old North Side Clinic as a resource centre for the people of North Side, and this building can be used, that they will provide the necessary funds for the renovation. This is a facility that is sadly lacking and the young people have now come on board and are searching for a place to house computers that they have asked companies who are changing their systems to donate and have been donated.

That brings me to the end of my contribution and my contribution has asked many questions and I look forward to receiving answers to these very important questions on the social aspects and particularly, the housing scheme in these Islands.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? The third and last call! Does any other Member wish to speak?

The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I understood that the house would be adjourning . . .

The Speaker: At 3 pm.

Mr. Alden M. McLaughlin, Jr.: The funeral starts at 3 pm and I am a participant in it, as was indicated.

The Speaker: Honourable Members, I think the Member has raised a reasonable point. If it starts at three o'clock then he would need a little advance time to get to the funeral if he is a participant. Perhaps someone else would wish to speak. We have 22 minutes remaining.

The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, we want to accommodate and that is why we took the break at this time to accommodate the Opposition who is going to this funeral, and if the Member is going to speak he should say that and then we will adjourn.

The Speaker: Is it the intention of the Honourable Second Elected Member to speak? My understanding is that he would speak when we return at 6 pm.

[Inaudible interjections]

The Speaker: Honourable Members, please work with me on this. Is it the understanding Second Elected Member that you will speak when we return at 6 pm? Alright, if that is the wish we will take the suspension at this time to return at 10 minutes to 6 pm so that we can start precisely at 6 pm. Thank you.

Proceedings suspended at 2.40 pm

Proceedings resumed at 6.07 pm

The Speaker: Please be seated. Proceedings are resumed.

I recognise the Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker.

As I rise to offer my contribution for the fifth time in this Honourable House on the Budget of this country, I find it necessary to reflect and perhaps lament on the process. It is now 10 minutes past six and if this process of debating the Budget is to be something more than some ritualistic exercise it ought to be done in circumstances which the country is able to hear what its elected representatives are saying.

I note, Mr. Speaker, that there is not a single member of the press present. That is a situation which should not obtain, particularly, in relation to a matter so critical, as a debate on the country's Budget. We are here in circumstances, as far as I am aware, which have never occurred before, where not even a proper Budget session or meeting of the House was called.

Suspension of Standing Order 10(2)

The Speaker: I wonder if I could just interrupt the Honourable Member. Procedurally we should have called on the Leader of Government Business to suspend Standing Order 10(2) so that we can continue business beyond the hour of 4.30 pm.

Hon. W. McKeeva Bush: Mr. Speaker, I move for suspension of Standing Orders in order to take business after 4.30 pm.

The Speaker: The question is that Standing Order 10 (2) be suspended in order for us to continue proceedings of the House.

All those in favour, please say Aye. Those against, No.

Ayes.

Agreed: Standing Order 10(2) suspended to allow proceedings to continue beyond the hour of 4.30 pm.

The Speaker: Second Elected Member for George Town, please continue.

Mr. Alden M. McLaughlin, Jr.: Thank you Mr. Speaker.

That exercise just underlined the point I was seeking to make; that the business of this Honourable House is ordinarily conducted between the hours of 10am and 4.30 pm.

Now, Mr. Speaker, I am not, for a moment, afraid of hard work or late hours. I am a nocturnal creature by nature. I do my best work late into the night; it has always been my way. That is not the point! If this Legislative and debate process is to be accorded the respect that it is due, it ought to be conducted in circumstances in which people have an opportunity to see and listen to what is being said about the country's affairs.

Now, everywhere I go Mr. Speaker people say to me: *"I heard you all on the radio last night but I couldn't stay up till 11-12 o'clock to hear what was being said."* That is what we do to the process. That is how we deprive the people who we are elected to represent—of access to what their elected representatives are saying when we do things like this. As the Honourable Leader of the Opposition said, I take succour from the fact that the end is in sight and hasten the 17th November.

This process, this ritual, in my respectful view, is what this has been reduced to. What we are now going through is something which is in entirely irrelevant to what the people in this country are feeling, seeing, hearing and experiencing.

The Budget produced by this Government suffers from a real disconnection from the reality we live in Cayman. The Honourable Third Official Member and the Honourable Leader of Government Business combined have presented, what one of my constituents has said to me, a Glass House Budget.

The Honourable Third Official Member devoted much of his address to explaining the benefits of the new system of accounting, which the Government now employs. It is a good system, Mr. Speaker. I am not suggesting otherwise. However, as far as the average person in the street is concerned they could not care less. What they want to know is what the Government is doing about the things that matter to their day-to-day existence.

I cannot help but to also say that with all of the aplomb with which the Honourable Third Official Member spoke about, this new system, and how he lauded the Leader of Government Business for his contribution to the exercise, I cannot help but reflect on what the Honourable Leader of Government, as he now is, said about this same system for which credit is now being given to him. When the issue was first floated some years ago, it was by the now Honourable Minister of Education and the now Honourable Minster of Health and the now Leader of the Opposition. We will see, Mr. Speaker, who really promoted this system and who really ought to be given credit for persevering to see it through.

On the 15th September, 1995 as recorded in the *Official Hansard Report* of this Honourable House for that year, on page 714, the Honourable Leader of Government Business, as he now is, had this to say: **"I think Honourable Members on the Government side who have spoken have clarified well what we are doing and what has already been done. I agree with them that we do not need to incorporate what they are asking us to do."** That, Mr. Speaker, became known as the Financial Management Initiative (FMI).

"The Honourable Financial Secretary has said that a new reporting system is to come mid-year but that it is already in the works.

"Why should we pick up on a law that is more complex, which is predicated on a different economic and political structure, where you have a Minister of Finance rather than a Financial Secretary who is a civil servant, and seek to implement it here in the Cayman Islands? I say we already have mechanisms in place, and continuing to develop these to suit our own environment is what is most needed.

"So to sum up, I cannot agree with Motion. It is just another way for the Opposition to try to give themselves credit, saying that the country's finances are awry and that we need these sort of systems in place to keep politicians in check. They have amended that by saying that you do not know what you are going to get in the future. That is true, but I do not believe that we can incorporate what they are asking for, and it would not do us any good in our present system."

He went on to say: **"The Motion itself does not make any sense because it asks us to introduce something similar to the Fiscal Responsibility Act of New Zealand, and it says nothing about the companion Bill that would need to put in place if we were to accede to what they want us to do.**

"Thank you very much, Madam Speaker. I thank the House for their time. I do not believe the Motion makes any sense other than what the Third Official Member said we needed to do, and he already has that in hand."

So Mr. Speaker—

The Speaker: Would the Honourable Member please let me have the date of that extract from the *Hansard*.

Mr. Alden M. McLaughlin, Jr.: 15 September 1995, Sir.

The Speaker: Thank you so much.

Mr. Alden M. McLaughlin, Jr.: So, Mr. Speaker, the much maligned Leader of the Opposition of whom all manner of evil has been spoken in this Honourable House and outside its confines, is not as quite as be-

reft of vision as some, in particular the Leader of Government Business, would like it to appear.

Mr. Speaker, it now seems, as it has on a number of occasions in the recent and not so recent past, that the Honourable Leader of Government Business has seen the error of his ways pointed out to him by persons like the Honourable Leader of the Opposition. He now applauds this process, boasts about the fact that it has come to be under the United Democratic Party Government, conveniently leaving out in the process that the Bill, which gives life to this was brought to this House under the leadership of the now Honourable Leader of the Opposition, my colleague, the First Elected Member for George Town. However that, Mr. Speaker, is another example not cited when the long list of 'un-achievements' is conveniently trotted out by the United Democratic Party Government and its Back Bench supporters. However, as has happened more than once in these past two and a half years, the country comes to know eventually the truth and in this election year we shall all come to know the real reasons why the Honourable Leader of the Opposition sits where he now sits.

This Budget seems to ignore the apathy and cynicism and seeming indifference that the public perceives Government has in relation to matters of governance, often manifested within this very Chamber. The delivery of the Budget Address and the companion Policy Statement is a prime example. The Honourable Leader of Government Business paid us a courtesy call read from a prepared script in transit to parts unknown to which he then departed. Sufficient respect for the process was not even accorded so that Members of the Government and its supporting Back Bench and the Leader of Government Business would present themselves in numbers to hear the response of the Honourable Leader of the Opposition, which was delivered last Wednesday. There were occasions when the Honourable Leader of the Opposition was presenting the official reply of the Opposition, when less than three of the elected Members of the Government and its supporting Back Bench were present in this Chamber.

You see, what we say does not matter, as far as they are concerned, because, as I said, this is merely a ritualistic exercise; the Government has decided what it is that it is going to do and that is it. Then Mr. Speaker, the Honourable Minister of Community Affairs has the audacity to stand and repeat over and over like a mantra: *"What is the Opposition saying?"* Had he been sitting here, perhaps he would have heard.

The Honourable Leader of the Opposition, my colleague, the Third Elected Member for George Town, and the Member for North Side have all spoken at considerable length and in considerable detail about a number of issues. I am not intending to traverse that ground in any detail. However, there are a number of postscripts I believe I ought to add in addition to dealing with a number of substantive issues, which were not covered by my Honourable colleagues. I regret that it does not appear that my Honourable colleague, the Elected Member for East End, will have an opportunity to debate the Budget Address and Policy Statements, as he is really quite ill and could not be here today and I understand will have to travel to Miami tomorrow for medical attention. I may, if time permits, take the opportunity to say a few things about one or two aspects, which he was intending to cover, in particular, this whole question of the port at Half Moon Bay.

I really must say something about this whole question of the Affordable Housing Initiative. The Honourable Minister of Community Affairs has said in this Honourable House (I cannot say he has said it elsewhere because I have not heard him, or I have not had it reported to me that he said it elsewhere) in my presence that the Opposition, and in particular, the George Town Members, are doing everything they can to sabotage his Affordable Housing Initiative. That derives principally because of concerns we have expressed about the way the whole project is being organised, administered and the number of black holes existing in the information that has been forthcoming from that Honourable Minister's Ministry in relation to this project. I know that the Honourable Minister for Community Affairs will say, as he often has, that we do not want to see poor people get anything and that is why we are crying down his project and he wants to make sure that poor people get a roof over their heads, and that sort of thing.

I know that although he did not know me very well before I entered politics, and was ultimately elected to this Honourable House some three and a half years ago, the Honourable Minister knows me well enough that, whatever he may say publicly, I do care deeply about the social issues in this country and about providing the best possible life for the people I was elected to represent. He knows that. However, we all have a duty in this Honourable House and the Opposition has theirs, and it is to question what it is the Government is doing or is not doing, as the case may be. I am one who believes firmly in following due process. Therefore, the initial questions I had about the project related to that and the concerns have now extended quite beyond that concern.

When you hear him talking about we need to think beyond marl and fill, the issues go way beyond marl and fill. To be precise, the Finance Committee of this Honourable House has approved a guarantee of $24 million for this project. The objective of which is to ensure that those who need it and those who cannot afford access to other housing have the opportunity to get for themselves their own place where they can live in decency and with pride at a price they can afford. Nothing the Honourable Member has said in this Honourable House or elsewhere within my earshot convinces me that this project is achieving any of those objectives.

The Honourable Minister said to this House in February 2002 that 200 houses would be delivered in 12 months. To be best of my knowledge not one house has been delivered thus far. Not one! There are concerns that have been expressed to me by members of the community about the standard of these houses.

The Honourable Elected Member for North Side referred to rusting. I have had similar reports. I have been to the Windsor Park site on a number of occasions and have seen that certain work is being carried out there. I did not have access within the houses so I cannot say what was inside or what has been done to correct these things if they did exist. I have not actually seen them rusting with my own eyes. If it were not I would say so, otherwise I am not going to pretend I saw something I did not see.

I also understand there were concerns about the structural integrity of the initial tranche of houses that were constructed and that a new engineering process or system has now been employed in relation to the others.

It behoves the Honourable Minister to tell all and sundry what the true situation is. I also understand that the cost, if I remember correctly, initially proposed was $48,000 for two bedrooms and $59,000 for two bedrooms with a study, which is, essentially three bedrooms.

I understand now, Mr. Speaker, from a number of sources—although the amounts I have been told have conflicted so I am not going to state any of them because obviously some of them are not right—the proposed costs of the houses have now increased significantly. Are these houses going to be affordable or not; affordable in the sense that persons who would not otherwise be able to purchase a home in the conventional way through getting a mortgage from a bank are going to be able to afford them? That is the question that ought to be answered.

I also understand that the whole question of the administration of the National Housing and Community Development Trust (NHCDT) is another real issue, and that the administration of this whole thing is in chaos. I understand from sources that the Minister himself is Chairman of the NHCDT. The Honourable Minister ought to tell us because if that is the case I think it is a huge error. I can say to the Honourable Minister that I could never support a situation where the Minister chairs a board that should be reporting to him. What is the point of having the Board? The way the system should work is that you have a board which is supposed to follow the broad policy framework that is set out by the Minister. The Minister appoints people with good judgement and relevant experience to carry out that function. However, the Minister ought not to be the Board otherwise the whole reporting system, the checks and balances that are inherent if it is properly followed, simply does not apply.

I have to speculate that a large part of the problems with being able to deliver even one house to the people of this community relate to those administrative issues. My sources tell me there is huge dissent on the Board and the Minister insists on running the show himself to the point where various Board Members have been thinking about quitting. What is the point? One of them said to me: "*We simply come here to be told by the Honourable Minister what it is he wants done."* The Minister should explain what is transpiring in relation to the administration of the Housing Development Trust. There is CI$24 million at stake.

There is another problem that I have with the way this whole affordable housing initiative is being developed and run, and I can say that a People's Progressive Movement (PPM) administration would not do it this way. When this question of providing affordable housing was mooted, it was at a time when the domestic economy of these Islands was pretty poor; there were many people involved in the construction industry who were simply out of work. We are talking about two and three bedroom houses—I am sure the Minister will correct me if I am wrong—900 and 1200 square feet, all of which are a very similar design if not exact. You are building off a template. The grand plan is 400 houses.

I do not know who it would take to convince me that we do not have the expertise, personnel and the desire within the construction industry in these Islands for local contractors to produce those homes at a price, which would be better than they are now going to be sold to potential purchasers. It never went out to tender. No local contractor ever had an opportunity to participate in this or to even tell the Government what they could do the job for.

I remember the Honourable Minister saying at the time—I cannot recall if it was on the Floor of this Honourable House, but certainly in my presence—that the objective of this exercise was not to create employment and work but to produce houses. Now, Mr. Speaker, where the Honourable Minister and by extension, the Government's philosophy departs from that of a PPM administration is this: there should be a symbiotic relationship between the two. We should have a situation which benefits the local populace all around with local contractors getting the jobs and local people doing the work thereby producing homes for our own people.

I recall one of the compelling reasons put forward as to why that was necessary: Mr. Speaker, because the Honourable Minister felt that the timeline, production and delivery of these houses were so short that he had to be able to have the assurance that they could be done within the time frame, which he said then was 12 months from February 2002. Well, there is no test like the test of time. Those who were contracted—I can never say the name correctly—I think it is Vetromeccaniche, some Italian outfit. I do not know what the contract said; I do not know whether the con-

tract required production by February 2003 or not and I do not know whether the Government is in breech of the contract or not. I have heard rumours that the Government is going to be sued but it is pure rumour, but again, I ask the Honourable Minister to address that.

What we do know is that as at this moment, 19 May 2004, not one single house has yet been delivered. That much we know. So, who is truly benefiting from this exercise? Are the persons for whom these homes were intended going to benefit as a result of this? I trust the contractors are benefiting.

The Honourable Minister has spoken about developing communities. I do not know that I agree entirely with his commune approach to these things but I do know and agree with this aspect of what he says he is proposing to do (as yet we have seen little evidence that it is happening), that the persons who should be taking residence in these places will need the support of community officers and of the Social Services system. There is no question about that but my sources tell me that the extent of what is being proposed now are simply the establishment of a nursery and a Laundromat at each of these sites. There are no other social programmes that have been mooted or developed, or any where near close to being able to be delivered when the houses, hopefully some time soon, are delivered.

The Honourable Elected Member for North Side pointed to $250,000 in the Budget for the administration of the National Housing and Community Development Trust. Whether that is simply to fund the salaries of the professional Chairman, and I am presuming by that point the Honourable Minister will have—

Dr. the Hon. Frank S. McField: Mr. Speaker.

The Speaker: Are you rising on a point of order?

Point of Order

Dr. the Hon. Frank S. McField: I am rising on a point of order.

The Speaker: Please state your point of order.

Dr. the Hon. Frank S. McField: Mr. Speaker, the deliberate attempt here is to mislead this honourable House to think that I, as the Chairman, am to benefit financially on this $250,000. The Member for North Side made that suggestion this morning and I would just like the Second Elected Member for George Town to read the Purchase Agreements correctly. He knows that is not the case. So, there is no reason why he should be suggesting anything about salaries for the professional Chairman.

The Speaker: Honourable Minister, that is an explanation to what the Honourable Second Elected Member for George Town raised. However, I think it is sufficient explanation to provide the person on the Floor now with the information in regard to the $250,000 that it is not in regard to the salary of the Chairman. However, he did not provide any further details on the breakdown of that. Perhaps he could do that in due course.

Dr. the Hon. Frank S. McField: Mr. Speaker, just to note that I was at my office just now and I am told that this is the way the Purchase Agreements are written.

The Speaker: Thank you very much Honourable Minister.

Honourable Second Elected Member for George Town, would you please continue.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, just to make two points. I was not for a moment seeking to suggest that the Honourable Minister himself was going to get this salary at all. If I conveyed that impression I apologise and I withdraw that. I was simply referring to what is contained in the Purchase Agreements for Statutory Authorities, Government Companies and Non-Governmental Output Suppliers. If you would be so good, Sir, to give me a moment I will turn to the relevant page so I can read what it says.

The Speaker: Please continue.

Mr. Alden M. McLaughlin, Jr.: Thank you, Sir. *[Pause]* Mr. Speaker, I will not delay proceedings in this Honourable House any longer. I have asked the Elected Member for North Side to try to find it and I will move on to another point until it is found.

The Speaker: Please continue.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, there are two persons employed for the administration of the Trust. Again, perhaps the Honourable Minister at some point can explain in detail. I know he does not like this and I have to ask the whole world to forgive me but I am a person who believes both God and the devil are in the details. Perhaps I can be forgiven for insisting on some detail in relation to what I am about to say.

As I understand it these houses are to form part of a strata or various strata. They are to be owned by the Trust and are then to be conveyed in some way or another to potential owners. I am not sure whether it is outright ownership; some sort of lease arrangement or whether these people will hold the property on some sort of trust and that the property will then revert to the National Housing and Community Development Trust upon their demise. I am not sure whether or not they will have the ability once they have come to own these properties to sell them or bequeath them in the way one normally would expect; that is another question I believe the Honour-

able Minister would really assist all to understand better of this process—

The Speaker: Honourable Member, I just want to make a point here. You will have another opportunity to raise these issues in Finance Committee. At this point I know that Standing Order 63(2) speaks to this, that the debate shall be confined to the financial and economic state of the Islands and general principles of Government policy and administration, as indicated by the Bill and the estimates. I do not think that the intention is to get answers during debate so I would ask that the Honourable Minister take notes of these points that are being raised and in Finance Committee you can deal with these in further detail.

Thank you. Please continue, Honourable Second Elected Member.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I do not intend to belabour this issue much longer because there are other aspects of the Budget and the Policy Statement that I wish to address. I will conclude by dealing with the point to which the Honourable Minister took exception.

On page 536 of the Purchase Agreements for Statutory Authorities, Government Companies and Non Governmental Output Supplier for the year ended 30 June 2005, there appears under the Purchase Agreement between the Cabinet of the Cayman Islands and the National Housing and Community Development Trust. The following says**: "Management of National Housing and Community Development Trust.**

"Description: Provision of a grant to fund the administrative and management services to monitor the implementation of the Government Guaranteed Housing Scheme and the Affordable Housing Programme.

"**Measures.**

"Quantity: number of management staff; two, at present and two projected.

"Quality: Qualified chairman of the Trust.

"Supplier: National Housing and Community Development Trust, Cost: $250,000."

That is where my observation came from and I just want to make it clear that whatever differences I may have with the Honourable Minister for Community Services I am not seeking to suggest anything about him that is untoward—

Dr. the Hon. Frank S. McField: Mr. Speaker, on a point of . . .

The Speaker: Are you rising on a point of order?

Point of Elucidation

Dr. the Hon. Frank S. McField: On a point of elucidation.

The Speaker: On a point of elucidation the speaker may continue speaking. The only time that he must sit is if a point of order is being raised. Therefore, I will ask that the Second Elected Member for George Town continue unless he is being stopped on a point of order.

Dr. the Hon. Frank S. McField: Mr. Speaker, I would like to then rise on a point of order.

The Speaker: What is your point of order please?

Point of Order

Dr. the Hon. Frank S. McField: Mr. Speaker, the Member is misleading the House and I am suggesting that the Member is quite aware of the Ownership Agreement which forms part of the documents that we are referring to. My proof of the fact that he knows is that he is not referring at the same time to page 289 in the Ownership Agreement which deals with the National Housing and Community Development Trust, which states quite clearly to him what is being purchased.

The Speaker: Thank you very much Honourable Minister. I have dealt with the question of points of order being raised under the question of misleading the House. There is no such point of order in our Standing Orders. Unless it can be proven that the misleading of the House is intentional and fraudulent, I would like for Members to desist from using that as a point of order unless that can be proven.

Honourable Second Elected Member for George Town, would you please go to another point and leave that one.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker.

Since I have the Honourable Minister of Community Services squarely in my sights, I might as well pursue this other aspect under this Ministry. That has to do with this whole question of what is called Cayman and Youth Services (CAYS).

The Honourable Minister spent a great deal of time demonstrating all of the wonderful work that he and his Ministry have done in relation to the social uplifting of this country and this community. He pointed with pride to many programmes and achievements, and he spoke with disdain about the efforts that had been made by those who preceded him in that office—in particular my dear colleague, the Elected Member for North Side. He even spoke about CAYS, but what he did not do was tell this honourable House the monumental disaster that CAYS has become.

When the decision was taken to get rid of the Cayman Islands Marine Institute, and those associated with it, and to take the Bonaventure House and the Frances Bodden Girls Home and put them under

one umbrella called by the acronym CAYS, there were many in the communities who had concerns about this. Nonetheless, the Minister is in charge and he is entitled to determine policy—and so he did. However, the understanding that persons associated with it had was that CAYS was going to be created as a legal entity charged by its Articles and Memorandum of Association with responsibility for the welfare of young people. If I remember, its remit was not limited or restricted to Bonaventure House and the Frances Bodden Girls Home.

Here we are, if I am not mistaken, almost two years down the road. As far as I am aware, CAYS, as a legal entity, still does not exist. There was a board appointed by the Minister. I am not sure one could properly call it a board because CAYS was not established as a legal entity. Nevertheless, we will call it an executive committee. Its first Chairman was Mr. Richard Arch; he has since left. We had Mr. Roach, a Chief Executive Officer (CEO) of sorts; he is gone. There was Mrs. Mary Lawrence, I am not quite sure if she was a CEO but she was a certainly a person who acted as though she were in charge; she is gone. Now, Mr. Speaker, a few weeks ago, the entire Board, I gather, has gone. So, who is now in charge of the administration of the boys' and girls' homes in these Islands? I guess the Minister, or the Ministry, or both.

When the Honourable Leader of Government Business stands up on the floor of this House and reads a prepared speech talking about a responsible hand at the implementation tiller he needs to point to these examples of implementation. The whole exercise of the executive must be more than making nice speeches in the House and clapping each other on the shoulder and pounding their own chests about their achievements. To use the expression overused by the Second Elected Member for West Bay, they have to produce evidence that they have done what is necessary and that they have achieved results when the rubber meets the road. When the rubber meets the road is when implementation is required. When you speak about stewardship it is about whether you are getting results. If one person could do the job there would be no need for all of these committees, boards, organisations and other entities, which are charged with the responsibility for various things.

The Minister cannot be all to everything and everyone. If one is going to have the hand on the tiller you have to be able to inspire confidence in those who you lead and charge with responsibility for the execution of the programmes that you have developed. You have to be able to take their advice and not create impasses so that when you disagree with what the board wishes or says, in its good judgment should happen, you refuse to yield and they all leave. That was what happened with CAYS. We are not talking about some bunch of young irresponsible people, we are talking about people, many of whom are charged with pastoral care, like the Reverend Joe Crawford, Pastor Al Ebanks; people with good, sound judgment.

However, the Honourable Minister, as he has already threatened, will say that because the Opposition—and in particular me—takes issue with that management style, that it will cost [us] support in George Town. One of the issues that brought the situation about related to whether the employment of Mr. Michael Myles should continue or not. I know Michael and I like him. I have no idea whether what the Board decided to do was right or wrong but we have to understand when we sit in these responsible roles that we have to get beyond personalities.

In recent years the Honourable Minister was fond of talking about the Honourable Leader of the Opposition and me as '*frien frien government*'. This comes back to a point which I take over and over again with this Government: They are far too ready to depart from established rules and procedures when the going gets a little rough.

[Inaudible interjection]

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I will not even bother to repeat what he said. I will not [give] it that degree of respect.

The whole system falls down when we do not follow procedure and I am not going to read the litany of examples that exists this evening on that front. However, I say with the greatest of sincerity that the problems that have arisen with the administration of the Affordable Housing Initiative; the problems which exist in relation to CAYS, all comes back to that fundamental point because when we have rules everyone should follow them. As soon as you make one exception because it is the Minister then the rules no longer have any strength; no one has any regard or respect for them.

I say to this honourable House and to the people who we, the Opposition, represent in this country—which is everyone—that a PPM administration will respect the rule of law, will have regard to proper process and procedure, will consult and listen to advice. That is a fundamental philosophical difference between the PPM and the UDP (United Democratic Party). The country can decide which they prefer—and they will.

I am not quite through with that Honourable Minister yet. The Honourable Minister said that I had sent the honourable Elected Member for North Side to do my dirty work because I was afraid to deal with him. I know he knows better than that as well, but the Honourable Minister should be ashamed of himself.

We had a situation in George Town in January of last year which traumatised the people who lived in the inner-city areas—flooding. He knows it well because, to give him his due, he was out there like the rest of us and he did, Mr. Speaker, like your good self, use his best endeavours to make the lives of those people as comfortable as he could in those difficult times. However, he sits in the halls of influence and decision. I do not. The Honourable Leader

of the Opposition does not. We brought a Motion to this Honourable House a year ago (graciously accepted by your good self as the Minister responsible) to have an investigation carried out and for steps to be taken to address the problem of flooding in central George Town. Here we are on the start of the rainy season. A report was to be presented; a committee was to be established which would prepare a report. I have not heard, Mr. Speaker, since you demitted the Chair—

The Speaker: Honourable Member, I assume you are going to tie this into the Budget debate.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I can because the Budget is about the allocation of resources.

Our indictment against this Government, which was read by the Honourable Leader of the Opposition, was that the Government's priorities are all skewed. They have allocated the resources of this country to areas and to issues that we believe should take a lower priority in Government's thinking and consideration. Just as we speak about infrastructure, I am speaking to people's lives and existences and homes. As far as I have been able to ascertain, there is not one penny in the Budget allocated to addressing this issue.

What are we going to do?

Are we going to wait until we have another downpour akin to that in January one year ago, and people are put out of their houses, their personal possessions are destroyed and damaged, they are traumatised again and Government has to deploy the Social Services Department and agents to go and help put things back together again? When they talk about all these wonderful social programmes they are not addressing the things that are truly important to people's lives—like where they live.

I am so sorry, Mr. Speaker, that the Honourable Minister of Community Services has left these Chambers because he really needed this lecture.

I move on to another two related subjects, which are near and dear, not just to my heart but the whole PPM philosophy and policy about how one should develop a country and a society. The Honourable Leader of the Opposition spoke at great length and with great passion about the lack of attention and lack of resources allocated in this Budget by this Government over its tenure to technical and vocational training. I am not proposing to spend a great deal of time rehashing any of that.

What I want to talk about is the shortsightedness that is apparent from the Policy Statement of the Honourable Leader of Government Business when he speaks, in his usual vague and general way, about the proposed development of three new 5-star hotels. The whole question of labour, social relations and education in the broad sense are all inextricably linked and it seems to me that this Government has failed to make that connection and they see issues as disjunctive and completely separate.

Let us use an example that is ongoing. We have the Ritz Carlton Hotel which has been the subject of the Lord knows how much controversy, and that is not what this is about. That is for another day, but very soon. It is being built by a foreign developer, principally by foreign labour. I saw a report some time ago saying that the Ritz was applying for a thousand work permits. I will pause here and say who is that development truly benefiting? Aside from certain people including some politicians who are deriving benefits from commissions on the sales of the residences—

The Speaker: Honourable Second Elected Member I would remind you again that we are debating the Budget. I am giving a lot of latitude because this is usually done with the debate of the Budget and the Throne Speech, but I would like for us to focus our attention as closely as possible to the Standing Order 63(2), which I read. Unless you can show how this is tying back into the Budget I would ask that you move on to another subject please. Thank you. Please continue.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, Sir, I am accepting your invitation to refer you specifically to the Policy Statement, which is referred to by the Honourable Third Official Member in his Budget Address. He says that he is dealing with the fiscal matters and the Honourable Leader of Government Business would be dealing with policy matters; that the Budget was two-dimensional so they were taking responsibility for separate aspects of it.

My referral to the three new 5-star hotels comes directly from the Policy Statement of the Honourable Leader of Government Business.

It is at . . . I will give you the page in a minute, Sir.

The Speaker: I recall, so please continue.

Mr. Alden M. McLaughlin, Jr.: Thank you, Sir.

Mr. Speaker, I was saying that the development is foreign owned, the labour is principally foreign labour. If and when it is completed who is going to staff it? How are labour needs going to be met?

That comes back to the position we have taken from the beginning: that development purely for the sake of development is a very bad idea. If every Caymanian was happily employed, the problem would be less of a problem. However, the problem we have is compounded because the educational system—to which we contend sufficient resources are not being allocated—is failing our young people. They are not equipped to take advantage of the employment opportunities which developments such as this offer. We do things like going and buying a property in West Bay some two years ago—it used to be owned by John

Burns, I believe it is called Island House—ostensibly for the development of a hotel training school. I have not heard anything about any training school being developed.

As I said, where are the masons, carpenters, electricians, plumbers and other staff going to come from to construct these three new edifices? We certainly have not in place anything like the kind of technical vocational establishment which would be able to impart to them the necessary skills so that they could seize the advantage of these very lucrative jobs when they come up. Who is going to staff them? We are going to import more people again because our people do not have the wherewithal to take those jobs within the hotels. Our people should not be relegated to the bottom rung in the vocations and trades and that is what the failure of this Government to allocate sufficient funds to technical vocational training and education overall is doing.

When the Honourable Minister of Education spoke, he said (with some degree of pride) that the Government was offering a hundred scholarships a year—which he says is more than what previous governments have done. I agree with him. However, on closer analysis we understand that this is not quite as good as it sounds because many of these scholarships are not four-year academic scholarships. Many of them are for much shorter periods at the Community College. I am not saying it is not good, but it is not quite as good as it sounds. I am approached regularly by young people (and some not so young) in this country who desire the opportunity for further education. They simply cannot afford it. My view is that this country cannot spend too much money on education. I would rather we do not have a $47 million Turtle Farm but we have the kind of educational institutions and the kind of scholarships that we need available to our people.

[Inaudible interjections]

Mr. Alden M. McLaughlin, Jr.: It does not matter, Mr. Speaker, where the money for the Turtle Farm comes from. The same way that the Government can come up with innovative ways to fund that kind of project, they can find ways to fund education if education is a priority—which I contend it is not of the UDP Government. I solemnly promise the people of this country that it will be for a PPM administration.

I want to deal with the question of Health Services, but the Honourable Minister responsible has been operating below the radar for far too long. He almost brought me to tears with his impassioned speech the other day (I think some of it is reported on the front page of today's *Caymanian Compass*), when he said how hard this job was and he has never done anything harder in his life. I almost thought that he was asking for some relief! The 17th of November is not too far away, so I ask him to hold on at least until then.

The Honourable Minister of Health Services has I know, politics apart, worked very hard at this very difficult issue, but again, I come back to what I said in relation to the Honourable Minister of Community Services. When it comes to implementation, despite the claim of having a responsible hand at the implementation tiller, the Government, as a whole, in administering, in particular in this instance, has been tried and found wanting. If you ask anyone in this country whether they believe that the provision of Health Services has improved since the creation of the Health Services Authority (HSA) in July 2002, you will be hard pressed to find one person who says 'yes'. Now, the re-creation of the HSA (because it did exist before—I think the Leader of Government Business remembers that well). We supported and still support the concept of the HSA. The problem has been in some very poor judgment.

To start with, the transitional process was too short. It was rushed as, in my view, has been just about anything that this Government has proposed. The result was resistance from those who work with the provision of Health Services. The decision to cut the number of personnel (as was done in 2002) from 666 to 84 less than that, 582, about 40 per cent of which were Caymanian. The result was an immediate downturn in the quality of service being provided by the Hospital. They were asking significantly less staff to do the same work.

In what I believe was the craziest decision I have ever come across, they put persons in charge of the HSA Board who had not a clue about health services but were going to run it as a business.

Thus, what we had in not quite two years since the HSA was formed, was a pilot at the helm (with him as CEO or Managing Director or whatever), but he had Mr. Lewis Ebanks who is a very successful business man, but as far as I know never had a thing to do with health services before that. Both of them are now history.

We then said, "Well, that is not quite working" so we imported a professional in the person of Mr. Michael Elliot, who was paid a salary that is still the greatest mystery in these Islands. There are conflicting reports that Mr. Elliot himself has quit. Sources close to him have told me that nothing could be further from the truth; that, in fact, the goodly gentleman was off of the Island and returned to find his office door with a new lock on it. I am told that legal proceedings are imminent in relation to his departure from the Health Services Authority.

Lo and behold, in another sensational announcement, we have four new persons at the helm of the HSA who, astonishingly, were always there. It seems that the HSA and the Minister have suddenly awoken two years later and realised that the kind of expertise and ability that they needed in a CEO for the Hospital was actually there already. It is quite an amazing set of events. The Lord only knows—for I am sure this honourable House will never know—how

much money has been shunted down the tube in the fiasco in relation to the HSA over the course of the past two years.

When is the Minister going to realise that you cannot have an HSA Board charged with responsibility for the administration of the Hospital, which does not have the requisite experience, training and background on it, especially if, as I am told, it is a board that micro-manages the Hospital down to the point when someone complains about having to wait too long. In the emergency room you are likely to see the Chairman of the Board come and accost the doctor. The trained medical staff members, many of whom have more degrees than a thermometer, are being told what to do by people who were selling furniture before they were Chairman of the Board. That is what the administration of Health Care in this country has been reduced to.

[Inaudible interjection]

Mr. Alden M. McLaughlin, Jr.: *[response to comment made]* . . . could not even do that properly.

With the greatest of respect and regard for the Honourable Minister, Mr. Speaker, I am not sure who is directing his hand when it is on the tiller in relation to choices about the top staff at the Health Services Authority, or on the Board. However, I do hope that the new group of very able, long-serving persons, all of whom are women, who have recently been appointed, are left to run the Hospital.

The Board needs to understand that its role is about the development of policy and ensuring that its policies are being implemented and results are forthcoming. The Honourable Minister ought to have more than two physicians and persons with medical experience and training on that Board.

In the same way I chided the Honourable Minister of Community Services about his involvement with the NHCDT, I say the same thing to the Honourable Minister of Health. He ought not to be on that Board either. The Board ought to report to the Minister. You cannot have Caesar reporting to Caesar; otherwise you might as well not have the Board. Again, I point out that it is those sorts of fundamental but often overlooked differences in how our PPM administration would operate that separates us from the UDP.

On the decision (which I alluded to earlier) to cut the staff in the way that it was done in 2002, that has been proven by time and experience to be the wrong call. The staff amount was 666 when it was cut in July 2002. Last year's Budget had forecasted a staff complement of 608. The forecast for this year is 624. It is climbing back to the levels we were at in 2002 because someone has finally understood that when you cut the number of professional staff in the radical manner that was done you compromise the quality of service. We are not just talking about waiting time; we are talking about the difference between life and death in many instances.

There is another matter in relation to the Health Services Authority that I have great concerns about. I understand from sources that they now have a full-time lawyer on board. I hope that that is not out of concern for potential liability. I need real convincing that the monies of this country should be allocated to full-time legal representation on the HSA. Lawyers do not come cheap—unless they are like me who now does it for nothing!

In terms of allocation of resources, again we do not believe that enough resources are being allocated to long-term planning in relation to decreasing the incidences of a number of chronic diseases which are rampant in this community: hypertension, diabetes, obesity, cancer and, increasingly, depression. More needs to be spent on educating the population about these conditions. We need more physicians and nurses in the district clinics, we need more to be done in terms of preventative medicine. The department of Public Health ought to be engaged more in country-wide planning and screening for these kinds of chronic conditions.

Sexually transmitted diseases (STDs), is another area which more resources need to be allocated to education. The related subject of teenage pregnancy and promiscuous and very early sexual activity among school children is another area that deserves more of Government's funding.

This whole question about care of the elderly is becoming an increasingly worrying one. An extended care unit was built at the hospital, but space was required for the Women's Health Services. That is a very worthwhile clinic, and I am not suggesting for a moment that we should go and throw them out and return this to an extended care unit. However, it is clear (if you talk to the people at the Pines and to people who have the responsibility for older people in their families) that the Pines is not only almost always full but it is not equipped to deal with persons who have acute and chronic illnesses. The country desperately needs a proper extended care facility to deal with these matters. There are funds in this Budget for it and there ought to be funds in this Budget for it.

The whole question of getting the right people and a sufficient number to fill the various positions required by the Health Services Authority is another issue. There has not been a pathologist at the Hospital since December 2003. There has not been a full-time radiologist since July 2003 until just recently when, remarkably, the HSA rehired the radiologist that they fired in 2002. That is the responsible hand at the implementation tiller at work.

Much has been said about the Cerner (computer) System that was supposed to perform magic and be able to capture all of the expenses and the billings which hitherto had gone uncaught. I think the Government paid somewhere between $5 million and $6 million for that system. The only problem is, all this time down the road, it is still not working properly. The doctors, nurses and the administrative staff are all

complaining and, as importantly if not more importantly, all of the properly billed charges are not being caught.

I now come to CINICO, the Cayman Islands National Insurance Company. We all agree that the situation with the uninsurable in this country is deplorable. We cannot on the one hand have legislation which requires every person to have health insurance and then have a situation whereby a significant sector (in fact, even one person for that matter) of the community is unable to get insurance. So, the Minister is to be lauded for understanding that and seeking to do something about it. However, the issue is that CINICO is being promoted and touted by the Government, the Minister in particular, as being the be-all and the answer to all of the problems in relation to the health care coverage and insurance.

The reality—and this is the point I wish to make in some detail—is that CINICO is really and truly little more than what I shall call a supersonic administrator. It does not do any more. But we hope to marshal the Government's resources and funding put into it in a better way so that, hopefully, we will get a better return on our money and the bleed will be that much less. That is to be commended.

The difficulty I have is the promotion of this idea that somehow because of the creation of CINICO all of Government's funding problems in relation to the provision of health care are going to go away. The reality is that, under the Government policy as promulgated by the Honourable Minister, Government is going to still be responsible for uninsurable persons, indigents, seamen and veterans. Those are dealt with in the Budget by way of Cabinet expenditure and it comes to the tune of some $10 million plus. The reality is that $10 million plus out of the Government's revenue on an annual basis is going to be transferred to CINICO to pay claims by those categories of persons. I am not saying that is a bad thing, but it is a reality.

A further $11 million, or thereabouts, is also allocated in the Budget to pay civil servants' and pensioners' health care costs. Again, I am not suggesting that it should be otherwise however, I wish for no one to come away from this discussion believing that by having created CINICO we have somehow managed to avoid Government's liability for the health care cost of the categories of persons who I have just outlined.

What will happen if it works properly (which pray to God it does) with the introduction of the third party administrator, is that claims will be dealt with more efficiently and we will be able to source the right kind of health care service and provider more ably and thereby will significantly reduce how much it is that Government has to pay out on an annual basis for the provision of these services.

We all need to understand very clearly that almost half of what is allocated in the Budget for the provision of health care goes to pay for the provision of health services to those persons that I have mentioned. The big question for this Government, and perhaps the one to follow that, is: Is this sustainable in the long-term? As the population grows and the number of pensioners, civil servants and indigents increase (I do not think the number of seamen or veterans is likely to increase) we need to know where the money is going to come from to pay for these services. Let none of us believe that CINICO has answered everyone's prayers, it has done some very important things and I acknowledge them and laud the Minister for them; it allows uninsurable persons to get coverage and, hopefully, it will create a more efficient system of processing. However, the fundamental problem about the funding of health care still requires an answer that eludes us all at this stage.

The Speaker: Honourable Member, you have 21 minutes remaining.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker.

I wish to address a couple of issues (one of which was only brought to my attention over the course of this evening) relating to statements made by the Honourable Leader of Government Business in his Policy Statement about the development of ports.

I understand that there was an announcement today that the proposed cruise ship landing in West Bay will not proceed in the manner that had been earlier announced. I am surprised, but perhaps I should not be, that such an announcement was not made in this honourable House so that Members would have been properly apprised of what is clearly a policy change on the part of the Government. Nonetheless, I am trusting that the Honourable Minister, the Leader of Government Business, will in due course apprise this honourable House of what is now being proposed so that we can all have an opportunity to consider the issue and to consult with the electorate about what is now being proposed.

As I said earlier, Mr. Speaker, the Honourable Member for East End is not here, and I know he was chomping at the bit to discuss the alarming proposal in the Policy Statement delivered by the Leader of Government Business that the previously discussed dock or port in Half Moon Bay was to go ahead.

Again, we have heard many rumours about this question; we understand that a major businessman in this community has been involved in the purchase of the property. We understand that it is proposed that a 90-acre lake be excavated in the Half Moon Bay area and that the proposed location of this lake is over the most significant fresh water lense in the country. There are grave concerns about that. We have heard that the fill from this lake is being proposed to be used to fill the Dart project. There are all sorts of rumours that abound and I believe that the Honourable Minister responsible, the Honourable Leader of Government Business, would serve us all well if he shed some light on that.

Although it does not seem to fit neatly within the parameters of the debate on the Budget, I believe I am entitled to refer to the issue of constitutional reform because it appears in the Policy Statement of the Honourable Leader of Government Business, which is part of the Budget according to what the Honourable Third Official Member said.

The Honourable Leader of Government Business has said some important things about constitutional reform on page 16 of his Policy Statement. I do not think that any of us on this side will take issue with what he said in that regard. He said that the UDP has no desire to break the links with Britain or to seek independence. We welcome that assurance.

[Certain words were ordered by the Honourable Speaker to be expunged from the record]

The Speaker: Please continue, Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker.

According to the Leader of Government Business, the UDP also aims for a more progressive partnership with the United Kingdom. Again, we agree with that. He refers at length to the impact of Europe on the UK and consequently on our relations. We also acknowledge and reflect those concerns.

Where I believe we have to part company with the UDP Government, based on recent experiences, is that we believe whatever constitutional arrangement is ultimately arrived at; whatever form our constitution eventually takes here ought to be something that is embraced by the nation as a whole. It ought not to be something that is imposed on the people by their elected government. There must be opportunity for participation of the people in that decision process. Again, fundamentally, this is where we differ from the UDP. We believe that the days of a Lone Ranger government that operates within a vacuum advised by an elite group of people are over.

Criticisms have been hurled at the Leader of the Opposition because of his willingness and desire for real consultation, and by that I mean consultation that takes place before a decision is taken,—

[Inaudible interjection]

Mr. Alden M. McLaughlin Jr.: . . .not consultation which is entered into after the decision is taken—

The Speaker: Order.

Mr. Alden M. McLaughlin, Jr.: . . .an attempt to create the impression that everyone is on board, as what happened recently with the EU Savings Directive.

The process, Mr. Speaker, must allow for the people of this country to have a say in the governing of the affairs of this country, not to simply be a group to whom we report in the months before an election saying: *"See what a good job I did, please vote for me again."*

What the PPM has been espousing for the past two and a half years is a consultative process, one which allows the people to have a say in the critical decision-making in relation to policy matters on a broad level all the way through the tenure of office. That is what our PPM will bring to this country, an age of enlightenment. That is what this whole exercise is about, and that is what we have devoted the past two and a half years to creating and developing. God willing, that is what this country will rush to embrace come 17 November this year.

I thank you, Mr. Speaker.

The Speaker: Thank you.

Honourable Members, I think this may be a good time to take a 10 minute break.

Proceedings suspended 8.04 pm

Proceedings resumed 8.34 pm

The Speaker: Please be seated. Proceedings are resumed. Does any other Member wish to speak?

The Second Elected Member for Cayman Brac and Little Cayman.

Mr. Lyndon L. Martin: Thank you, Mr. Speaker.

I, too, would like to make a short contribution to this Budget before this Honourable House. I assure the Members of the Legislative Assembly it will be short, as is my normal fashion.

I am a founding member of the Untied Democratic Party. I seconded the Motion that created this Government. In deliberating over this Budget I looked back over the past two and a half years and I feel good about the decision I made. It was the right decision for this country and the evidence is in what we are able to produce and deliver two and a half years later.

If you read the Hansard in 2001, every Member in this House spoke of the inherited financial position of this country. Every Member spoke of the need for correcting the finances, priorities, and way of governance for this country. However, it is the United Democratic Party who can take pride in saying that we have delivered and brought about positive change and a balanced Budge; in fact, a budget with a surplus. Mr. Speaker, in doing so we had to carefully plan, not just for one or two years but we took a long-range plan and understood all the needs of this country and the priorities. Therefore, it must be understood that to deliver them you must first correct the financial position of the country to ensure that we are able to provide for our people without taxing them.

In 2004, two and a half years later, we are producing the Budget that is delivering products, projects and programmes to our people without the ne-

cessity of taxing them at the same time. No increased taxation. I commend the United Democratic Party Government, the supporting Ministers and Back Benchers and the entire ranks of the UDP for a job well done in such a short time frame.

During the contribution made by the Leader of the Opposition, Leader of the PPM, he spoke about the noticeable differences in philosophies between the PPM and UDP. That is true and as time goes on we are able to see and differentiate between these two groups, and that is good. The polarisation of ideas will aide the electorate come 17th November 2004 to make a well-informed decision. In the same contribution made by the Leader of the Opposition he talked about the need for the UDP to focus more on our people; to look at the needs of the people and ensure that development was done that benefited Caymanian people.

I was stunned at such a contradiction when the Second Elected Member for George Town, from the same political party with the same philosophy that was outlined by the Leader, got up just over the last couple hours and performed a great assault on a young Caymanian person; a man who has taken on the responsibility of chairmanship of the Health Services Authority, who has given of himself to serve his country, to provide his services and in his capacity as an Elected Leader of the very district this individual comes from. He got up as a leader and attacked this individual personally and then I must expect our people to believe that that party truly cares about Caymanian people; about helping them to benefit in this society and from the development, when our Elected Leader's Representative is going to get up there and try to tear him down personally.

He talked of empowering the people? No, he is suffering from what a now very famous Cayman Bracker, Quincy Brown, talked about; the soldier crab syndrome. Caymanians keep tearing down each other.

I am urging this Honourable House, especially that Honourable Member that we must be careful and be responsible with the use of the English language especially when it comes to an individual's character. In fact, that particular attack went directly after this individual's professionalism within the area that he makes a living and feeds his family, and a leader, his representative, is going to come and publicly in this Chamber attack him: his colleague.

Therefore, I ask the Peoples Progressive Movement, please do not come and try to come and convince me that they have Caymanians at heart. Mr. Speaker, the same situation persists with the young man Michael Myles that we have all come to respect.

In the Leader of the Opposition's speech and in the Second Elected Member's, the General Secretary for the PPM, in their contribution talked of the need for prioritisation and the need for a shift. They make the charge that the United Democratic Party's priorities are skewed. They make other suggestions of things that should be top priority but the art of prioritisation means that when you put something as more important you must then determine what you are going to sacrifice to bring about that which is more important. Is he suggesting that the items he determined as being higher priority should be addressed by the Government? Is he willing that this country should sacrifice things like the Prospect School? Is he suggesting that George Town Primary is not a high priority?

When we talk about the need for prioritisation it is not simply to come and give your wish list; that is not prioritisation. What he should have got up to say is "I think these should be the priorities instead of . . ." Give a suggestion. He seems to have taken on his leader's position, the First Elected Member for George Town, where he writes with white ink when he is developing his blueprints. The Second Elected Member talked of the blueprints but we did not see any from him. We did not see any new priorities, we saw some new wishes.

The UDP is a responsible Government and are good mathematicians. We can understand that if you are going to spend on something and if you do not reduce something else then you are going to have to tax. We made a commitment that we are not going to tax in this year; that we were going to deliver a budget with a surplus and deliver items, projects and programmes that will ultimately change and alter the developmental capacity of this country.

I gave an undertaking to my colleagues that in my contribution I was going to focus on the electoral district that I have a responsibility to represent. I thought it important, however, to address those broader issues first.

During the contributions of the Third Official Member, the Leader of Government Business and the Leader of the Opposition, all spoke of Cayman Brac and Little Cayman. The Leader of the Opposition provided us with an estimated 1,457 lines in the *Hansard* on this contribution. Of that he devoted 17 to Cayman Brac and Little Cayman. I attempted to calculate the percentage but the zeros went on for too long so I cannot say what it came out to be. Mr. Speaker, he claims and would like to make suggestions that he holds Cayman Brac and Little Cayman close to his heart but his body must be of a different structure than mine because his heart is so far away from his head. I do not hear nor do I see plans. He makes suggestions that he really and truly has a blueprint and what Cayman Brac and Little Cayman need is some special consideration. What are those special considerations? Nothing new! They need cruise ships. We have all said that. The Leader of Government Business has been saying that and delivering upon it, which I will address shortly. He said we need some back office work to be done in Cayman Brac. That is nothing new.

I beg your indulgence as I refer to the *Hansard*. I am sorry, Mr. Speaker, I have to adjust it, it was not the 17 line, it was the 18th line that he gave.

He said the **"overflow of public service activities and the location of new public service jobs on Cayman Brac remained a viable option."**

That is nothing new, Mr. Speaker, we have all talked about it and looked at it but the Government is delivering. We have always identified that what was needed for that to happen is more office accommodation in Cayman Brac because the District Administration Building is full. New office space has been identified right across the street, as I understand it, and once that is done there are options for back office work for some government services that are now provided in Grand Cayman to be provided in Cayman Brac. Thus, in his entire contribution for the Island that he calls home, for the Island that he calls so close to his heart, he gave us 18 lines and gave us nothing concrete to go home with; he repeated what everyone has always said.

I would also like to say that the United Democratic Party Government, which I am a part of as a Back Bencher, from its onset, did not give any resistance to giving one of our seats on the Cabinet to, in this instance, the First Elected Member for Cayman Brac. It was part of our agreement from the start because our Members saw and understood and appreciated the need of having a Cayman Bracker in Cabinet.

I am asking this question but I am not expecting an answer, as we have heard the Leader of the Opposition say, and now the general secretary, the Second Elected Member for George Town, that they are looking forward to the 17th day of November because they are sure of a victory. Who is the PPM administration advocating putting into Cabinet? Is it a pure George Town Cabinet? Because Mr. Speaker, I do not see them with Cayman Brac representatives and Cayman Brac candidates, I do not see them with any strong plan to ensure that Cayman Brac and Little Cayman will have a member on their Cabinet.

I can tell you, Mr. Speaker, the United Democratic Party is running with a slate of candidates who understand and appreciate the need of having a Cayman Brac representative in Cabinet. I know that my people—and when I talk of my people I am talking about the Cayman Brackers, not only those who live in Cayman Brac and Little Cayman but those who also live in George Town and all the districts here in Grand Cayman—will be looking carefully at the party that is going to best represent the place that they all hope to return to one day.

We heard the Leader of the Opposition also talk of this great idea to promote domestic tourism. He said that the Budget was detached from reality; in fact, he made an allegation against the Leader of Government Business saying that if he spent more time on the ground rather than travelling he would know what is going on. Perhaps if the Leader of the Opposition spent a few more weekends travelling to the Brac like he did last weekend he would see that domestic tourism is growing; it is very strong and the United Democratic Party delivered, not just talked about it.

The United Democratic Party was responsible for the creation of the Brac Express to improve service to Cayman Brac and Little Cayman to promote domestic tourism. Last weekend I travelled on the same aircraft with the Leader of the Opposition and the Second Elected Member for George Town and we all had trouble getting our seats because the plane was full and this is a regular occurrence. The First Elected Member, the Minister of Planning and I travel to Cayman Brac more than anyone else in this House and we can tell you that the planes are running good load factors, especially on the weekends. Domestic tourism is a great thing, I agree, but he is way too late in advocating it. The United Democratic Party has delivered and will continue to build on domestic tourism.

About the cruise facilities: He said *"Well, the Creek is not really good but we must look for somewhere else."* We did not hear and see with that invisible white ink in a blueprint of where we are going to go. He has an obligation, as a party that is putting themselves up for candidacy in the up coming general election when they are going to come forward and criticise the Government to come with some alternatives and give the true picture so that the general public will know what to vote for. He says *"Well, we should do this but I am not quite sure where we should put it or how we are going to do it."* So, while he is *iffing and iffing and biffing* about it, the UDP is working on it and delivering.

Two and a half years ago the Leader of Government Business initiated a concept of bringing cruise passengers to Cayman Brac via air service. The concept was a simple straightforward one. We have problems with port facilities in the Brac; we have problems with the prevailing wind and the lay of our Island, and we have problems that we have not developed the image as a cruise ship destination. He suggested to the Florida-Caribbean Cruise Association (FCCA) that we examine the possibility of landing passengers in Grand Cayman and flying them over to Cayman Brac for a day trip. The advantages are many. First, these passengers would get to know Cayman Brac and would eventually build up a reputation on the Island where they were demanding it from the FCCA as a destination. It allowed Cayman Brac to incrementally build its capacity to handle cruise passengers because it would have them starting in controlled numbers until the infrastructure, the craft markets, the transportation and the food issues were developed. Then we could talk about maybe two tours for the day rather than one. By the way, Mr. Speaker, that is 220 people landing on our shores, buying lunch and souvenirs, driving around. More importantly, it was pointed out at a recent Florida-Caribbean Cruise Association convention that 38 per cent of those who visit Caribbean destinations visited first by cruise ship. That is a good conversion rate from a cruise passenger to a stay over passenger. Therefore, this day trip

also had positive potential on air arrival potential in the future. No one is going to convince me that there is any better way of promoting a destination than to give the individual a preview of the destination for six hours and saying: *"This is what it is all about; this is the beautiful Island of Cayman Brac; this is the Brac experience; this is our nature tourist product; this is our museum; this is our Bluff and these are our caves. Come back by air and spend a week, ten days or two weeks."*

I take this opportunity to further inform this Parliament and this country of this project. It is a project that my colleague, the First Elected Member, the Minister and I, have great hopes for. It is a project that we have both put much work into because it has the capacity of creating ten jobs instantly. It requires five buses which have to have a driver and a tour operator. That in itself—ten jobs on Cayman Brac is a major achievement and a good goal to have.

The concept is, and we all agree with the Opposition, with everything here, that within central George Town to have the numbers of cruise ship passengers land here the experience would be enhanced if it were to distribute those passengers and the benefits from those passengers over the Cayman Islands in a wider way, over to West Bay, over to Cayman Brac and Little Cayman. This would offer a tour that would be equivalent in time to a tour to the Botanic Gardens. The drive from George Town to the Botanic Gardens would be of an equal time frame as the drive from George Town dock to the Owen Roberts Airport through the general aviation on to the plane and over to the Brac. Mr. Speaker, it is a concept where on the way over on the plane you would be given some fruit punch and a little explanation about Cayman Brac and given an orientation. It would be the only tour in the Cayman Islands that would allow you to see all three Islands because you would have a low fly over of all three Islands and then a six-hour period on Cayman Brac. It is a tour that Tropicana Tours would be involved in by picking the passengers up from the dock in Grand Cayman to the airport. By the way, I stress Tropicana because he is also a Cayman Bracker. Once they get over to the Brac they will be given options of two tours; a more relaxed tour or a more energetic tour, so they could see the beauty of the Island. Mr. Speaker, this is not just hypothetical talking any more because we invited the FCCA to come to Cayman Brac and make an evaluation and they did. They made a report back to us that we are now in possession of. The conclusion of the Report is that the product can be delivered.

Rather than the Opposition getting up there, saying that we are not doing anything, I urge them to get behind the Government and support projects such as this that will ultimately, directly affect the economy of Cayman Brac and Little Cayman. When the Opposition rise in this Honourable House and talk about the Government doing nothing I would like it to be known that since the United Democratic Party has been the Government with the steady hand on the tiller the largest employer (meaning the Government) in the electoral district of Cayman Brac and Little Cayman has not had what has been a historical trend of periods of layoffs and back on. They have been provided with steady dependable work. The history of this country will show the very few occasions that that has been done, but this is one on the United Democratic Party.

I heard the Second Elected Member with my own ears talk about what is needed and the things that affect people personally. Nothing affects a person as much as the ability of feeding their family. The United Democratic Party and, with emphasis, their two Brac representatives have worked hard to ensure the Public Works Department of Cayman Brac are kept in steady, strong work. We have gone further insisting that the days of keeping our employees as group employees where they can be laid off tomorrow without any formal notice must change. We must slowly but meticulously move our employees. We have supervisors who have been there for 20-24 years but still as group, or temporary employees. 'No' those individuals cannot go to the bank and ask for more mortgages because their employment is not steady; the appointment is just like a week-by-week basis. We need to move these individuals and we will continue to persist so that we get more of our individuals at Public Works moved on to salaried positions and to a greater degree of stability in the economy.

It is a reality that in Cayman Brac we are suffering from some economic illness. We need a permanent cure. The Government has accepted that it is a responsibility of our Government to provide Cayman Brac with economic recovery. We have solicited two studies: the Economic Report of 2003-2008; and the Deloitte & Touche Economic Report that deals with a lot with Cayman Brac economy. With that information at hand and the first hand knowledge that the First Elected Member, the Minister and myself bring from Cayman Brac, we will help the Government and ensure that a sustainable economic plan is in place for Cayman Brac. Much of the ground work is being done. We have accepted that the future of Cayman Brac is going to be on the Bluff.

We are not building new roads but we are paving existing roads that in many cases were previously inaccessible because of the amount of rocks bumps, and now we see where electricity has gone through to the Bluff and people are building. There are signs, although not as much as we would like, that good things are in the future for Cayman Brac. To build the economy to a level that can sustain its population, and by sustaining its population I am not only talking about its existing population because we need a larger population, we need to attract some people back and ensure that of those 20-plus students graduating from Cayman Brac high school next month a good percentage of them will get jobs in Cayman Brac—we are getting the foundations done and the

right information at hand. We are doing government projects that will ultimately improve the standard of living and make the Brac more attractive for individuals to come and reside and make it their place of abode.

This Budget goes a long way in improving the standard of life on Cayman Brac. It deals with roads and accessibility to land-locked areas which will release value in the economy. It deals with establishment of domestic fire services mid-island. It deals with improvement of our policing ability. I did not hear the Leader of the Opposition or the social engineer of the Opposition get up and talk about the fact that the Minister of Community Services has put in place what they have criticised before about the Brac, a drug counsellor, working aggressively to deal with the issues in the community. These are achievements that the United Democratic Party is proud of and I am proud of being a part of the group that has seen these things come to fruition.

I really hope that the weekend retreat of the Secretary General and the Leader of the Opposition was much more than barbeques and they took a chance to truly understand the economy, the community, the society. It is a unique group of people; we are proud people; and the reality is that we are subsidised to a certain degree by Grand Cayman. We do not like it but it is the reality. We would like to have an economy that can sustain itself, that we can pay fair share, that we have great economic and job opportunities like our counterparts in Grand Cayman. It takes leadership like we have now with the United Democratic Party and time to cure the problems.

Today was a fabulous experience for us on this side of the House because those in the Opposition who were also invited asked the question about receiving their invitation for the ceremony to mark the National Radio Communication System. We were there in great numbers, and saw the experience of having radio communication between three Islands. For those within my constituencies who might not have heard the broadcast of whichever station was present there today—I know CITN and Radio Cayman were there—but those that might be hearing my voice; it was inclusive—the three Islands participating in communication by radio. I give my personal thanks to the Minister who has that responsibility now and who previously had that responsibility for initiating a system that, from the start, was inclusive of Cayman Brac and Little Cayman to ensure that during hurricanes or any other national emergencies that we have good radio communication and the ability of communicating not just down the road but right across the three Islands. Is the United Democratic Party is not doing anything? The PPM, as we know, is closely affiliated with a very valuable organisation in this country, the Lions Club. The Lions Club offers an optical programme that they need to check out a little bit more carefully because anyone can see what we are doing.

I want to go back and focus on the district that the First Elected Member and I call home, that we love and everyone here loves. I know during your time, Mr. Speaker, of being in the position of influence, that you have always given Cayman Brac and Little Cayman top priority and I thank you. Your mark has certainly been left permanently on those Islands, Sir. We are greatly appreciative of that.

The Deloitte & Touche Report made some good recommendations and provides some good statistics on the economy of Cayman Brac. The most startling statistic was that they took the time and initiative and the Gross Domestic Product (GDP) was statistically quantified for Cayman Brac and compared to that of Grand Cayman. It also provided the relating figure of the GDP per capita, which would be the measure of your quality of life and standard of living. The comparison showed that in Cayman Brac the GDP per capita was 50 percent of that of Grand Cayman, some $17,000.

We all agree this is a problem that has been creeping for the past 20-odd years and we need to address it. I hope that my three children will have the same luxury that I had of bucking my toes on the iron shore, playing marbles on the streets of Cayman Brac and enjoying the same quality of life that we enjoyed growing up in Cayman Brac. When we talk of Cayman Brac it is from the heart and I assure you and the general public that as long and beyond the time that I have the privilege of being in this Honourable House to speak on behalf of Cayman Brac, I will certainly defend the position of Cayman Brac and advocate strongly for Cayman Brac and Little Cayman.

I will take a few minutes to outline the programmes, procedures and physical developments that are necessary in Cayman Brac. Mr. Speaker, for Cayman Brac to develop beyond its existing means we need to continue to promote the day trips and look aggressively at all long weekends to ensure that there are themed weekends with packages for domestic tourism; that is being done but we need to enhance it. We need to look at issues such as the schools in Cayman Brac. I now see at the high school the projected enrolment for September is 158 students, which is going to put the school at its capacity. We need to look at these issues. We need to look at the community development issues within Cayman Brac. All these things the Government is busy doing but we took care of the first things first. We got our finances in order to be able to deliver and now we are about to start on these projects with our first Budget that has a strong financial backing about.

I do not agree with the prognosis of the PPM but I can understand why they would want to believe that on 17th November there will be a change. I strongly believe the wisdom of our people, as Caymanian people, and I believe that they are not going to sit here and listen to two Members of the Opposition get up and try to tell them that it is pouring rain outside when the sun is shining; that the country is in doom;

that there is no prioritisation; that the Government is not achieving when they are all working.

I even heard the Second Elected Member for George Town in his contribution make a good comment. He referred to the low-income housing project, saying that back then when the project was being conceptualised the economy was in poor shape and people were out of work, including contractors. That is an admission that the economy is now different. Neither he nor the Leader of the Opposition is going to successfully convince anyone in this Chamber or the general public that the United Democratic Party had nothing to do with the transformation.

The Secretary General, the Second Elected Member for George Town, upon my rise to speak referred to me as an economist. Yes, I like charts and graphs. If you graphed the economy of the Cayman Islands you would see the noticeable difference between the time that the People's Progressive administration and the Leader of the Opposition was in charge of this country versus the time that the United Democratic Party got steady hand at the tiller. There is a difference in the economic activity. For that to continue I would say that the United Democratic Party needs the chance to continue.

We have a busy agenda, we have much to do. We in the United Democratic Party are workers, we are not talkers. I have talked enough. Now I will set aside and give time for my colleagues to say a few words so we can get out and work. Thank you, ladies and gentlemen.

The Speaker: Does any other Member wish to speak? The Third Elected Member for West Bay.

Capt. A. Eugene Ebanks: Thank you, Mr. Speaker.

Before I begin my contribution to the 2004/5 Budget Address, which was delivered by the Honourable George McCarthy, OBE, JP, Financial Secretary to the Legislative Assembly of the Cayman Islands on 7 May 2004, I would like to take this opportunity to express my sincere appreciation to a gentleman whom I highly respect.

The Third Official Member delivered his final Budget Address in the Legislative Assembly as Financial Secretary. For his many years of outstanding stewardship he must be commended for a job well done. The editorial of the *Caymanian Compass*, 10th May, perhaps said it best when they recognised this honourable man for his 13 years of dedicated service. The article reported that the economy of the Cayman Islands owes its well-being to the financial sector and, in spite of the fact that two pillars of economic development are financial management and tourism, finances lead the way.

Once that fact is recognised Mr. Speaker, it then stands to reason that any time a single person can be credited with the propelling of the financial sector in the right direction such an individual must be saluted. Mr. Speaker, there is no doubt that the Financial Secretary led the Cayman Islands through troubling and challenging times and through it all he has been successful in pulling us out of the mire.

It is only fitting that he is recognised for his contribution to the development of these Cayman Islands. However, as the Financial Secretary moves on to another post Mr. Ken Jefferson, Financial Secretary designate, a young Caymanian from West Bay, will assume the post of Financial Secretary. Although Mr. Jefferson will have big shoes to fill I have all faith that he will assume his responsibilities with the same enthusiasm and vigour that he has shown in his post as Deputy Financial Secretary. I have all the respect in the world for this young man and I know he will do his country proud.

Moving on to my contribution: It gives me great pride to hear what the Financial Secretary has outlined in his Budget of the Cayman Government for 2004/5 financial year and as well as listening to many accomplishments to date. Although the Leader of the Opposition tried to paint a doom and gloom picture with no evidence to support his allegations I will endeavour to prove otherwise. However, for the benefit of the listening public and Member of this Honourable House I will keep my level of contribution upbeat and positive.

As a former sea captain and an airline pilot licensed by the United States Coast Guard and the United States Federal Aviation Authority I am very familiar with such phases as "steady as she goes" "charting/plotting the course" and "maintaining the course with a responsible hand at the tiller." I have been a sailor aboard the good ship Cayman for almost three and a half years now keeping watch and for the first year I was very concerned about the course we were on. It was clear to me that if we did not change course soon we were going to hit the rocks.

[Members' cheers]

However, it was not until 8 November 2001 when we changed the captain and put the First Elected Member for West Bay, now Leader of Government Business, at the helm, that we found our true position. The position was not a pretty picture. On his watch he ordered a 180º turn to starboard.

[Laughter]

If you turn to the right you turn to the starboard. That was the right direction they were turning and took the good ship Cayman back out to the open sea. It was only then that I could breathe a sigh of relief.

Hon. W. McKeeva Bush: That is right.

Capt. A. Eugene Ebanks: Mr. Speaker, in last year's Budget, Government outlined the plans for the economic and social future of the country. Those plans

called for supporting the local economy and creating job opportunities for Caymanians, increasing the educational opportunities for young people, ensuring that health care and social support were available for those in need, improving efficiency and effectiveness of government and its agencies, as well as setting the foundation for the future of our country.

I think it is fair to say that under the leadership of the United Democratic Party Government we have made great strides to ensure that domestic growth is on the rebound. Unemployment has decreased from 7.5 percent in 2001 to 3.6 percent, according to the latest labour force survey. Education continues to be on top priority with the new Spots Primary school being completed in time for the up coming school year. The Health Services continues towards a healthy population by introducing a new health insurance company, CINICO, and Mr. Speaker, the list goes on.

The Financial Secretary also reported that the latest economic data shows that those plans are working. He goes on to say that achieving economic and social prosperity is not a one year exercise. However, to achieve the objectives of this year's Budget it requires sustained commitment and effort, keeping the destination in sight and a steady hand at the tiller. Mr. Speaker, those are the objectives and focus of this year's Budget. The United Democratic Party Government is well underway now to maintaining and staying on the course that it has set.

I want us all to take a moment to reflect. Let us go back to September 2001 or better known as 9/11, the day most, if not all, Caymanians would like to forget. What happened on that faithful day in the United States affected us here in Cayman just like it did any where else in the world. We all can recall that many people were laid off from their jobs at the major hotels on the Island because there were no visitors arriving. Many companies laid off employees due to no work. Let us not forget the many homes and automobiles that the banks were forced to foreclose on due to customers not being able to meet their commitments. I remember seeing many automobiles and boats parked just about every where with for sale signs on them. I remember work permit holders returning home because their employees were unable to pay them. It was indeed a bleak period in the history of the Cayman Islands. In fact, the Cayman Islands economy had almost come to a complete stop.

Compared to where we were then two years ago and where we are now it is most appropriate to label it "steady as she goes." Today as we are witnessing a rebound of the economy Cayman is experiencing a boom. Obviously this did not come overnight. This came through an economic growth rate that is projected to be healthy for this coming year. In fact, it is projected to be 50 per cent higher than last year. This came about through hard work and someone responsible at the tiller. A lot had to be done to get the good ship Cayman back on course and although there is still much to do, it is safe to say that much has already been accomplished. However, we only need to read the local news papers or watch CITN to know that we are indeed seeing the fruits of our labours.

The front page of the *Cayman Compass* dated Friday, 23 April, reported "Tourist Tallies Up." In this Report it gave the good news that the latest tourism arrivals for March had already shown an 8.6 per cent increase year to date over last year. This is evident with the many visitors seen in the rental cars or walking along the West Bay Road.

Back in April I was told that most of the hotels and condos were completely booked. Car rental agencies were sold out, flights were arriving full, many stores, supermarkets, and restaurants reported their busiest April in recent memory. The ever popular Market Report produced by Coldwell Banker Realty probably put it all in perspective. Their 2003 year-end Market Report predicts continuing improvements of the market and a positive outlook for this year.

With your permission, Mr. Speaker, I would like to read a few pages of that report.

The Speaker: Please continue.

Capt. A. Eugene Ebanks: It reads: The Cayman Islands has **"had a good 6-12 months and one of the strongest Falls in recent memory. The statistics bear this out. … The number of property sold is up 50 per cent over last year … while the dollar value of units sold is up 27 per cent. The number of deals pending (under contract but not yet closed) is up 82 per cent … This indicates strong buyer interest but prices not yet rising."**

Other highlights of this Report indicate that: **"37 per cent more single family homes"—**that is significant, it shows that people working can afford to get back in a home—**"were sold over the last 12 months but at sale price nearly 30 per cent less than previously, so purchasers have been reacting favourably to lower prices. The supply of homes is about the same as last year so prices are not likely to rise immediately.**

The Report goes on to say that: **"The condominium market saw 63 per cent more units sold over last year also with a substantial price decrease. However, these condo numbers do not account for any of the Ritz presales, or the 12 presales at Water's Edge, or some of the 33 presales at the Meridian,** [had those been] **"factored in not only would the number of sales be way up but so would the average price."**

The Report says: **"We have clients waiting in line to purchase units at some complexes."**

This speaks volumes for the Cayman Islands at this time so much so that Coldwell Banker Cayman Islands Realty opened a branch in Little Cayman with the announcement of Cayman Airways resuming flights to Little Cayman and the anticipated opening of a new airport. The future of property values on Cayman Brac and Little Cayman look very positive. They

have certainly given the United Democratic Party kudos for extending the stamp duty reduction on real estate. With the indefinite extension on stamp duty concession, as well as the interest rates being the lowest in many years, Government has recognised the positive impact and this has had the real estate market and the construction industry moving positively.

While on the subject of construction, Mr. Speaker, the old port building has been demolished to make room for the new Royal Watler Cruise Ship Terminal in George Town. With this major project coming on line I am sure when completed, cruise ship passengers will find their visit to the Cayman Islands a much more enjoyable experience.

We cannot continue with the traffic congestion during cruise ship days, therefore plans are in the works to improve on this. The extension of the West Bay road bi-pass will undoubtedly bring some much needed relief for this growing concern. However, as an interim measure Government is considering introducing two lanes of traffic going into George Town in the morning. This should greatly improve the traffic flow to George Town along the West Bay road during peak traffic hours.

The United Democratic Party Government continues on their quest to see the Cayman Islands remain prudent and as financially stable as possible. We have done an outstanding job to ensure that the Cayman Islands remain at the forefront of the financial industry. Although there was a decline in the number of banks and trust companies licenses, insurance licenses increased to 672 in 2003 with mutual funds continuing to be Cayman's success story. It is very encouraging to know that the Cayman Islands remain the leader in this segment of the global financial market.

Another success story is the ever-growing number of ship registrations. In 2003, ship registrations totalled 1,473 with a gross tonnage amounting to 3.2 million. Also, in 2003 new registrations amounted to 186, including 152 pleasure yachts. It is heartwarming to see, when visiting US ports or other Caribbean ports, the amount of vessels, ships and megayachts and sport-fishing yachts, not based in Cayman, flying the Caymanian flag over the stern on which it says "George Town, Cayman Islands". It gives me a great sense of pride when I observe this and I go looking for it particularly to see how many boats are registered in Cayman.

Having the opportunity of skippering many yachts to the Cayman waters I always feel a sense of pride when, on the high seas, talking back and forth among the boats if there is also another vessel registered in Cayman, especially if they have some Caymanian crew on board. It is also noteworthy of mention that for the past few years the Shipping Registry has had a booth at the Miami and Fort Lauderdale boat shows, which has obviously played a major role in attracting new yacht registrations to our ship registry.

The Cayman Islands continues to make international news overseas. The Leader of Government Business led a delegation to Hong Kong recently to promote investment in the Cayman Islands. This was obviously a very successful trip as a Tourism and Investment Office will soon be set up in Hong Kong as a vehicle for promoting Cayman's investment and tourism in Asia.

He also led a delegation to San Diego, California, to attend the 42nd Annual Risk and Insurance Management Society Conference and Exhibition. The Leader of Government Business assured everyone that the Cayman Islands continue to be a leader in international insurance as a result of healthy partnerships. He went on to say that in moving forward it is our goal to continuously develop the optimal combination of business facilitation and prudent regulation that consequently created the ideal platform for international business.

Despite the Cayman Islands only being a dot on the world map it is most interesting to know that we are a country that other countries envy. We are a country that other countries follow and look up to. We are a country that can only get better if we work at it together. For the good ship Cayman to stay on the right course we must continue to steer with much skill and due diligence.

Government has been instrumental in introducing competition into the Telecoms Market. This has certainly brought some reductions in telecommunications rates. For many years the people of these Islands have been paying some of the highest telecoms rates in the western world. The introduction of competition in the telecoms market is one more example of what the United Democratic Party is doing to bring down the cost of living to the people of these Islands. While the United Democratic Party continues to work at keeping the cost of living down it is gratifying to know that the civil service has also received a 2.5 percent cost of living adjustment without any new revenue measures.

It was also encouraging to hear the Financial Secretary say that there would be no revenue measures. This now means that this is the third Budget in a row where expenditure demands have been accommodated within the existing revenue base. I know many of the people who have expressed a sigh of relief when this was announced.

With just six months away from another general election, I say to all of my colleagues in this Honourable House let us build up together, not tear down. We all have children and we must think of them. Let us lead the country in a positive direction as we lead by example.

[Inaudible interjection]

I trust that after outlining some of the positive accomplishments of the United Democratic Party Government the people of the Cayman Islands would get a better picture—

The Speaker: Order.

Capt. A. Eugene Ebanks: . . . of all that has been done to date and what is still to come. I find it appalling that the Opposition will try to mislead the public into believing that the United Democratic Party is steering in a direction headed for disaster. Do they not realise that we have to live here too? For what earthly reason would this Government want to steer the good ship Cayman on the rocks? In spite of what the Opposition has said I believe the Honourable Financial Secretary has delivered a good balanced Budget. We all know for this country to move forward in a manner that we all would like to see it move, it must be done together and in unity.

In closing, Mr. Speaker, with the fabulous five in control of the good ship Cayman,—

[Laughter]

I feel confident that the policy actions and the fiscal position outlined in the 2004/5 Budget, the Cayman Islands is headed in the right direction: I say again, Mr. Speaker, steady as she goes. I thank you, Mr. Speaker.

[Members' cheers]

The Speaker: Honourable Members, we have just 15 minutes remaining. Does any other Member wish to speak?

The Honourable Fourth Elected Member for West Bay.

Mr. Cline A. Glidden, Jr.: Thank you, Mr. Speaker.

As I rise to make my short contribution to the 2004/5 Budget Address I too would like to—

[Inaudible interjection]

The Speaker: Order.

Mr. Cline A. Glidden, Jr.: —use this opportunity to give my sincere thanks to the Third Official Member for all the assistance that he has given me and my colleagues, the younger Members in this Legislative Assembly, and for the good job he has done in keeping the finances of the country on such a positive track.

As I stand here looking at this my fifth budget I have to think back at how quickly time has passed since the first budget that we were involved in right after the election in 2000, and how much more difficult it was in getting up at that time to debate a budget that imposed new tax measures on the people who we were elected to serve. It was hard to get up and speak to that Budget and to try to defend the position of the Government of which I was a part at that stage, knowing and feeling that not all of the possibilities had been examined, and that once again the easy way was chosen as the way of the day under the then leadership of the now Leader of the Opposition with new tax measures and significant borrowings, which we all know is increasing the debt for our future generations. The scary part of that stage is that we were borrowing to fund recurrent expenditure.

How ironic, four short years later, that we have the same gentleman who was the Leader of Government Business at the time, who is now the Leader of the Opposition, getting up and criticising the Budget process, the prioritisation and the level of expenditure. It is funny how quickly we tend to forget. Now, if we listened to the Members of the Opposition who are now being led by the individual who was the Leader of Government Business, at that time, there were no solutions. The only thing that they could do was to go to the people and tax them more.

I know that the defence is going to be that it was the first budget and there was not enough time. I have heard the explanation that at that time of the year they would not be able to increase the fees because they would not be able to recognise the revenue from those fees.

However, if we move forward to the next year, to Friday, 2 November 2001 *Hansard*, the contribution from the then Leader of Government Business still did not have any information about the Budget. We were planning to bring the Budget, at the end of November. If he, as Leader of Government Business, had some idea or if he was going to try to impose the fees, which he said he could not do in March 2000, he sure had ample time at that stage to start looking at alternative ways to raise the revenue. Even at that point in time there were no ideas. All we could assume is that once again we would have to come and tax the people and borrow more money. It is my opinion that if the PPM administration that we keep hearing so much about — I heard it being referred to as the "people's promise mobile"—had been in power for the last four years we would have only had the same type of leadership; borrowing money and taxing our people. If our people, that I have full confidence in, do make the mistake based on promises that were made, and put that administration in power in November, obviously, from the track record, what they will have to look forward to is more taxation and more borrowing.

It is hard for the individuals that were there, even in the 2001 Budget, when the leadership of the United Democratic Party, after we had worked for a year, recognised that there was no changing of the methods and our people were going to be faced with the same thing; a heavy tax burden and an increase in debt. We had no choice but to remove the then Leader of Government Business and replace him with the now current Leader of Government Business,

along with the United Democratic Party, who has shown and exercised great leadership abilities.

We did not expect them to be creative and come up with the ideas for the Budget because we realised that at that stage it was a lack of capabilities at that point. All we asked them to do was to come and support the Budget and I am sure that you remember, Mr. Speaker, in November 2001 when the Budget came forward, we all heard the doom and gloom, of how the United Democratic Party Government was going to destroy the financial industry; how the Government, by increasing the fees on our banks, would drive away all the business. There were all sorts of questions asked as usual. I quote from the *Hansard* of 12 December 2001, the then Leader of Government Business said: **Regardless of what the needs are it remains to be seen how well thought out the situation has been and only at the end of the day will there be the proof of the pudding, as to whether the revenues that are anticipated and projected in these estimates from these sources will materialise. "** [2001 *Official Hansard Report*, p. 1360]

Well, Mr. Speaker, it is now time to taste that pudding. It is now time to see the *"proof of the pudding"*. If we compare all the scare tactics that were used in regard to how the proof was going to turn out and now we look at this Budget 2004/5, page 11 of the Honourable Financial Secretary's Address under Domestic Economy. It says: **"The employment rate in the Cayman Islands has been steadily decreasing since 2001 when it stood at 7.5 per cent. The latest Labour Force Survey results placed an unemployment rate at 3.6 per cent."**

That is the doom and gloom. When they criticised the United Democratic Party for taking the stance that it took, what we are seeing now is how good that pudding really tastes. We are seeing that unemployment is down. We see that the financial services sector that we all know is fundamental to our economic well-being, recorded positive results in most areas in 2003. Growth was seen in mutual fund registrations, insurance company registrations, insurance premiums, stock exchange listings, stock market capitalisation, and new company registrations.

If the good people of Cayman were looking for the evidence of just how truthful or factual the people's promise machine is; if they look at the performance of the People's Progressive Movement as when they got up and tried to frighten everyone by saying how terrible the decisions of the Government were in 2001, how then can we come back and have such positive growth in the financial industry, the same industry that we were supposed to be killing? It says: **"A better indicator of the health of the banking sector is that Cayman retained its position as a leading international financial centre. External assets of banks stood at US$1.2 trillion in June 2003, up by US$4.6 billion from the December 2002 position."**

The total number of insurance licenses increased. When we increased the insurance fees they said that the insurance companies were going to leave as well. Premiums for captive insurance grew by some US$700,000 million in 2003. Mutual funds are another Cayman success story. The stock exchange posted gains. Total company registration increased by almost 3,000. New company registrations rose, ship registrations increased.

Just by that alone we can see how truthful that administration would be. Not only did it not have the competence to come up with new ideas or plans but when they did find someone who was willing to do that,—at least if they were smart enough to jump on board. You know how it is, Mr. Speaker. If you are not too good at what you are doing you try to get along with someone who can pull you along. They got up and criticised and talked about how bad the Cayman Islands were going to be under the United Democratic Party. Now we come to see that all of that doom and gloom was unfounded. There is evidence that they had no idea of what they were talking about. We all assumed that from the very beginning. Now, it is proven. Like they said, "Now that we see the pudding, the United Democratic Party", which could be unbelievably delicious pudding, "has delivered a great tasting pudding compared to the PPM."

If the people go the polls looking for something good on 17 November we can see what they would choose. Either they would choose a lot of hollow promises or they are going to choose the United Democratic Party.

Real estate performed well in 2003 with the value of properties transferred growing by 19 per cent to some $326 million. The number of properties transferred increased. Just looking at this record it is hard to understand . . .

I can just imagine the difficulties that the PPM found them-selves in when they were trying to detract. What would have been a smarter thing for them to do Mr. Speaker, instead of trying to fool the people because the people see the positive results and then they get up and tell them how bad things are, it would have been better if they admitted and said to the people: *"We were wrong, we could not do it, the right people are now at the helm and we will continue along and make them go and allow us to stay here and watch and follow."* Instead of doing that they got up and tried to tell the people that the country again is in a bad financial position and the United Democratic Party does not know what they are doing when all the evidence is here in black and white. They cannot believe that our people are so uninformed that they cannot see.

The Speaker: Honourable Member, we have reached 10 o'clock but since you are going to be in the Chair tomorrow morning I believe it is only reasonable that we give you a few more minutes to complete your debate.

Mr. Cline A. Glidden, Jr.: Thank you, Mr. Speaker. I will try to be as quick as possible.

Finishing up on the domestic economy, they said that global growth is projected to accelerate from 3.2 percent to 4.1 percent in 2004. One thing that is conditional and I am sure—I guess the Financial Secretary could not put it in—if we continue under the good leadership of the United Democratic Party Government we can continue to expect to see positive growth.

There is a developer in West Bay that has done a lot of development and he has just finished building the complex in the centre of West Bay. He said that even though he had some other developments going on he was waiting to see if the Government changed in 2004 because the confidence is there. Obviously economic activity is booming but if the Government changes they are not sure as to what could happen. So, there is that wait and see attitude. As long as the Government of the day continues the development will continue but if we were to make that mistake of going back to where we were at pre-2001 then, like my colleague from West Bay said, we will probably flounder and go on the rocks.

Even if we come away from the Budget Address and look at the news headlines we see land sales are up, unemployment is down, telecoms rates are down, electricity rates are down, planning approvals are up, stay over tourism is up, cruise ship tourism is up.

When they criticise tourism they talk about mass tourism and they say we are destroying the environment. Mr. Speaker, Cayman has just won an international award for being one of the best diving and snorkelling locations. This obviously shows that we have recognised the balance between maintaining our natural resources as well as the need for increased tourism numbers. There is a new cruise ship port under construction, new tourism attractions are being built.

Development is on the increase. New schools are being built to take care of our children's education. The Community College curriculum has been expanded. We now have a medical university in the Cayman Islands; we have more scholarships that have been given; houses that are being built for the needy; and more financial assistance is being given to our senior citizens. There are new community parks in almost all of the districts. The satellite district office of the Social Services Department has been started so we can get quicker service. We have a new sewage treatment plant.

They get up and make these unfounded statements that there is no plan; the infrastructure is not being developed for the increases. We have just spent $17 million on a new sewage treatment plant with the Water Authority. The point is that the infrastructure is being developed to accommodate the increases as a required. I am not saying who did it but it is being completed now and we did it under the UDP Government. It shows that the infrastructure is being considered.

[Inaudible interjection]

Health care is being provided for our people at sustainable rates. Our people who were refused health insurance before can now get insurance. Our financial industry is robust and growing. There are more programmes and opportunities for our young people. Just today, the Second Elected Member for Cayman Brac made mention at the hand over of the new communication system for not only Grand Cayman but for all three of the Cayman Islands. Mr. Speaker, we talk again about infrastructure needs. That, again, shows that in time of emergency the United Democratic Party has looked and addressed the needs of our people.

Yesterday there was an announcement that the Cayman Water Company was posting record sales and they attributed this to the increase in stay over tourism and development. There is no question that under the United Democratic Party the economy of the Cayman Islands is strong and on good footing.

We can only assume that when the PPM get up and talk about all the things that they should have, they do not prioritise and say that in place of building the new school they would do this, or in place of providing assistance for the elderly they would take that money and do something else. All that they do is come with a wish list and say all the things that should be there. We can only assume that if their administration was in power what we would get is what we got in 2001, more taxes and more borrowing. Otherwise, how are they going to fund it?

We have not heard one suggestion to say that this is the way that we are proposing or this is what we are going to cut instead. All they have talked about is what they would do under their administration. Mr. Speaker, I guess if that were to take place our best position would be that we probably would not have to worry about new taxes or borrowings because while they promise and talk a lot we have seen that the problem they have is implementation. We would not get a lot done; we would fall behind if that administration were to take place. Hopefully the benefit of that would be since they are not going to do anything, there would be no need to have to borrow more money or put more taxes on. It would be a very short lived government because people would see that nothing was being done. Meanwhile, the country would be stagnant for that short period. Hopefully, we would not fall too far behind under that type of administration.

That would be the worse case scenario. If the promise mobile does do a good job and they are able to convince the people—even based on their past record of achieving nothing—that they are going to give them a chance to continue to achieve nothing, that is something we would have to live with. I would prefer

not to see that happen and I have every confidence that come November when the people look at the report card from the People's Progressive Movement as to what they have achieved or what they have even shown to be capable of achieving, once again, the good people of the Cayman Islands will realise that they are not an alternative.

I have often wondered why we were in problems in 2000-2001, with such a lack of foresight. Realising that … even though the Leader of the Opposition said that the *proof is in the pudding* and we will have to wait and see.

I quote that same gentleman from the *Hansard* draft verbatim transcript of 12 May 2004. The Leader of the Opposition now says: **"Mr. Speaker, we have been treated in the combined addresses to the now familiar and very tiresome diet of sensational announcements of grandiose plans or proposals which has the past three years have proven time and time again generally come to nothing. What is clear from these infertile pronouncements is that the Government economic and social development policy, in my view, is fundamentally flawed."**

Why it is going to be fundamentally flawed for the Leader of the Opposition is because it is obvious that after all that has been accomplished; after what I just quickly laid out in terms of the domestic economy, that Member who is a responsible Elected Member for the district of George Town, the Leader of the Opposition, could still get up and say that nothing is being done. He says that promises come to nothing. Now I realise what our problem is. The Leader of the PPM is so far removed from the reality of the Cayman Islands that he cannot even, when the pudding is so good to taste; it is all there in black and white and he still cannot see what has been done.

Everyone else can see it, knows what has been accomplished and recognises the economic upturn that has occurred in the Cayman Islands. Everyone is working.

I heard the gentlemen advertising the car wash a few days ago; he was on the radio station saying that if he had to import some people from Philippines to operate the car wash because he cannot find Caymanians to be employed there. He said he could find people to be part-time because they all are employed elsewhere but he cannot run his business on a part-time operation. Yet the PPM gets up and says the good ship Cayman is not on a good path. Even for something like a car wash we have to import labour.

I looked at their problem again.

The Speaker: Honourable Member, if you are moving to another point just to remind you there are five minutes left on this tape so we will have to change it if you are going to go on beyond that.

Mr. Cline A. Glidden, Jr.: I will try to wind it up to that as close as possible, Mr. Speaker.

One of the references that I saw (I see where much has been discussed about the United Democratic Party) and heard about was the leadership in crisis. Mr. Speaker, as a founding Member of the United Democratic Party, one of the successes of that party and one of the reasons why that Government, the fabulous five, as they have been called and have been able to deliver such impressive budgets is because there will always be challenges for leadership when you have capable, ambitious leaders. That is a good thing because the Leader of the United Democratic Party knows that he has to stay on his toes and do a good job of leading the country, he has to keep the support because there is someone there waiting.

Therefore, yes, Mr. Speaker, it says: "leadership in crisis" and that is a good thing. The People's Progressive Movement also has a leadership crisis and they have a difficulty in finding a leader. They have a different type of leadership crisis. What the people of Cayman will decide on 17 November is whether they want a type of party that has five, six or seven capable individuals who at any time can step forward if the leader does not do what he is supposed to do and does not keep the support of the majority of his party. Or, they can choose the alternative, even after they have seen that the current leadership is not capable, that there is still no one to step forward and lead. So, by default the person remains the leader regardless of capabilities.

Again, Mr. Speaker, I have good confidence in the smart people of the Cayman Islands to know which type of leadership they will see as being better for the country for the next four years and beyond.

The question was asked and there was a note made. I heard the Second Elected Member for George Town say that the Leader of the Opposition was criticised on numerous occasions for consultation. There was never a criticism for consultation; the problem is that for the full year you consult and then achieve nothing. The problem was for his lack of implementation. We recognised that he would consult but if you elect him in November 2004 they are going to consult until November 2008 and in the meantime nothing is going to get done. Consultation by itself, like he said when it comes down to the rubber meeting the road implementation, is where it is at.

They make the big point of taking credit by saying, "*Oh well, the Leader of the Opposition was one of those who were supportive in agreeing for the new type of accrual accounting system."* Perhaps that would have been the way it was if he had asked for it and he would have consulted and said it was good. However, the implementation was the United Democratic Party. Anyone can talk about how good it would be to have it but if you do not have someone who is willing to aggressively work to get it you will never know whether it is good or not; and that is the fundamental difference, when we talk about fundamentals, between the People's Progressive Movement and the United Democratic Party. That is the fundamental dif-

ference. One is a group of talkers and one is a group of workers; and the group of workers has obviously been working and leading the country to a sound financial position.

The Speaker: We would like to change the tape at this time.

[Proceedings were interrupted to allow the tape to be changed]

The Speaker: Honourable Fourth Elected Member for West Bay you can continue please.

Mr. Cline A. Glidden, Jr.: Thank you, Mr. Speaker.

In winding up I would like to say that I am proud to have been a part of the United Democratic Party during this period when they have so aggressively looked out for the best interests of the good people of the Cayman Islands who we are privileged to have been elected to serve.

When the Members of the People's Progressive Movement get up and criticise and say that there is no concern or care for the social fabric of our society and that we are detached, I need to remind them that while we were looking at increasing development and the revenues of the country we were also looking at doing things that would make life easier for the little man.

If we look at the cost of living increase to the Civil Service, we look at the fact that even moving to an accrual base of accounting and that the strategic policy statement had an increase on the duty on fuel, the United Democratic Party Government chose not to institute that increase. Even though we had given advance warning, we had informed the folks that they could plan ahead, and we looked at the high cost of fuel, anyway we were able to adjust. We were not in such a desperate position that we could not take into account the concerns of the people. Mr. Speaker, we have no new revenue measures.

Another important point that needs to be made is that again in the strategic policy statement we were allowed to borrow up to $8.8 million more for capital. We had proposed to borrow more. You would think that in an election year an irresponsible government would have gone out and borrowed the maximum amount so that they could be seen as doing a lot to try to get re-elected. I heard mention being made earlier on as to whether the houses were genuine or whether they were being done as an election ploy. Mr. Speaker, it is obvious that by leaving the $8.8 million that we had proposed to borrow in an election year the Government recognises fiscal prudence and has not exercised the maximum borrowing even though the norm would have been to use as much as possible because it is an election year to get re-elected.

Before closing I want to mention some of the developments that have occurred in the district, which I have been proud to represent for the last almost four years. We have a new post office, a new community park, which is heavily used every weekend and an after school. We have a new cricket field. We have a refurbished turtle farm, one of our major tourism products, which was destroyed after the natural disaster Hurricane Michelle. Under the United Democratic Party Government, again with much criticism, I am sure you will remember all the questions. We got local contractors. There were so many questions and innuendoes made in this House, Mr. Speaker. What ends up happening? We have a new turtle farm ahead of schedule, under budget and built by our own local Caymanians. It is so ironic when we turn around and hear the questions about the local contractors that could have been used to build the houses but when small contractors were given the Turtle Farm there were all the criticisms in the world as to who had done it correctly and whether it went through the right process and why the Minister had gotten involved.

Hypocrisy, Mr. Speaker! We can see that it is pure talk. We have a new town centre in West Bay. There is a bank. Our little old people can now walk out there and get their money. They can pay all their utility bills. They do not need to go to George Town anymore. They have dry cleaning, a pharmacy, a doctor's office, all the telecoms offices, a fast food restaurant and a new library under construction.

Again, all was accomplished without putting the country in a dire financial position. It was well managed. We took our time and looked at what was possible. We did not go out with a wish list and say because we wanted to get elected back in West Bay we need to spend x amount of millions there or x amount of millions in George Town so we need to borrow it and put the country back in debt. We have an improvement to the old people's home in West Bay.

There is just so much that is happening. Under the United Democratic Party Government we were able to renegotiate the telecommunications license and get the liberalisation and get competition. As you know, Mr. Speaker, because it was under your Ministry with you leading the charge that we are now enjoying the benefits of reduction in prices. We are in negotiations currently with the utility provider but even before the conclusions of those negotiations we have already seen a reduction in electricity costs. Before, it was almost automatic that there would be an increase. The three per cent increase was the accepted norm. Now, instead of an increase we actually have a decrease. And yet the People's Progressive Movement will get up and try to convince the people that the United Democratic Party Government has not been looking out for their interest.

I am proud to have been a part of this Government. I am proud to have been able to assist the "fab five" in achieving the goals that have been achieved in the short time. If it was not such a serious exercise you would be tempted to give the People's Progressive Movement an opportunity in the event that their first year was a mistake. However, the good

Cayman Islands are too important for us to take the chance that they have watched and followed and learned over the last three years. In listening to them, even with the many accomplishments they still seem to have a difficult time accepting them. Thus, if they have not learned and still cannot even see what has been accomplished the chances of them making any significant accomplishments or changing the style that they have shown in the past is slim to none.

In the best interests of the Cayman Islands I plead with all those Members of the United Democratic Party that have worked so hard and so long and have been able to achieve such a turn around for the Cayman Islands to continue the fight in the best interests. We all can see that if by any chance, by default or otherwise, that what has been offered up as the alternative to this Government, if we have to go through a four-year term with them at the helm of the Cayman Islands, we all know that the circumstances and the consequences are going to be dire. Not only do I plead with the good people of the Cayman Islands but I plead with the elected Members of the United Democratic Party: Stand strong, hold fast and let us keep the good ship Cayman on course.

Before I go, the advice that I gave to my colleagues is the advice I want to give to the PPM. What they try to do is concentrate more on their own troubles and problems within their group and not worry so much about the United Democratic Party sticking together. As could be heard from all the contributions it is obvious that the United Democratic Party is a strong cohesive unit. Regardless of how much they may try to divide, how much time they will spend, we can hear that the United Democratic Party is looking forward to competing in the general election.

One of the questions that I would like to ask on behalf of my people, that I represent in the district of West Bay, is that so far we have not seen any candidates for the upcoming election from the PPM. The people of West Bay, who are very happy right now with their representation, and the Minister and Leader of Government Business are asking who is it that the PPM, because so far the PPM looks like the George Town, East End and North Side party? There is no space for a Minister for West Bay and there is no space for a Minister for Cayman Brac or Bodden Town. Perhaps that is one of those things that they want to address. If we have three members from George Town that expect to be Ministers; one from North Side, and one from East End, that is five. That is the question I want to ask and perhaps Mr. Eden could answer but we know that there are three members from George Town and one from North Side and one from East End; so that leaves the other districts out.

Thanks so much for your patience, Mr. Speaker, and for allowing me to continue and I wish you a safe journey. Thanks again.

ADJOURNMENT

The Speaker: I want to thank all Honourable Members for staying with us until this hour. It is now 10.32 pm. As I mentioned earlier I will be off the Island for a week as of tomorrow but I know you will be in good hands of the Deputy Speaker.

I now call on the Leader of Government Business for the motion for the adjournment.

Hon. W. McKeeva Bush: Mr. Speaker, I move the adjournment of this Honourable House until 10 am, Thursday, 20 May 2004. Mr. Speaker, all those who say they are nocturnal animals are now released to go and do their nocturnal activities.

The Speaker: The question is that this House do now adjourn until tomorrow, Thursday 20 May 2004 at 10 am. All those in favour please say Aye. Those against, No.

Ayes.

At 10.33 pm the House stood adjourned until Thursday, 20 May 2004, at 10 am.

OFFICIAL HANSARD REPORT
THURSDAY
20 MAY 2004
10.55 AM

Fourteenth Sitting

[Deputy Speaker in the Chair]

The Speaker: I will invite the Honourable First Official Member to grace us with prayers.

PRAYERS

Hon. James M. Ryan: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Cayman Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together*:*

Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever, Amen.

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

Proceedings resumed at 10.58 am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies for the Honourable Speaker of the Legislative Assembly, the Honourable Minister of Health Services, Agriculture, Aviation and Works and the Elected Member for East End.

I have received apologies for the late arrival of the Elected Member for the district of North Side and for the Second Elected Member for the district of West Bay.

STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE CABINET

Update on Government's Affordable Housing Initiative

The Speaker: I have received notice of a statement by the Honourable Minister of Community Affairs. I acknowledge him at this time.

Dr. the Hon. Frank McField: Mr. Speaker, and Members of the Legislative Assembly, I gave notice to this Honourable House two days ago of my intention to present this House with an update on Government's Affordable Housing Initiative. It now gives me great pleasure to present to you this update, especially after the Member from North Side made so many misleading statements about this worthy humanitarian initiative. The Member, in her contribution to the 2004/2005 Budget, raised many questions but gave no answers. I will now, Mr. Speaker, on behalf of the Ministry responsible for Housing, and on behalf of the Cayman Islands Government, provide some answers.

The Government embarked on this Initiative in August 2002. It has been a massive undertaking and an educational experience for the Ministry to be involved with such a far-reaching initiative. Honourable Members of the Legislative Assembly are reminded that former Government reports and studies suggested that the lack of affordable housing is one of the key factors that contribute to social problems faced by our people.

Prior to embarking on this Initiative, the Ministry revised these reports and reviewed other studies and statistics from the Department of Children and Family Services (formerly Social Services) and the 1999 Census. The Leader of Government Business and I, as well as representatives from our respective Ministries, visited a number of affordable housing initiatives in other countries. The Leader of Government

Business also had discussions with members of the private sector in an attempt to find affordable materials, financing and labour. No contractors came forward with a plan to develop affordable housing at the level that Government wanted to impact for the benefit of the working poor.

We can play with the word “affordable” as the Member for North Side has done. The end result will be that we will find low and very low-income individuals form a large section of our working population unable to afford homes. Thus, what might be affordable to a person making CI$24,000 per year is not affordable to the very low-income person making CI$12,000 per year. We should therefore not confuse Phase 1 of this Affordable Housing Initiative to be an end all for our affordable housing inadequacies. This phase, Mr. Speaker, is a major strive along the path of the affordable housing provision, of social empowerment and of humane governance.

The National Housing and Community Development Trust (NHCDT)

Honourable Members of the Legislative Assembly are aware that the National Housing and Community Development Trust (NHCDT), a wholly Government-owned not-for-profit company, was established in September 2003. The purpose of the Trust is to construct and maintain affordable homes, provide financing with less onerous qualifying terms than a standard commercial mortgage, and to offer new methods of homeownership and housing tenure to address our community’s social needs.

The establishment of the NHCDT was necessary in order to produce and preserve affordable Housing Units. The NHCDT will achieve these objectives by acquiring land and providing funds for the materials, erection and completion of these initial 200 units. Once these homes have been completed, the further task of the NHCDT will be the preservation of these units and the communities it has formed, as well as the procurement of further additional housing stock. Experiences have taught us that the best way for this to be achieved is to provide the physical management of the housing estates and the social management of the affordable communities created within them. The NHCDT is therefore set up also as a mechanism to assist with the social support of the needy families and communities.

In order to ensure the long-term quality of the affordable housing communities, and by addressing the social needs of homeowners and their families, the Ministry responsible for Housing seconded the officers of the Community Development Unit to the Trust. The Trust is aware of the importance of this aspect to the long-term success of these communities.

Applicants are being assessed financially, as well as socially, in order to ensure that a cross-section of the Island’s population who fit the criteria are selected. The staff from the Trust has been reviewing applications to determine the social eligibility based on the need to have a balanced ratio of populations represented within each community: single mothers, the elderly, young professionals and couples with children. The Trust will maintain involvement with the socially eligible buyers for the sale of homes when initial homeowners become financially qualified to upgrade their homeownership should they so desire.

The Trust will address their ongoing social needs in order to support the social infrastructure of each communal community. The staff will conduct on-going assessments and develop community-specific programs and collaborative referral systems to address these needs. Some programs will be created and implemented as preventative measures, based on the comprehensive knowledge of the social makeup of the qualifying families. As part of the purchase contract, homeowners will sign an agreement mandating that they work with the Trust team and adhere to specific behavioural norms. This will ensure that the Trust has the full co-operation of homeowners to participate in programs, or follow through with referrals when problems have been identified that may have an adverse impact on the housing community. Some programs will be needed and offered to all of the housing sites (structured child care programs, parenting and budgeting workshops), while others will be tailored to the specific needs of the individuals within the communities as they are identified.

One of the main goals of the social programs is to offer community officers to work along with residents through a "one-stop service shop" by providing community centres on site. This system is designed to provide a social network support and to break down the stigma of indigence and the applications of being a recipient of particular resources.

Social support services will be provided in a family-friendly environment, while offering assistance and empowerment from infancy to old age as needed. The idea that a family or individual is able to obtain services at one place within their home community and avoid having to go in search of resources will greatly enable them to obtain assistance before embarking on crises that can come with the reality of homeownership. Because the facility is on site and is designed to house various programs, client confidentiality is enhanced. Additionally, these programs will assist the homeowners who experience difficulties (due to financial, social, and emotional limitations) to gain the necessary skills to remain employed and productive. This will promote positive growth and development of the communities and the country.

Annual Grant

However, in order for the Trust to function effectively, an annual grant of approximately CI$250,000 will be required to ease unforeseen cash-flow difficulties caused by catering to customers in the

high-risk mortgage sector. It should be noted that during the infancy stage of the Trust, teething problems will be encountered and unforeseen financial restraints presented. Based on the financial projections, this will be required for the first five years of the Trust's operations.

Funding for the Community Development Unit will be transferred from the Ministry as a grant to the National Housing and Community Development Trust to cover the cost of operating this section of the Trust. Currently, this is projected at CI$550,000 and was previously under the Department of Youth and Sports budget.

The Board of Directors

The Board of Directors of the Trust is diverse and consists of highly proficient persons employed both in the public and private sectors. The Board has been meeting since December 2003, and in conjunction with the Ministry, has achieved the following:

- The provision for accommodations for the staff of the Trust.
- The secondment of the Community Development Unit to the Trust. These officers have been busy over the past few months pre-screening over 280 applications for the affordable homes.
- The hiring of a Finance Manager. The Finance Manager has worked in the banking industry and brings many years of experience to this important post.
- Undertaking negotiations with the financial industry to secure the best rate and terms of financing for the Trust.
- The production of draft Sale and Purchase Agreements for use between the NHCDT and prospective home purchasers.
- The drafting of proposed NHCDT by-laws for consideration and adoption in due course by the Board of Directors of the NHCDT.

The Cost of the Project

The total cost of the homes, excluding Government subsidies, is estimated at CI$12,581,213. This may be analysed as follows:

Residential Units:

Materials Supply	$3,116,486
Container Transport	$15,000
Units Construction	$5,628,152
Construction Utilities	$28,000
Contractor's Storage Facilities	$72,500
Bank LOC (Materials)	$35,700
Project Management & Administration	$79,700
TOTAL	CI$8,975,538

That is the cost for the actual homes.

The total inhabitable area of Phase 1 of the Initiative is 179,120 square feet which equates to a construction cost of CI$50.11 per square foot.

Private-sector-for-profit residential development construction costs for equivalent finish specifications would, at this time, be unlikely to be less than CI$75.00 per square foot.

Land Preparation & Services:

Site Clear and Fill	$1,650,000
Water Supply & Sewerage Disposal	$615,500
Roads, Kerbs, Sidewalk and Drains	$812,275
Site Electrical Installation	$53,000
Landscaping/Fencing	$250,000
Project Management and Administration	$109,900
Survey and Strata Establishment	$110,000
Engineering Consultants/Tests	$5,000
TOTAL	CI$3,704,675

Based on the total inhabitable area as given above, the cost of providing land preparation and services, including survey and strata establishment, equates to CI$20.68 per square foot. Equivalent costs in the private sector for equivalent land preparation and services provision specifications would be unlikely to be less than CI$30.00 per square foot per house area.

In addition to the above, the Government has provided land for the following sites at a total estimated cost of CI$2,411,000. The Government did not purchase these lands, these lands were there:

Site 1	Windsor Park, George Town	CI$330,000
Site 2	West Bay	CI$500,000
Site 3	Eastern Ave., George Town	CI$542,500
Site 4	Fairbanks Rd. George Town	CI$1,038,500

The Ministry has estimated that a further subsidy of CI$1,838,400, in the form of the waiver of Government fees, will have been given by the end of the procurement of this phase of the Initiative.

In terms of assisting the general public in understanding what we have done, we have broken down the actual cost of the materials and the construction costs of the 200 units and the site preparation, which means, urbanisation in the sense of sewerage, water, landscaping and fill were all separated. We also then showed that Government has added a non-cash contribution through these land donations.

If the Trust is to recover the direct costs of this initiative, the Trust will have to set a price of CI$69,600 for the 2 Bedroom + Den Units and CI$56,900 for the 2 Bedroom Units. While these are reasonable prices for these homes in terms of affordability, if the Government believes that, at this time, the prices should be lower, then it will require a cash subsidy of CI$1,141,413 to the Trust, in order to reduce the prices of the homes to CI$49,999 and CI$61,999. This results in a cash subsidy of CI$5,707 per unit. We are not aware of any examples of afford-

able houses being developed and maintained in any other jurisdiction without direct Government-cash subsidy towards the cost of production and maintenance.

The Opposition has made the point that these houses, at the prices they are being offered, are not affordable. I would therefore like to solicit the support of the Opposition for the Government to give a cash subsidy in order to maintain the affordability of these houses in their view. Monthly payments for the purchase of homes, if they are to be sold to recover all cash subsidy, based on a 20-year mortgage, fixed at an interest rate of 8.5 per cent, is thus expected to be set as follows:

2 Bedroom + Den Unit:	CI$1,500 deposit + CI$594 per month
2 Bedroom Unit:	CI$1,000 deposit + CI$485 per month

Monthly Strata Fee (including insurance premium contribution) is expected not to exceed CI$100 per Unit.

Financing for the Homes

This Honourable House is aware that on 15 December 2003, the Standing Finance Committee authorised the issuance of a Government Guarantee to a bank, or other financial institution, on behalf of the NHCDT to obtain a Bond Issue in the amount of US$29,000,000, or CI$23,925,000. The Ministry responsible for Housing and the Board of the NHCDT have been in negotiations with Scotiabank since January 2004, to secure financing for Phase 1 of the Affordable Housing Initiative. Initially, the Ministry responsible for Housing, along with the Leader of Government Business and the Honourable Financial Secretary, met with the major local banks in order to secure funding for the Trust. The local banks agreed that Scotiabank be the lead arranger for this Bond. The Trust is to finalise this Bond Issue within two weeks.

Audit of the Project

As a footnote, Mr. Speaker, I note that the Lady Member was calling for an investigation. The Cayman Islands Audit Office is in the process of conducting a value-for-money audit on the Affordable Housing Initiative. This audit started in March 2004, and the Ministry welcomed this review, as all expenditure on this project has been carefully monitored. Additionally, the Ministry has requested that the Audit Office carry out a further review at the end of the project to ensure that the funds expended on the Initiative are fully accounted for.

Update on the Project and Completion Dates

Progress on the delivery of the 200 houses comprising Phase 1 of the Affordable Housing Initiative, as at 12 May 2004, continues to be encouraging:

Windsor Park: Total Provision of 30 Houses.

Thirty houses are nearing practical completion and, subject to fit-out items, are to be ready shortly for handover to the Trust and subsequent hook-up of utilities. Of these utilities, water supply installation is 40 per cent complete, sewerage treatment installation is 20 per cent complete and Caribbean Utilities Company (CUC) installation is 90 per cent complete. Kerbs/walkways are 20 per cent complete and roads and parking are 15 per cent complete. Estimated latest date of occupation: 15 July 2004.

West Bay: Total Provision of 69 Houses.

Sixty-nine houses are nearing practical completion at this site. Of these, just over 30 houses are currently being inspected for compliance with handover requirements ready for formal handover to the Trust and subsequent hook-up to utilities. Of these utilities, water supply installation is 70 per cent complete, sewerage treatment installation is 90 per cent complete and CUC installation is also 90 per cent complete. Kerbs/walkways are 90 per cent complete and roads and parking are 50 per cent complete. Landscape preparation and finish grading commenced last week. Estimated latest date of occupation: 30 June 2004.

Eastern Avenue Site: Total Provision of 33 Houses.

Twenty-seven houses are complete to roof level, and of these, 24 are under interior fit-out operations, while six are awaiting completion of superstructure. Installation of utilities is progressing steadily, with water supply installation being 20 per cent complete, sewerage treatment installation 40 per cent complete and CUC installation around 50 per cent complete. Kerbs / walkways installation has commenced, with roads and parking to follow shortly. Estimated latest date of occupation: 30 July 2004

Fairbanks Road Site: Total Provision of 68 Houses.

Negotiations with the Health Services Authority are ongoing for the acquisition of approximately 22 acres of the site just off Fairbanks Road, George Town. This property has been partially filled to an extent of approximately five acres of the total seven acres needed for the final 68 houses of Phase 1 of the Initiative. This property, already the location of Her Majesty's (HM) Prison Fairbanks, has the added advantage of an existing floor slab and substructure designed to hurricane shelter specifications and is slated to be used for the construction of a Community Centre. This fourth site is scheduled to have Planning Approval granted and filling operations completed within eight weeks, in order to achieve the scheduled estimated Occupation Date. Estimated latest date of occupation: 30 November 2004.

The Applicants

Much has been said and speculated about the future applicants of these homes. It should be noted that the Ministry responsible for Housing has re-

quested a recent breakdown of the number of applicants for these homes according to nationality. Of the 280 applicants to date, 76 per cent (213) are Caymanian and the remaining 24 per cent (67) are non-Caymanian.

The Board of the Trust has made it abundantly clear that the first choice for the homes will be given to Caymanians subject, of course, to compliance with the selection criteria. Every effort will be made to ensure that as many qualified Caymanians as possible are given the opportunity to own their own home.

Regarding the provision of Housing outside of West Bay and George Town, only four of the above applicants expressed a preference for houses in the Eastern Districts. This, we believe, is due largely to the fact that these districts were not included in this first phase of this Initiative.

It is anticipated that Phase 2 of the Affordable Housing Initiative will address the specific provisions of affordable homes in Bodden Town, East End, North Side, Cayman Brac and Little Cayman on a needs basis and in accordance with future market research. We are aware that Housing demands exist in these districts, and it is both the Government's and Trust's intention to ensure that these demands are met. In the meantime, the Department of Children and Family Services, with the able assistance of other public and private sector agencies, continues to provide social Housing assistance.

In conclusion, the Ministry responsible for Housing, on behalf of the Cayman Islands Government, is very grateful for the support given to the Affordable Housing Initiative by this Honourable House. I extend an invitation to all Honourable Members of the Legislative Assembly to visit all three sites currently under development, as well as the offices of the NHCDT, to see the progress being made on Phase 1 of the Affordable Housing Initiative.

For too many years the Cayman Islands have been devoid of an affordable housing policy and lacking in the machinery to implement one. The Government has assertively stepped forward and filled the void by embarking on this Initiative and by appointing civic-minded, caring Caymanians to both staff and direct the operations of the National Housing and Community Development Trust.

I thank them for their hard work and commitment and remind them that their work in this field is just beginning. I also thank the hundreds of Caymanians who have pledged their support for this Housing Initiative by applying for homes and for their interest and patience.

As a footnote, I also requested that the Ministry include a provision in the contract with the Vetromeccaniche Invest Ltd because I think the impression is somehow that the contractors were paid and the houses were not built. I want to show that the contract is a contract.

When we bought the materials, for instance, upon delivery of the materials a letter of credit was drawn up. With regard to construction, initially workers received the mobilisation payment and are now paid according to parts that they complete; our project managers assess the work done and then pay them on a monthly basis. There is no way that the fund has been expended and that we have not had a result.

There appears to be no way to assist the Opposition in having clarity of thought and reason. Therefore, I hope this will assist the general public in seeing the depth that the Opposition will now go to, to destroy one thing being done to help the people in this country.

The Speaker: Thank you, Honourable Minister. I have also been given notice by the Minister of Education who has a statement.

I acknowledge him at this time.

Coming into Effect of the Employment Law (2004)

Hon. Roy Bodden: Thank you, Mr. Speaker. This statement regards the coming into effect of the Employment Law (2004).

Members of this Honourable House are aware that the Employment Law was assented to by His Excellency the Governor on 31 March, 2004. There was some confusion caused by a newspaper article on Friday 11 May, as to when the new legislation will take effect. The Ministry responsible for Labour and the Department of Employment Relations are cognisant that employers and employees need some time to understand and respond to the requirements of this important new legislation.

Over the past few weeks the Department of Employment Relations has been organising itself to prepare for the implementation of the new Law.

Various activities have been organised including the following:

1. A two-day retreat to brief Employment Relations officers on implementing the new Law was held last week.
2. A comprehensive training session for the entire staff of the Department of Employment Relations will be facilitated by the Law School next week.
3. Various fact sheets on the new Employment Law have been prepared for general circulation.
4. A media campaign is underway.
5. Employment Relations staff will hold a briefing on the new Law for all of our Ministries' Heads of Department, units, and sections. This can be done for other Ministries upon request.
6. The Department is arranging a series of district meetings to speak to employers and employees which start next week.

7. Meetings with individual employers have been set up and will continue by request.

The Law states that: "**1. (2) This Law shall come into operation on such date as the Governor may by Order specify and the Governor may appoint different dates for the coming into operation of different portions of this Law.**

"(3) Without limiting the generality of subsection (2), sections 6 (5)(b) and 63 (both relating to workers' compensation) and other provisions dependant upon these provisions shall come into force on 1st December, 2005 or such later date as the Governor may by Order appoint."

This means that the workers' compensations provision shall not come into force before 1 December 2005 or a later date. However, the Ministry intends to have the main body of the Law come into effect on 1 September 2004, and this will be recommended to the Governor in Cabinet.

Mr. Speaker, I thank you for your indulgence.

GOVERNMENT BUSINESS

Bills

The Appropriation (July 2004 to June 2005) Bill 2003

(Continuation of the debate on the Budget Address)

The Speaker: For the continuation of the debate, does any other Member wish to speak?

I recognise the Minister of Planning.

Hon. Juliana Y. O'Connor-Connolly: Thank you, Mr. Speaker.

I sat here and listened quite intently to our Honourable Financial Secretary, the Honourable Leader of Government Business, as well as my other United Democratic Party (UDP) colleagues, the Honourable Leader of the Opposition and his People's Progressive Movement (PPM) colleagues, make their contributions and play out their respective roles in this Parliament. I, for a moment, thought I would forego making my contribution at this time, rather, make it at the Throne Speech in a few weeks' time when His Excellency the Governor so presents. I thought this would be in the interest of time and in getting to Finance Committee, where funds could have been voted upon and our Government could get on with the business of completing the various projects in our respective districts. However, last night I thought that I would like to present a somewhat different and, some may dare say, courageous angle to this debate.

The late John F. Kennedy once said: **"Being courageous requires no exceptional qualifications, no magic formulas, no special combination of time, place and circumstance. It is an opportunity that sooner or later is presented to us all."**

This being my eighth Budget Address in this Honourable House, it is now my opportunity to try a different approach to the Budget debate.

This Budget, in my respectful view, presents the UDP Government's financial roadmap for the 2004/2005 financial year. In this Budget we have offered, among other things, our descriptions, objectives and goals. Government Members, in their debate, have said how our application fits into the broader scheme of things.

This Budget, in my respectful view, has been based on a unified social theory for all of the Cayman Islands and not for a selected few. Indeed, I further submit that it has been based on a rational budgetary foundation. It is based on the premise of representative Government through the process of analytical procedure that avoided implicit or direct bias.

We have endeavoured to refrain from electoral politics in this Budget and have made considerable effort to ensure that this Budget is prudent and responsible. It is based on sustainable, financial concepts, the genesis of which has been dedicated to fiscal control both on the recurrent side of our Budget, as well as with our equity investments in the various ministries, portfolios, statutory authorities and even our government companies. These amounts have admirably been limited to an amount that we can finance by operating cash flows.

In the 2004/05 Budget we have offered what I believe is the most transparent Budget ever presented in our country's history. I dare say that it is a budget based on the principles of democracy; it is user-friendly and welcomes public evaluation.

Income redistribution is a major activity of most governments. Most public interventions, whether they are fees, expenditures or regulations of various sorts, change relative prices and serve thereby to redistribute income away from some groups towards others, despite how we wish to think. The whole range of public policies has distributional consequences. However, different governments will undoubtedly have their own explanations, their own methodologies for prioritisation as to the manner in which they seek to redistribute and prioritise their financial resources.

Perhaps the most conspicuous example in this 2004/05 Budget of the concept of redistribution is shown in our Government welfare policies. We have based these policies on our ethical obligations to the poor and the needy in our Caymanian community. More often than not, various Governments are viewed as, what I would term, the "charitable despot and considerations of noblesse oblige" (obligations of honourable, generous and responsible behaviour associated with high rank). These are often construed to motivate various agencies in the Government.

This year, being an election year, our Government could have easily yielded to the common temptation of unjustifiably increasing our social welfare vote for the wrong reasons. Instead, we chose to

marry the fiscal and financial prudence with reasonable and affordable social welfare principles. Simply put, the public welfare expenditure in this Budget involves the proposition that the Caymanian public desires public redistribution, even if they do not themselves directly benefit from this redistribution. We believe their reasons for this desire are nothing less than admirable. We believe that the Caymanian community and our Government are indeed desirous of ensuring that the poor in our community are satisfactorily taken care of because it will then lead to a more healthy, equitable, unified community.

For the most part, the Government has risen from the ranks of the grassroots. We know, from a personal perspective, what it means to be poor and in need. We do not need to be convinced to make provisions in our Budget as it relates to the various welfare programs. This Budget will, in fact, bear out that we have once again taken a holistic approach in nation building and have therefore provided as far as possible for the poor and needy in our community. I believe we have achieved this most important goal without having to raise taxes. Certainly, this has to be recorded as a better balanced approach.

This Budget offers continued confidence and stability to our investors. The question then can be posed, Why so much stability when our opposers concluded some three years ago that the overriding component to the formation of our Government was one of convenience which they predicted would lead to less than desirable consequences? Some may say it is a fair question.

Majority rule does not always necessarily generate a stable outcome, as there is no outcome that cannot be defeated by a majority of votes. What I suggest is that the picture of democratic politics is one of continual policy change as the composition of the decisive coalition alters. There will be, and has been, a shifting of priorities in order to secure whatever outcome is best for our beloved Cayman Islands. However, what actually keeps this cycling and expressive preference in focus is the presence and the involvement of what we call a charismatic, energetic and dynamic leader. This type of leadership is sufficiently confident to allow circular indifferences (and that we have) because our Leader knows that, at the end of the day, we in the Government have one common goal: be the very best representatives that we can be to the people of the Cayman Islands.

Of course, such dynamic leadership often opens itself to the receiving end of political rhetoric. However, in politics we learn sooner or later that rhetoric is a kind of noise screen which attempts to hide the real play of competitive interests underneath. Especially in an election year, we can all prepare ourselves for political rhetoric, but let us not become dismayed. I truly believe that it is nothing more than political advertising, more or less, analogous to the kind of bikini-clad girls and sporting celebrities used to sell cars, cigarettes and beers in the marketplace. Just as in marketplace advertising, where the seller seeks to provide an association between the product and the attractive image, so too, I submit, the political advertiser makes a similar appeal to relevant images in order to attract votes. I certainly heard a lot of that in the last few days.

The traditional Parliamentary debate is essential evidence of democracy, Mr. Speaker, although in most cases, I believe there is virtually no prospect that the debate may persuade anyone on this Honourable Floor to change their minds from their particular party lines. There may even be the heroic vision of us arguing our way towards a common mind of accepting this Budget, but we all know this vision is nothing more than a romantic notion.

After eight years I have concluded that the budgetary parliamentary debate is like a forensic exercise, like debating competitions with the purpose of persuading the general public rather than persuading the opposing team. This is merely an observation. Nonetheless, not just any budgetary policy will do in these times. Only those policies that are consistent with the political and ethical positions of our Caymanian community can identify us with the public and the public with us as politicians. We are, however, constrained by the perception of the political good that we endorse, and even more constrained by the requirement that we publicly articulate and defend our particular policies. To this end, I believe that parliamentary debate is therefore very critical to our democratic process, not because it instantiates the ideal forum for us in this Parliament, but because it structures and supports the crucial, expressive aspects of community valuation and political participation. That is why I rise to make this contribution today.

I wish also that the Parliamentary record reflect that our Party will suffer if our economy sputters because voters will perceive the Party as failing to cope adequately with national economic problems. Thankfully, the UDP's Budget does not reflect an economy that is sputtering. Indeed, the opposite is the case. I am therefore extremely confident that if we place our trust in God and seek His guidance and purpose for our country, the good ship "Cayman" would not have a significant change of crew, if any, come 17th November.

The Government, of which I am a part, remains committed to ensuring an economically and socially vibrant Cayman Brac and Little Cayman, the constituency for which I represent. The capital section of this Budget is a testament to the UDP Government's commitment to place necessary resources for the utilisation of necessary projects in Cayman Brac and Little Cayman. This Budget will indeed present an opportunity for us to provide the long-evaded sub-Police station in the district of Spot Bay, at the new commercial centre.

At this juncture, I particularly commend a local businessman from Grand Cayman who ventured to *put his money where his mouth is* by taking the great economical risk of investing thousands of dollars in the eastern districts of the Island and, to date, has been quite successful. That is the person we know as "Mr. Biggie".

My Ministry has been diligently working to achieve many varied, and often complex, technical outputs, and the country, on the whole, has benefited from our efforts. The Ministry continues to work to ensure that the cost of living is decreased in the areas that we have been given constitutional responsibility for.

The Government understands that in order to facilitate the operation of an efficient public and private sector, we are constantly looking to create and find innovative means to ensure that, as trustees of the country, we take the country forward while being able to maintain an appropriate border security and protection. We, I believe, still live in the best country as far as safety and blessings from Almighty God, and this is a most important aspect. I am aware that the Honourable Leader of Government Business continues to find solutions to guarantee that there is security within our borders. We must all join hands together as this is an effort that will benefit all.

This Government continues to increase necessary resources for our faithful, dedicated and hard-working Police Service. We believe, even in the day of fiscal constraints, it is vital to provide the necessary and appropriate tools for them to carry out their various policing in our districts, not only in Grand Cayman but in Cayman Brac and Little Cayman as well. I praise the various task forces.

Coming from Cayman Brac, this is an ongoing, arduous job and we are often left to depend on the expertise and resources from Grand Cayman—Immigration Services, Customs Department and the Police—in our fight towards drugs on Cayman Brac and Little Cayman. I am grateful to be part of a Government that does not exercise their discretion in an ostrich approach to this problem, but indeed has tackled it head-on. As the fight continues, we trust that the community and the persons involved will see that the UDP Government has a no-tolerance approach for drug and domestic abuse.

This has taken high priority on the UDP checklist because drug activities, if left un-addressed, are worse than a cancer in any society. On the Brac we dubbed it the "Slim-Fast diet" and that is not to put an anecdotal perspective to it. We have seen once strapping young men and women now walking our streets who have lost, in some cases, over one hundred pounds. We can always put on our fine clothes and drive our fine cars and say that it is not our problem; but I always look at it from the perspective that he or she is some mother's child and it is the Government's business to work in partnership with every member of our community to ensure that they have a reasonable chance of succeeding. After all, it is our community and not just theirs.

This fight against drugs and other crimes must come to the forefront of everyone's mind. I believe that this is one arena in which politics should become an expatriate. There is no room in the fight against crime for politics to play a role because, at the end of the day, there is no discretion for those who choose to shoot indiscriminately around the town; there is always the occasion where the bullet becomes the stray bullet. We are a small, close-knit community and you do not have to search very far to find a cousin or relative. It has a very significant, negative impact seeing that tourism is one of our main industries here in the Caymanian jurisdiction.

As you know, Mr. Speaker, as a second phase of his development, the Minister responsible for Housing has also committed, within the party, to provide low-income houses to the eastern districts, including the district from which I come, Cayman Brac. I publicly thank him for this undertaking and assure him that there are easily 20 to 25 persons who, we believe, would qualify within our community for this long-awaited, real hope of finally owing their very own home.

For the Brac, 20 to 25 low-income homes will have a significant, economical impact. Not only will it have a positive, economical impact, but just as importantly—or perhaps more importantly—it will allow some of our single-family parents to, at long last, come out from very cluttered and inappropriate housing accommodations to start generating, creating and cultivating a pride of having their own home. It will be a place where their children can play not only indoors, in safe and comfortable surroundings, but also have the luxury of going out into their own yard to play. They will be able to cultivate a good family relationship and maintain a good quality of life in Cayman Brac and Little Cayman.

I am happy to say the Government, of which I am a part, has allowed for an allocation within this Budget for property which can be used—if the Minister deems fit once he visits the Brac—for the provision of locating the low-income houses and also to augment the necessary, ancillary infrastructure with his vision of building a whole community as opposed to just creating buildings.

I turn to the economic impact that Cayman Airways has, in particular, to Cayman Brac and Little Cayman.

I am glad to say that under the capable leadership of the Leader of Government Business, Cayman Brac and Little Cayman have seen the addition of two Twin Otter aircrafts. Lest anyone say that this has not had a significant impact, I am reliably informed that last month we received over 3,000 passengers to the Brac. Tourism is alive and well; so much so that this past weekend on the Brac I was actually bumped from one of the flights to allow someone else to get onto the flight to Grand Cayman.

That is not an exception. Those of us who go to the Brac on the weekend have a very difficult time getting a seat. However, because we are committed to ensuring that there is sustainable tourism on the Brac (especially on the Brac side of the journey) we have no problem offering up a seat in order to assist in the fight to guarantee we have an economic development that continues.

We have not made an impact in the financial industry as has our sister, Grand Cayman. Nonetheless, we are satisfied that we have lent (if I may be so bold to say) much of our intellectual capacity to that industry. We are satisfied to build our tourism industry on the Brac.

Many people will look at the development of the Brac and consider it a "brain drain". I choose not to have the half-cup philosophy when considering the Brac and its development. Indeed, I look at us as the Cayman Islands. It helps us if we have students that work within our community, ensuring that the Cayman Islands maintain their position as fifth, perhaps even higher, largest financial centre in the world.

We will see that, perhaps, every time the Budget is presented there are huge amounts in the Budget that are referred to as subsidies to the Brac in one form or another. I refer to them as being paid back for the intellectual capabilities that we send across to Grand Cayman to assist in the nation building of our country. I am content we have a Leader who understands that nation building encompasses all components; that is why he is so popular in the Brac and can go there, in my humble submission, run anytime and win a seat.

I am also pleased to say that the Honourable Leader responsible for Tourism has been actively engaging in dialogue in a consultative manner with the Florida Cruise Ship Association. I have been fortunate enough to have the opportunity, with your good self and others, to attend negotiations in an attempt to portray the physical and geographical restrictions that we have on the Brac of not being afforded the blessing of a natural harbour. We are well on the way to having the Florida Cruise Ship Association accept the concept. My colleague said yesterday, they have visited and we are now in possession of their report and findings. Indeed, some of our infrastructure requires some tweaking; we have provisions in this Budget for that. We are happy that the private sector has come on-board as a partner with the Brac and have already begun purchasing the buses that will be necessary for the various tours: Tours A and B.

Often, the Brac's development suffers from the chicken-and-egg syndrome. This Government is not prepared to wait for the chicken to hatch, rather, it is prepared to provide the incubator and necessary environment to make certain that not only the chicken hatches, but the chicken hatches and continues producing more chickens and more eggs in order to keep the viability of the economy on the Brac going. I hear my learned friend from George Town saying that he thought that we would fry the egg. Perhaps that is a Freudian slip that I will take up in another forum, as the eggs from the UDP are there for prosperity and not for elimination.

Yesterday afternoon was a most historic day, especially for Cayman Brac and Little Cayman. Many of us here in this Honourable House witnessed the commissioning of our national radio communication link. Indeed, it was an exciting and wonderful privilege for me, as Minister responsible, to make the first radio link across to the District Commissioner. Of course, being who I am, for a split second I had some trepidation, wondering whether the link would connect, especially before of an audience of technocrats and communications experts. Thankfully, Motorola and my dependable staff came through for us and the link was made. It was certainly good to hear.

I am a person who can be termed a "hurricane chaser". From the time they roll off the coast of Africa I am on the internet checking, mapping and verifying where they are going. As recently as Hurricane Lily—and my constituents can attest to this—I was never off the roll, much to my mother's detriment and fretfulness.

It became quite evident that this project—which began under the leadership of the last Minister, the now present Speaker—needed to continue, because in the eastern districts, in particular, Spot Bay and some locations on the Bluff, we could not get communications, not even from our beloved *Radio Cayman* who broadcasts reliable and consistent hurricane weather forecasts.

Thankfully, we reached a digital phone and I was able to aptly communicate with the Deputy Chief Secretary and Mr. Kirkland Nixon to get out information, particularly when the eye was deemed to be passing over Cayman Brac. Persons in the eastern district who thought it had passed came out into the road to celebrate—in their form of celebration—and because of the communication we were able to take them. Now I will not have to risk my life to go on the road to get that vital communication as to what to expect because they can sit in the comfort of their homes, or if they wish to, go in the caves as many of us still do. This in itself can only be a positive improvement, in particular, for them. On behalf of my constituents, I wish, in anticipation, for a full agreement for this particular part of the Budget. I thank all Members for their support in this regard.

Another significant aspect which occurred yesterday was that Little Cayman was involved as well. Oft-times, we endeavour to airlift the tourists and residents wishing to leave in case of emergencies or hurricanes. However, having put in the necessary infrastructure for the Hurricane Centre—which serves the double purpose of housing our Public Workmen in very comfortable accommodations on Little Cayman—we made the decision to build that to hurricane

standards. Now with the communication link in Little Cayman, it gives them the option of staying on the Island, if they so desire, and protecting their property, family and any other assets they so wish.

From an economic perspective, my Ministry also continues to work along with the management from the Government in its commitment to ensuring the liberalisation of the utility sector.

Much has already been said in this and other previous debates in this Honourable House as to the process which led us to some very live competition with telecommunications and great prices in the market for the very first time. We are now diligently working with the other leg of the utility, that is, Caribbean Utilities Company (CUC). At a more appropriate time, once we have successfully concluded our negotiations—which we anticipate in short order unless there is an overriding factor beyond our control—we shall have another positive announcement which will be made in true partnership in a joint statement to this Honourable House first, then to the wider community.

Suffice it to say, this is the first and only Government successful in negotiating a sizable reduction—3 per cent at the end of October last year—to a very significant aspect which contributes to the increased cost of living: the electricity component of one's expenditure.

Being the encompassing Government that we are, we did end our progress as it related to CUC here on Grand Cayman. As Minister, I took keen interest in the renewal of the license for Cayman Brac Power and Light, and I was fully convinced that they needed a fifteen-year contract, albeit non-exclusive as we have entered the era of competition and the Government mandate was steadfast and continues to be in that regard. I took great pain and effort to ensure that there was some mechanism within the terminology of the contract to ensure that the cost of living on the Brac did not become a "runaway train". In fact, what we have accomplished has not received that much publicity, for whatever reason, but I can tell you that the people on the Brac are exceptionally happy.

This is the first time that any government has been able to put in a freeze on rates for the entire duration of the contract, being fifteen years. To put that in layman's terms, we were able to get the company under the leadership of Mr. Moses Kirkconnell, who has a social conscience for the community, to accept that they had to play a role in the development/partnership on the Brac. By so doing, they agreed to a term in the license that no electricity rates would be raised for the next fifteen years unless it was a carry-through fuel factor, which is an understandable aspect.

We are also grateful that the vision of development on the Brac is finally becoming a reality.

For many years Members from the Brac, the Honourable Chief Secretary, when he had the responsibility, and I took much abuse and political licks—if I may so resort to that terminology—for significant sums of allocations in the Budget for roads. Again, we will see in this Budget that the UDP Government has not deviated from their commitment to the development of Cayman Brac because there is half a million dollars for the development of roads on Cayman Brac and Little Cayman. This is important in our vision of developing a sustainable and vibrant economy.

You see, Mr. Speaker, the UDP has a philosophy that it is not good enough to provide a fish; we need to provide the tools for the fishing so that once that fish is consumed that person has the requisite skills and techniques to continue to prosper in such an environment. That is why we strive to ensure that all of the components are lined up so that all and sundry can benefit.

We have embarked upon a road program on the Brac. It took us investing in the provision of electricity lines and poles not only to provide necessary access to various properties on the Bluff, but also to encourage persons to begin residential development and to get back to the agricultural development. We believe that the Brac, as in past times, has potential to develop its agriculture. Believe it or not, there is much fertile soil on the Bluff, and judging from the success of our last Agriculture Show, the persons who visited from Grand Cayman were amazed to see the high quality of the produce there on the Brac.

Because I always like to lead by example, I took the bold move to construct my own home on the Bluff, even before knowing if there would be electrical or telephone lines. I paid the high cost of cell phones to make the statement that not only did I believe that the Bluff was the future of the Brac's development, but that I was willing to make an investment.

I am happy to report that in the past two years the amount of development on the Bluff, as it relates to residential homes—very nice residential homes both from our local constituents/investors, from abroad and a large percentage from Grand Cayman who seek summer/vacation homes—is really commendable and a testament to the vision of development on the Bluff. This vision is a correct one which we should continue to support.

I know that we will get the opportunity—in our continuation of this forensic exercise when we approach the various line items and policies in the Finance Committee—to say more about our respective responsibilities in our Ministries, as well as have the opportunity to make statements as need arises. In an effort to expedite the process, I will conclude by saying that the UDP Government is a Government that I have found, from a personal perspective, not to be a vindictive Government. I trust that regardless of what the future holds, any Government that will be good for the Cayman Islands must guarantee that that continues.

There is an element of divisiveness that has come about, for whatever reason, within our commu-

nities—the Brac as well as Grand Cayman—which cannot stand to bode well in our community. I agree we must take every effort to maintain and ensure that our Caymanians are protected. We who herald and often taut the fact that we are a Christian nation must also take a step back in a humanistic approach and see ourselves as creations of the Lord God Almighty and that we are all somebody's child.

Like the late Manly said—and I am sure I speak for all of us here when I say—our greatest duty is to ensure where the jobs come for our local people, and even more importantly, where the next meal comes for our people. However, we must also ensure that we do not become such deviants from the global village as it develops in that direction, that when the curb of economic success takes a downward turn in our community that we become like leopards in the worldwide stage of the economic development.

The Caymanian community has always been a travelling community. Many of our ancestors have hailed from abroad, and today we still have many close relatives in Jamaica, Cuba, Southern USA, England and Canada, and perhaps all over the world. I am reminded by the Second Elected Member that we have many in Honduras as well. I am glad that he has reminded me of that because they too play a most vital role in our community, which I am sure he is quite aware of. Simply put, what I am saying is that we must make every effort, in engineering our concepts and policies, not to create a utopia in Cayman because it cannot have a sustainable, beneficial interest in the long run.

We believe that the Minster of Health has indeed done his very best to ensure that there is access to excellent health service on the Brac. There is always room for criticism in any Ministry; I certainly do not claim to be perfect and I like to think that I maintain an open-door policy. I do not think that there is one Member of the Opposition or the public that can say that, if I can help, I have not tried to help. I do not adhere to the policy that because one is not within a particular Party that they should not be able to advance their wants or desires from their constituency. I approach it from the view that their constituency voted for them, they obviously have the confidence of the constituents and I have to respect that until the constituents so change.

I believe that for Cayman to continue to have its success not only politically but socially and economically, we have to somehow depart from *us and them* in this House and outside the House. That is why it gives me grave concern to see the direction that the granting of the Caymanian status has taken. Because I do not want to enter into the peripheral of sub judice, suffice it to say that I believe the outcome will record a very black day in the history of Cayman when a particular branch sees fit to challenge an Executive Order for carrying out a very appropriate and humanistic approach within our country.

Many of our own Caymanians have dual citizenship, some perhaps have more. It is the trend of the day when you travel to have your Cayman and British passports, and some their US passports. It is difficult to say that it is good for us but not for another country. We must learn to live with people. No man is an island, and neither do the Cayman Islands operate within a vacuum. Indeed, we need to strive to see how we can reach out, join hands and band together in this humanistic approach and fight in this world.

We have young people coming up. The youth in our society are looking for statespersons, not just politicians, who are willing—as I endeavour to illustrate in the preliminaries to my debate—to make very difficult and complex decisions and who will not be biased in their decision-making; who will cater not just to an elite group but to everyone within the Cayman Islands including our visitors as well.

We can surely say that Cayman is the fifth largest financial centre, but we did not do it on our own; we required a lot of help from the outside. Yes, with the good we will also have the bad where there are prejudices. I have seen that for myself so I know that it is not just a speculation. However, we should not take that paint brush and paint all the expatriates, because they have made a significant contribution to our economy.

I know, particularly as it relates to the European Savings Tax Directives, we have formed a consultative committee and we rely heavily on their expertise seeing that they are, for the most part, the movers and shakers in the economic industry within our community. For that, the Government continues to be most grateful.

I realise the Honourable Leader of Government Business will have much to say with regard to his leadership style and vision. Of course, it would be remiss if he got up and did not respond to the allegations. I chose not to get into that area because we are capably covered on this side in that respect. I trust that if not all, at least one word of what was said today will help us set the parameters for the upcoming elections so that we can continue beyond 17th November. Yes, that is an anticipated date, but Cayman will not stop on that day.

We need a blueprint, a vision that is conspicuous and transparent. It must be clear to our constituents that it is one which they can endorse and feel proud to associate with; not one which compares to the bikini-clad sports competitor scenario but one which can hold up whether or not the frills are there.

I thank you and Honourable Members for your indulgence, Mr. Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Last call, does any other Member wish to speak? If not, I will call on the Honourable Leader of Government Business for his reply.

Hon. W. McKeeva Bush: Mr. Speaker, I rise to speak to the Budget before us and in response to contributions by the Opposition for the Second Reading debate on the Appropriation Bill.

I want to, firstly, thank the Member of the Cabinet and the Minister of Planning, the First Elected Member for Cayman Brac and Little Cayman for what was a very well-put, educational contribution. She must have made a serious impact because the Member for North Side, who cannot sit still at times, jumped up and ran out, of course, followed by the General Secretary, the Second Elected Member for George Town.

I suggest that the Second Elected Member for George Town began his contribution as usual: complaining and making mountains out of mole hills. Instead of trying to solve some of the problems that the George Town district and its people face, he spends his time making mountains out of mole hills, complaining about everything and trying to cause problems at every end.

He started by saying that the country must be able to hear. He complained because we were going on as we said we would; he complained that the Press was not here. Well, we would like for them to be here; however, the House has to go on regardless.

Shortly thereafter one of them did arrive and was here from 10 am to about 4.30 pm, when the House took a break. When we started the Budget procedure we said we would have to work until 10 pm some nights; each Member of the Assembly was written to in that regard. His objection is that people say they cannot wait up until 12 am to listen to the broadcast. That is true. I do not like that either, but the Government does not set *Radio Cayman*'s time to broadcast; that is set by *Radio Cayman*.

The problem with that young man is that he wants his way, and although he says plenty about democracy he believes that because he says so it must be so. They believe that the five of them — and if they could get their way, bring in their cohorts from outside—could run the Government. Mr. Speaker, they had their opportunity to run the Government, and he complained that nobody was here to listen to the Leader of the Opposition. The truth is I have heard enough from the Leader of the Opposition, who can only talk but is not capable of taking action and managing. I have the country's business to run and I am going to run it. In regard to my travels, I will make mention of that later on.

The truth is there is so much flour in the rhetoric from the Leader of the Opposition that if we were making anything other than turtle stew, he would have plenty of dumplings to put into the meal. Fortunately, the country is no longer under this type of leadership and the country's downward spiral has been righted, it is on the move upward, for one and all.

The Financial Secretary's Budget Address, and my own Policy Statement on behalf of the Cabinet that led this Budget debate, provided a clear overview of the contents of the Budget and, in particular, the steady course it plots for the future. During the course of this debate, this Honourable House has heard from Ministers of the Government about the United Democratic Party Government's vision for the future of these Islands and the actions we are taking to achieve it.

We have heard from the Minister of Education about the programs that have been implemented over the last three years to improve educational and vocational standards of our young people, and we have heard of his vision for continuous learning in the workplace. The complaints from the Opposition that the Government does not assist the Minister of Education are so wrong, and their accusations are merely accusations and not based on fact. I do not know where they got that from, but of course, they have been passing enough potatoes, tomatoes and sweet peppers over the table for anything to be said. However, whenever the Minister of Education puts a plan before us for any expenditure, he is supported. He said that publicly some time ago when he suggested that I was one of his biggest supporters on the Cabinet. That made the front pages of the local media.

Anything he asks for he gets because it is a priority. We are not all Education Ministers, and we are guided by his policies when it comes to educational matters, but he gets support from every one of us: from the Back Bench and from the Official Members of the Cabinet. He is supported fully and staunchly on his educational programs. Yes, we too would like to see the vocational standards improve—and this is not something I talked about today, it is something that we have been talking about for years—but we realise that it takes time. He says that it is more important to get the programs than to get the buildings, so we support him in that move.

We heard from the Minister of Health about the reform of the health sector and the provisions of affordable comprehensive health insurance for all Caymanians. We have heard from the Minister of Community Services about his initiatives in social policy including the Affordable Housing project and the many programs provided for our youth. Our social problems did not begin today; they started many years ago but nobody looked at them. We did not train our people to take charge of them.

One simple illustration: we have not even realised in the past 30 years how our population has aged, and we have not trained. When we opened the Cayman Brac home for the aged, the Kirkconnell Community Centre, no one had that kind of ability; there were only a few Caymanians. The Social Services Department, with me as Minister at the time, had to train Jamaican ladies to take up that position.

Over the years we have not cared to pay attention. I have been preaching that for the last 20 years and I have tried to make my own input and inroads into the problems. We need to pay more atten-

tion to social aspects or building up the financial side. If we let that go by, we lose everything, and I have said that many times.

Since the Third Elected Member for Bodden Town is here, he must understand this because it would only be hypocritical of him to now talk about the social problem like Government is not doing anything about it. I am still waiting to see what he did with the Social Family study that I commissioned. When I moved out of Council in 1997, it was put in his hands as Minister then.

Do not come pointing fingers at Government. To the present Administration, when you had a chance to do something and you did not make any serious inroads yourself, you should at least understand the problems that that administration has!

It is pure hypocrisy to now make people believe that the whole social infrastructure of the country is in a downward spiral because of the United Democratic Party. They would love people to believe that but I ask, what are they doing and what have they done?

We have heard from the Minister responsible for Planning and responsible for Cayman Brac and Little Cayman. She has to pay a lot of attention to Cayman Brac and Little Cayman, but she has tremendous other duties. She outlined some of them in the telecommunications and the utilities. These are huge issues for us to deal with. No one else tackled them, rather, they ran away from them or else they had shares in them and so only lip service was paid. The United Democratic Party has no shares – and thank God for those that have—but we have to look after the good for the whole country.

I turn now to the Leader of the Opposition's contribution, and I couple his with that of the Second Elected Member for George Town, the General Secretary of the PPM, because what one says the other parrots. The first thing they jumped up and made a lot of noise about is that the Financial Secretary had given me a little bit of credit about the work on his side and the things that are important to the country. Other Members, even from my side, jumped up to talk about this new financial system. Well, the Member from George Town likes to read what people say but is so dishonest that he cannot read the full *Hansard* because, of course, it would bear out something different than what he is saying.

What about this new system? I was not convinced about the system when they brought it because I said that the Government could not put in place the Fiscal Responsibility Act—which is the motion they now claim credit for in this new system — without putting in place the other Law of New Zealand, the Companion Law, the Public Finance Act of New Zealand, and that is exactly what we put in place and what was passed here. What they were asking for was the Fiscal Responsibility Act. They were two different things; one has bearing on the other and that is what I said in 1995. However, I was not convinced that we were doing the right thing jumping into that without having all of the other things before us.

One thing which I pointed out was that we needed a different structure of Government, and we have come a long way in getting this accrual system. However, the fact is we do not have the Constitution to work it, and therefore, that is one of the reasons why I close the debate today and give a policy statement. According to Law, if they work the system fully it requires an Elected Member at the helm and serious other Constitutional changes. So, let no one jump up now and take credit for everything under the sun like they were the saviours.

I give all who supported the Motion credit, but do not say that I get credit that I do not deserve because what I say here are the facts.

First Corinthians 3:6 says: **"I have planted, Apollos watered; but God gave the increase."**

Anyone can talk about a system, but what matters and what counts is the one that makes that system work and produce. We did that. As a Government this past four years, we did it; the entire Cabinet of the Cayman Islands did it, not the Leader of the Opposition!

Everybody had their hand in making the accrual system work. I take my hat off to the Financial Secretary, and he knows where I come from in my respect for him.

I know the licks that I have taken and I know the amount of time that I have spent. I travelled overseas to keep this country on a sound foot. All of us contributed and gave the increase.

When the Leader of the Opposition was the Leader of Government Business work had already started. How can he claim that he put it in place? How can the propaganda Minister from that side—they call themselves an administration now—prefer going out into the coffee room during this reply because he cannot take the truth?

When he was Leader the work had already started and we put the Law in place. Those are the bare facts. I hope I hear no more about it.

The leader of the Opposition, and by extension his PPM, have repeated many times that the people are not getting anything out of this economy or the development that we have and still push for and he says that my economics are all wrong. I wonder where that Member and his PPM are living when they say that Caymanians are not getting anything out of this economy. Today I will prove them wrong!

I have to ask whether he is living in the Cayman Islands in 2004, or is he living in the Cayman Islands of 2001 when he was the leader? At that time it was safe to say that people were not getting anything out of it because those who were here for a long time were moving away, the economy was in shambles and unemployment was high. I specifically remember that Christmas. I always give until it hurts, but I had to give more that year than any other time

because people did not have anything to give their children, not even for school. People do not remember how hard it was. Business people were coming to me and saying they had to borrow to fund their businesses. They had to borrow to keep staff on because it would only make matters worse if they laid off their staff. They had to borrow to pay salaries.

The Leader of the Opposition chooses to forget about all of this; and I do not worry about the other three that are sitting with him now in the Chamber at times because they do not know whether they are coming or going. But he should know better because he was the Leader!

A good indicator of how well the people are doing in any economy is planning statistics. I want to focus on two figures in particular: houses and apartments.

On the statistics for apartments for the years 2002, 2003 and the first quarter of 2004, there were total apartment developments valuing over $105 million. These apartments are ventures that Caymanians have historically invested in; some have been able to build two or three while others have built as many as 10 and more. The fact is that Caymanians are getting something out of this development and they have been able to construct or take part in apartment construction, exceeding $105 million.

I point out to the Opposition and this Honourable House, this is not Government's Housing, that is another investment. This is private sector housing; this is separate and apart. This is the people investing because they see the opportunity and can make the investment in this kind of economic environment, which this Government have fostered.

This achievement in apartment building is paralleled in the Housing construction figures. This country boasts home investments for the same period of 2002, 2003, through the first quarter of 2004, totalling over $123 million. No wonder the Second Elected Member for George Town and the Member for North Side headed to the coffee room to hide. They like to stand up and talk foolishness, but when you throw statistics and facts at them, they get all heated up. I suppose they do not want people to see them getting so nettled. Perhaps it is a good thing if they stay out there drinking coffee and smoking cigarettes.

How can the Opposition claim that Caymanians are not getting anything out of this economy? $123 million in Housing. Caymanians, in various strata of life more than ever before, are being afforded an opportunity to participate in this economy and to experience outright homeownership because we have brought better economic times; people have more funds and can get a mortgage, yet the Leader of the Opposition says people are not getting anything out of the economic development that my party, our Government, the Cabinet and the Civil Service have fostered.

Although the Opposition would like the country to think otherwise, the UDP is a Government of vision and action, and this Budget and this Budget Debate show that very clearly.

I do not intend to take up the valuable time of this Honourable House by answering point-by-point the Leader of the Opposition and his PPM colleagues. I will not do this for two reasons:

Firstly, much of his speech was not worthy of response, so to answer would only give it the credence which it does not deserve.

Secondly, his assertion that we have no sustainable policies on health, education and social welfare has been more than adequately dealt with by my UDP Cabinet colleagues and our Back Bench supporters. I am sorry that I missed the proceedings last week; unfortunately, Government Business took me overseas as it has been for some time. However, I will deal with their criticisms later.

It must be obvious to the Opposition and to the listening public that, although Cabinet Ministers may have different styles and approaches, we are united in the vision we have for this country and pursuance of well-thought-out policies.

The Leader of the Opposition tries to demean what we have achieved by trying to convince people that we have been successful only because there has been an upturn in the global economy. Let me assure the listening public and the PPM, our success is because we have developed good policies, established a clear path of implementation and took action. The Cayman Islands' economy is doing better than other countries, and that is because the United Democratic Party Government has stimulated the economy and has been fiscally prudent.

The Leader of the Opposition declares he has a blueprint. Oh yeah, he has a blueprint now! He ought to have had it before. Well, Mr. Speaker, if you have a blueprint for a house, it takes a long time to get to the point where you can occupy the house. There are many stages: you have to get your blueprint approved, arrange your finances and contract a team to build it.

I am reminded when the Leader of the Opposition talks about his blueprint plan that a fisherman who built a house on the iron shore did not have planning permission, did not have a plan, and when the planning officer went there after complaints about him being there and said, '*You cannot do this, you have to have a plan*', he said, *'A plan? I need a house.'*

At this stage of our administration we have progressed long past the blueprint stage. We have built the house and have some of the furnishings in place. God willing, if we return to power on the 17th November we will complete what we started. However, we could not do it all in three years and we could not do it with the mess which was left unattended for years and, especially, the overwhelming situation that we had to deal with in 2001.

In some jurisdictions the Opposition is called the "shadow government" or the "government in waiting". From what I have heard from the Opposition in

this Budget debate, the PPM will continue to wait in the shadows for a few more years to come. They cannot lead and they had no plan. They said they have a plan but they have not presented that plan to the country yet.

The Leader of the Opposition credited the Government with being blessed with good speech writers; I compliment his speech writer also. However, I feel sorry for his speech writer; at least we have a good story to tell. I guess it is much harder to be a writer of fiction, but anybody can tell a lie.

During the course of the debate, it was suggested that the Government has paid insufficient attention to Tax Information Exchange Agreements. Perhaps the Second Elected Member for George Town—since the Leader of the Opposition has been absent from the House since yesterday—should be in here to hear this. This is not the case.

While the European Union Savings Directive has rightly required close attention, the Government and the Financial Secretary have been able to proceed with the program of negotiations with Organisation for Economic Co-operation and Development (OECD) member states on co-operative arrangements involving Tax Information Exchange Agreements. Both the 2003/4 Budget and the 2004/5 Budget make financial provision for this work.

In the process of these negotiations, all matters relating to existing and potential barriers to Cayman's financial services are raised, including, where relevant, the issue of blacklists. The issue of blacklists is also being pursued aggressively in the OECD Global Forum, of which Cayman is a member, as it is the collective position of the non-OECD country Forum members that the use of arbitrary and subjective blacklists undermines the OECD commitment to a level playing field.

The House will also be aware that the necessary legislation to enable us to give effect to the Tax Information Exchange Agreements is in Green Bill form for approval by the House, and I know that the Attorney General intends to bring that soon.

The Leader of the Opposition accused the Government of having no economic plan. As I said, he has his deficiencies but I did not know that he was blind or deaf. Less than a month ago I laid on the Table of this Honourable House a Draft Economic Development Plan prepared by Deloitte covering the next five years (the medium term). As we speak, the Cabinet Secretary is heading a team of Senior Civil Servants developing an implementation plan.

The Leader of Opposition also accuses the Government of shackling the people of this country to the wagon of foreign investment, although the PPM does not tell us how they would fund the required infrastructure and programs. If their funding does not come from outside, then it must come from our own people and we all know what that means: direct taxation. We, the United Democratic Party, are against it. We all know what he would do, and that is, increase fees on everybody. That is what he did in 2001 when he was Leader and you could not tell him otherwise because he would not listen

While the Leader of the Opposition accuses me of not appreciating the traffic problems because of overseas government business, he fails to appreciate that the Cayman Islands has to operate on the world stage and our economy is dependent on the rest of the world. This important work cannot be done from my home in West Bay, with my head stuck in the sand hoping that others will make the decisions on our behalf. We must remain engaged within the international arena, where matters of economic and social welfare are raised and would be affected.

I know that they criticise the travel that I have had to do, but this is no fun travel, this is no easy life. This is work. Other officials have to travel as well as myself. As long as the Cayman Islands is under threat by European expansion and United Kingdom's co-operation with Europe, the Financial Action Task Force (FATF), the OECD and Members of the Government will have to travel and this will have to be a cost that the Government will have to bear.

As Leader of the Government, my position is taken very seriously no matter how jealous they are. For far too long these Islands suffered, and our key industries of financial services and tourism were shackled at times because certain leaders did not attend the meetings, or in the case of the Leader of the Opposition, forgot to send letters to foreign governments at the right time, as did the Leader of the Opposition on the European Union Savings Directive. Of course, he would never go anywhere; he had to send his Foreign Minister, the Member for North Side, who, when she got there, did not say *quehey.*

My position is, when the Cayman Islands' name is called at the Table, I will answer or somebody will have to answer, I will debate and negotiate in the best interests of these Islands. I have my responsibilities as the Leader of the Government and I have my Ministry of Tourism, matters of trade and commerce.

We had to go there. I had never been and never chose to go before to carry a forum, but this one dealt with maritime security and we will come into a new level of security soon. Had the Leader of the Opposition sent that letter at the right time, Cayman's problem with the European Union Savings Directive might have been less, my travel would definitely be less, and we might have even ended up like Bermuda.

One thing is certain though; if I did not attend those meetings the PPM would be criticising me on every street corner, under every almond tree and in every bar for not attending. I have told my colleagues in West Bay, and I have told my people, if I have to travel during nomination time, I have to do it. If there is a serious meeting that I need to be at, Cayman will be represented. Then the people would have to make their choice. However, while I am in this position, I am

going to do what I have to do in protecting this country. I am determined that these Islands will not end up with something they do not need or deserve because I am not there to speak up for us. Globalisation demands that we be present and I cannot do that from my office, house or from the Glass House.

In terms of roads, yes, we would like to spend more money on the road network. However, the country has many other needs and funds are limited and people have to understand this. The Leader of the Opposition should examine his record on roads before criticising the UDP Government. When he was Leader of Government Business, his budget allocated $6.4 million to roads, of which only a quarter was spent on major roads. The Government has budgeted an average of some $11 million in our budgets, which is significantly more, and we will continue to do work on the road network.

We have to stop and consider that what he should say to the public of this country as a leader—and one who claims he understands things and understands finances—is that we cannot continue to build roads. We have to do some work. For instance, the arterial road is needed. We are having a hard time on West Bay Road, and we are going to offer that certain areas become two lanes up in the morning and one lane down to see if that can help for the short-term. There are long-term plans, but where are the funds going to come from? He has not said.

We cannot continue to import numbers of vehicles in this country and continue to build roads or else the money will all go on roads and there will be no money for schools, young people or health care. We cannot! We, as leaders, must be upfront and say, '*Look, every family cannot have three or five cars'*. We have to change our attitude and we have to give and take because we are developing the country and we have to put up with some inconveniences at times.

I think some Departments already have a different work hour, "flex-time" they call it, which will help, but we are still in a country that is half swamp! We are the size of Nassau but we are half swamp! We cannot continue to import the vehicles that come into this country. I do not have the figures, but I can tell you the tremendous amount. Of course the economy is good and everybody wants transportation, but we are going to have to look to other means.

Everybody wants a maid, but they do not like Jamaicans. They do not like Philippinos but they are bringing them in, and every one of them wants a vehicle too! How will this work in this little country that is half swamp, 21 miles long and, at its widest point, seven miles long? They say *'Do not touch the swamp because we can get mangrove stake out of that and that is good for us.'*

I only have two hours, let me not digress too far.

The Speaker: Honourable Minister I am just wondering if you were moving on to another point, or if this would be a good time for the luncheon suspension?

Hon. W. McKeeva Bush: I should just end by saying we will continue to do what we can. Many years ago I said that you cannot bring to this country $300 million of plans for roads. Where will we get the money? We cannot! Nobody is coming up with any means. Every time you come up with something that will raise funds for the general revenue/budget, they cuss you from East End to North Side and say that you are crazy.

Nobody wants to pay but everybody wants something. How are we going to do that?

I am 49 years old. I have spent 20 years here. I do not need to placate anybody. I have represented my people well and I understand their needs. I give until I hurt sometimes and do what I can to help people. No one is turned away from my door, home or office. However, the country can only do so much with the present revenue base that we have.

Thank you, Mr. Speaker, and by saying that I am not finished with my speech.

The Speaker: Fully understood, Minister. At this time I propose to take the luncheon suspension and we will return at 2.30 pm.

Proceedings suspended at 1.07 pm

Proceedings resumed at 2.58 pm

The Speaker: Please be seated. Proceedings are resumed.

The Honourable Leader of Government Business continuing his debate.

Hon. W. McKeeva Bush: Thank you, Mr. Speaker.

When we took the break I was talking about the criticisms made by the Leader of the Opposition in saying that the people of these Islands were not getting any benefit from the ongoing development. I had shown where Housing had increased to $105 or $120-something million in Housing starts, and over $100 million for apartments which were investments for Caymanians. So those were real benefits.

The Leader of the Opposition has accused the Government of artificially increasing General Reserves by executing a Note Issue and using some of the proceeds of that Note Issue to place in General Reserves. I knew that he would not be here for my reply because he knows that I can refute his wild allegations to be the untruths they really are. Hence, they are staying away and they are going to come back and say they had legitimate reasons for not being here; but he is wrong.

On the use of the Note Issue proceeds, the Leader of the Opposition is either genuinely confused or he knows better but is simply trying to distort the

true position and hide the facts from the people. Here are the cold facts:

On 8 April 2003, the Government of the Cayman Islands executed its very first Note Issue. That Note Issue was executed only after a number of legislative hurdles were passed. Firstly, the Legislative Assembly passed the Cayman Islands Registered Stock Law, 2002, and the Cayman Islands Registered Stock (Amendment) Law, 2003. Secondly, the Legislative Assembly passed Government Motion No. 1/03, therefore, the Note Issue was duly endorsed by the Legislative Assembly. The Honourable Leader of the Opposition, of course, is a Member of the Legislative Assembly.

The size of the Note Issue was $163.2 million. Let me outline how that figure was determined.

The size of the Note Issue was established to accomplish two effects: pay off the vast majority of Public Debt loans, and provide Government with $8 million to fund Capital Development Expenditures.

The Legislative Assembly approved the Loan (No.2) Law, 2001 which empowered Government to borrow $8 million. Government decided that the $8 million should be obtained from the proceeds of the Note Issue, rather than borrowing from a local commercial bank. At the time when the Note Issue was first contemplated in 2001, it was decided that the vast majority of Public Debt loans should be repaid using the proceeds from a Note Issue because it was, financially, the sensible course to pursue. It made good financial sense to repay variable interest rate Public Debt loans using the proceeds from a fixed interest rate Note Issue, especially at a time when interest rates were at their lowest levels for more than 20 years.

At 31st December 2001, the principal outstanding on Public Debt loans that the Government decided to repay was $127.9 million. This amount was approximated to $128 million; this figure plus the $8 million that I mentioned earlier gave a total Note Issue of $136 million; $136 million translates into US$163.2 million, which is the size of the Note Issue that was executed on 8 April 2003.

Initially, the Government envisaged that the Note Issue would be executed in late 2001, but we were advised that interest rates were likely to fall even further and it was in Government's best interest to delay execution. In the end, the Note Issue was executed on 8 April 2003.

During the period from 2001, when the Note Issue was to have been executed, to April 2003, Government was obliged to continue meeting its loan repayments. Government made those repayments from its General Revenue bank account.

When the Note Issue was executed in April 2003, the outstanding principal on the loans that Government wished to repay was $108.5 million, whereas at 31 December 2001, the outstanding principal on those loans was $128 million. This means that the Government's General Revenue bank account had been used to pay $19.5 million of loan principal during the interim period from 2001 to April 2003, when the Note Issue was executed.

Government could have argued that its General Revenue bank account ought to be reimbursed by the $19.5 million that was taken from the account to meet loan repayment obligations. The Government did not take that approach; instead, it made a far more responsible and mature decision.

The proceeds of the Note Issue that remained after Public Debt loans were repaid, were transferred to General Reserves. The Government did not spend those excess funds; those funds now find themselves in General Reserves. I think this is a very prudent, mature, and responsible act. If you turn that into a question, you would have to say the answer is a thousand times YES!!!

Let us look at the present position very carefully. The Government could have taken the $19.5 million, placed it in its General Revenue bank account and spent it. That did not occur. Those funds are now in General Reserves which means that the Legislative Assembly has the sole power to determine their use, not the Cabinet. Once again, these are responsible actions from a responsible Government.

The level of General Reserves at 30 April 2004 was roughly $27.2 million. When we look back as far as 1984 when I first entered this House, the annual accounts of Government that are produced by Treasury and examined by the Auditor General, there is one clear-cut position which emerges: this is the highest level of General Reserves ever! This is an undisputable fact! No matter how much the Leader of the Opposition might try to muddle this, he cannot get away from that fact. This happened on my watch in the United Democratic Party Government.

I have been defending Government's actions after those actions have been attacked by the Honourable Leader of the Opposition. That entitles me to reply. The Leader of the Opposition criticises the Government for borrowing and placing funds in General Reserves. Let us examine what his administration did when that administration borrowed funds.

In May 2001 the Legislative Assembly approved the Loan Law, 2001; this was only seven months after the present Leader of Opposition was in office as Leader of Government Business. Under the authority of the Law that I just mentioned, some $55.5 million (US$66.6 million) was borrowed. This was the single largest loan that a Government had ever borrowed, but the greatest tragedy was that $26.2 million of the total $55.5 million (47 per cent) was borrowed to pay for recurrent expenditures.

Although he may not want people to understand it—which is why I have taken the time to point it out—this is like going to the bank for a loan to pay an electricity bill or a telephone bill. This was a sad state of affairs. This $55.5 million loan was one of the loans

that my administration repaid in 2003 with the same money that he is criticising.

The Third Elected Member for Bodden Town, the only Member of the Opposition sitting in the Chamber, is keeping watch here for them. This sad state of affairs came about because he was part of an administration for two years. You may look at the accounts of Government and see clearly when the drift started; after I left Executive Council. We had money, we were careful and we had not borrowed any funds. We had problems, but we never had anybody to put a foot on the brake at the time. I was spending on social programs, but I was always careful as to where money was coming from.

Thus, they left such a bad position that we had to take money to pay the bills; not for projects, not for roads or Cayman Airways or anything else; but paying for everyday bills. That was a sad state of affairs.

Let us look, once again, at the fallacy of the Leader of the Opposition's attack, as well as the Third Elected Member for Bodden Town who also had his part to play in this attack on the Government's economic position. In 2004, in an election year, they have attacked the Government for borrowing and placing excess amounts emanating there from into General Reserves. In 2001, while in command as Leader of Government, the Leader of the Opposition borrowed some $55 million and spent approximately half of it on recurrent expenditures.

This demonstrates the fallacy and shallowness of what has been said by the Leader of the Opposition and his PPM group. His administration borrowed and spent $26.2 million on recurrent expenditure, yet he still has the absurdity to attack a far superior position that my administration concluded if you are judging it on his and my administrations.

The listening public through the media will be the judge of which of these two positions is the superior one. However, there is no doubt in my mind, nor in the minds of sensible people, that the decision taken by the administration which was headed by the present Leader of the Opposition is unacceptable. I must keep pounding this point because it is important to do so.

I would like to turn to the areas that I am responsible for: Ministry of Tourism, Environment, Development and Commerce.

While it is true that, as in the years 2000 and 2001, Cayman Airways projects a loss for this financial year, it would be inaccurate to say that the bottom line of the airline is evidence that things have not improved. As I said, the Leader of the Opposition must be somewhere else; he cannot be living in today's Cayman. We are looking at a substantially re-engineered airline.

From being the political football of the past—Mr. Speaker, would you mind calling those people who are sitting in the coffee room and ask them to come in so we can have a quorum?

The Speaker: Honourable Member, please take your seat. I will ask the Sergeant to call a quorum.

Hon. W. McKeeva Bush: If they do not come in we will go into Finance Committee.

[Pause]

The Speaker: Honourable Leader of Government Business, we are now quorate. Please continue.

Hon. W. McKeeva Bush: I am glad that we finally got a quorum. You know, Mr. Speaker, this is sad. The truth is, I have been here for 20 years and when I am here I try to be in this House. You have the Opposition who will sit outside rather than come in to make up the quorum.

I wonder what they believe the Government is paying them $8,000 a month for. Whether they like me or whoever is speaking, their duty when this House is in session is to sit in their seats and be here to make up the quorum so that the business of the House can be started. The Second Elected Member for George Town has the temerity, the barefacedness to talk about democracy, yet he and his cohort, the Member for North Side, are drawing a salary, sitting out there and refusing to come in to make up a quorum.

From being the political football of the past, Cayman Airways has been transformed into an economic engine for these islands. There has been a fundamental transformation in the way we approach the airline. This was not so much by divine intervention as the Leader of the Opposition has given as his opinion.. He went on to attack me about what I said about Cayman Airways when I took it over. What I said was true; the Airline had to swim or sink. That, as far as I am concerned, was the right attitude to take. It is true it was quite a lot different from his style of leadership.

I said that Cayman Airways had to swim or sink, but I did something. I took action and certainly inefficiencies were cut out and we saved over $10 million. The bleeding had to stop, so I had to put them on notice that we were not a bottomless pit, which was certainly unlike what he said and what he did and what he had started. He never did anything! I have never seen a group like them that have done nothing and tried to take credit for everything.

When I took over there was a lot wrong. He and his consultants had got as far as paying over $100,000, looking at and trying to decide on types of planes and were promoting, at that time, the regional type of plane like what is used in the United States. They did nothing. I appointed a good board, gave them direction and we worked together to bring about a more enhanced airline. Mr. Speaker, he says that the write-down is not a true loss. He may not agree to accept the write-down. He is not an auditor; he is not even a good financial person. The auditors say the

bottom line is a loss, and it is an audited loss of $14.6 million for 2001.

The same old bleeding, he did nothing and ended up a big loss. For this current year the loss is $9.7 million. This loss came about because we had new routes—Chicago, Cuba, Montego Bay and Ft. Lauderdale—and we had new equipment, a new plane, then we lowered ticket fares and instituted a new inter-island service. What people are not realising is that today Cayman Airways is the number two carrier of tourists to Grand Cayman. Is that not a better position? Where is he living?

Under my leadership a deliberate strategy has been employed to ensure that Cayman Airways strives for more. No longer is the airline maintained barely at minimum levels of existence. No longer does it operate primarily as insurance in anticipation of *'What if?'* Instead, Cayman Airways has been reintegrated with the tourism industry and has become a viable, contributing member of this economy. It has become a reliable and affordable air bridge for our tourism industry, in all three Islands, Mr. Speaker.

Under my leadership, a sensible governance model was introduced and the Board of Directors was recognised and empowered to succeed. Management and staff share in the company's overall mission to be the pre-eminent air service provider to and for the interests of these Islands. This is a far cry from what existed in 2001; ill-conceived plans and massive confusion and uncertainty. Simply because the Minister then—the Leader of the Opposition now, the First Elected Member for George Town—did what he does best, nothing! He cannot make a decision and therefore is ineffectual as a leader.

The airline has grown by adding direct jet service to new destinations: Montego Bay, Havana, Ft. Lauderdale, and Chicago. The airline has launched an inter-island service to better promote tourism and economic development to all three Islands. The airline has begun the process of upgrading its fleet. For the first time, the airline is working together with the Department of Tourism (DoT) to efficiently and effectively grow tourism for the benefit of the Cayman Islands. Since 2002 Cayman Airways has grown to become the number two airline for tourist arrivals to the Cayman Islands.

During this period three international carriers serving the Cayman Islands have filed for bankruptcy protection. As you can see, Mr. Speaker, the losses in of 2003/2004 would more accurately be described as investments – investments in new routes, investments in new aircraft, investment in growth of air arrivals – for the benefit of all three Islands. We expect that many of the investments made today will bear fruit in 2004/05 and 2005/06 as the load factors increase on the new routes and the losses decrease accordingly. I am praying that world conditions will get better—or not any worse at least—than they are now because if they do, it could seriously impact Cayman Airways and, in fact, our entire tourism industry and economy.

When he gets up and talks about what I said, *'It has to swim or sink',* yes, I said that; that is the way I do things. Perhaps I do not use the best language at times, but what I am saying to them is, *'Look, you have to do better. We cannot continue the old way; changes have to be made.*'

Thank God, Cayman Airways rose to the challenge! Members of the staff did an excellent job. They endured no increases in salary and they endured the layoffs of their colleagues by cutting out what we thought was $10 million of inefficiencies. That is a better position. Better than his! He had consultants that were paid $100,000 and we got some work. I am not saying that the consultants did not do any work; I am saying that under my administration we got somewhere and under his administration we did not get anywhere. That is where we full stop.

In terms of tourism, Mr. Speaker, again we have to look at the saddened state of the industry in 2000. The DoT organisation was poorly structured, the statistical data was fatally flawed and the internal and external communication channels were failing. There was bad rapport between the director and the private sector, there were constant fights and bickering and carrying on. There was no television advertising, much like the relationship with the tourism private sector which was non-existent.

I immediately tackled these issues and began to build a coherent plan for tourism from the ground up. This culminated in the National Tourism Management Policy which is now being actively implemented by some 100 tourism-related partners, although the Leader of the Opposition and the Third Elected Member for Bodden Town attacked it. When I went in there it was an administration that the Third Elected Member for Bodden Town left. I will deal with some of that later.

While I can take credit for insisting that a new Policy be developed after the last Government allowed the policy to lapse, I must acknowledge the many men and women from all walks of tourism who contributed to the development of the management plan. Similarly, I have entrusted the implementation of this plan to approximately 100 people comprising of both public and private sector representatives. This level of transparency in the process, clarity of the mission and uniting of efforts is unprecedented in the tourism industry.

If I was a bad manager, the kind of manager that I am painted as by the two Members who spoke on it — the Leader of the Opposition and the Third Elected Member for Bodden Town—I would not have put that Tourism Management Policy on the internet. I would have, much like most reports are done in Government, said to do that report and only make one copy and give it to McKeeva. I did not do that! I wanted the whole world to see the mess that existed

and put it on the internet where everybody and their cat and dog could read it!

Even before the official launch of the National Tourism Management Policy (NTMP), the Ministry and Department of Tourism had endorsed its findings and was well under way toward integrating its recommendations. Still, the Opposition criticises the plan, the plan I initiated and the plan which the wider tourism industry is actively implementing.

While this year was good, the 2004/05 year promises to be just as aggressive as we enter the third year of the implementation of the restructuring of the Department. From a macro perspective, the National Tourism Management Policy is, perhaps, the single most important program because it is the business plan for the overall tourism industry. When I took over at the end of 2000 the previous management policy document had expired—I repeat that for emphasis, Mr. Speaker—and the Minister and his administration sought not to develop a new management policy or even to uphold the old one.

Thus, there are some 70 action items being implemented by over 100 members of the community and several sub-committees through a Steering Committee. In fact, the Department reported to the Steering committee some of the actions were already being dealt with. If something needed to be done the Department could not wait; it could be done and it was done. Therefore, this accusation of me not following the National Plan is a bunch of hogwash, to say the least, and being talked by people who really do not know.

Cruise tourism has been severely criticised and has become a popular target. In its typical fashion, the Opposition is distorting the facts for lack of knowledge, or perhaps lack of concern, for the potential damage that could be done. However, that is good and this is how they look at it: *'That is McKeeva so we have to beat on him and make him look as bad as possible. That is who we are going to attack and this is what we are going to say.'* That is what the Leader of the Opposition and the Third Elected Member for Bodden Town did.

Almost every island in the region depends on cruise tourism to augment its tourism earnings. Certainly, stay-over visitors contribute more revenue per passenger, but I can tell the Third Elected Member for Bodden Town that he better go and check his figures. If he thinks it is something like 20 times over he is making a big mistake. However, for the thousands of persons employed in retail, transportation, food and beverage and tourism attractions, every bit of the contribution made by each cruise passenger is still vital.

The Tourism Management Policy calls for managing the overall numbers handled each day. This responsibility has been assigned, with the other 69 action points, to be addressed by the Steering Committee for the National Tourism Management Policy. They are considering this matter and will, in due course, make recommendations.

We have always had a winter-season, which is an on-season. During the on-season you can host many people. As far as cruise tourism is concerned, instead of getting two million, we could get four million if we wanted, but that is not what we want. They do not know what mass tourism is. They are looking at Cuba, Santa Domingo and Mexico; that is mass tourism, not what we have here. Go to those countries and you will see the styles and the type of tourism. That is not what we have.

We also have an off-season. I have done more with the taxis and the Land and Sea Co-op than any other unit in my Ministry over these past four years. I have met with them and they now complain that there are not enough people due to the off-season and less ships.

You see, Mr. Speaker, they like that laid back attitude where nothing much happens; only what is happening is what has gravitated around them and their colleagues, such as what we saw happening in 2001 when they were preparing to elect their people as heads of boards and handing them the construction jobs. They already had their architects.

You see, Mr. Speaker, they think that we forgot. However, that is what they are like. Today everybody is getting something out of it. According to what I hear, they are not getting so much; some are going into deep bankruptcy. Perhaps bad management is their problem and that is why they are grabbing for power. They figure that will take them out of it.

Port Facilities are being improved with an aim to enhance the visitor experience. With the design of the new facilities, greater emphasis is being paid to spreading the loads. We have many yes, and we must manage this. That is what we are attempting to do.

Programs, such as the Cruise Conversion Program, have been launched to utilise Cayman's popularity as a preferred destination and to channel this into a free opportunity to directly market ourselves to stay-over passengers.

While Members spoke harshly of that sector, others have observed our success. Other countries are looking at us and saying, *'Boy, you are doing good'* and are preparing themselves to compete for today's cruise visitor. We simply cannot afford to ever become complacent in this area.

Following 9/11 we saw firsthand the devastating effect of having a drastic reduction in air arrivals when you are only depending on the one bit of tourism, that coming by plane. Look at what happened to us in those couple of weeks when all of the planes stopped coming here. Only last week an unfortunate joke by one irresponsible passenger sent a keen reminder of how precious and, at times, vulnerable even cruise tourism can be. Why carry on the way that I hear them carry on? Why? Again, that is topical. That is a lot of people complaining about all of the people down there, '*That is McKeeva so beat him up*.' But what good is it doing the country?

We owe it to the thousands who depend on this sector to remain vigilant and competitive and not to criticise for the sake of criticising without offering alternatives. Others have experienced the sudden withdrawal of cruise ships. What has occurred in these instances is not sudden prosperity from increased air arrivals. Do they believe that if you turn away half of the cruise ships that suddenly our air arrivals are going to spring to 400? No, that only happened during the Third Elected Member for Bodden Town's time with his Ministry of Tourism when he was cooking the books.

Where were you then, sir? Why were you not paying attention when he was saying that he was getting 450,000 and actually he was only getting just about 300,000? If that is not dishonesty, Mr. Speaker, then tell me what it is. I did not do that! I came to the country and said *'This is the problem and this is what I am going to do.'* I did not knee-jerk because I am not a hypocrite. I do not know figures that well to cook the books! I am not dishonest. However, that is dishonesty at its core, and when people sit and deliberately do it, you must call it that.

What happened with those countries when they left was a sharp rise in unemployment which triggered an economic crisis for the country.

Look at the people that are involved. I have had more people coming to me wanting to get buses, and that is the open industry that we have. That is the kind of economy that we have; we are not stopping anybody who wants to do business. Look at the many young people that have started businesses because of the cruise industry.

When you talk about and criticise hotels—and I understand the Third Elected Member for Bodden Town criticised them too—look at who was getting all of the business; one company. All of the snorkelling, diving and fishing went to one company in their three hotels—the Hyatt, Westin, Marriott and the Holiday Inn which is now Marriott Courtyard.

Look who is enjoying the benefits from the cruise industry. We helped them pay their insurance. We formed a Co-op and said *'Go out and work it.'* I know that you cannot please some of them, but at the end of the day they have to know. As I said to them a few afternoons ago '*Do not tell me that you are not doing better. Every one of you has upgraded from a 9-seater or a 14-seater to a 30-seater, so what are you getting at me for? Are you going to build a bigger house? You had five children and you had three bedrooms and now that the five children have gone and built their own homes and done well you are going to build a 10-bedroom house? That does not sound like sense to me. You must be planning on getting more children.'* What I am saying is that they are doing better.

I am committed to prudent management and look forward to receiving viable options from the NTMP Steering Committee. However, I have little tolerance for those who, for short-term political gain, would threaten the financial security of so many who are dependant on cruise tourism.

The Third Elected Member for Bodden Town also jumped into the battle to criticise talking about Severe Acute Respiratory Syndrome (SARS). He should not get into areas he does not understand. It was not because SARS started in China and affected Hong Kong that we were not feeling the effect here, Canada was affected! When something happens in countries we usually get a majority of people from and that country is affected, it will stop people all over from travelling and that is what happened with SARS. It is irresponsible of the Member who was the previous Minister of Health to say that it did not affect us. Therefore, our tourism was affected. Stop talking nonsense!

When terrorists attacked the World Trade Center in New York that very much affected us, as well as the whole world, and our tourism went down. As I said, the Third Elected Member for Bodden Town should really get on his knees to pray for God's forgiveness because his Minister of Tourism, his friend in West Bay, even counted the residents here to get 450,000 people. I did no such thing. I ask him again though, instead of telling me what I should be doing, what happened with that Family Study that he had, since everything is so wrong and the children are in so much need. What did he do with it?

The Second Elected Member for George Town—the General Secretary of the PPM—asked '*Why are we building these hotels?'* I ask him and anybody else who might question that, *'Do we say to the banking industry and to the legal and accounting professions that they cannot expand because there are not enough locals to staff them?'* No, they are expanding and spending, and it is a good thing too because that is what expands the economy. We need five- and six-star hotels that will put our tourism product on a higher level. He is quick to complain and make allegations, but he has gone into the coffee room to hide.

He said that the Hotel Training School had been purchased two years ago and we did not do anything. What is intended to be the Hotel Training School has just been purchased and finalised the early part of this year and not two years ago as he said. Why can that Member not tell the truth? *Why can that boy not tell the truth? I swear to God, in school they would flog him everyday!*

What we intend to do now is work with the Caribbean Tourism Organisation (CTO) who will provide assistance in setting up the school. However, we do not have bottomless pits of money that we can draw from for this. I was only given $150,000 in the Budget and that is what we have; we had to keep the Budget at the size we wanted. Next year more work will be done on it. I intend to speed things up for the

next couple of months on this matter, but it certainly cannot be opened this year and we knew that.

I do not know if anyone could believe that we could do everything in three years, but I want to say this: I did not get any support from them for the Hospitality Training Centre in 2001. I tried but could not get it. They refused; they did not see how we needed to go that way. *'Wait, bobo, we are going to do something about that. I am going to work with you on that, bobo. Yes, you look like a bobo.'* That cannot help this country, Mr. Speaker. The weight has broken down the dock!

The Leader of the Opposition complained about my economic development plans and, in fact, said what we are doing now is unsustainable. Another criticism was that I had done nothing to safeguard the environment. Mr. Speaker, we are devoted to ensuring that our economic policies are balanced with environmental preservation. We have a proven track record and I would now like to very briefly outline some of these achievements:

In September 2001 we signed the Environmental Charter with the UK Government.

In December 2001 we passed Legislation amending the Marine Conservation Law, introduced to reduce catch limits, impose closed seasons and provide new mechanisms for the protection of conch, lobster, whelk and several species of ornamental fish. Legislation also introduced minimum size limits for all finfish and licensing provisions for fish pots.

In March 2002 we tabled a white paper on the proposed National Conservation Law.

In April 2002 we announced Government's intention to establish the Cayman Islands' first National Park, in the Barkers area of Grand Cayman.

In May 2002 we tabled the first Cayman Islands National Environmental Policy. We never had one. We have one now.

In December 2002 we tabled the Final Report of the Aggregate and Final Study carried out on behalf of the Government by the consulting firm CHM2 Hill.

In May 2003 we tabled the report of the Beach Review and Assessment Committee.

In June 2003 funding was allocated in the 2003/4 Budget for four additional Marine Enforcement Officers for the Department of Environment.

In December 2003 protection was afforded to all Cayman Islands' Nassau Grouper spawning aggregation sites.

In January 2004 a contract was awarded to West Indian Marine Ltd. for the re-nourishment of the southern section of Seven Mile Beach, in accordance with the Beach Review and Assessment Committee's Report. That is something else that they were giving us blame for; they said that we were taking away the sand. They never stopped to think that weather had so much to do with that. Yes, building affects it; but as soon as Northwesters came back the sand came back, plain and simple.

In May 2004 we purchased first parcels which officially inaugurated the establishment of the Barkers National Park.

Yet they have the audacity to say that we have not done anything for the marine environment.

My pastor on Sunday told of a story which I had heard before. The renowned preacher, Dwight L. Moody, made numerous grammatical mistakes in his sermon and one of his parishioners said, *'Sir, you know you made 17 mistakes in your sermon today?'* Mr. Moody replied, *'I have done the best with the abilities that God has given me, what have you done with yours?'*

I say to the Leader of the Opposition, '*What have you done since November 2000?*' In fact, the people of George Town need to ask him, *'What have you done since November 1992 when you were first elected?'* Why do other districts get things going and you find that those two Members do nothing else besides run around promoting the party? Why are they not doing things in the district?

I also direct this to the Third Elected Member for Bodden Town. Instead of complaining, what has he done since November 2001? How many questions has he asked in this House? How many motions has he passed? How many district programs has he got involved in? What did he do for the children he complains have nothing to do? What are they doing as paid representatives of this House?

The only thing that I can say for the Third Elected Member for Bodden Town and what he is doing is that since the Elections started, he and his supposed running mate have gone now to register young people. Yet what have they done to help the young people? I know they will say that they started a progressive youth. More power to them and I am glad that young people are getting involved. Nonetheless, what have they done to affect better life for those young people? Tell me of one motion or one program that they have done as legislators.

Do not come and talk about what the social clubs have done; they raise money from everybody in the country. If you say *'I am a member of the social club and they are doing it so I am doing it,'* then if I give to the social club does that not say that I am doing it too? It must be!

Stop playing dirty politics; stop accusing people of things that are untrue. What have they done since November 2000? I know what they have done; they sit or stand under some grape or almond tree, smoking cigarettes, drinking beer and talking about people.

Let me turn to my good friend, the Member for North Side, who refuses to come in here. I listened to the debate on Housing, and it brought back some very tough times for me. I listened to her virtually making accusations against the Minister of Housing. It was for me déjà vu all over again.

I went back to 1995 or 1994 when I was responsible for Housing and I put forward a plan for af-

fordable housing. All kinds of *duppies* and ghosts were conjured up, and all kinds of things were said about what I was doing wrong. They even accused me of involving my real estate company, a long time even before money was found to fund the project or even the full plan was set out.

A motion was brought to the House which the Leader of the Opposition was party to. Everything was done to smear that project, to kill the people's minds and make the people feel that the Housing project was bad. I am sure that people remember what was said. Everything was done to create doubt, so much so that the civil servants and colleagues at the time decided to drop that aspect of the project and we were not able to get government low-income housing. They were saying that the costs were too high and they forced us to deal with the banks and costs became higher.

At that time you heard that every contractor in the world could do it. In between that time and when this Minister announced his plan, how many contractors did it? Nothing was said! They always want to use that segment of people because they can play on their minds and never give them anything!

I heard the Member for North Side say that in the Eastern Caribbean there is better housing. I do not know where she went, but we know they always bring someone from the Eastern Caribbean; I did not know they go there too. I travel quite a bit and I want her to show me—outside of perhaps some cement homes in some parts of the Eastern Caribbean—a better product than what the Minister has. The Minister has a good product!

There are things that are wrong, and we know that. When I say wrong, there are things that need to be done and he outlined them this morning:

The Minister still does not have the funding. It is not easy to get land for low-income housing; what everybody says is *'Not in my backyard*'. However, when you go into the interior of the country, the eastern districts, you will find good and flat hard land. Remember, I said that the country was, more or less, 50 per cent swamp. The Minister had to use swamp land and other land which had to be filled! Do you know how costly that is, Mr. Speaker?

The Member for North Side does nothing but criticise, smear people and smoke cigarettes. The Member does nothing for her $8,000 a month but stand here and make accusations on not only the man's character, but his sister's as well.

The other problem with low-income housing in this country is that these are not cement houses and most people want a cement house. These are not cement but they are good houses. Back in 1975 when I got married and was looking to buy a house, if they had them I would have taken one. They would not have been $400 or $500 a month then because that is what they are now. This is a good opportunity and the Opposition should be telling the public the people need it.

Can you imagine, Mr. Speaker, that the Member for North Side, the Second Elected Member for George Town and the entire PPM are spreading propaganda? Can you imagine that the people I know who are paying $900 and $1000 a month for rent—and who we sometimes have to help—who had no chance of getting a home now have that opportunity?

We disagree, and we have to inside Cabinet and inside parties. Mr. Speaker, tell me which institutions do not have disagreements or which church or marriage does create doubts on themselves. They should be outside telling those people to sign up for a home. Instead, they have done what they did to me in 1995: they are telling the people *'Do not do this; this is a bad thing'* and *'I want an investigation*'. And you know Cayman, Mr. Speaker. As soon as you say "investigation" it is something dirty and something wrong, and that is what she was trying to push the other afternoon. She is a ridiculous Member of this House when she does those kinds of things.

These houses are different, but they are still good. They are approximately $50,000 for two bedrooms and $69-$70,000 for three bedrooms. What they should do is come up with innovative ideas, like Singapore, and look at what they are doing for housing. If they have $200 million in pensions, their members pay for the down payment. That is what Singapore is doing. Yet, Mr. Speaker, all they have done is criticise the program. Have they tried to help anybody? They invest in apartments themselves. That is the truth of it; they do not want to see low-income housing in this country because they want people to continue to be running to them. They are nothing but a bunch of hypocrites!

She talked about Rehoboth and had all kinds of questions. She was the Minister before, and while that program was in operation. To be honest to the Minster of Community Affairs now, that was ongoing from something that I started! Why be so hypocritical?

She wants to criticise the Government and the Minister of Sports. Last summer we had a camp and the person who was organising the sports called on that Member to assist. She would not give one red cent or even go out there to kick off the ball. She would not associate with it; she would not do anything. She does nothing but come here and carry Kurt Tibbetts' bag for him!

See her out there grinning? but she cannot come inside here. You know that she is worried when you hear her out there cackling like some kind of fowl you cannot see but will not come in here. Let her laugh at me. I do not care! The fact is she is not doing what she is paid to do. Only concerned about self!

I remember when she got up here to talk about swimming, which was another project I was criticised for. I recall appointing the coach and some said I needed to get a different person and not that old

foreign boy, and she was one of them. *'What are you getting him for?'* Now they are doing better, but you do not hear that McKeeva had any part to play in it. That is part of my legacy though, the good things that I have done and that is it. What has she done?

I will tell the good people of North Side and East End that they have two representatives who have done nothing here for them. They do nothing but smoke cigarettes all day long and see what kind of strife they can sow and how much propaganda they can spread. They have done nothing but act as an extension cord for the two George Town Members. I reckon that is doing no good for North Side or East End.

They even believe that they can wage psychological warfare on us by bringing sweet potatoes, tomatoes and peppers for some of our Members. (They have switched from turtle meat!) I have always known that while they were bringing the sweet potatoes and tomatoes what they were doing was criticising our Members, the same ones they were giving them to. You heard it today, the kind of attack that was made on them, but they believe they are smart. While they were bringing the sweet potatoes and tomatoes they were going out there and spreading all manner of evil against those same people.

The Speaker: Honourable Member, I just want to remind you that you have 20 minutes remaining.

Hon. W. McKeeva Bush: I have a lot to say and I hope I am allowed to say it in that time.

I do not think that we have a quorum, Members are still out.

[Pause]

The Speaker: Honourable Minister, we are now quorate. Please continue.

Hon. W. McKeeva Bush: Thank you, Mr. Speaker.

My good friend, the Minister of Education, always has in his possession some very good books. He has one on Caribbean civilisation which talks about housing. I took the liberty to mark it and it says that if a family knows it can move from a slum to a public housing development and later, as its economic condition improves, to a home of its own, it has greater freedom of spirit than one that despairs of ever being able to improve its lot.

I hope the Opposition realises that instead of trying to create strife and to tear apart the name of the Minister of Housing. I hope they will tell the people *'Go get yourself a house.'*

I have been criticised about the economic plan. Well, he has been in office for the past four years this term and, frankly, he has never provided sound economic strategies. He has complained about development, but he has never laid out any strategies which could lead this country through the tough economic times we have experienced. Only this Government could have implemented strategies to ensure that businesses could experience economic growth and our people could find employment and receive other tangible benefits.

Had the Leader of the Opposition taken the time and dealt with the economic development plan which I tabled some time ago, and articulated what the plan could and could not do, and what the PPM would or would not do—in other words, give a viable alternative—then he would have been honest with the people in saying what is wrong and what is right. What he has done is merely shown that he is not a man of substance and that the PPM does not have a sound economic plan for these Islands.

The problem is that the PPM is clearly not capable of developing an economic plan for these Islands. Their only economic strategy is to criticise our plan but never to develop a plan of their own which they would have to stand and defend publicly. It is totally wrong for any person, representative or candidate, to sit by for four years and not produce one iota of an alternative—even in the districts they want to run in or that they represent—to what their main complaints are. Yet, during an election year, they come again to the public without a plan and armed with only criticism. Still they say that the Government is wrong. Their only promise is that one day they too hope to bring a plan.

Mr. Speaker, you heard what I said this morning about the fisherman in West Bay who told the planning officer '*I do not need a plan, I need a house.'* That is what he has to remember. The people cannot live on promises.

If the Government was doing such a bad job all this time, as Leader of the Opposition and as Members of the Opposition and this House, the PPM should have already developed a plan and presented it to the country so that the country could benefit according to him. The Opposition Leader continues to say what the Government's plan is not doing. He says that Caymanians are not receiving any benefits from development. Let me show how wrong he is.

We have seen tremendous growth in the construction industry. Mr. Speaker, this increase did not come about by chance. It came about because of our hard work and the implementation of strategies to facilitate and foster economic growth. We have given businesses the comfort that this country is being well managed and will continue to implement regulations and laws to facilitate and encourage growth.

Families are now building homes because they feel positive about the economy of the country, and the banks are creating attractive mortgage products to encourage people to borrow. This has only been achieved because of the money available as a result of direct capital investments made by foreign investors.

I heard him talking about foreigners. That is the first thing that they fling out and they know that it is

an easy thing for them to say to Caymanians, *'Foreigners have it all'.* Without the investment of people from outside where would we have been?

Investors are confident with the management of our fiscal and monetary policies, but this was certainly not the case when the Leader of the Opposition was in Government. I have seen him make bankers sit all day, see-sawing up and down, and sometimes the only thing that you could hear was the big F-word. When he would slam his hand down on the desk with that big ring and that big bracelet you could hear it across to the Immigration Department.

Have we forgotten how he had the bankers mesmerised by doing nothing, keeping them all day and they were complaining, saying that they had enough of this? You could hear it all the way to Hong Kong. Mr. Speaker, they have the nerve now to complain, talk and accuse people.

Our people were complaining that the country was mismanaged and that we needed to create an environment where businesses and our people felt positive about the future. Everywhere I go I hear of small and large Caymanian-owned businesses investing and expanding their operations. Two of our largest Caymanian retailers have invested a significant amount of money in a new warehouse because they feel comfortable in the economic environment of the country at this time and they are planning for future growth. We have also seen major buildings in the George Town area.

A company has recently opened a world-class shopping complex that will certainly enhance the on-Island experience of our visitors and residents. Are you saying, Mr. Leader of the Opposition, that Captain Eldon Kirkconnell should not get back his investment because you and the Third Elected Member for Bodden Town feel that cruise tourism is not giving the country sufficient dividends? This company has invested over $15 million not because of the paranoia spread by the Third Elected Member for Bodden Town and the Leader of the Opposition about the economy that the PPM continues to talk about both publicly and in this Honourable House; but because of the investor confidence that these companies have in the country and where it is headed at this time. Whether they like McKeeva or not is a different story, but we are doing the right thing!

They say Caymanians are not benefiting from our economic growth but, Mr. Speaker, let me state more facts:

The Leader of the Opposition has nothing of substance to show for his time at the helm. His contribution is to tear down what others have done. That is what he did with Mr. Truman Bodden and that is what he would like to do with me, except that I have a different style.

His contribution is to tear down what others have done as opposed to constructing something of his own. He only seems able to criticise without ever providing tangible and meaningful plans for these Islands. And I say without any fear of contradiction that he could only tear down in those days by using the information he was given by a certain civil servant who he was close to. He had his chance, Mr. Speaker, and frankly, he failed miserably. One has only to look back when he was Leader of the Government, his fiscal and economic plan included the borrowing of millions of dollars. Simply, the Leader of the Opposition does not have the leadership skills or the understanding of what this country needs economically in order to maintain sustainable economic growth.

I am a man of the people and have always subscribed to the philosophy that it is extremely important for a country to grow economically as well as socially. I have a good record of accomplishment that they or some others might not wish to acknowledge. However, when it comes to the implementation and development of plans which have helped this country economically and socially, I have nothing to be ashamed of. My colleagues who are serving now are well on the way to making their own mark, and if they are all honest they will say, *'McKeeva, you did a good job, look at Sports and some of the things that you have been pushing for.'* They will give credit where credit is due. However, that is not within the realm of the Opposition, and we will continue to create an environment which is conducive to fostering successful businesses, both local and foreign.

We cannot adopt the philosophy and strategies that the Opposition Leader has articulated in his economic outline and expect to continue to attract inward investment. In this age of globalisation, we are competing not only against our regional neighbours but against all other major financial and tourism destinations worldwide.

Mr. Speaker, as a business person, you know very well that we have to prepare to compete; we cannot sit back. The Leader of Opposition does not understand this and does not have the ability to manage this country in this day and age. Frankly, Mr. Speaker, he simply cannot lead; he does not have the management skills.

The People's Progressive Movement does not have a plan for this country and does not have the ability to develop a plan which will allow the country to move forward economically. Mr. Speaker, it is totally irresponsible for the Opposition to say that we should not continue to implement policies which promote and develop an environment to allow businesses to survive and succeed. I am ashamed that a Member of this Honourable House and a former Leader of the Government does not and cannot see the importance of having an environment which promotes good business.

I am sure our business leaders are concerned about the statements that were made by the Leader of the Opposition about why we should not continue to

implement strategies to promote businesses as we have been doing. If businesses are not successful, where then does he expect to fund the necessary social development he is talking about? That is the easiest thing, and I pitched on that too but I did something about it.

What we cannot do, Mr. Speaker, is sit idly and do nothing because there could be a potential impact. Inertia can be dangerous as it has a way of lulling you into a false sense of security. You begin to think, *'If I do nothing then things will not get worse*.' Well, the problem with that thinking is that things also have no chance of getting better. That is what Caymanians demand; leadership that aspires for improvement, that actively strives for improvement and actually achieves improvement!

Due to lack of forward planning over the years certain infrastructure is not in place. However, we are pro-actively addressing all of these needs. In order to enhance our infrastructure we need to have money. I will acknowledge that from the beginning of our economic boom in the 1960's, certain people have been left behind over the years. We must continue to do what is in line with my philosophy as leader of the Government, which is create an environment whereby business can be successful and investment opportunities exist for both the Caymanian and foreign investor.

We must create opportunities through the granting of scholarships. In 2002 we granted over 203 scholarships, 62 overseas and 141 local. In 2003 we gave 65 overseas and 173 local, which is 238. For this year, 2004, we have 120 overseas applicants alone. I have said to the Minister that the money must come and we must award the scholarships so that down the road, when we want to take up the mantel and say that we want to rule ourselves, we will have academia behind us. That is how we will get education and our own academia and we will not go anywhere else to get it! We cannot go and fight the United Kingdom unless we have our own academia!

Last year there were nine tourism scholarships awarded, and again in this year's Budget there is provision for a further nine to be granted. If this is not planning for the future, then what is? These are Caymanian children who are benefiting and getting a better education in their chosen field.

My philosophy is to provide our people with what all human beings strive for: food, shelter and clothing. This Government is the only one that created and implemented a strategy to provide low-income housing on a large scale.

Our philosophy is to provide an economic environment whereby the banks are comfortable providing long-term mortgages. Today, more of our middle-income people are getting homes than during any other time in the history of these Islands. This is extremely important to ensure that we maintain a healthy and vibrant middle class!

Our philosophy is to provide jobs for our people. The unemployment rate is at one of its lowest points that these Islands have seen. These are Caymanians who were unemployed but now have jobs! These are but some of the major accomplishments of my administration.

In contemporary times when so many nations are experiencing economic hardships, and the Cayman Islands is experiencing a difficult time maintaining its competitive position, I am appalled and frightened by the talk that they might be the next government and they are advocating that we should turn away foreign investment because we are not ready for it. Do they believe that they can turn it on and off as they want? They cannot do that.

The Speaker: Honourable Minister, you have 10 minutes remaining.

Hon. W. McKeeva Bush: Thank you, Mr. Speaker.

We cannot turn foreign investment off. That is what happened here a few years ago when they were driving everybody away. You could not touch this and that; you could not build this and that. That is what was happening to us. The coffers ran out; there was no money because they were killing the goose that laid the golden egg. The goose is the Cayman Islands environment and what we have. To gain something you always have to give something. To continue this standard of living we have to give a little bit. We cannot be like how we were in the 60's; it cannot work that way.

That philosophy is exactly what exacerbated past economic slowdowns and caused the Leader of the Opposition, who was then Leader of the Government, to borrow $50 million to balance the Budget. That was the first time in this country's history where the Government had to borrow such a large amount of money to balance its Budget. The strategies that the Leader of the Opposition and the PPM propose are exactly what will put us in the hands of agencies like the International Monetary Fund (IMF) and the World Bank.

What they believe is, you do not bring in the investment but you must have the infrastructure so you have to borrow more money, spend and tax. Borrow, spend and tax. That is what will put us down the drain; that is what has put his Caribbean friends into the drain, if that is where they have been at times! That is not where we want to go. That is not what we want to do.

Sustainable development is what we are aiming for. We are looking at the future needs of our people both economically and socially and encouraging the local and foreign investors necessary to generate sufficient income to sustain the economy and to provide for its welfare of our people.

I heard the Member for George Town say that the new port that we were proposing is being built over an aquifer. What a lie! It is thousands, perhaps hundreds, of acres away from where the new dock was proposed. The Member knows better, but again,

to frighten people he would say that because he believes it is so. That is why he is not here; he knows that I would challenge him and he knows that he cannot stand up to the truth. When the truth jumps on the table *wrong is going to cut its tail*, run, hide, drink coffee and smoke cigarettes out in the coffee room.

The Member for North Side would not come in, but as I said, she cannot come now at this election time calling about football. Earlier last year she was invited to attend and assist a football camp and she did neither, never even gave one cent to assist and would not even go and kick off the ball. Now she says that she cares for the young people. They care about themselves, their power, where they are, who they are with and how much they can manipulate and control for themselves and how much they can try to spoil people's character.

I am begging the people of these Islands to be aware. This is an election year and you are going to hear all sorts of things. There will be attempts to smear me, as Leader of Government Business, and that has already started. They will be told exactly what the Leader of the Opposition said in his speech. The PPM will make them believe that nothing is right and everything is wrong. I will beg the people of this country and Members of this House, *'Do not be sidetracke*d.*'* We are on the right track; we are doing the right things. There are wrong things and we are trying to correct them. Mistakes are made, but we try to correct them. They are not our mistakes.

The Leader of the Opposition mentioned the Constitution. He said his desire is to consult, but I wonder whether he has ever consulted anybody on anything since he formed his party. He goes to his party friends and they say that they do not want the Constitution in the way I propose. I propose that we put the Constitution in our manifesto so that one and all can have their say on it during the election campaign; outline it to the people. He says he does not want it that way. Well, what way do they want it?

They want it the only way that they can have it, where they have all the say and the control, where they can appoint people they want to their boards and control and put people in the Civil Service. I will say again, if the Leader of the Opposition was still in Government we would not have a free and fair public service. He was infiltrating and carrying mangoes and peppers to everybody that he could and doing all sorts of things. Some of them would not dare challenge me because I know who was taking out the news and who was trying to do what in the Glass House in 2001.

I am glad today that that did not happen, that we had strong people at the head of the service who said it must be fair and it must be impartial and that is the way that it was.

The Speaker: Honourable Minister, you have two minutes remaining.

Hon. W. McKeeva Bush: Mr. Speaker, one of the things that we want and need is a security system to protect our borders to assist in the interdiction of unwanted goods and substances. We have two new officers at the head of our Police force. We have to work hard to give them the tools they need to do the job.

We must protect our country's borders, so a radar system, a plane and a properly equipped boat are needed; the Commissioner is investigating such equipment. It will cost a lot but we will have to do it. While over the years we have been busy trying to educate and doctor drugs, we need more capabilities in the interdiction of drugs. The equipment and this system that I am talking about can be used for many more things. For instance, search and rescue, and can also meet other needs of the country.

The Leader of the Opposition spent much time telling this Honourable House what he did when he was Leader, although everywhere you go people, for good reason, say he did not do anything. There is no evidence of what he has done. I will not comment further on that as his record speaks for itself. Failure! Nothing else but pure, unadulterated failure because he had no plan and preferred to move things his way, that is, sit back, talk, talk and then talk again. And while Rip Van Winkle slept and dozed away, his gun rusted and time passed him by. Mr. Speaker, I am more focused on the future, not the past.

The 2004/5 Budget is a good one. It is a fiscally responsible Budget, as the previous government's budgets have been since 2002. It is a Budget which sets a clear course to achieve economic and social prosperity in the Cayman Islands.

I thank the Honourable Financial Secretary, the Auditor General, the Chief Secretary, Mr. Gough, Mr. Dale, Mr. Ken Jefferson, Mrs. Sonia McLaughlin and all those civil servants who worked very hard.

In closing, I heard the Opposition talk about the Ritz Carlton. As I said, they can challenge me anytime because my life is open. They might have heard, or may be able to tell us about a client I heard about who came here some time ago with a suitcase of money, dubious as he was—whose law firm he went to, which lawyer he was attached to, if there were any due diligence done then, if the funds went into a bank account or, if not, where did the funds go and whether that lawyer reported it, whether apartment buildings or warehouses were bought, or trucks and cars were bought, even for their girlfriends. The Budget has nothing to do with that, but I want to give them due warning. As I said, my life is an open book and if they are firing cannons at me then they will be fired back. I warn them.

Let this campaign be honest, above board and about the issues that we face. Do not try to smear people's characters and destroy people's families. I beg one and all: go into this campaign and deal with the issues.

I thank this Honourable House for its indulgence and I thank you for your patience and I am sorry that the Opposition stayed outside.

The Speaker: The question is that a Bill shortly entitled The Appropriation (July 2004 to June 2005) Bill, 2003, be given a Second Reading.

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

Ayes.

The Speaker: The Ayes have it.

Agreed: The Appropriation (July 2004 to June 2005) Bill, 2003, given a Second Reading.

ADJOURNMENT

The Speaker: I now call for the adjournment until the conclusion of Finance Committee.

Hon. W. McKeeva Bush: Mr. Speaker, I move the adjournment of this Honourable House until Finance Committee has completed its business. During Finance Committee we intend to work, probably as late as 10 pm sometimes, to get through business. I would like to warn Members of that and thank everyone for their co-operation.

The Speaker: The question is that this Honourable House do now adjourn to allow us to go into Finance Committee and to resume proceedings after the completion of Finance Committee.

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

Ayes.

The Speaker: The Ayes have it.

At 4.34 pm the House stood adjourned until the conclusion of Finance Committee.

OFFICIAL HANSARD REPORT
MONDAY
7 JUNE 2004
10.57 AM

Fifteenth Sitting

The Speaker: I now call on the Honourable Leader of the Opposition, First Elected Member for George Town, to lead us in prayers.

PRAYERS

Hon. D. Kurt Tibbetts: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Cayman Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together*: Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come. Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For thine is the Kingdom, the power and the glory, forever and ever, Amen.*

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

Proceedings resumed at 11.03 am

The Speaker: Please be seated. Proceedings are resumed.

Before I ask the Clerk to read the second item on the Order Paper I would like to apologise to the Honourable House for the late start this morning.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies for absence from the Deputy Leader of Government Business, the Second Elected Member for Cayman Brac and Little Cayman and the Third Elected Member for Bodden Town

STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE CABINET

The Speaker: I have received no statements from Honourable Ministers or Members of the Cabinet.

GOVERNMENT BUSINESS

BILLS

REPORT

The Appropriation (July 2004 to June 2005) Bill 2003

The Speaker: Before I call on the Honourable Third Official Member I understand that there was an apology from the Honourable Minister for Health who will be absent this morning.

The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I beg to lay on the Table of this Honourable House the Chairman's Report of Finance Committee on The Appropriation (July 2004 to June 2005) Bill 2003.

The Speaker: So ordered.

Hon. George A. McCarthy: In accordance with the provisions of Standing Order 64(7) the Standing Finance Committee agreed that I report to this Honourable House the Report of the Standing Finance Committee on The Appropriation (July 2004 to June 2005) Bill 2003.

On Thursday 20 May, this Honourable House agreed to the Second Reading of The Appropriation (July 2004 to June 2005) Bill 2003 in accordance with the provisions of Standing Order 63(3). The Bill stood committed to the Standing Finance Committee. The Committee met on the following days:

(i) Thursday 20 May 2004
(ii) Friday 21 May 2004
(iii) Monday 24 May 2004

(iii) Wednesday 26 May 2004
(iv) Thursday 27 May 2004
(v) Monday 31 May 2004
(vi) Wednesday 2 June 2004.

The Standing Finance Committee consists of all Honourable Members of the Legislative Assembly with myself as Chairman as set out in accordance with the provisions of Standing Order 75(2).

Chief Officers, witnesses and persons in attendance

Controlling Officers attended meetings in order to provide information to the Committee. Other Government officers were also in attendance to provide information and/or assist the Committee and controlling officers. Their names are set out in the minutes of the proceedings.

The Committee considered The Appropriation (July 2004 to June 2005) Bill 2003 together with The Annual Plan and Estimates for the Government of the Cayman Islands for the Financial Year ending 30 June 2005, the Annual Budget Statements for Ministries and Portfolios for the Financial Year ending 30 June 2005, Purchase Agreements for Statutory Authorities, Government Companies and Non-Governmental Output Suppliers for the Year ending 30 June 2005, and Ownership Agreements for Statutory Authorities and Government Companies for the Year ending 30 June 2005.

Clauses 1 and 2 of the Bill

In accordance with the provisions of Standing Order 64(1), Clauses 1 and 2 of The Appropriation (July 2004 to June 2005) Bill 2003 stood postponed until after the consideration of the Schedule of the Bill.

Consideration of the Schedule of the Bill – Standing Order 64(3)

The Committee considered the Schedule of the Bill and agreed to the Appropriations for Output Groups set out therein with the following amendments:

(i) MOA 6 - Regulations of Currency
By deleting $385,624 and substituting $721,248
(ii) MOA 7 - Regulations of Securities
By deleting $273,368 and substituting $385,624
(iii) MOA 8 - License Fee Collection
By deleting $278,150 and substituting $273,368
(iv) NGS 30 – Management of National Council of Voluntary Organisation
By deleting $105,568 and substituting $105,668
(v) CMA 4
That the current output group name for CMA 4 of "Registration of Cayman Islands Register Ships" be deleted and substituted by "Registration of Marine Vessels"
(vi) CMA 1 – Policy advise on Maritime Affairs
By deleting $160,574 and substituting $161,412
(vii) CMA 3 – Maintain Safety and Security Capability
By deleting $481,241 and substituting $521,805
(viii) CMA 4 – Registration of Marine Vessels
By deleting $170,029 and substituting $174,895
(ix) CMA 5 – Inspections and Investigations
By deleting $169,434 and substituting $177,412.

Standing Order 64(4)

In accordance with the provisions of Standing Order 64(4), the Committee agreed that the Schedule as amended stand part of the Bill.

The Committee agreed that Clauses 1 and 2 of The Appropriation (July 2004 to June 2005) Bill 2003 stand part of the Bill.

In accordance, therefore, Mr Speaker, with the provisions of Standing Order 64(7), I beg to lay upon the Table of this Honourable House the Report on The Appropriation (July 2004 to June 2005) Bill 2003. I submit the Report accordingly.

[Pause.]

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Mr. Speaker, I am not sure that this is the appropriate time to do it but there are a number of errors in the Chairman's Report of which the minutes form part.

May I proceed?

The Speaker: Please continue.

Mr. Alden M. McLaughlin, Jr.: In relation to the attendance, I note some errors.

The sixth sitting which was Wednesday, 2 June, was a very long day – almost 12 hours and I certainly was present for most of that day. I was not here when the sitting started but I was here when it concluded, as was the case, I believe, with the Honourable Gilbert McLean who I know was here. There may be other errors in the attendance and I will let the other Members speak to them but I note that there were some persons here who are marked absent on some days.

The Speaker: Thank you Second Elected Member for George Town for bringing these to our attention and I would ask the Third Official Member to meet with the Clerk and have those errors corrected.

I understand from her however, that these errors will be corrected before the final Report is completed.

The Third Official Member.

Hon. George A. McCarthy: Thank you, Mr. Speaker, I would be happy to meet with the Clerk and follow through in complying with your instructions to amend the minutes so that the discrepancies can be corrected.

The Speaker: Thank you.

THIRD READING

The Appropriation (July 2004 to June 2005) Bill 2003

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I beg to move that The Appropriation (July 2004 to June 2005) Bill 2003 be read a third time and passed.

The Speaker: The question is that a Bill entitled The Appropriation (July 2004 to June 2005) Bill 2003 be read a third time and passed.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Appropriation (July 2004 to June 2005) Bill 2003 read a third time and passed.

ADJOURNMENT

The Speaker: Honourable Members, this brings us to the end of the short Order Paper for today. I do know that on Wednesday we will have many more items because the Business Committee will be meeting shortly after this meeting. Therefore, I now call on the Honourable Leader of Government Business to move the motion for adjournment.

Hon. W. McKeeva Bush: Thank you, Mr. Speaker.

I move the adjournment of this Honourable House until Wednesday, 9 June 2004 at 10 am.

I also want to remind Members that there will be a Business Committee meeting immediately following the adjournment.

The Speaker: The question is that this Honourable House do now adjourn until Wednesday, 9 June 2004 at 10 am.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 11.15 am the House stood adjourned until Wednesday, 9 June 2004, at 10 am.

OFFICIAL HANSARD REPORT
WEDNESDAY
9 JUNE 2004
11.00 AM

Sixteenth Sitting

The Speaker: I invite the Second Elected Member for Cayman Brac and Little Cayman to lead us in prayers.

PRAYERS

Mr. Lyndon L. Martin: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Cayman Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together*: Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come. Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever, Amen.*

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

Proceedings resumed at 11.03 am

The Speaker: Please be seated. Proceedings are resumed.

I call on Mr. Ebanks to come forward and take the Oath or Affirmation.

ADMINISTRATION OF OATHS OR AFFIRMATIONS

Oath of Allegiance

Administered by the Clerk

Mr. Donovan W. F. Ebanks, MBE to be the Temporary Honourable First Official Member responsible for the Portfolio of Internal and External Affairs.

Mr. Donovan W. F. Ebanks: I, Donovan Ebanks, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth ll, Her heirs and successors according to law so help me God.

The Speaker: On behalf of this Honourable House I welcome you Honourable Temporary First Official Member and ask you to take your seat.

Please be seated.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies for absence from the Honourable First Official Member who is away on Government business, the Honourable Minister of Education, Human Resources and Culture, the Honourable Minister of Planning, Communications, District Administration and Information Technology, the Second Elected Member for George Town and the Third Elected Member for Bodden Town.

Ruling on use of laptop computers or silent touch-typing device by press (SO 84(1))

The Speaker: I have two readings which I will do at this time Honourable Members.

I have received representation from the Press requesting permission to prepare transcripts from the Legislative Assembly proceedings through the use of laptop computers or other silent touch-typing device.

I have considered their request and regard it as reasonable and progressive considering the long-standing precedent that has been established in this Honourable House through the verbatim recording and broadcasting of legislative proceedings by *Radio Cayman.*

Standing Order 84(1) states and I quote: **"The Presiding Officer may grant a general permission to the representatives of any journal or newspaper to attend the meetings of the House, and such permission may be granted under such rules as he may make, from time to time, for that purpose. If such rules are contravened, such permission may be revoked."**

Pursuant, therefore, to the powers given to the Speaker of the Legislative Assembly under this Standing Order, 84(1), I make the following rule that permission is hereby granted to any representative of the press who is approved under the Register of Interests Law, 1996—Declaration of Press Interest—to prepare transcripts of the Legislative Assembly proceedings through the use of laptop computers or silent touch-typing device. However, other electronic recording device, photography or television, is forbidden without the expressed permission of the Presiding Officer or the Clerk of the Legislative Assembly.

If any member of the press has failed to register in compliance with the Register of Interests Law 1996, they shall not be permitted to enter the press boxes to cover proceedings. When a declaration has been completed and received by the Clerk a press badge will be issued and at such time admission to the press boxes will be permitted.

The press are required at all times to wear the press badge issued to them for each sitting.

Update on progress of the Legislative Assembly and Autonomy of the Legislative Assembly

The Speaker: My second reading. Honourable Members, in accordance with my undertaking to keep this Honourable House apprised of the progress of the renovation works on the Legislative Assembly Building, I can report that I was informed by the Deputy Chief Secretary on Thursday, 29 May 2004, that the building was scheduled for completion on Monday, 7 June 2004. However, as of today's date, it seems that finishing touches are still being carried out on the building.

Following my telephone conversation with the Deputy Chief Secretary, the Clerk of the Legislative Assembly and I were taken on a tour of the building by the Project Manager, Mr. Jim Scott. Following that I emailed the Deputy Chief Secretary, with copies to the other individuals who were directly involved with supervising the renovation works, expressing my deep concern about the very bright yellow/orange colour that adorned the wall behind the Speaker's chair. I am pleased that the Honourable Leader of Government has agreed to look into the matter and, if possible, have the bright colours subdued prior to the opening of the 2004/5 Session of the House.

The Parliaments of most democracies in the civilised world are held by their people in the very highest esteem. The Legislature is indeed one of the three branches of Government, the other two being the Executive and Judicial branches. Accordingly, the Legislature should be given the appropriate level of respect and protocol that is common in most democracies, especially those modelled on the Westminster system of Government.

It is against this background and long-established precedents that I feel constrained to express the view that it is high time that the Legislature of the Cayman Islands is made an autonomous body by Government, answering directly to His Excellency the Governor. To me it seems quite wrong for the Speaker, who in order of precedence is the fourth ranking official in Government, to have to answer to any person within the Civil Service, other than the Governor himself.

Finally, may I take this opportunity to thank all those who have worked hard in carrying out the renovation works on the Legislative Assembly Building. I have to, in all honesty, state other than for the bright carnival-looking colours previously alluded to the workmanship, the renovations seems to have gone well. I will, however, take the opportunity to give more detailed recognitions on the occasion of the Official Opening of the 2004/5 Session of the House.

Thank you, Honourable Members.

PRESENTATION OF PAPERS AND OF REPORTS

The Report of the Standing Business Committee Fourth Meeting of the 2003 Session of the Legislative Assembly

The Speaker: The Honourable Leader of Government Business and Minister of Tourism.

Hon. W. McKeeva Bush: Thank you, Mr. Speaker.

Before I lay this Report I beg your indulgence to say that I thank you for making that statement. The matter needs to be cleared. For the information of this Honourable House and the wider public, no Member of the United Democratic Party had any hand in choosing any colour, carpets, or anything. When we were asked to vote money, whatever we were asked to vote, we voted. We too have decried the long time it has taken the Legislative Assembly to be refurbished.

I thank you for clearing the air this morning. In fact, I intend to make a full statement later on about it and I intend to take up with His Excellency the Governor the matter of who exactly is responsible for the Legislative Assembly. I do not think the Governor should be. I think that the matter should lie with the Speaker of the Honourable Legislative Assembly; that is who should be in charge.

I beg to lay on the Table of this Honourable House, the Report of the Standing Business Committee, Fourth Meeting of the 2003 Session of the Legislative Assembly.

The Speaker: So ordered.

Would the Honourable Minister wish to speak thereto?

Hon. W. McKeeva Bush: No, Sir.

The Economic Report January–September, 2003

The Speaker: The Honourable Third Official Member responsible for the Portfolio of Finance and Economics.

Hon. George A. McCarthy: Mr. Speaker, I beg to lay on the Table of this Honourable House the Economic Report January–September, 2003.

The Speaker: So ordered.

Would the Honourable Member wish to speak thereto?

Hon. George A. McCarthy: Thank you Mr. Speaker. The comments I will provide will be a summary of the developments in the economy during the first three quarters of the year 2003 as presented in the Economic Report January–September of that year.

My summary also contains information on unemployment which became available after the Report was completed. Honourable Members of this House will therefore be updated accordingly.

Inflation

The consumer price index rose by 0.8 per cent in the third quarter of 2003 compared to 2.9 per cent during the comparative period in 2002.

Notable price increases were seen in the following areas:

- Medical care 10.4 per cent
- Education 6 per cent

Modest increases were seen in:

- Personal goods and services 2.8 per cent
- Household equipment 2.5 per cent
- Food 1.6 per cent
- Transport and communications 1.4 per cent
- Clothing 1 per cent

The increases were counterbalanced by declines in the following categories:

- Housing minus (-)4.3 per cent
- Alcohol and tobacco -0.1 per cent

Labour

Work permits in effect rose by 1,608 to 13,662 during the first three quarters of 2003.

Unemployment fell from 5.4 per cent in October 2002 to 3.6 per cent in October 2003. I mentioned earlier that this information came in subsequent to the 30 September cut off of 2003.

Trade

Imports rose by 3.1 per cent during the first nine months of 2003 from $361.3 million during the first three quarters of 2002 to $372.5 million during the comparative period of 2003.

Financial Services

The financial services industry recorded positive results in most areas during the first three quarters of 2003, the notable exception being the number of banks and trust licenses. This has been commented on in previous reports and the reason therefore for the decline.

Mutual fund registration grew 408 or 9.5 per cent; from 4,285 at the start of the year to 4,693 in September.

The number of insurance licences increased by 18 or 2.9 per cent; from 629 at the end of 2002 to 647 at the end of September 2003. Gross premiums rose by 11.9 per cent during the same period—$4.7 billion.

Stock exchange listings grew by 2.7 per cent—729, while market capitalisation expanded by 13.8 per cent—US$41.3 billion.

The total number of bank and trust licenses in effect at September 2003 was 474, compared to 508 at December 2002, reflecting an overall decline of 34.

The number of Class ‘A’ Bank and Trust licenses decreased by 3; from 30 in December 2002 to 27 in September 2003. This decline was as a result of Barclays Bank plc, Bank of Bermuda (Cayman) Ltd., and Aall Trust and Banking Corporation Ltd. changing their ‘A’ licences to ‘B’ licences. Class B Bank and Trust licences also declined by 29; from 353 in December 2002 to 324 in September 2003. This decline in the number of licences was mainly as a result of the statutory requirement for a physical presence instituted in 2001. Other secondary factors influencing this decline were the global economic climate, as well as consolidations resulting from mergers and acquisitions. Total Trust companies declined by two; from 125 in December 2002 to 123 in September 2003.

New company registration during the first three quarters amounted to 5,290 and represented a 0.3 per cent increase compared to 2002.

Tourism

Cruise arrivals registered an 8.9 per cent growth during the first three quarters to 1.3 million.

However, air arrivals fell by 5.4 per cent to 221,045.

Real Estate

The values of property transfers rose by 36 per cent from $175 million during the first nine months of 2002 to $237.9 million during the comparative period of 2003.

Construction

Planning approvals increased by 22.8 per cent to $214.2 million.

Building permits fell by 18 per cent to $174.1 million.

This decline was anticipated, given some large projects that were granted permits in 2002. These included:

- Ritz Carlton Hotel & Condominium development US$109 million, and
- UBW Ltd Building (Citrus Grove) $6.5 million.

Utilities

Electricity consumption was up by 4.7 per cent.

Water production grew by 3.4 per cent.

The number of paid telephone and fax minutes contracted by 8.6 per cent from 30.3 million during the first three quarters of 2002 to 27.7 million during the comparative period of 2003.

I would like to thank you, Mr. Speaker, for the opportunity to present this update.

The Health Insurance (Amendment) Regulations, 2004

The Speaker: The Honourable Deputy Leader of Government Business and Minister of Health Services, Agriculture, Aviation and Works.

Hon. Gilbert A. McLean: Thank you, Mr. Speaker.

I beg to lay on the Table of this Honourable House, the Health Insurance (Amendment) Regulations, 2004.

The Speaker: So ordered.

Would the Honourable Minister wish to speak thereto?

Hon. Gilbert A. McLean: Not at this time, Mr. Speaker.

Suspension of Standing Order 24(5)

The Speaker: The Honourable Deputy Leader of Government Business.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move the suspension of Standing Order 24(5) to allow a Government Motion to be brought to affirm the Health Insurance (Amendment) Regulations 2004.

Agreed. Standing Order 24(5) suspended to allow a Government Motion to be brought to affirm the Health Insurance (Amendment) Regulations 2004.

Ms. Edna M. Moyle: If I may, Sir, for clarity—

The Speaker: The Elected Member for North Side.

Ms. Edna M. Moyle: If we have suspended a Standing Order for a motion to be brought without notice, are we now going to debate that Motion?

The Speaker: No, it will be brought at a later date during this Sitting of the House.

Please continue.

The Report of the Standing Public Accounts Committee on the Budget of the Cayman Islands Audit Office 2004/2005

The Speaker: The Second Elected Member for West Bay, and Chairman of the Standing Public Accounts Committee.

Mr. Rolston M. Anglin: Mr. Speaker, I beg to lay on the Table of this Honourable House the Report of the Standing Public Accounts Committee on the Budget of the Cayman Islands Audit Office for the fiscal year 2004/2005.

The Speaker: So ordered.

Would the Honourable Member wish to speak thereto?

Mr. Rolston M. Anglin: No, Mr. Speaker.

STATEMENTS BY HONOURABLE MINISTERS / MEMBERS OF THE CABINET

The Speaker: I have received no statements from Honourable Ministers or Members of the Cabinet.

Suspension of Standing Order 45

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I beg to move the Standing Order 45 to allow for the Bills to be read a first time. However, I am going to ask for a deferment to be allowed in respect of the Tax Information Exchange Authority Bill, 2003 as there has been a request by the financial community for more time to be allowed with respect to this Bill.

The Speaker: The Honourable Third Official Member has explained the circumstances of this and I have agreed for the deferral until a later date during this meeting.

The question is that Standing Order 45 be suspended. All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Standing Order 45 suspended.

GOVERNMENT BUSINESS

BILLS

FIRST READINGS

The National Roads Authority Bill, 2003

The Speaker: The Honourable Minister for Health Services and Roads.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move that a bill entitled the National Roads Authority Bill 2003 be read a first time.

The Speaker: Honourable Members the National Roads Authority Bill, 2003 is deemed to have been read a first time.

The Roads (Amendment) Bill, 2003

The Speaker: The Honourable Minister for Works.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move that a bill entitled the Roads (Amendment) Bill, 2003 be read a first time.

The Speaker: The Roads (Amendment) Bill, 2003 is deemed to have been read a first time.

Suspension of Standing Order 46(1) and (2)

The Speaker: The Honourable Deputy Leader of Government Business and Minister of Health Services.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move the suspension of Standing Orders 46 (1) and (2) so that the Health Practice (Amendment) Bill, 2003 and the Health Insurance (Amendment) Bill, 2003 can be read a first time.

The Speaker: The question is that Standing Orders 46(1) and (2) be suspended.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Standing Orders 46(1) and (2) suspended.

The Health Practice (Amendment) Bill, 2003

The Speaker: The Honourable Minister for Health Services.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move that a bill entitled the Health Practice (Amendment) Bill, 2003 be read a first time.

The Speaker: The Bill is deemed to have been read the First Time and is ordered to be read a second time.

The Health Insurance (Amendment) Bill, 2003

The Speaker: The Honourable Minister for Health Services.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move that a bill entitled the Health Insurance (Amendment) Bill, 2003 be read a first time.

The Speaker: The Bill is deemed to have been read the First Time and is ordered to be read a second time.

SECOND READINGS

The National Roads Authority Bill, 2003

The Speaker: The Honourable Minister for Works.

Hon. Gilbert A. McLean: Mr. Speaker, the Bill before this Honourable House entitled the National Roads Authority Bill, 2003 will, if passed, bring into effect a National Roads Authority for the first time.

Prior to this there has been what has been known as the Roads Division of the Public Works Department. For all the years that road works, development, maintenance and the like has been carried out, it has been carried out by this particular section of the Public Works Department.

At this time the idea is to create a National Roads Authority whose responsibility will be to ensure the effective and efficient management of public roads in the Islands. I would like to make the point that this responsibility will extend to all three Islands: Grand Cayman, Cayman Brac and Little Cayman.

This is not a novel idea nor is it just coming to light at this time. In the 1990's my colleague, the present Minister for Education, and I, moved a Private Members' Motion asking Government to consider the creation of such a body. I suppose it is the case, as has been said many times, that nothing happens before its time and I would like to believe that the time this can be done is now.

Part I of the Bill contains clauses 1 and 2 which are preliminary provisions. Clause 1 provides the short title and makes provision in respect of the commencement of the legislation and clause 2 of the Law is the interpretation clause.

Part II of the Bill deals with the establishment and administration of the National Roads Authority and contains clauses 3 to 10.

Clause 3 establishes the National Roads Authority as a body corporate having power to enter into contracts and to buy and sell land and other property. The clause also provides that property belonging to Government and specified in the schedule will automatically vest in the Authority.

Clause 4 contains the provisions relating to the youth of the Authority's seal.

Clause 5 sets out the functions and duties of the Authority. The Authority is required, among other things, to –

(a) plan, design, construct, develop, maintain, protect and administer public roads;
(b) tender, let and administer contracts for public road improvement and rehabilitation projects;
(c) carry out a comprehensive continuing programme of professional staff development and appropriate skilled training for non-professional staff;
(d) Establish and operate facilities for the testing of materials in connection with the construction and the maintenance of the public roads;
(e) supervise the work contracted out;
(f) provide to the Minister responsible for roads advice on -
    (i) the adequacy of the funding provided to the Authority from the Road Fund for financing, maintenance and construction of public roads;
    (ii) the need to develop new, or abolish or amend existing, financing instruments for the Road Fund;
    (iii) the optimal level of Authority revenue from the Road Fund in the context of other revenue sources of the Authority.

The Authority's functions will be performed through the Managing Director of the Authority, subject to policy directives by the Board of the Authority.

Clause 6 enables the Minister responsible for roads to issue policy directions to the Authority after consultation with the Board.

Clause 7 makes provision for the constitution and responsibilities of the board of directors of the Authority. The Board will consist of the following directors appointed by the Governor in Cabinet –

(a) one individual, not being a public officer, who shall be the chairman;
(b) one individual, not being a public officer, who shall be the deputy chairman;
(c) one individual who has demonstrated to the satisfaction of the Governor substantial knowledge of and experience in planning, design and development of public roads, who shall be the Managing Director;
(d) one individual who has demonstrated to the satisfaction of the Governor substantial knowledge of and experience in planning, design and development of public roads, who shall be the Deputy Managing Director;
(e) the Permanent Secretary of the Ministry responsible for roads or his nominee;
(f) the Financial Secretary or his nominee;
(g) three individuals who have demonstrated to the satisfaction of the Governor substantial knowledge and experience in one or more of the following areas -
    (i) tourism;
    (ii) law; and
    (iii) environmental matters; and
(h) not less than three but not more than four individuals.

The Board will be responsible, among other things, for -

(a) overseeing the performance of the Authority; and
(b) setting operational priorities with regard to the construction and maintenance of public roads.

Clause 7 also makes provision for the appointment of an Executive Secretary of the Authority who shall be answerable to the Board for his" or her "acts and decisions.

Clause 8 makes provision in relation to Board meetings.

Clauses 9 and 10 require directors to disclose their pecuniary interests in contracts being considered by the Board.

Part III of the Bill contains clauses 11 to 17 and deals with the personnel of the Authority.

Clause 11 makes provision for the appointment of the Managing Director and the Deputy Managing Director of the Authority. The clause specifies the circumstances in which the Deputy Managing Director is empowered to function as Managing Director.

Clause 12 sets out the functions of the Managing Director, and these include –

(a) overseeing certain technical operations of the Authority;
(b) concluding contracts on behalf of the Authority subject to approval by the Board;
(c) monitoring the operations of persons administering road user charges;
(d) appointing staff of the Authority; and
(e) supervising campaigns aimed at sensitizing the general public to the role of roads in economic development.

The Managing Director will be the principal executive officer of the Authority entrusted with day to day management and administration.

Clause 13 requires the Managing Director to perform his responsibilities in accordance with an operational plan approved by the Board.

Clause 14 enables the Board to engage the services of professional and technical personnel which, Mr. Speaker, will be necessary at certain points in time because such may not be fully available to the Board.

Clause 15 makes provision for public officers to be transferred to the Authority.

Clauses 16 and 17 prescribe the pension and medical benefits applicable to employees of the Authority.

Part IV of the Bill contains clauses 18 to 28 which are financial provisions.

These, Mr. Speaker, are set out in detail.

Clause 18 provides for the discontinuance of the Roads Development Fund. The clause also provides for the establishment, within the core government, of the Road Fund. The Road Fund will be accounted for as a discretionary reserve in the financial statements of the core government in accordance with the provisions of the Public Management and Finance Law (2003 Revision).

This is a provision which has been set up, particularly to provide for the funding of the Roads Authority as the Roads Authority has no right to assess taxes which is the authority only of Government. The Government has made arrangements, as I referred to a moment ago, so that funds can be received and passed on to the Roads Authority for works to be completed.

Clause 19 enables the following executive revenue, upon being earned by the Government, to be placed in the Road Fund –

The Roads Authority could not function if there was no money provided for it. It has been calculated that the percentages, which I will speak to in a moment, will provide a flow of capital to the Roads Authority that will provide sufficient funds to carry on the business which it will have to do. Where this falls short, and core government might want additional work done, which this would not provide for, such funds would have to be found through whatever means by core government.

The first item of clause 19:

(a) twenty per cent of the duty charged, collected and paid pursuant to the Customs Tariff Law (2002 Revision), upon motor gasoline imported into the Islands;

(b) sixteen and two-thirds per cent of the duty charged, collected and paid pursuant to the Customs Tariff Law (2002 Revision) upon diesel oil imported into the Islands, excluding diesel oil under code number 27.03 in the First Schedule of that Law;

That is diesel fuel which is provided for Caribbean Utilities Company (CUC) and the Cayman Brac Power and Light Company.

(a) one hundred per cent of the fees paid to the infrastructure fund pursuant to section 38(4) of the Development and Planning Law (2003 Revision); and

(b) eighty per cent of the fees paid in respect of the registration of motor vehicles under Part II of the Traffic Law (2003 Revision).

What has been attempted here is to allocate funds from areas of revenue within core government which relate to the business of roads.

Clause 20 provides that the Road Fund shall be used by the Governor in Cabinet to –

(a) acquire or construct public roads and other related executive assets;

(b) purchase from the Authority outputs related to the maintenance of public roads or the exercise of any other function of the Authority; and

(c) to make equity investments into the Authority.

Clause 21 makes provision for public roads to be treated as an asset of the government and accounted for in the financial statements of the core government.

Clause 22 sets out the procedure for the imposition, levy and collection of road user charges.

Clause 23 specifies the revenue and resources of the Authority, and these are –

(a) such monies as may be appropriated by Law for the purposes of the Authority, including those from the Road Fund;

(b) road user charges collected by the Authority in accordance with section 22;

(c) gifts or bequests received by the Authority in accordance with section 27;

(d) other monies paid and property provided to the Authority by way of grants, rent, interest and other income derived from the investment of the Authority's funds;

(e) monies derived from the disposal of or dealing with real or personal property held by the Authority;

(f) monies borrowed by the Authority in accordance with this Law; and

(g) any property lawfully received or made available to the Authority.

Clause 24 provides that the financial year of the Authority shall end on 30 June.

Clause 25 empowers the Authority to borrow in connection with the performance of its functions.

Clause 26 provides that the Public Management and Finance Law (2003 Revision) will prevail in the event of any inconsistency between that Law and the National Roads Authority Law, 2004.

Clause 27 contains provisions related to the Authority's ability to receive funds, gifts and land.

Clause 28 provides that any annual payment of the Authority to the core government shall be calculated by a formula determined by the Financial Secre-

tary after consultation with the Authority and the Minister responsible for Roads.

It is expected and hoped that in the long term the Roads Authority might approve surpluses of which a certain percentage would be paid back to the core government after it has kept back funds to cover its own operations.

Part V of the Bill sets out general provisions and contains clauses 29 to 34.

Clause 29 provides the procedure for the disposal of premises which the Authority no longer requires.

Clause 30 empowers the Governor in Cabinet, upon recommendation by the Authority, to make regulations relating to –

(a) minimum standards for the maintenance of public roads to promote accessibility to any area in the Islands; and
(b) the fees to be charged for any service provided by the Authority.

Clause 31 authorises the making of rules to enable the Authority to regulate its internal management.

Clauses 32 and 33 are immunity and indemnity provisions, respectively, and clause 34 contains savings and transitional provisions.

This Bill, though not extremely long, provides quite comprehensively for the various areas which would be covered under the National Roads Authority and it sets down guidelines and provisions as to how they should be done. It is the first such attempt to manage the development, design and maintenance of roads in this fashion. It will of course take time in transitioning into an Authority and it will have to work out the glitches as it goes. However, I believe this brings about a new era in this area and as such, I recommend it to the Honourable Members of this Honourable House.

The Speaker: Does any other Member wish to speak?

The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker.

I rise to make a contribution to the National Roads Authority Bill, 2003 that is before us. At the outset please allow me to say that the Opposition supports such an entity and in so saying we will not necessarily criticise the Bill. However, we will bring to the attention of the Minister certain areas that we have concerns with, which we believe, will ultimately be the operation of the Authority. We hope he will take it in the light that they are given. Like he said at the end of his presentation, this is the beginning and it is a teething process. We hope that he can address it, if necessary, in removing some of those little teething problems that will ultimately be a part of this Bill.

One of the things that I immediately noted when I read this Bill was that there was no provision made for the Authority to have jurisdiction over lighting roads. I believe during the Finance Committee recently we questioned whether the responsibility was the undertaker's or the government's to ensure that street lights are maintained properly. As it currently stands, if someone requires a street light, which serves as a form of security, we have to go through the Minister or Ministry, whichever he or she chooses to let the Members of the Legislative Assembly apply through.

I believe that the Roads Authority should have jurisdiction over the lighting of roads. Sir, please allow me to explain why I said that. Because of my past experience in that field, having worked for CUC for a long time, and seeing and understanding other jurisdictions like America, Canada, etcetera, it is a third party that is responsible for the lighting of roads. The reason for that is there are certain standards that have been developed over many years for different roads. For highways a certain level of lighting must be maintained and it is the same thing for subdivisions.

Therefore, Mr. Speaker, what happens is that you will not have the public calling to have a security light on the corner down the road from them. It should be put in place based on those standards. You may have the public complaining that their road is too dark but if it meets the lighting standards then there will not be any other lights installed. However, if that third party—in this case the Roads Authority—finds out that they have not maintained the lighting level on that road then they will do the necessary changes to maintain lighting levels. I believe that the Roads Authority should have jurisdiction over that.

The Ministers have enough work to do and they should not have the responsibility of worrying about passing it on to Public Works. Currently, we pass it on to Public Works and the road section investigates whether or not the light is necessary or whether they can safely instruct Caribbean Utilities Company (CUC) to put the light in and they can pay for it; it goes to the Roads Department, I believe. Therefore, the National Roads Authority should have that responsibility and remove it from the Ministry.

I bring that to the attention of the Minister currently piloting this Bill and ask him to take a look at that. May I just add that under the responsibilities of the Authority that the maintaining of street lighting levels could easily be included. The intricacies of that can be worked out in the regulations.

I would like to turn to Part III, and the provisions for personnel of the Authority, on page 20: **"Transfer of public officers to the Authority"** and **"Pension fund"**.

I welcome section 15(3) where it says: **"The Governor may, subject to such conditions as he may impose, approve the appointment of any public officer in the service of Government by the way of secondment to any office with the Authority, and any public officer so appointed shall, in relation to discipline, salary, pension, gratuity or other allowance and to other rights and obligation as a**

public officer, be treated as continuing in the service of the Government."

That is very important for the people who are currently working in the Roads Department. Most of those employees are group employees and some are permanent and pensionable employees (PPEs). While PPEs and group employees are public officers this section does not say whether all those employees are going to be PPEs or group employees.

I think we need to address that because we know how the people working in those areas are sensitive and concerned about continuity and their retirement for the future. I think we also need to ensure that when these people are transferred it is made very clear what their position is; what their terms of employment with the Authority will be from thereon in. We will be inundated as Members of the Legislature to try and find out when we hear people say: *'Well, we are being transferred and we do not know if we are going continue; whether they are going to fire us or what position we are going to hold and what our tenure is going to be.'* All those questions are realities within that arena and I think the Minister needs to pay particular attention to them so that we do not get all those concerns surfacing again like we have had on occasions when departments have turned into authorities. After a while it smoothes itself out but the initial stages seem to give them a little concern and they get excited. Some of them may even become animated as a result of it.

I have become a little concerned about another section and perhaps the Minister can give us some answers. Section 16 says: **"(1) The Authority shall subscribe to the Public Service Pensions Fund in accordance with the provisions of the Public Service Pensions Law (2003 Revision) for the payment of pensions to all employees of the Authority.**

"(2) Notwithstanding subsection (1) –

(a) where an employee transferred in accordance with subsection 15 (1) [which I spoke of earlier] **is entitled to a contracted officer's supplement the Authority shall not subscribe to the Public Service Pensions Fund in respect of such employee during the period in which the employee remains entitled to such supplement;"**

I thought that was over, Mr. Speaker. This was while the current Minister was Her Majesty's loyal Opposition in 2001, and he and I, and other Members banded together and took up the fight to have Contracted Officer's Supplement (COS) removed from the books. As I recall, the then Governor, Peter John Smith, supposedly the Governor, replied to us in writing saying the contracted officer's supplement was being done away with and those who were contracted officers in the public service would, at the end of their contract, no longer be receiving COS. Even so, I do not know how we could trust what he said then

It may be a simple explanation whereby there are still people at the Public Works Department whose contracts are still in place, prior to 2001. If that is not the case then I believe it is necessary that the country knows who these employees are. If we can have a Governor who says that it is finished, and then there is a continuation of it, then I have to question the abilities of such people and the honesty of such Governors. Mr. Speaker, at the time—

The Speaker: Honourable Member, I would ask you to be extremely careful how you couch your questioning of the integrity of any Governor, past or present. You may continue.

Mr. V. Arden McLean: Mr. Speaker, I thank you for that but I would beg your indulgence to guide me here because as I understand it the Constitution says I cannot say anything about the Governor. It did not say the past Governor. I would ask for your guidance in that respect, Sir.

The Speaker: You may continue, I am just asking that you be careful in the choice of your words. Please continue.

Mr. V. Arden McLean: Thank you, Mr. Speaker, I will not go over on to the current Governor, but I did not have much trust in the past Governor.

Perhaps the Minister can explain to us whether these are new employees or if they are employees who have been around prior to 2001. I think it was June 2002 when we were not supposed to see anymore COS and I stand to be corrected but I know there was a commitment made to stop COS. There was a motion either in this Honourable House or Finance Committee that got the full approval of this Honourable House. Therefore, I bring those two to the Minister's attention.

The area I would really like to concentrate on now is that of the Financial Provisions, Part IV, page 21.

I think all, current, past, and future Members of this Honourable House will welcome the provisions made in section 19, which are the revenues for the Road Fund.

For many years, long before I even thought of running for office, I supported the position that monies collected directly related to use of the roads in Cayman should be earmarked for its maintenance and its development.

However, at the time most of us, and I know I thought that a hundred per cent should go over there. I guess that was asking a little bit too much. I understand, for instance, 20 per cent of the duty charged upon gasoline importation would equate to about 10 cents per gallon that would go into the Road Fund. I see the validity of doing sixteen and two-thirds per

cent of the duty charged upon diesel which currently stands at 60 cents. That again equates into 10 cents which will be charged against gasoline and diesel with CUC, the undertakers, meaning the electricity providers in the country, being exempt because that is not directly used for transportation in the country. It would be nice if government would do that because CUC burns somewhere around 24 and 26 million gallons per year. The government coffers get some $13 million a year off the 50 cents charge on that diesel alone. Perhaps government should consider putting 20 per cent of that into the Road Fund.

I will touch briefly the total amount, from a conservative perspective, that would be derived from these areas. Section 28(1): **"Annual payment to core government"** may be a dream for the Roads Authority. I know the Minister said one day it may reach that point. I do not know which day that will ever be but he is more optimistic than I am. I hope his day comes earlier than mine. That would be nice.

Clause 19(1)(c) says: **"one hundred per cent of the fees paid to an infrastructural fund pursuant to section 38(4) of the Development and Planning Law (2003 Revision);"**.

I cannot say how much that is because based on development that could fluctuate, one way or the other. Certainly when we look at (d): **"eighty per cent of the fees paid in respect of the registration of motor vehicles under Part II of the Traffic Law (2003 Revision)."**

If we use the conservative figure of 20,000 cars I would venture to say that we are looking at maybe $2 million or thereabouts. If we use a conservative figure of 10 million gallons of diesel and gasoline together we are looking at another million which is $3 million. Let us say we get a million from the infrastructure fund, we are looking at $4 million. Therefore, I do believe that the Government is going to have to make some major equity injections other than to maintain our roads, particularly now where the road infrastructure in this country requires the building of major roads in the not-too-distant future. That is why I said to the Minister that section 28 may not be a reality in the foreseeable future, because the Authority will have to stretch its resources to ensure it maintains, constructs and administers the roads in this country with the funds it will receive. Certainly, borrowings will be an option and the Government currently borrows money to do the roads. I notice that we have now transferred that responsibility to the Authority and rightfully so. However, it has to come to the Legislative Assembly. We welcome the removal of this over to an Authority.

However, it does not finish there because any Minister who may be in that position has the authority to instruct after receiving advice from the Board. I believe that is an area we have to be extremely careful with because we know what has transpired in the past, particularly during election years when supporters get what they want through the Roads Department. I trust that the Authority will be much stronger than that. I am hopeful that it will happen.

One of the sections I am extremely concerned about, which I believe, needs to be revisited, is section 22: **"Levying and collection of user charges"**. When I say I am concerned I am speaking on behalf of the Opposition. Just a week or so ago when the Public Works Department Director was here defending his Budget I questioned areas of revenue that the department currently enjoys. I was told by the Director that there was no area of revenue. Some of my Government Back Bench colleagues said to me that I was promoting tolls. I do not know whether tolls or user fees are to be employed but the Government currently employs road user fees in the form of a Traffic Law whereby you have to register your vehicle.

I know there will come a time for something to be done. I am not in a position to say what that is today because some kind of study needs to be done in order to determine the impact it is going to have on the economy, and the lack thereof it will have on the development and maintenance of our roads. However, my experience, although limited on this particular subject of tariffs for road users, says to me that if you put up a toll booth the cost for the use of the road is based on the vehicle, be it a Sedan, a multi-axle vehicle (trucks) or whether it is three or nine axles, and weight in most instances. However, I have never in my experience seen class of persons. Section 22 says: **"(1) Subject to the approval of the Governor, the Authority may levy and collect a road user charge on users of public roads provided that the amount of the road user charge –**

(a) is directly related to the amount of usage of roads by the users concerned;

(b) is determined in a transparent and equitable manner; and

(c) is regularly reviewed for accuracy and equity."

(2) Before levying a road user charge in accordance with subsection (1), the Authority shall publish in the Gazette a notice specifying –

(a) the amount of the proposed road user charge;

(b) the classes of persons or vehicles to be charged with reference to the amount of the proposed road user charge; and

(c) the classes of persons or vehicles, if any, to be exempt from the road user charge;"

That spells politics to me, Mr. Speaker; we need to get away from that somehow. We cannot distinguish the difference between poor and rich, haves and have-nots if you have a car and you are using the road. You are going to be charged to use the road because you have a vehicle. The target must be the vehicle and not the people. Commercial vehicles may be charged more than privately-owned vehicles and that is not necessarily on a toll provision because

there are other ways that this can be done. It may very well be that the Government will have to say that when you go to license your vehicle, from here on, passenger vehicles are going to attract $100 more a year and commercial vehicles are going to attract $500 a year more. I do not know if that will be the case, but that is where you can levy charges which are not necessarily tolls because it is going to be extremely difficult for us to put toll booths in place, in this country.

Mr. Speaker, I ask the House to follow my position on this toll for road users. If we put a toll by the Heron Harbour (Hurleys). . . Yes, we are going to capture all of those from the eastern end of the Island. We could put a few on South Church Street, Walkers Road, Thomas Russell Way . . . It is not going to work because if we only put in South Sound and Walkers Road to capture those residents they are going to go through Thomas Russell Way and there will be flooding of cars there. The people who come from East End, Bodden Town, North Side and Savannah are going to pay their toll at Heron Harbour and drop their children on Walkers Road, and pay another one. If one is not placed at Thomas Russell Way we are going to flood that even more. It is going to be difficult for us to apply these taxes. It is not impossible but it is going to be difficult.

My understanding of a toll is that it is for the convenience of you getting to your destination quicker. You are not going to see tolls within your urban areas, but for you to get outside without getting in the traffic you can jump on the highway. Mr. Speaker, what I am saying is that there is a possibility of putting it on the Esterley Tibbetts Highway because that removes the people off the Seven Mile Beach road.

If I am going to West Bay I would not want to be caught up in the traffic so, I would pay a premium to travel on a road which has no traffic restrictions. Then at some stage when we get the proposal, which has been proposed from your time, Mr. Speaker—from East End which the Opposition of that day destroyed, in the 80s and 90s. Mr. Speaker, you were a visionary then. If that had been adopted we would not have the problems and the expense we are going to have to get a proper road infrastructure in this country.

I do not say that to be funny, I say that because it is true. I was on the Central Planning Authority at that time, but as I understood it then, there were no proposals to build roads. The proposals were to gazette the corridors.

The Deputy Chief Secretary was the Chief Engineer of Public Works at the time and he was a strong proponent of the master ground transportation plan. The Leader of the Opposition was a member of the Central Planning Authority and a strong proponent of the master ground transportation plan and so was I. The Government of the day was a strong proponent of it but the Opposition at the time successfully manipulated the people's minds of this country. They will not successfully do it again though because they are done; they are gone. The whole country is paying the price for the successful manipulation of the then Opposition and we know who that was; Mr. Truman and his little group. They must be reminded of that.

Therefore, Mr. Speaker, my position is that until we get the one for the eastern districts it will be difficult for us because there will not be any equity in the people in George Town not paying a toll and using the roads, and the people from the eastern districts having to pay every day in and out of George Town where the point of commerce is at; the capital. Ninety per cent of the people in the eastern districts have to come to town everyday and if you are paying in you have to pay out. Until we get the highway the people from the eastern districts can decide not to fight with that traffic. They are going to have to pay a premium to travel on the highway; that is when we can bring in a toll on the road infrastructure.

I cannot say that I do not support the toll. I look forward to the day when we have a main highway where I can get to East End from George Town in 20 minutes, as opposed to it taking me 35 or 40 minutes and I have no others stops besides traffic holding me up. I will pay my premium to cut my time down by 15 to 20 minutes. It is going to be difficult to charge a person under the current conditions.

Section 1(2) of the Bill says: **"This Law shall come into force on such date as may be appointed by order made by the Governor and different dates may be appointed for different provisions of this Law."**

I trust that we will judiciously watch over those provisions.

I now go back to the part of provision for 'classes of persons'. Mr. Speaker, I am very concerned. That provision should not be there. I really do not understand how we are going to tax classes of persons. Someone needs to explain that to me; who is going to be exempted, etcetera. From my own knowledge I explained what a toll is all about.

We need to explain to our people the need for provisions to build and maintain their roads and that the road user cost is going to increase. It should be applied as it is now in an equitable manner, straight across the board, whether it is five per cent or 10 per cent on the licensing fees. That money should be earmarked specifically to build those highways and after they are built the cost should be reduced for those who choose to use the highways.

I respectfully ask the Minister to think about the classes of persons in that provision because we do not see it as being an equitable way of doing tolls. I know when I go the police station to license my vehicle I am going to pay the same as other classes of vehicles. However, I am not going to pay any differently from a different class of person such as someone who owns a hundred thousand dollar vehicle. The cost is the same. Less government is better. You have different classes of vehicles but not different classes of people. We need to remove ourselves from that.

We saw a classic example recently of how that does not work when we did the Marine Conservation Law and proposed initially to apply $1000 to people on work permits who would be fishing the country. Within a short time we had to change that and to this day it cannot be enforced. Why? Because everyone would have to walk around with proof of citizenship so that when the Marine officer comes and asks if you are eligible to fish off-shore, you would have an identification showing that you are Caymanian; therefore I would have to walk with my certificate. That is where we will get problems in trying to identify classes and the classes we are going to apply it to.

Another area that I would like to address is section 23(d) which says, **"The revenue and resources of the Authority shall comprise –**

"(d) other monies paid and property provided to the Authority by way of grants, rent, interest and other income derived from the investment of the Authority's funds."

If we look at 18(2), and I know the Second Elected Member for West Bay likes to follow these things; it says: **"There is hereby established within the core government a fund, to be called the "Road Fund" which shall be accounted for as a discretionary reserve in the financial statements of the core government in accordance with the provision of the Public Management and Finance Law."**

If we then look at section 20, it says: **"The Road Fund shall be used by the Governor to –**

(a) acquire or construct public roads and other related executive assets;

(b) purchase from the Authority outputs related to the maintenance of public roads or the exercise of any other function of the Authority; and

(c) **make equity investments into the Authority,"**.

In section 23(d) how the Authority's funds are going to derive income interest from investments has escaped me. The Authority's funds are those which the Government is purchasing outputs with. Therefore, if the Authority is going to have funds to invest I do not know how they would be investing them. Core government has the Road Fund where all the money which I spoke of earlier, under section 19(1), is going into core government. That is the only fund other than that which the Authority may get through revenue and I am going to talk about that under section 30. One would assume that when core government purchases an output from the Authority that it is their major revenue source because all the monies are being held by the Governor, that is, Cabinet. Thus, I think it is highly unlikely that the Authority will have sufficient funds to invest to get a dividend. The Minister may want to speak briefly on that.

Under responsibilities of the Authority, the Authority will be responsible for the maintenance, in particular plan, design, construction, development, protect and administer public roads and related road works. Mr. Speaker, when I spoke earlier about section 28: "**Annual payment to core government"**, that is all well and good for an Authority such as the Water Authority which has an independent of core government. However, when core government pools the funds and gives it to an Authority to do an output there is no money to invest. It is impossible to get money to invest. It is going to be extremely difficult for the Authority to find money to invest out of that when the core government is purchasing these outputs to be done within one year. The Authority would have to go out there to qualify or to be required to pay government an annual payment, as it is called, and they are not readily available to them at this time or in the foreseeable future. The investment section needs to be explained.

I would like to turn to section 30: **"(1) The Governor may, upon recommendations by the Authority, make regulations prescribing –**

(d) the fees or portion thereof that are to be charged for any service provided by the Authority."

When I questioned Public Works Department about the Roads Department, as to whether it had any revenue base, I was told: 'No'. It is my understanding that the current Roads Department may very well be doing works for revenue in assisting other contractors, etcetera, when they do not have any interest of timing for the contractor. Therefore, it would be interesting to see how much time is allocated to revenue-based projects versus how much time is allocated to the public roads, administration, construction and maintenance of those. It would also be interesting to see what section of the Authority will be available for those kind of revenue-based projects, or to see if the Authority will have sufficient personnel available to be able to contract itself out to private individuals to do roads.

Its primary function will be roads so naturally that would be the kind of work the Roads Authority would be engaged in. Thus, it would be interesting to see if that is the direction we are encouraging the Authority to go towards; providing services in the private domain to do roads. Mr. Speaker, I am not here condemning that, I am merely asking if that is the meaning of some of their revenue sources; if they are going to be able to compete with the private sector in the building and maintenance of roads and parking lots.

The Speaker: Honourable Member if this is a convenient break in your debate I propose that we take the luncheon suspension to return at 3 pm. So I would ask all Honourable Members to please be back promptly at 3 pm.

Proceedings suspended at 12.56 pm

Proceedings resumed at 3.24 pm

The Speaker: Please be seated. The Elected Member for East End continuing on his debate on the National Roads Authority Bill 2003.

Mr. V. Arden McLean: Thank you, Mr. Speaker.

When we took the lunch suspension I was dealing with Part IV: The Financial Provisions of the National Roads Authority Bill, 2003 and, lest it be misunderstood, when I spoke about investments by the Authority I should make it clear that I understand short-term investments that the Authority can make when they do draw downs.

My question is how draw downs from core government will be made to the Authority. That is the only explanation I require because under the new system and any system there would be draw downs based on the schedule. Certainly, if all the money is drawn down at the same time, then the Authority would have means of short-term investment over the year, to invest albeit small amounts that they will be receiving but they would still receive revenue through that source. However, if it was the position where it was going to be drawn down based on the expense on a monthly basis, I just wanted to know how that was being proposed, under the new provisions for the Authority.

The other section I intended to bring to the attention of the Minister is section 19 (2) and (3) but I briefly discussed it with the draft lady and she agrees with me that (3) should read regulations made under subsection (2) as opposed to (1). I think that was just a typing error.

I support the creation of the National Roads Authority and all the reasons that I laid out at the beginning. The Opposition supports it and contrary to how the Leader of Government Business will say that the Opposition opposes for opposition's sake, this is again a shining example of the Opposition supporting what we believe is in the best interests of this country; sometimes conditionally and sometimes unconditionally. Nevertheless, with proposals to ensure that it is done in the best interest and with as few problems—

The Speaker: Honourable Members, I ask you again to please keep the talking down. It is disrespectful to the person speaking and it carries through this small area. Please keep your discussions to the minimum.

Mr. V. Arden McLean: In conclusion I would like to say that I wish the Authority well and I look forward to the future in this country with a Roads Authority because there is much to be done with regard to provisions for transportation in this country now and particularly for the future. More and more disposable income will be available for individuals to purchase transportation as we move into the future. If we do not have a sufficient roads infrastructure then it would be useless.

Today, we see Public Works Department desperately trying to cram what should be a much larger reserve into 50 feet of road reserve; I am talking about Spotts where they are making provisions for the access to the new Prospect School. If we had bought some property and made provisions for infrastructure we would not be cramming it into the small reserve that we have now, which is in most instances 50 feet. We must applaud past Legislators such as Mr. Craddock Ebanks, Mr. Warren Connolly and those persons who made those provisions. However, since then, the amount of prosperity that this country can boast of is very little, because very little has been done in the form of making provisions for road infrastructure in our country. I mentioned the massive ground transportation plan as well. We are now trying to purchase property for the Esterley Tibbetts Highway, which is costing us much more that I am sure it would have 15 years ago. I believe that the establishment of the Roads Authority will make the necessary provisions for the future. If provisions had been made years ago expenditures that we are now experiencing would not be of today's astronomical costs.

I will ask that the Minister reply to the things that I have brought to his attention, and in particular, I trust that he will reply to the lighting of streets that I mentioned. I look forward to this necessary Authority,

Thank you, Mr. Speaker, and I congratulate the Minister on bringing this Bill to the Honourable House.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak?

The Honourable Leader of the Opposition, and First Elected Member for George Town.

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

As my colleague, the Elected Member for East End has stated the Opposition supports the Bill in principle. However, I will explain that there are some issues we thought needed to be aired and perhaps will give a better perspective and maybe at the end of the day the finished product moving from a bill to a law might be what would be considered to be a better law. I will deal with some of the other issues that my colleague has not dealt with.

When I was reading the Bill — Part II, subsection (3) — I kept wondering about the Authority being able to sue and be sued in its corporate name and I wondered about individual directors of the Authority being indemnified, but as I read further I saw in sections 32 and 33 this is taken care of. I make mention of that because it is always important that directors of these statutory boards not be personally exposed to any legal proceedings. I am glad to know that it taken into consideration in the Bill.

Under section 5(2)(g) — I am at a disadvantage but I will only speak with the knowledge that I have — it reads: **"The Authority shall … (g) subject to any Law for the time being in force, tender, let and administer contracts for public road improvement and rehabilitation projects and for pub-**

lic road maintenance activities for which contracting is considered by the Authority to be cost effective or otherwise advantageous;"

We need to refer to some other pieces of legislation when we look at this subsection because there has always been some difficulty with some of us due to the fact that core government has one specific set of tendering procedures which is followed by the various departments, ministries and some of the government owned companies.

Statutory authorities unlike that, basically and literally follow their procedures via board decision. The Water Authority will deal with the process in one manner; the Port Authority in another; perhaps the Civil Aviation Authority dealing with another methodology and now this piece of legislation is saying that the National Roads Authority, subject to any Law for the time being in force shall tender, let and administer contracts for public road improvement, rehabilitation and maintenance activities in a manner that they deem fit, as described in the proposed legislation to be cost effective and advantageous.

I think this is a very important point because we have moved to the accrual system. The financial activities of these Authorities are going to be reported under the umbrella of the Budget process, which will be delivered whether it is in a quarterly report or the Annual Plan and Estimates, or the Annual Budget Statements, the Ownership Agreements or whatever. When it comes to reporting the financial activities of the Government and proposed outputs being purchased, most importantly, the financial position of the Government at the end of the day, the National Roads Authority is not going to be an exception when it comes to borrowings, contingent liabilities, et cetera. Everyone will be audited working and reporting under the same accrual system. However, we have a tendering process that is all over the place and there is no ability to refer one to another because the tendering system is consistent and I have a problem with that.

If the method proposed in this piece of legislation is the preferred method then let everyone do that. If it is not the preferred method and there is another method that is a preferred method then let everybody do that. The Financial Regulations which are an accompaniment to the Public Management and Finance Law are a new set of regulations that are to be gazetted. Seemingly they are in the process so I do not have access to that bit of regulations at this time, but it is a very important ingredient to my line of argument.

If memory serves me right—I have to go on memory now because as hard as I tried during the lunch break to get a copy of it, I could not. There are several sections in the new Finance Regulations which refer to core government and the way the tendering process operates but in the Finance Regulations there is no reference to statutory authorities falling under the same umbrella.

While the statutory authorities are coming in line with the system when it comes to the tendering process they are still left with their own ability to decide as they see fit. It is important if we are involving ourselves in a new system that we have all claimed ownership to that and the system is uniformed throughout; that is my point.

I do not know which other piece of legislation could address this matter. I think there is another piece of legislation pending, I am not sure the name of it, and I think it is some type of omnibus legislation for the statutory authorities but I do not know what the name of it is. Now I do not know whether that is going to address the tendering process but I would find it odd for that piece of legislation to deal with the tendering process because that piece of legislation is only to do with the statutory authorities. My point is not for the statutory authorities to have their own process and for core government to have their own process. I am saying that I hold firm to the belief that if we are all now operating under one operating system then the tendering process should be consistent throughout.

If I am correct, and I believe I am correct because I do not think that they can pull it from being printed; if my memory serves me right and if I am correct, then the Financial Regulations which are being printed will not address this issue and it will still be left that the authorities (in layman's terms) do their own thing. I do not believe that should be the case. While we support the concept of a National Roads Authority coming into being, I have made the point before and I find it impossible to not make the point again because we are only continuing in the same vein.

When we had the Civil Aviation Authority being separated to the new Civil Aviation Authority dealing with the regulatory side of things and the Airports Authority being formed to deal with operational side of things, I made the same point.

Some of the authorities will, out of the abundance of caution, take it on their own, although they are not obligated to do so, to use the tendering process that core government uses now; that is fine, but they do it because they so desire not because they are bound by legislation.

I am saying core government's established legal policy of tendering should follow through with the statutory authorities. That is my main point. I am not arguing today that that tendering process is perfect either, if we want to examine the process to see if it needs to be fine tuned, whether we want to give more latitude or whether we want to make it more stringent, regardless; all I am saying is that we must have one process. I seriously ask the Minister to take on board this point so that the matter will be addressed.

Unfortunately at this point in time it is not limited to this Bill but certainly this Bill is included in that process and I think that it is absolutely important that the matter be addressed. It extends itself further to the Minister because it also has direct implications with the Department of Finance and Economics, in that the

Public Management and Finance Law is operated through that portfolio. The Financial Regulations are an attachment to that piece of legislation and as far as I can see that is where the matter should be addressed.

As I said, if memory serves me right, what is in the Finance Regulations does not include this and the matter has to be addressed.

In section 5(2)(k) I also notice that the Authority shall: "**(k) establish and operate facilities for the testing of materials in connection with the construction and the maintenance of public roads;"**

Again this is a very important aspect of the National Roads Authority, its autonomy and its independence. I have known occasions when first of all the Public Works Department, because there was no National Roads Authority at the time, had to be sending test samples overseas to get results. It takes days to courier it, get the results, get it back and fourth. In the main time you have supplier arguing about the quality of the aggregate and one supplier is saying the other supplier aggregate is inferior because their tests show so. You can imagine the chaos that creates and people think when orders are given to one set of suppliers it is because there is a special arrangement, and all kinds of things go on in the minds of people.

If they have this ability it takes away all of that and it can be done in-house and it removes all doubt from the process with regard to the quality of the product that is being supplied. So, that is very important.

Section 5(2)(n) speaks to the fact that the Authority shall: **"(n) acquire, hire and improve property required for the exercise and performance of the responsibilities, powers, duties and functions of the Authority and to dispose of such property, provided that the Authority may only acquire or dispose of immovable property with the consent of the Minister and subject to such conditions as the Minister may determine;"**

Regardless of which interpretation you wish to take from this, clearly it is saying that the Authority may only acquire or dispose of immovable property, such as land with the consent of the Minister. So, the Minister has to give the Authority permission to acquire or dispose and subject to such decisions that the Minister may determine. It says nothing more.

So, what it says is the Minister can sit down and to the best of his or her ability decide what conditions to attach to the sale or purchase of this immovable property. The way it is worded contravenes other existing legislation such as the Governor Vesting of Lands Law (1998 Revision). When we look at section 9 of that Law which is the authority of the Governor to sell land, it reads: **"The Governor in Council** [which would now mean the Governor in Cabinet] **may sell, convey, grant or devise any of the lands, tenements or hereditiments respectively vested in the Governor under this Law and execute all such deeds and assurances as may be necessary fully and effectually so to do."**

It is not simply a contravention but a contradiction because when the Authority is formed and when the Law comes into force the Government is going to vest in the Authority the immovable properties such as roads, etcetera. The Authority will, while being a government owned entity, these roads and immovable properties will be vested with the Authority.

The Law is saying that it is only the Minister who they will have to get permission from to either buy or sell. It goes on to say that if Government does not want to buy then they can get permission to dispose of it to a public entity. When we read the Governor vesting of Lands Law, we speak to the Governor in Cabinet having the ability to dispose of such land for the properties that are vested in the Crown.

If the land is vested in the National Roads Authority then albeit it is a crowned owned entity but it is not vested in the Crown otherwise, the Crown would not vest it in the Authority as it is so what we see, in that this piece of legislation is saying to let the Minister decide what to do with it but every other bit of Crowned owned property is decided on by the Governor in Cabinet. So, it is not a balance there at all and that needs to be corrected. Whatever wording is needed to bring everything in line it absolutely has to be corrected because I dare say that what we also have to recognise is that in matters such as these, all of these Authorities will have immovable property being vested with it. So, these pieces of legislation have to be in line and you cannot tell me that if the Airports Authority owns the Owen Roberts Airport and if the Minister tells them to sell it, they can sell it! It cannot work like that!

I know that it goes on about section 9 of the Constitution but how it is read here it still does not make the legislation clean to the point that it is acceptable. In instances (as you and I know) when we refer to any section in a piece of legislation you are not going to read an entire Law to see if there is any other reference to it. If you pull up section 5(n) that clearly tells you the Minister decides whether to sell the land or not. I am saying by inference or however else—let me back track a second, when I refer to section 9 of the Constitution—if we check that section, it will deal with the subject the Minister has. To be specific section 9(2) of the Constitution reads: **"(2) It shall be the duty of a member so charged with responsibility to act in the exercise thereof in accordance with the policies of the Government as decided in the Council and in accordance with the principles of collective responsibility, and to support in the Legislative Assembly any measure decided upon in the Council, unless he has received the prior permission of the Governor to act otherwise or not to support such a measure."**

Referring to section 9 of the Constitution only strengthens my argument. It speaks to policy, collective responsibility but section 5(n) says that the Minis-

ter has to give permission to sell or not to sell. Even if we speak to section 9 of the Constitution and we go back to the Governor vesting of lands all it does is confuse any lawyer looking at the three sections. We know that the Constitution is the overriding piece of legislation but the fact that this is in Bill form, my point is— because I want to move on and I want to make sure that I have made the point, that there must be a better way to word that subsection to make it absolutely clear so that there is no confusion as to where the real authority lies.

The Authority will deal with the Minister but there must be some reference as to what the Minister has to do with regards to the purchase or sale of lands. That is all I am saying and it should not be difficult to be dealt with.

Section 5(3) speaks to: **"Without prejudice to subsections (1) and (2), the Authority has the power to carry on any activity which appears to it to be requisite, advantageous or convenient for or in connection with the performance of its responsibilities, functions or duties."**

In reading through the legislation I do not see anywhere specifically where there is any reference to what many of us have complained about for many years, although they have a committee formed with representatives from the various utilities. There is a constant barrage of complaints that this road was fixed last week and the Water Authority came in the following week and ripped it up to lay water pipes.

My point is that when we look at this subsection, I would very seriously like to see in legislation because for as long as I remember we talked about it, and I have heard about this committee and the amount of meetings they have and the same thing happens over and over. So there has to be something wrong, but in planning roads, whether it is maintenance, new roads or resurfacing, we have to be able to liaise with the other public services for two reasons. Firstly, if Public Works is going to purchase the construction of a road and there are certain essential utilities which also have to be part and parcel of the arrangement, then you must be able to make the arrangement that you make the road, go back to dig it up and then have someone coming afterwards to do a little job on it and then everyone complains about it saying that the money is wasted. You must be able to synchronise the efforts for what is right and for it to be cost effective.

I am also a very strong proponent that in this legislation the National Roads Authority must be in charge of roads all the way and they can call it draconian in this respect if they wish, but my experience have taught me that it is the only way, in my vie, that it can work. The other public services; the Water Authority; Cayman Water Company; Cable and Wireless; Caribbean Utilities or any other utility company, all do not use the same entities. Some of them use their own people to fix the roads and they have some a little make shift operation going. So, I believe that it should be in the legislation that the National Roads Authority should be in charge of roads all the way.

If any entity needs to disrupt the roads they must get the permission, have it synchronised so that there will not be any wasted or duplicated efforts and the National Roads Authority must be the only entity to be in charge of putting the roads back in the conditions that it should be. That is the same reason why we have ten different levels and qualities of roads today. If you look where one utility has been and somebody else come and do a job, you will see the road is either six inches higher or six inches lower, and if you roll over it one time there are fifteen holes in it. The National Roads Authority must also have by legislation the right to make the assessment as to what it is going to cost to return the roads to its proper condition. This is not about only getting one person to do whatever has to be done to the roads, but it is about maintaining uniformity in the quality of the roads and it is also about cost efficiency. When that is the case, and you have a national roads authority board properly functioning, it is only then, in my view that you will get things happening the way it should be happening.

Let us say for instance that the Water Authority is going in Poindexter Road in front of Mariners Cove where the Prospect Primary School is being built, with the now existing Public Works Department by the time that is done they might have the National Roads Authority. The Water Authority is going in there to lay pipes to make the connections right and the National Roads Authority is scheduling works to be done, bear in mind common sense can prevail sometimes, but if the efforts are not synchronised and if the left hand does not know what the right hand is doing (and someone might even know and do not care) you could have whoever the Roads Authority purchases going in there and making the finest surface in the world and one week later compulsorily, because they have to put the water lines in, they go in and dig up four or five feet on the edge of the surface and the entire road has to be redone. Who is paying for that? I think the point is made and if it is not put in the legislation there will be no guarantee that it will not continue the same way as it has been. There is absolutely no reason in my book why it cannot be in the legislation, not only should it be in the legislation but it makes all of the sense in the world for it to be in the legislation. It does not restrict anyone from doing any job. All it says is that there is one entity in charge of making sure the end result is the right thing and I think it should be done.

As we move on to section 7(4) perhaps this is only a matter of clarity but I believe it is one that I need to address. It reads: **"(4) The Board shall consist of not less than twelve nor more that thirteen directors of whom – …"**

I specifically wish to refer to subsections (c) and (d): **"(c) one, who has demonstrated to the satisfaction of the Governor substantial knowledge of and experience in planning, design and develop-**

ment of public roads, shall be the Managing Director;"

Subsection (d) says the same thing but that is referring to the Managing Deputy Director. So, both of these posts, which are the Managing Director and the Deputy Managing Director of the National Roads Authority, must be individuals who have demonstrated to the satisfaction of the Governor, substantial knowledge of and experience in planning, design and development of public roads. Both of these shall be sitting Directors of the National Roads Authority.

If we take a jump to the National Roads Authority Board, section 11 subsections (1) and (2) speaking to the personnel of the Authority subsection (1) says: **"11. (1) The person appointed to be a director under section 7(4)(c) shall be appointed by the Board to be the Managing Director of the Authority, at such remuneration and on such terms and conditions as the Board may think fit."**

Subsection (2) speaks to the Deputy Managing Director and says the same thing. It says that the Board appoints them but the one before says it has to be to the satisfaction of the Governor, so I want to know who is who in the picture.

I am not going to belabour that point because we all know how it works at present and we know that there is a new Public Service Law coming but it needs to be very clear in the Law as to who makes the appointment. If you simply look at it and these two individuals have to satisfy certain criteria set out by His Excellency the Governor, then what it is really telling me is that the National Roads Authority Board makes the appointment after the Governor tells them who to hire. If that is the case, then just tell me that, do not give me two different sections and make my head twisted up about the whole thing.

We need for it to be very clear as to where the Authority lie with hiring. Obviously who hires should be able to fire. If the Board is going to do the hiring, what are the terms and conditions of employment of a former civil servant who was under General Orders, who knew what his security of tenure was, etcetera? Now what we are saying is that if you have a falling out with the Chairman of the Board and the Chairman tells the Board *'me and this person cannot make it, you have to decide between me as the chairman or him'.* What will happen then? It has to be very clear.

Without going into all the details, the Bill goes further on to speak to pension, health insurance and terms of employment, etcetera. It also makes a good attempt at ensuring whatever potential benefits were enjoyed by the individuals prior to the formation of the National Roads Authority that those same benefits will continue. I do believe that matter needs to be made clear.

There is another point I would like to make here with section 8. I want to throw this one out because at one point I was convinced when I looked at it that it should be different. This is to do with meetings of the Board.

Section 8 (1) speaks to the fact that: **"The chairman if the Board shall summon regular meetings of the Board as often as may be required but not less than ten times in any one year."**

Subsection (2) speaks to how and where the meetings shall be held and at such times as the chairman shall determine. **"Meetings of the Board shall be held as such places on such days, and at such times as the chairman shall determine, and due to notice of such place, date and time shall be given to each director in writing at least seven days before the time at which the meeting is to be held."**

This is quite fair. So, in other words the chairman can call a meeting whenever he wishes but seven days notice has to be given. Subsection (3) says: **"The chairman may at any time call a special meeting of the Board within two days of receipt of request for that purpose addressed to him in writing and signed by any three directors."**

So, if the chairman calls a meeting on his own volition it is seven days notice. He can call a meeting within two days after receiving notice addressed to him in writing and signed by any three directors. My question is, if something occurs that is absolutely important and vital, the chairman has knowledge of it, where is the chairman's prerogative to call a special meeting without giving the notices that are spelt out in the two subsections which I speak to?

I am saying that a chairman of any board must have the ability to call an extraordinary meeting of that board and it must not be without giving him the latitude to call it whenever it is necessary.

We have two methods, one is seven days and the other way is he can call it two days after being given notice and signed by three directors so if he wants to hold a meeting he has to get three directors to give him notice, then two days after that he can call it. I am saying that he must have more than that. It is easy for something to occur that you may need to call a meeting today; that is what I am saying; that is my point and this does not allow for that. Even if it is the chairman who wants to hold the meeting and he contacts three members of his board and ask them to come sign it for him so that he can have the meeting earlier than the seven days, he still has to wait two days; I do not read it any other way. If the object of the legislation is to ensure that the chairman cannot have it earlier than two days then leave it as it is. I do not think that is very sensible.

Subsection (2) reads: **"Meetings of the Board shall be held as such places on such days, and at such times as the chairman shall determine. . . "**

If it stops there it would be fine but it speaks to notice and under normal circumstances notice must be given. I am saying there must be some latitude if the chairman needs to hold a board meeting today he must be able to do so. This is telling him he cannot. It only gives two conditions under which a meeting can

be held. It cannot be anything about silent legislation; it specifically determines the two triggers that call for the meeting.

We cannot say that because something is not said about something else that the chairman can do it. *'No',* this is clearly spelt out to me and I believe that the chairman must have more latitude than that.

Section 13 reads: **"The Managing Director shall perform his responsibilities, functions and duties in accordance with an operational plan approved by the Board, which shall -**

(a) specify a three year public roads development programme, including-

(i) construction programmes for new public roads; and

(ii) maintenance, rehabilitation and upgrading programmes in respect of existing public roads;

(b) specify a procurement plan relating to such development programme; and

(c) specify a human resources plan for the Authority with a defined organisational structure for the purpose of giving effect to paragraph (a)."

We just completed the Budget process a few days ago and under the Purchase Agreements for statutory authorities for the outputs to be delivered in 2004/2005 by the proposed National Roads Authority, under description the very first sentence says and I quote: **"Provision of medium to long-term plans for road development in keeping with Government's long-term plans as published in the National Roads Plan and the implementation of identified new road projects which involves the provision of the following services."**

We are making the point to show the importance of a national roads plan. While we know you were not here in Finance Committee, being the Speaker, we were questioning the chief engineer of Public Works about the National Roads Plan and he gave specific timelines as to the plan; when the first one would be completed; then he spoke to specific timelines for every subsequent year for a new one to be. So, it is something that is live; the National Roads Plan is something that is evolving and it will be updated with specific timelines for it to be current all the time. That is something good and in line with the master ground transportation plan, not the same thing but it speaks to looking into the future procuring property, gazetting corridors and those types of things.

However, we have a bill that is proposed to become a law which is creating a National Roads Authority. Section 13 speaks to a three year public roads development programme including the construction programmes for new public roads, maintenance and rehabilitation. Is this the National Roads Plan that we are referring to? If it is then let us say the National Roads Plan. I do not know if it is, so I have to pose it in this fashion. If it is the National Roads Plan then let it be said that it is the National Roads Plan because that is the Plan that we are going to follow based on the outputs we have and continue to deliver every year. If it is not the National Roads Plan then how can we be referring to the National Roads Plan in all of the outputs to be delivered and in the legislation where there is no reference? The legislation is telling me that we are going down a different road from the outputs to be delivered if that is the case. I cannot say which one is the case because the way the legislation is crafted it is vague. From section 13 we really need to know what reference there is to the National Roads Plan in that section and how it is done.

If we go on to section 14: **"14. (1) The Board may employ, at such remuneration and on such terms and conditions as may be approved from time to time by the Board, such employees and engage under contract for services such professional, technical or other assistance, as it considers necessary …"**

It goes on to talk about pension arrangements and medical benefits. My colleague, the Elected Member for East End questioned persons under contracts and in discussions with the Minister I am sure he will be able to explain that one away but the point that I wish to come to is section 16 (2)(a): **"(a) where an employee transferred in accordance with section 15(1) …"**

Section 15(1) simply refers to anyone who accepts an offer by the National Roads Authority: **"… shall become an employee of the Authority on the same terms and conditions as those applicable to him on the day immediately proceeding such date except – "**

(a) to the extent other terms and conditions are agreed between such employee and the Authority; and

(b) that disciplinary matters shall be dealt with in accordance with the Labour Law (2001 Revision) and the disciplinary rules and procedures of the Authority and not under General Orders [which is fine. However 16(2):]

(a) where an employee transferred in accordance with section 15(1)" is entitled to a contracted officer's supplement the Authority shall not subscribe to the Public Service Pension Fund …"

That one simply refers to if you are a contracted officer and you still have to get contracted officer's supplement for a period of time then during that time you are not going to get the six plus six in addition to that. I am pretty certain that is what that means.

In (b) when we look to:

(b) with respect to employees employed by the Authority after the date of the commencement of this section and

who have not been transferred in accordance with this Law, the Authority has the option of subscribing to the Public Service Pensions Fund or of creating and maintaining or subscribing to a fund in accordance with the provisions of the National Pensions Law (2000 Revision); and

(c) the Authority shall not subscribe to any fund in respect of those employees who are employed under contracts which are six months or less in duration."

The point that I want to speak to—

Moment of Interruption – 4.30 pm

The Speaker: Honourable Member if this is convenient, we have reached the hour of 4.30 pm and I have been informed by the Honourable Deputy Leader of Government Business that he would like to have the Second Reading of this Bill completed before we leave this afternoon. I understand that the Second Elected Member for West Bay has a very short contribution he wishes to make.

So I call on the Honourable Deputy Leader of Government Business to move the suspension of Standing Order 10(2) to allow the proceedings to continue.

Suspension of Standing Order 10(2)

Hon. Gilbert A. McLean: Mr. Speaker, in accordance with Standing Order 10(2) I beg to move the suspension of same so that business of the House can continue beyond 4.30 pm.

The Speaker: The question is that Standing Order 10(2) be suspended to allow proceedings of the House to continue so as to allow for the completion of the Second Reading of this Bill. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 10(2) suspended to allow proceedings to continue beyond the hour of 4.30 pm.

The Speaker: The First Elected Member for George Town continuing.

Hon. D. Kurt Tibbetts: Thank you Mr. Speaker. I will not be much longer.

Earlier I was referring to subsection (b) where it speaks to: **"the Authority has the option of subscribing to the Public Service Pensions Fund or of creating and maintaining or subscribing to a fund in accordance with the provisions of the National Pensions Law (2000 Revision);"**

This is in respect of employees who are hired after the National Roads Authority is formed and who were not previously public servants.

I know there is a bit of a risk with the theory that I want to propose but I think it is something well worth our consideration. Prior to the National Pensions Law coming into effect public servants hired prior to 1999 were and still remain under what we call a defined benefit scheme because the fund is so under funded, that is one of the reasons, it was totally unsustainable for Government to continue to hire employees and to have them under that defined benefits scheme. From that date all personnel who were hired, were hired under what you would call a defined contribution scheme.

If we are telling an Authority that you have one option or the other; you can come in to this defined contribution scheme or you can go out and decide on your own pension scheme, we are not being consistent. My argument is not to tell anybody which one of these is right at this point. To me that is another line of argument but we are being inconsistent if we want to look at the autonomy and the independence of these authorities. We still need to recognise that they are government owned entities. I want to subscribe that we are going to have, in the very near future, every employee under the same conditions, generally speaking, because you are not going to simply forever be able to sustain a condition where you have one entity operating with certain conditions and another with different conditions, and benefits to employees having a variation. In principle it is not fair and while these employees may not be core government employees and the roads section of the Public Works Department may be hived off to form an Authority and there is every good reason to do so, I do not want to contradict the principles that we are trying to apply here but surely there has to be some base where it is level for all of those employees because it makes no sense to have employees say, *'I wish I could get over in this section because the benefits are different.'* That makes no sense!

I am not talking about salary levels; I am not speaking about how much who gets; I am speaking about the benefits which are basically two benefits. The terms and conditions of employment, as I would think, the new Employment Law has mandated that public servants come under the Law, so the Law allows that when you apply to be employed by the Government just about anywhere it tells you after so many years the amount of weeks and sick days you get off, etcetera. The only thing that it cannot tell you is how much you will be earning five years from now. Nobody can tell you that; so that is fine.

It is almost a pity that we have to use the National Roads Authority to deal with these issues but it is better for us to deal with these up front because they are going to relate to all of the Authorities.

A question was raised in Finance Committee when we spoke to not only the past service liability but the actuarial review when it comes to the Public Service Pension Fund and the level of under funding that exists. The Honourable Third Official Member spoke to the fact that it has to be determined what contribution has to come from the Authorities with regard to the under funding. This is telling me that if the Authority wishes to it can go to the silver, blue or white thatch fund and say, I want you to fix me up.

I am saying that if we have, after a certain date in 1999, all employees being employed under the defined contribution scheme, then just as this says, if you were employed by Government prior to the formation of the National Roads Authority, whatever those terms were then those will continue, which is right. This means that if a person was employed at Public Works prior to 1999 under the defined benefits scheme when that person moves over to the National Roads Authority that will continue. That is what this is telling me. I am saying that anyone who was hired from 1999 in other government departments are under a defined contribution scheme. This is telling me that any new person who is hired with the National Roads Authority, the Board has the option of subscribing to the Pubic Service Pension Fund, which to me, would mean the defined Contribution Scheme in the Public Service Pension Fund or of creating, maintaining or subscribing to a fund in accordance with the provisions of the National Pensions Law. I am saying that if you are saying, an authority must have that option then you must tell the entire government service that you have the option, and if that is not what you want to do then everybody must do the same thing. You cannot have one man doing one thing and another man doing another thing.

Where do we have a level playing field for the employees of the Civil Aviation Authority, the Port Authority, Water Authority, and National Roads Authority or of the Health Services Authority when it comes to pensions and health? I am not speaking to salaries and personal emoluments; I am speaking to pension benefits and health benefits. We now come to the health benefits and it says:**"17. The Health Insurance Law (2003 Revision) shall apply to the Authority except that -**

(a) the Authority may elect to provide free or subsidised medical benefits in lieu of, or in addition to, insurance coverage under that Law; and

(b) any person described in section 15(1) shall, unless otherwise notified by the Authority, be entitled to receive from the Authority the medical benefits provided to him on the day preceding his transfer to the Authority."

This one is even more glaring. What this is saying is that anyone receiving the normal health benefits of a civil servant who was hired by the civil service prior to the formation of the National Roads Authority, when that person moves over to the National Roads Authority they will receive the same benefits.

Anyone else who comes on board the Authority may elect to provide free, which is what the other people are getting, or subsidised medical benefits in lieu of, or in addition to, insurance coverage under that Law. What do they mean by '*in lieu of or in addition to?'* It means the same way I spoke to a new person being employed and the difference in the Law from the defined contribution scheme, which everybody else who is newly hired would get. It does not matter whether you are hired new now or whether you are an old time employee, civil servants have a certain type of health benefit, whether it is sustainable or not is another matter and whether this is an attempt to recognise it is not sustainable, is another matter. When you change one rule you change all of the rules. You cannot do this with the National Roads Authority with new employees. I should not say that you cannot do it, I should say that you should not do it because you cannot have those employees employed at the National Roads Authority being under different conditions from what everyone else is getting, that is all that I am saying.

Mr. Speaker, I hear the Second Official Member differentiating between civil servants and public servants and I know he is a legal luminary but I am going to pretend that I did not hear him say that in this regard, because in this regard there is absolutely none when it comes to those two benefits that it should be. There should be none because one is an authority and one is what you call core government employee civil servant, a public servant under the new umbrella that we are dealing with. The whole intention is to create a level playing field when it comes to the accrual system, Financial Management Initiative (FMI) or the new public service law. It is to have everyone be the same, do not tell me about civil servant and public servant.

I am going to repeat one more time that this section is saying to me that somebody hired by the National Roads Authority is going to receive a different benefit when it comes to their pension and health benefits than an individual hired under any other area of Government. You see, Mr. Speaker, I know what kind if individuals this can talk about such as the varying types of contracts when they hire people who work on the roads, etcetera. However, I believe, and this is not politics, if you are working on the road, you are working. If you are cleaning the bathroom, you are working, and if you have pen in hand behind a desk, you are working. They are different kinds of work but you are working and you should not make a differentiation in those areas because these individuals may not be long-term employees. That is where the problem is.

There is a stipulation in the Bill that if the person is hired under six months there is no dealings

with pension because that is considered short-term, so I am not talking about those people because that is already dealt with in the Bill. For example: If you have a fairly volatile rotation of young professionals in what is now called the Public Works Department and some of them stay there for about three or four years after they gain their qualifications, when the private sector that is always scouting for these bright, young, new talents offers them substantial more, they will go; that is the way life is and that is not going to stop.

However, insomuch as Public Works Department now suffers from that, you are telling me that on top of all of that, when you hive off the roads section and you create a National Roads Authority you are going to make matters worse because even the pension and health benefits that everybody else gets, they are going to get less too. I know that regardless of what anybody might say or whether they wish to address it or not the point is valid! This needs to be addressed because it certainly creates an inequity for nee people coming on board. If somebody going on to tertiary level education acquires an undergraduate degree and is not in the Portfolio of Finance or is not in the Legal Department, but is into architecture and civil engineering, does that in itself, tells them that they must get less? No, that is not the intention; that is not what I am trying to say – I am trying to show how glaring the inequity is.

Section 20 is a very simple point to make and it says: **"20. The Road Fund shall be used by the Governor to -**

(a) acquire or construct public roads and other related executive assets;

(b) purchase from the Authority outputs related to the maintenance of public roads or the exercise of any other function of the Authority; and

(c) make equity investments into the Authority"

There maybe something that I missed and I am not 100 per cent sure but if (b) speaks to purchasing from the National Roads Authority outputs related to the maintenance of public roads or the exercise of any other function of the Authority then why would (b) speak to the Governor in Cabinet acquiring or constructing public roads? As far as I understand it, acquiring and constructing the public roads is going to be done by the National Roads Authority, so why in (b) are we purchasing from the Authority the outputs relating to so and so and in (a) we are not purchasing the outputs, we are simply saying that the roads fund shall be used by the Governor in Cabinet to acquire/purchase public roads? Perhaps it is just a way of expression but I find it a bit inconsistent to speak to (a) in one manner and then speak to (b) in another.

Section 22 was dealt with at length by my colleague the Elected Member for East End but there is just one point that I wish to make in section 22 which is to deal with the levying and collection of user charges. Section 22(1) says: **"Subject to the approval of the Governor, the Authority may levy and collect a road user charge on users of public roads provided that the amount of the road user charge -**

(a) is directly related to the amount of usage of roads by the users concerned;

(b) is determined in a transparent and equitable manner; and (c) is regularly reviewed for accuracy and equity ."

Subsection (2) reads: **"Before levying a road user charge in accordance with subsection (1), the Authority shall publish in the Gazette a notice specifying -**

(a) the amount of the proposed road user charge;

(b) the classes of persons or vehicles to be charged with reference to the amount of the proposed road user charge;

(c) the classes of persons or vehicles, if any, to be exempted from the proposed road user charge;

(d) the manner in which the proposed road charge is to be paid. . ."

Subsection (3) says: **" The notice referred to in subsection (2), shall be published at least three months prior to the date . . .**

"(4) The Authority may authorise any other person to collect a road user charge on its behalf in the manner which the Authority deems fit."

I do not want to sound contradictory in my arguments so I am going to be very careful. As I understand this the Authority in collaboration with the Governor in Cabinet, whether the idea of the charge is coming from the Governor in Cabinet or whether it is coming from the National Roads Authority itself, the process is that once the Governor in Cabinet approves it the Authority may levy the road user charge. I question when it comes to the other authorities or when it comes to any other fees charged because as far as I knew there are two methods which bring about fees and that is via this Honourable Legislative Assembly or via regulations.

In most instances there is a piece of legislation just like this, which authorises the Governor in Cabinet to create regulations and which may cause fees to be charged from various areas, whether it is infrastructure, planning, landing fees or whatever fees. What I do not know from what is proposed in section 22 is if there will be a set of regulations which determines this or whether it is going to be a simple operation that if a paper is taken to Cabinet, Cabinet approves it, the Authority is advised of it, then the Authority can go about and physically begin to levy the fees. I do not know whether that is what is intended or whether there are regulations which will determine this. For a matter such as this, my question is: is this a situation which needs to be determined by the Legislative process or is this a situation which needs to be left to the Executive Authority of Cabinet? If that is what is intended all I wish to be sure of is whether

these fees are going to be decided on by way of regulation or does Cabinet simply make a policy decision and hands it down to the Authority for them to act.

I wonder how the Governor in Cabinet is going to deal with Cayman Brac and Little Cayman when it comes to road user charges and levying fees. Whether there will be one consideration for all, special consideration or no consideration or whether we are only talking about Grand Cayman. I do not know, it is just a thought but I wondered what they are going to say or think about it.

In section 28 (1) which refers to the annual payment to core government, I am extremely happy to see that the Government has confidence that the National Roads Authority will be able to make contributions to core government. All I can say is that it is going to be a long, long time before this becomes a reality. However, the real point I wish to make about section 28 is that it is good to see we are finally coming on stream with specific methodology. I have noticed that it was in the Airports Authority Bill and the new Civil Aviation Authority Bill, after we used to have some real weird situations where when central government needed money it would go and bleed the Authorities for money which they did not have available to them. I even know of an instance when they had an upcoming loan payment to make, but just to create a certain balance by the 31st of a certain month the money was taken from them with the promise that when the payment needed to be made they would make it next year because life would be different. So, I am very happy to see that there is direct methodology being employed and it is consistent when it comes to the annual payment by the Authority to core government and how it is calculated.

I believe that this, while it does not speak to percentages or anything, I believe that the methodology employed here is fair; it allows for the consultation process but it is the same methodology for all of the Authorities. It is not the case yet but it seems as we are on the way.

Section 34(1) of this Bill speaks about savings and transitional provisions, subsection (1) reads: **"34. (1) Subject to the provisions of this section, the Governor shall on such conditions as the Governor may determine, transfer to the Authority such liabilities, rights or obligations, which relate to or are connected with the management of roads by the Roads Section of the Public Works Department. . ."**

My understanding is such liabilities, rights or obligations, which relate to or are connected with the management of roads by the Roads Section of the Public Works Department, on the date immediately, the roads section of the Public Works Department only acts on Government policy. It is a vehicle for implementation of Government policy. So, any liability that is there at the time of going in to a national roads authority is as a result of Government policy and if you are going to start the National Roads Authority on its right footing we should not be transferring any liabilities to it on the day of its commencement, in my view. I would like for the Minister to explain what liabilities we are talking about and what we can expect.

By now we know, and this goes back two Budgets about road works and how it had to be done under advance because of the public/private partnership that was going to occur. We are not into the new year and we see where certain amounts of the monies have been spent before the year starts on 1 July, so I do not know what the relationship is between what this bill is seeking therefore, I would like if the Minister could have dialogue with the Honourable Third Official Member to get clarification so that we can know exactly what we are looking at and the amount we are talking about, that way we can know before we vote for this Bill because we have the right to know that. I do not say that with anything else but sincerity, but the least we can do is have knowledge of all of this. I do not want any generic stuff in front of me, then afterwards you find out all kinds of horrific stories; I want to know exactly what we are talking about. The Minister might not be aware of what we are talking about hence the suggestion because I would very much like for him to address it.

Section 34 (5) says– **"(5) On the date of commencement of section 18," let us make sure that we know what section 18 is so that we are not lost– section 18 speaks to financial provisions and section 18(1) speaks to,**

"18. (1) Subject to section 34(5), (6) and (7), the Roads Development Fund is discontinued with effect from the date of commencement of this section.

"(2) There is hereby established within the core government a fund, to be called the "Road Fund" which shall be accounted for as a discretionary reserve in the financial statements of the core government in accordance with the provisions of the Public Management and Finance Law."

So we get to 34(5), which speaks to that date and it says: **"Any amounts held in the Roads Development Fund shall be transferred to and vest in the core government without further assurance, and the core government shall have all powers necessary to take possession of, recover and deal with, those amounts."**

So, on the date of commencement of section 18 the existing Roads Development Fund will cease to exist and there shall be established a new fund called the Road Fund. We shall have a formula and from there on in it tells you how it is going to derive revenue from certain areas; this percentage of the diesel tax and this percentage of gasoline tax and infrastructure. Notice that the money that was being put aside for roads is not going to the National Roads Authority. No, we are sending them on a new venture, passing on all the liabilities we wish to pass on to them and the little bit of money that we should make them start of

with we are going to say, *'no that stays too, you go about your business, you are not getting this.'* They make sure that there is not even a one cent difference because the very next section says, **"(6) Where, immediately before the date of commencement of section 18, any amount is owing to the Roads Development Fund, such amount shall be deemed to be owing to the core government."** So, even after we have a new Road Fund, if that amount were owing before the new Road Fund was formed, it is still going to core government. Mr. Speaker, I am corrected but because that one sounded so good I had to say that, however, let me correct it because I will have to read the rest of it. Even though that would have been a good one I must admit that someone had the good sense because as we read on we see where: **"such amount shall be deemed to be owing to the core government, and when paid or collected, shall be credited to the Road Fund."**

Thank God for that little bit.

The Honourable Third Official Member is asking for me to apologise. If I was trying to mislead I would not read this section and correct it but if he think that he needs an apology I apologise quite gladly, but in doing that he might get the mind going again so I best stop there.

I am just about through. I have a slight problem with the correlation between those two events with regards to liabilities being passed on to the new National Roads Authority, and at the same time, whatever funds were in the Road Development Fund not being passed on also. If you are not doing the plus then do not do the minus; that is my view of the matter.

All in all we wish to support this Bill and the points that the Elected Member for East End and myself have basically covered on the Opposition's arguments on the Bill. I hope that the Minister will take the comments and the spirit that they have been delivered and certainly I am sure that the arguments raised will give rise to perhaps some type of tweaking or amending so that we have a better Bill, as was original proposed. I also hope that the comments will be taken on board and that the Minister will be able to explain the questions we have asked so that we are with clear minds when it comes to the vote. Again, we would like to support the Bill.

Thank you.

The Speaker: Honourable Members I propose to take a 10 minute suspension and would ask you to be back promptly after 10 minutes. Thank you.

Proceedings suspended at 5.15 pm

Proceedings resumed at 5.40 pm

The Speaker: Please be seated. Proceedings are resumed. Does any other Member wish to speak?

The Second Elected Member for West Bay.

Mr. Rolston M. Anglin: Thank you Mr. Speaker.

My contribution to the debate on the National Roads Authority Bill, as you indicated earlier, is going to be brief. However, I might not be as brief as I normally am because after listening to the points raised by the Leader of the Opposition there are some points, which I think, can be addressed and clarified for the benefit of the overall debate on this Bill.

First, I would like to congratulate the Minister and the Government for brining this Bill. This Bill is in line with what I like to term, thinking outside the box and trying to do things in an efficient and effective manner. It would be remiss of me though if I would go any further without congratulating you, Sir, for the work that you have done over your political career in regards to the development of roads in this country. I think anyone who is going to be honest about the situation would have to agree that in your time in the Legislative Assembly, but in particular as a Minister responsible for roads on two separate occasions, if memory serves me correctly, you did this service a great benefit and a great amount of justice in regards to the building of roads. I believe that it is important to pay tribute to people when they can hear.

In regards to the Bill before us, we see that it tries to provide a framework for the establishment of this mechanism, the National Roads Authority to build, maintain and plan the development of our road network. I am fond of saying that as a country, as we move toward our next wave of economic activity, it is crucial that we build roads in a manner that is forward looking and accept and appreciate the fact that the road network is critical to having sustainable economic development.

All of us, irrespective of what district you are from, have to deal with the congestion on the streets of the Cayman Islands. I think it is fair comment to say that not in anyone's wildest imagination would the Cayman Islands have grown at the pace and the level that it has grown over the last 15 years. It is incredible when looking at the number of cars on the roads. I do believe that in creating the National Roads Authority and in moving along with the priorities established in this year's Budget, to continue the Esterley Tibbetts Highway; and looking forward to establishing the Highway that will run from the capital George Town into Bodden Town, and further into the two other eastern districts of North Side and East End, is crucial to the way forward for us in the Cayman Islands.

The current infrastructure has served us well. We boast a country that given its population base has a per capita income and indeed an income distribution that is enviable to the rest of the world. However, we would all agree that we have outgrown the current carrying capacity on our road network.

In regard to the issue of creating an unfair advantage among persons who are moving from core government versus the persons who remain in core government, when it comes to issues like pensions and Health Insurance, I think the Honourable Leader

of the Opposition has raised a valid area for concern. However, I do believe that when one looks at the issue, in particular, the issue of the past service liability and the fact that every time that you create an Authority and you take persons out of the sheer number of people who would have been contributing to the past service liability, it naturally causes concern in regards to the review to the actuary. When you do the actuarial review and look at past service liabilities, one of the components to determining the rate that people have to contribute is the number of people which equates out to their salaries and the percentage of their salaries. When you have persons who transition into statutory authorities you have to be concerned that the current percentages are in place and even the percentages that will be in place. The Honourable Third Official Member explained during Finance Committee that once the review of the contributions of all those remaining in Government is settled you have to be concerned with lots of employees who will have the possibility, not that they will necessarily accept or utilise that option, but they do have the option of going on to a pension plan under the National Pensions Law.

However, I do believe, and agree with the Honourable Leader of the Opposition, that it is an issue which needs to be looked at from the Government perspective, that is, central government and all of the authorities and companies that government owns, because all of those are simply wholly owned entities by the Cayman Islands Government. So, when there are distinctions between persons who happen to work in what could be considered as a subsidiary of government versus the person who is working for the main government itself (the parent company) one has to be careful in ensuring that you do have a policy in place that does not necessarily create an opportunity for persons to say*, 'well, why is this person simply given an option that I do not have; they are working for this entity, the same entity I work for, which is wholly owned by the central government?*

However, I think, when we look a little deeper into the situation we will see that when government made the decision to cease the defined benefit pension plan and have to now look at funding the liability under that plan, at that date there were already government companies and statutory authorities established that did have this option. For example, the Turtle Farm, Cayman Airways, the Port Authority and the Water Authority was in existence and I am sure the Civil Aviation was in existence before that issue came up of having to fund the past service liability. So, we need to consider the fact that those entities were already established and you did have employees who were already employed by those entities with particular benefits accruing to them, which is the ability to choose how it is that they invest their retirement. However, I will leave this issue for the Minister to speak more in-depth on because ultimately it will be a decision that Cabinet has to look at, analyse and determine the way forward.

I do believe that there is validity in the argument of having persons who are employed by a wholly owned entity of the parent company, which is the Cayman Islands Government, and the continuation of having further authorities established. We do understand from this year's Budget that the National Roads Authority is in vision, and we are debating it now. There is going to be a Maritime Authority and Radio Cayman is seeking to become an Authority. So, we do need to look at that whole issue and possibly one of the things that may have to happen is to make the decision that once you are no longer in core government that this option be there. However, to work with that option it may necessarily need to be mandated that all of those persons would have to, on their behalf, have a contribution made toward the past service liability, irrespective of whether or not they are operating under the Government's Pension Fund or a fund established under the National Pensions Law because that is the concern.

The concern is being able to ensure that you have the numbers to be able to adequately fund the past service liability, which is a future obligation this country has to deal with and have to continue to adequately fund. It is a liability and it is a commitment to all the persons who have benefits that is going to accrue to them under the past scheme, that is, the defined benefit portion of their retirement benefits.

There are a lot of people who also argue that there are other disparities that crop up once government creates statutory authorities. How it is that those are going to be dealt with in the future is also another challenge because the Leader of the Opposition skilfully pointed out that he was talking about benefits and not salaries. Let us look at the situation in its entirety: One has to be concerned when employees who work for central government, which in this instance is the parent entity, have seemingly different and differing salary structures than that which exist between Government and those particular entities. I think that many people argue that this allows government to be able to carry out more effective important public duties, attract and maintain high quality professionals in those key areas, by being able to offer salary packages that are not so strictly confined as to the standing system that occurs within central government. There are some people who see that as a perceived benefit. I do not think, included in that group are all the employees of the parent company, central government. So, that is of real concern and it has to be of real concern to us as a Legislative Assembly. What will happen is that everyone will want every department to be statutory authorities and then the big argument will be that government itself can become one big statutory authority. Where would it end? These are, in all seriousness, serious issues that do need to be looked at.

I do believe that when we look at the real benefits of creating statutory authorities, once we do the score card, in most instances most of us would agree that the statutory authorities existing have been created and indeed this one has to be crated. The National Roads Authority does create more benefits to government and by extension to the public, than it does causing issues and problems such as this one, which is persons looking at benefits and salaries and feeling as though one is penalised because one does not work for a statutory authority.

In regards to the levying and collection of user charges 22(1) says: **"22. (1) Subject to the approval of the Governor, the Authority may levy and collect a road user charge on users of public roads provided that the amount of the road user charge -**

(a) is directly related to the amount of usage of roads by the users concerned;

(b) is determined in a transparent and equitable manner; and

(c) is regularly reviewed for accuracy and equity."

When we look at that mechanism I have read and interpret that to mean that Cabinet is not going to be the entity that promulgates the user fee and the user fee structure. This will be an argument, I guess, for lawyers, as to precisely what is the meaning of "subject to approval" but I read that to mean that the Authority would be the entity charged for coming up with structure and the fees. They cannot simply oppose them, but would have to have the approval of the Governor in Cabinet, and that it is not Cabinet having the discretion to create it. So, I think one of the points made was as to whether or not Cabinet can approve them only or whether the legislative process should be involved. However, I think, that the Bill, as it stands addresses that adequately because it is the technical people in the Authority who are charged with this most important obligation of having to come up with the fee structure. The rationale behind it is that the Cabinet sits there to ensure that from a policy perspective it is what the Government of the day (whoever that Government is) wants to do.

I think that 22(1) adequately deals with that point. I will admit that I have never been trained in Law or interpreting Law and whether or not it needs to be clarified, I am not one hundred per cent sure, but I do believe that is the intent and it is how I read it.

The Leader of the Opposition did raise an issue in regards to whether or not these fees would extend to Cayman Brac and Little Cayman. I have not seen anywhere in this Bill that says whether or not we are looking at the Cayman Islands or Grand Cayman, Cayman Brac or Little Cayman. I always saw the utilisation of road levies as being roads specific and so you look at a particular piece of road that is being built, irrespective of where it is and you then determine whether or not that road needs to be funded by the particular levy on that road. So, whether or not that road is in George Town, West Bay or it cuts through districts on any of the Islands, I believe that you have to look at the road and be specific.

The whole issue of the transfer of liabilities in 32(1), whilst I can appreciate the line of argument by the Leader of the Opposition, I do differ somewhat in my interpretation as to what and why these liabilities are mentioned in regards to transfer over. It is standard that when an entity is going to be created and that entity subsumes or takes the place of an entity that already existed, it is natural that all of the right obligations and liabilities would have to go along into the new entity. I say that as a point of principle, however, when we look at the accrual system of accounting, one of the things we will know is that the roads division of Public Works will not necessarily have paid its bills, etcetera at the moment when this Law comes into effect. So, if the roads division had went out and purchased equipment or if it had other legal obligations, possibly even a law suit or something like that which existed at the date that this Bill comes into Law, those obligations would naturally have to flow into the Roads Authority. To leave them behind would cause the Roads Authority to basically be in a position to start off initially from a nil position.

Ultimately, just as section 34(6) has pointed out, the amounts that are due to the Roads Development Fund will be paid over. The amounts that are due to the Roads Development Fund would be credited to the Roads Fund, which is the fund that will be utilised to fund the activities of this Authority. Those accounts receivables that exist at that date are going to be carried over and so it is natural to have that exist also.

Section 34(5) is easily explained as well because if we remember and turn our minds back just 10 to 14 days ago when we were going through the Budget process; one of the things revealed in the Budget was that the Budget was prepared in anticipation of the Roads Authority being created. So, if we look at the ownership agreements we will see on page 313 of the ownership agreements that there is going to be an equity investment into the Roads Authority of some $631,500. We will also see in the projected financial statements of the Roads Authority that there are going to be outputs funded by Cabinet on the order of some $6,190,372. My understanding was that the idea behind creating the Roads Authority was to have all the funds in the Roads Development Fund—all the monies that sat in that Fund transferred over to government and for government to establish and fund the Roads Authority by way of this first year Budget. So, that equity investment and the monies that are going to be paid over form a total part of the big picture of the way in which the Roads Authority would be funded. I understand that is out of revenue.

The Member for East End has pointed out that the revenue that is going into the Roads Authority and

the equity investments that are being injected into the Roads Authority is coming out of the revenue of the country. However, we have to look at what is core government and indeed how it is that core government is going to fund this because this Bill has been green for several weeks now. I do believe that not all Members grasped this when the Honourable Third Official Member and the Minister spoke about the Roads Authority during Finance Committee. However, this was my understanding as to how it was—that the Roads Authority was to be started and funded. Whilst I understand the point that has been raised, the reason it is being done by core government in this way is simply to be able to establish, get the Roads Authority funded by a capital injection of the $631,500, purchase the outputs from the Authority for the first year and in the future as we move on we will then have to monitor the activity. I believe that adequately takes care of how this movement of funds is envisioned.

I think that there will be persons who may question the amount of dollars in the Roads Development Fund at the date that this Law comes into effect, and have concern as to how much may not be paid over, if any, by core government to the Roads Authority. I do not have the balance in my sight right now but just looking at the sums that are here of $631,000 for the equity investment, and the $6.297 million that is going to be paid over by Cabinet to the National Roads Authority, I do not believe that there is a greater amount sitting in the Roads Development Fund. In regards to section 28 and the issue of the formula being established for the annual payments to core government by the National Roads Authority this is a standard section that sits in all the Authority's legislation. The key is, as ways forward, government by authority and the Authority need to be specific in negotiating this pay over.

Mention was made by the Honourable Leader of the Opposition about government trying to come up with some formula to deal with the Authorities. While that is a good argument in principle, when we look at how different each Authority is and how different the income streams of each Authority is, I think government would be wise to continue down this path of having the very general provision in the enabling legislation for each Authority, but determine negotiations between that Authority and the Financial Secretary as to precisely what that formula would look like. For example, what is good for the Water Authority may not be good for Information and Communications Technologies Authority. It may not be good for the Port Authority and for the Civil Aviation Authority, and indeed may not be good for the National Roads Authority. So, I think that this Government has been prudent and responsible in regards to the whole issue of monies that get paid over from statutory authorities. In line with our strong and good fiscal record I do not think anyone can successfully argue that we have gone in and raped any statutory authority, caused it to borrow funds simply to make core government look good.

This Government's finances are transparent. We abide by the principles of the Public Management and Finance Law because ultimately that Law refers to and mandates entirely, which is Government and all its owned subsidiaries whether they are in the form of a company or a statutory authority having to report all their financial statements. We go along with that principle because we recognise that you cannot *rob Peter to pay Paul* and try to fool the public. What we would be doing is being unfair to future generations because someone ultimately has to pay the bill and raise the revenue to be able to successfully pay down any liabilities, whether or not they are through borrowings that Government or any statutory authority incurs.

In regards to the development of the country, I believe that we have to continue to have a holistic view and approach just as government does, whilst the public, this Legislative Assembly and everyone will have their own views as to what is more important than the other. Road development, infrastructure development brings about benefits that people may not see today or tomorrow. Certainly, when we look at the traffic congestion on Grand Cayman, we would all agree, we need to ensure that a more adequate infrastructure is developed so that this country can move forward to the new level of economic development and prosperity which we will enjoy. At the end of the day, whilst the current infrastructure has served us well and has gotten us very far, we cannot physically survive any longer with that infrastructure.

Being able and focusing on roads and ensuring that we have the adequate technical persons in place empowered to be able to deliver to this country the type of road planning that we need, is crucial and this Bill for a law to create a National Roads Authority is one of utmost importance.

As I said a bit earlier, I do not think anyone needs to be alarmed about the liabilities being transferred because that is a very necessary and usual transition provision that all of your benefits, liabilities etcetera are transferred over to the new entity. The old entity, that is, the roads division of Public Works would have incurred certain bills and obligations that need to be paid, so it is more transparent, open and accountable for government to transfer those over to show the financial picture of the Roads Authority to the public. We could have easily left off those liabilities and paid them under the old department, but under the accrual system of accounting and in the spirit of the Public Management and Finance Law, it is crucial that we go that extra mile to ensure that the finances and the financial picture of this Authority is clear, transparent and the public can look at it and see exactly what has happened.

We on the Back Bench lend our support to this Bill. We believe it is crucial to the next wave of economic development and with the further enhancement and development of our roads we will also see that our local population will also benefit by not having

to sit in traffic for substantial periods of time during the peak traffic periods in the morning; close to the midday hour and in the afternoon.

I thank you, Mr. Speaker, and as promised I was not long. So, with that I would encourage all Honourable Members to lend their support to this Bill. Thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? If not would the Mover wish to exercise his right of reply?

Hon. Gilbert A. McLean: Thank you, Mr. Speaker.

I wish to thank the Honourable Members who spoke to the Bill for their support and for those who by their tacit supported the Bill also.

Various points were raised and I would like to reply to some of those points which I think were pertinent overall to the debate.

The Member for East End spoke to various points in the Bill and, in the order to which he raised them I would like to offer some comments in reply. A point raised by the Member for East End was the question of street lighting; this is not something strange to you. Having been the former Minister for road works on two different occasions, this is a matter that is indigenous to all of the people here in Cayman because there are regular and often constant request for lighting on a particular road, be it subdivision, main road or wherever. Up until this time these requests are normally sent to the Minister for Works which includes roads. This, in my opinion, cannot strictly be a Ministerial matter. It is certainly a political matter in certain instances and one expects the Minister to respond because of the political responsibility for the lights, and indeed, that is happening now with me.

If a request comes to the Permanent Secretary or myself we refer it to the Public Works Department Roads Division and we ask them to check the road and pole in question and see if, in their opinion, it is necessary, and whether that particular pole will best suit the illumination of the area and if so they should have it installed. The Public Works Department with the Roads Division, which we expect to transition into the National Roads Authority, could just as well deal directly with this and applications for same could be made directly to the Authority. Not to say that anyone would be prohibited from writing to their representative or indeed the Minister, if they believe that the Roads Authority was neglecting doing as they asked and it was a reasonable request. On this particular area, I have asked legal council if they can reflect this particular responsibility in an amendment before the House, and to which I would ask for your approval before the Committee Stage.

The Member also spoke about section 15 and the transfer of civil servants to the National Roads Authority. The Leader of the Opposition also spoke to this particular clause in the Law and it is true that some of the employees of the Public Works are what is termed PPE, permanent and pensionable establishment and some are group employees.

For decades I personally have questioned how it is possible for a person to be on temporary appointment for twenty seven and a half years. I know of instances where over the years when I was in the civil service, and since I have been in the political arena, that there are persons within the Public Works Department and within the roads section who have been there for many years and they never seem to reach a position of permanency. Whether they are called permanent pensionable establishment or whether they continue in group employment, such employees must be permanent employees because temporary suggests three months, six months maybe a year at best. So, I think this is something which needs to be corrected from a point of view of proper employment law, proper employer and employee relationship. I supported those things being addressed then and I do now.

I have met with the Public Works on one occasion since I have been assigned responsibility for it and I have said to them that I intend to have this addressed because there has to be fairness in employment. I also believe that to refer to someone as being a temporary employee for two decades makes us all look a bit foolish and I think it is something which needs to be rectified. Certainly, when people transfer from the Public Works Roads Division to the National Roads Authority they must be given the assurance that they will not be starting a new life; that would be absolutely unfair. We would have to take into account the time that they have worked prior because it would not be reasonable to do otherwise.

I can inform this House that only yesterday evening the Permanent Secretary and another administrative officer met with members of the Public Works Roads Division to discuss this matter with them. I was not there but I assume that they expressed any concerns they had to the Permanent Secretary, and I feel sure that their concerns would have been taken into account for final decision.

On page 20, section 16 of the Bill there is a reference to the contracted officer's supplement, which as both the Honourable Leader of the Opposition and the Member for East End stated, it was their understanding that this came to an end in 2002. That is correct and I have taken advice that it was in June 2002 that a contracted officer's supplement was discontinued. However, it still does apply to some officers who are on three year contracts and at the end of those contract, it will fall away, as it has for everyone else as of this time.

The Member for East End spoke about the percentage assignments of revenue to fund the Roads Authority. I think we all agree that there is a necessity for certain revenue to fund the National Roads Authority. What has happened over the years is that Government normally allocated on average about $4.0 to $4.7 million for road works and maintenance and so

on, which was always taken out of the Budget so that this could be addressed. It is a very important area because we all use the roads one way or the other, and it was a matter of looking at what percentage of certain revenue streams could be allocated to the Roads Authority, and it does not change the overall Budget in anyway. It is simply assigning certain percentage of these revenue streams to the Roads Authority and particularly, those which are associated with roads and gasoline, diesel and so on.

Both Members spoke about section 28 saying that it will be a long time before the Roads Authority is in a position to pay anything back into core government. I think that they are both right but the clause is here, and if, and when it gets to that stage, it can be something negotiated and there is a formula which can be worked out between the interested parties so that it may pay into core government some funds where there may be a surplus.

In section 22—Levying and Collection of User Charges, the Member for East End particularly spoke of tolls. The advice available to me and indeed he made the point as well, it is not the most straightforward or easiest condition to deal with. We know that it would be like in the United States where there are certain highways and when you take them one comes to tolls, you put in $1.00 or 50 cents as the case may be. We are talking about an Island that is not even the size of a county in Florida. However, it is possible to have a toll if indeed this is seen to be something to do to raise revenue.

I know and I am sure that you do too, Mr. Speaker, that for at least twenty five years there have been a drawing at the Public Works for making a central highway through the centre of Grand Cayman from East End to George Town. At one time it would have come out somewhere by Tropical Gardens, which would surely make life easier for people who come from East End, Bodden Town or the various areas along the coast line; North Side as well would connect into it. It would be a matter of once on that road you would get to George Town in ten minutes and from there the traffic would bottleneck, of course, but it would flow from there and you would have saved twenty minutes or so coming to the George Town area. So, in instances like that I think the toll could work but I do take the point that was made by the Member for East End that within the George Town township it might require a number of toll booths to be set up and that would not seem to be practical to me. At least if there were toll areas these would be worked out by the Authority where they could be best located with prices and everything else.

The intent of the idea in creating road user charges would be, as it has been stated, that they would be based directly and related to the amount of usage of roads by the users concerned, and that it should be transparent and equitable and regularly reviewed for accuracy and equity. The sections of the Law provides in 22 (3) that before any change come about the public would have full knowledge of what is going to happen and the least notice that could be given would be three months in advance, which would have to be gazetted. So, if a charge was coming into place it would have to be gazetted at least three months ahead of time and the public would know about it. There would be certain feedback on it and the Governor in Cabinet would be in a position to agree with the recommendation from the Roads Authority about the particular fee, or disagree with it. Should it be agreed, by Cabinet, that such was reasonable and necessary, then the Cabinet could approve that fee by simply gazetting and saying that the recommended fee which has been gazetted has been accepted and is in force. Rather than having to put it in the regulations which would mean amending the regulation every time that happens, revising the regulations would be a much cleaner management position to have it done that way.

There are various ways motor vehicles can be taxed or fees can be applied to them. Some can be done by weigh, or as was described by the Member for East End, where there are large trucks, even now they attract different fees and this would continue and certainly, I think this could continue, but I think that with a Roads Authority it could be refined.

The commencement order as it is set down in the Bill says that parts of it would come into effect at different times, I propose an amendment to this that it would come into effect on 1 July because it is then that the fiscal year would begin for the Authority and it gives a few weeks yet for this to take place and the transitioning process to be carried on. It was felt by the Ministry that this would be a much cleaner way of dealing with it, and then we could proceed from there.

On page 22 in section 20, there is the statement regarding the Road Fund. I have taken advice on this during the suspensions and there is nothing legally wrong with the way it is presently worded that the road fund shall be used by the Governor to acquire or construct public roads and other related executive assets and as (b) goes on, to purchase from the Authority outputs and (c) make equity investments into the Authority.

In this regard, Mr. Speaker, I could also refer to section 23 where the question was posed as to where would interest and other income from the investment of the Authority's funds come from. I can but think that there would have to be an account and when monies are transferred to that account, for whatever time it is in the account, it would accrue certain interest and this would be handled in that manner. I do not know if monies of such an amount would be drawn down over so long a period that the road fund or the National Roads Authority (NRA) would invest those funds in any particular place; I think it would be more of the interest it might accrue if it is there for 30, 60, or 90 days, as the case may be.

There was also a question as to whether the NRA would be doing work other than for the Govern-

ment. At this point in time, there is certainly no intention to contract out the services of the NRA to any other private entities; it would be to do the business of Government as set down in whatever policy might be at that time. It is more likely that the private sector companies would be contracted by the NRA to do certain work for them.

Just to say, that when I was getting a few pointers in terms of the concept of roads and the use of roads on the world scene, there are certain concepts in place when roads are built and there is a privilege to use the roads. That is a concept in any given concept, and how much the road is used is also a concept that is in-keeping with the whole idea of transportation by road. How much the people are charged for the use of the road is connected, for example, with the amount of charge that is on gasoline because the more people drive the more gasoline they use; so in effect they are paying for the amount of usage they carry on. The idea is that when it comes to roads, any country needs to be in a position where it can charge the people who use the roads in the most effective manner and through the most effective means available to it.

The Leader of the Opposition noted that the immunity and indemnity of the Authority was covered under section 32 and 33 and this is very important for Authorities; all of them, and there are a few of them that this has been proven for there.

The Leader of the Opposition also raised the question regarding section 5 (g) which dealt with the tendering of works. The point he raised is indeed a factual one that there are variations in what the different Authorities do. However, I am also advised that what use to be the Central Tenders Committee fell away when the regulations under the Public Management and Finance Law came into effect. I am not absolutely sure whether they repeated in that the section out of the Financial Stores Regulations, which I hope they did not because it would still mean that it would be centralised tendering and that does not make any sense. If it were the case where each Ministry could follow set guidelines in tendering as the Member has said, it would make every sense in the world and I fully support that concept.

I have seen so many instances where matters could be handled in a quicker manner and where it could be done more effectively than a Ministry having to write to the Central Tenders Committee, taking time to do this and all the rest of it; it definitely does not have to be done this way. I support the idea that Ministries under guidelines which could be set in regulations should be able to tender. Certainly if we could trust chief officers, permanent secretaries and administrative staff with $20 to $30 million, surely we can trust them to receive an envelope in which there is another envelope, record it and sit down with two or three and see which one would be awarded the contract. It is all a matter of accountability. They will be audited and everyone will know what the situation is. There is one thing I believe would help: For ultimate and full transparency if we got six tenders when a ministry decided on one they simply publish the one which is successful and publish the other five as well; there would be no doubt but total transparency. One has to bear in mind that with government tenders there is the proviso at the bottom of it that government does not have to accept the lowest or any tender. So, the fact that the Government may not accept the lowest might be a reason for not doing that; maybe the people might not have the capacity to do it. It might be the highest that is chosen but for full transparency that would be my preference if I had something to do with it.

The Leader of the Opposition raised the point about the Governor vesting of lands. I believe he has made a clear point in that regard, and I have asked Legal Drafting to clarify that and make it clearer in the section where it says that the Minister will give approval for the disposal of lands.

It was left out of the Law but I have also asked Legal Drafting to insert a section which will give authority to the NRA to be the entity that any other entity must apply to in order to cut the roads or disrupt what is presently there. Those persons giving permission to cut the roads or break the surface in any way must replace that road surface to the satisfaction, direction and to the level the Roads Authority dictates. The Roads Authority may not choose to do it itself, it may choose to direct that an entity be hired but I have asked for that insertion.

The point was also taken with regard to the appointment of the Managing Director and I think, it was an oversight there where the Governor had to be satisfied about the person's knowledge and experience. It was intended that it should be the Board and I have also asked for amendments to that section. The Board is appointing, therefore the Board must be in a position to decide the most suitable person for it.

I cannot say whether in section 13 it is referring to the National Roads Plan because I do not think that there is a National Roads Plan at this time. I know that there is a committee, which is ongoing and looking at such a thing I share the view expressed by Members. Unfortunately we cannot go into the past but the Master Ground Transportation Plan would have offered a national plan if we choose to call it something else now. If the wisdom of that design was followed for all the roads, it would have been the way to go. It was through the Law being of people like the Member for East End that I think it did not succeed in the years when it could have been passed.

Mr. V. Arden McLean: Mr. Speaker–

The Speaker: Are you rising on a point of order, Honourable Member?

Mr. V. Arden McLean: On a point of clarification.

The Speaker: On a point of clarification you will have to get the agreement from the Member speaking to give way, and he does not seem to be in the mood to do that.

Hon. Gilbert A. McLean: No, Mr. Speaker, I think that we can proceed on with the observation.

The point was also taken with regards to meetings of the Board. It could possibly be that there is normally seven days notice where a special meeting could be called in two, but the Chairman of the Board should be in a position to summon the Board if something of great importance happens; maybe summons them in two or three hours. Something could stem from a disaster or accident of some kind, so I think, from a management point of view, that makes logic and I have asked Legal Drafting to look at that particular section.

From the point of view of the pension, which is dealt with in section 16, I think it is correct that from 1999 government decided for persons who were joining the service after that date, would pay a defined contribution because prior to that it was the case that there was a defined benefit. I prefer the latter because it is an undertaking by government that you will be paid two thirds of your salary calculated by a particular formula. I do not particularly like the defined contribution because that same undertaking is not there but that is part of the Pensions Law.

I think, the Cayman Islands Government is one of the most generous government's on the face of the earth. They took the position that they would recognise those persons who were getting the defined benefit and allow them to continue in that mode. However, the new ones coming on, for the reasons started by the Leader of the Opposition, it could not go on indefinitely to be funded in the way it was attempting to be funded by no contributions from the people who are paying. Actuarial review showed that there were various deficiencies there and I believe, the Government took the right decision at that time but it does carry on that way.

What has happened in this particular Law is the attempt to do the same thing. For people who go over to the Roads Authority and are civil servants, they would continue to have this particular benefit. However, it also gives the National Roads Authority the right to utilise the National Pensions Law, which is the defined contribution.

I take the point of view that it needs a review, and my view of it is: the Government needs to do a complete review overall in the service and in the authorities based on actuarial study and analysis. At that point, a determination that as of such a date, this is the way it has to be except where it has already given an undertaking to the ongoing civil servants who are due and contracted to receive that. It is nothing that can be done in isolation and it is something that needs to be addressed. I know that certain discussions within Government are taking place in this regard. This is something which I expect in the not too distant future, that there will be some definite decision taken on this.

A similar thing happens where the health insurance is concerned and it is also provided if you will a choice. The majority of the country deals with the Health Insurance Law where there are contributions from employer and employees. In government we know there is unlimited cover and we know from a study that is done that they have found that it is not sustainable. At some point, in the future, this is a matter which has to be addressed as to where to fund this coverage and I think both employer and employee are going to have to be asked. Let us all put in the pot and that way it can work best for us.

The question also has been raised about payment to core government under section 34(1). I believe the Second Elected Member for West Bay dealt with that as it factually is, from the point of view of a financial perspective. I have also enquired about it, from the point of view of a legal perspective and I have been advised that having the transfer of liabilities, rights or obligation there is nothing wrong with that. In fact it sets up clearly that there is a break between central government and the Authority.

Central government where it knows or it is likely to happen, that the Authority may fall short, let us say if it is pursuing a particular course of action, central government or core government can help through cash injections. However, it is a matter of saying to the Authority, 'look you had better grow up now because you have to take on these responsibilities that central government was carrying before and see them through to the end.'

Section 34(5) (6) and (7) has to be read in succession to understand what it is saying here. I quote from these sections– **"(5) On the date of commencement of section 18. . ."**

Section 18 deals with the percentage amounts from revenue that will be coming into the Road Fund: **". . .any amounts held in the Roads Development Fund shall be transferred to and vest in the core government without further assurance, and the core government shall have all powers necessary to take possession of, recover and deal with, those amounts.**

"(6) Where, immediately before the date of commencement of section 18, any amount is owing to the Roads Development Fund, such amount shall be deemed to be owing to the core government, and when paid or collected, shall be credited to the Road Fund.

"(7) Where a document refers expressly or by implication to the Roads Development Fund, the reference shall be construed as a reference to the Road Fund." I think that clarifies itself if one reads the three together.

Core government acts by collecting then apportioning out these monies to the Road fund and I made the point earlier that an Authority cannot tax;

that does not lay with an Authority. An Authority might charge a fee for a service, which it does, but it cannot tax and the monies which will flow in are coming from areas of tax from core government and thus it is necessary for monies to flow to core government and from core government on to the Authority.

I think I have spoken to the areas which raised useful views; which could be addressed and I have tried to explain other points which were raised. I thank Honourable Members for their attendance here at this late hour and for the fact that they have addressed the areas that they have. So, I recommend the Bill to the Honourable Members of this House.

The Speaker: The question is that a Bill shortly entitled the National Roads Authority Bill 2003 be given a Second Reading. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The National Roads Authority Bill 2003 given a Second Reading.

The Speaker: Before calling the Leader of Government Business for the adjournment I just wish to say that I would like Honourable Members to stay after the adjournment for about 5 minutes so that I can raise a private matter with them.

Honourable Leader of Government Business.

ADJOURNMENT

Hon. W. McKeeva Bush: Mr. Speaker, we propose to move the adjournment at this time until tomorrow morning Thursday, 10 June 2004 at 10 am.

The Speaker: The question is that this House do now adjourn until tomorrow at 10 am. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 7.10 pm the House stood adjourned until Thursday, 10 June 2004, at 10 am.

EDITED HANSARD REPORT
THURSDAY
10 JUNE 2004
10.37 AM

Seventeenth Sitting

The Speaker: I invite the Honourable Acting First Official Member to lead us prayers.

PRAYERS

Mr. Donovan Ebanks: Let us pray.

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

Bless our Sovereign Lady Queen Elizabeth II, Philip Duke of Edinburgh, Charles Prince of Wales, and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Executive Council and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 10.40 am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

Apologies

The Speaker: I have received apologies for absence from the following Members: The Honourable First Official Member, the Honourable Minister for Education, Human Resources and Culture, the Honourable Minister for Planning, Communication, District Administration and Information Technology who I understand will be arriving around noon, and the Second Elected Member for Cayman Brac and Little Cayman.

PRESENTATION OF PAPERS AND OF REPORTS

Report and recommendation of the Minister responsible for Lands on the Vesting of Crown Land, Block 1D Parcel 47 to Armando Ebanks

Report and recommendation of the Minister responsible for Lands on the Vesting of Crown Land Block 25B Parcels 495 and 496 to the Cayman Islands Football Association

The Speaker: I stated earlier that the Honourable Minister has sent her apologies. She is going to be arriving late today so she has requested that this be put down on tomorrow's order paper, and I so order.

QUESTIONS TO HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

Question No. 115

The Speaker: Honourable Members, this question is also to the Honourable Minister responsible for Planning, Communications, District Administration and Information Technology. I do not know if she has requested the Honourable Deputy Leader to answer this question. If not, we would ask that this also be put down for tomorrow's sitting.

STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE CABINET

The Speaker: I have received no statements from either the Official Members or Ministers of Cabinet.

GOVERNMENT BUSINESS

MOTIONS

GOVERNMENT MOTION NO. 8/03

Health Insurance Law (2003 Revision)

The Health Insurance (Amendment) Regulations 2004

The Speaker: The Honourable Deputy Leader of Government Business and Honourable Minister for Health Services.

Hon. Gilbert A. McLean: Thank you, Mr. Speaker. I beg to move Government Motion No. 8/03 titled The Health Insurance Law 2003 Revision, The Health Insurance (Amendment) Regulations 2004, which reads:

"WHEREAS section 19(1) of the Health Insurance Law (2003 Revision) provides that the Governor in Cabinet may make regulations;

"WHEREAS section 19(2) of the said Law provides that regulations made under the said Law are subject to affirmative solution by the Legislative Assembly;

"WHEREAS the Health Insurance amendment regulations 2004 were laid upon the Table during the sitting of the Legislative Assembly held on the 9th day of June 2004.

"BE IT THEREFORE RESOLVED THAT The Health Insurance (Amendment) Regulations 2004 be affirmed by the Legislative Assembly pursuant to the provisions of section 19(2) of The Health Insurance Law 2003 Revision."

The Speaker: The question is that be it resolved that The Health Insurance (Amendment) Regulations 2004 be affirmed by the Legislative Assembly pursuant to the provisions of Section 19(2) of The Health Insurance Law 2003 Revision.

Does the Honourable Minister wish to speak thereto?

[Pause]

The Speaker: I will just suspend for 5 minutes until all Members have a copy of the Resolution and the Motion.

[Pause]

Hon. Gilbert A. McLean: Mr. Speaker, the new definition of portability allows employees who have had continuous medical coverage to change employers without losing coverage. Also, employers will be able to change approved insurers without the necessity of medical underwriting or the fear of losing coverage altogether. Employees and employers who change insurers now will be guaranteed benefits no less than those provided in the standard health insurance contract No. 1.

Employees can now rest assured with the proposed amendments before this House that changing employers will not result in the loss of vital medical benefits. Employers can enjoy certain peace of mind in knowing that they can shop for competitive bids within the health insurance industry without the fear that their actions will be detrimental to their most valuable assets; their employees.

Mr. Speaker, section 7 of the amended regulations also defines "pre-existing condition," as a term that insurance companies have used at their discretion to exclude certain benefits or to exclude a person or a group from coverage altogether. By specifying in the regulations precisely what a pre-existing condition is we will create consistency among all approved insurers operating in the Cayman Islands. Mr. Speaker, this question also of pre-existing condition has created major hardship for people. They have lost insurance, they have been excluded from insurance and a major problem has been that each insurance company could determine themselves what pre-existing condition meant. The amendment in the Regulation is to clearly define what a pre-existing condition is.

Approved insurers who deny or exclude coverage based upon a pre-existing condition will now be required to abide by a strict definition of the term, a term defined by the regulations and not one by the insurance companies.

In the Cayman Islands to date little has been done to ease the patient's burden of completing claim forms and submitting them to the insurance company for payment. This process is very detailed and laborious even to the most educated among us and has drawn the ire of many patients in these Islands.

Mr. Speaker, many of the people who must attend health facilities or health practitioners are not educated people. In fact, one of the repeating misfortunes of any society is that it is often the poorest among our society that tend to need health care because their economic conditions tend to be worse. So, they are not necessarily able to take care of their health in a way that is possible by those who can better afford it. For these persons to fill out some of the forms which are required is almost impossible on their own. Even people who have knowledge of it still find it difficult.

Mr. Speaker, The Health Insurance Law and Regulations never intended to establish a reimbursement plan that required patients to pay the doctor, fill out a claim form and wait for their money. I want to emphasise: it was never the intention of The Health Insurance Law and Regulations to establish a reimbursement plan that required patients to pay their premium every month for insurance coverage. So, when they went to the doctors they must pay them, as well as bill the insurance company to get their money back and wait for a very long time. Of course the Member who could speak to this was the Minister at the time of the passage of The Health Insurance Law and Regulations. I believe that he could confirm what I have just said. Certainly, in the records of this House, I saw nothing that said that any Member at the time

stated that was the intention when this Law was passed.

The Laws and Regulations were meant to establish an insurance plan in which people who pay their premiums can visit their doctors, present their ID cards and receive medical attention without the burden of paying the doctor out of their own pockets and then submitting claims to the insurance company.

The 2004 amendments to the Regulations clarify in Section 8 that the responsibility of submitting claims to the insurance company shall rest squarely on the shoulders of the registered medical practitioners and health care facilities and not the patients. This change to the Regulations will allow patients to place their trust in the doctors who treat them. The new Regulations should also lead to medical facilities and offices that are staffed with professionals to deal with the insurance companies, leaving the doctors to practice medicine and the patients to concentrate on their treatment and recovery.

Section (9) deals with claims processing and it states that claims must be formatted with CPT codes and ICD codes and submitted to the approved insurer within 180 days of services rendered which corresponds with an amendment to section 15 of the Law stipulating that health care facilities and medical practitioners must, baring extenuating circumstances, file claims within 180 days or waive their rights to a recovery from the insurance company or the patient.

Patients are paying for full service health insurance coverage and this amendment will ensure that claims for services are processed in a timely manner. In balance, the amended regulations also state that approved insurers must pay an uncontested claim submitted by a medical practitioner or health care facility within 30 days. If valid claims submitted within this time frame are not paid, the insurer will be required to pay interest on the amount of the claim beginning on day 31 at a rate of 2 per cent above the current prime interest rate in the United States.

Mr. Speaker, there is no why reason health care providers who perform their duties in a timely fashion should be penalised for insurers who do not. This amendment provides that all parties are duty bound to perform within a prescribed time frame. This has been a festering sore over the years where untimely payments have been a major problem. Particularly, a patient who has been required to pay the doctor then that poor, suffering patient must also try to collect from the insurance company. Of course, the reason why the Regulations call for the use of the CPT code and the ICD code billings is that all of the insurance companies—if an insurance company at all—understand those codes. There are laboratory, ICD and diagnostic codes and there are those which are procedural. They understand them immediately; they can refer to them, see what has been done – if it is a clean bill, as it so called. They can and should pay within 30 days.

Mr. Speaker, these Regulations will also help to control cost by reviewing precisely what services are and are not allowed to be claimed under a standard health insurance contract. In addition to the time frame of submitting and paying bills approved insurers will not be liable for any claims submitted by a medical practitioner or health facility that are deemed to be frivolous or medically unnecessary. By so doing, an attempt is being made to balance the scales right across the board. This will require that patients better understand their medical benefit plans, that doctors understand that approved insurers will not be responsible for unnecessary or excessive procedures and that insurers maintain accurate timely information on current accepted traditional medical practices.

Mr. Speaker, these amended regulations will not disrupt or adversely affect current enforced contracts of health insurance. Upon the coming into force of these Regulations all health insurance contracts in place that will provide benefits equal to or greater than those provided in standard health insurance contracts 2 - 4 must be converted to one of these standard contracts. This will ensure consistency in coverage for all and a minimum level of benefits for the employees in the Cayman Islands labour force.

Mr. Speaker, the amendments are thus before the Honourable Legislative Assembly for their debate and ultimate action.

The Speaker: Does any other Member wish to speak?

The Honourable Leader of the Opposition and First Elected Member for George Town.

Hon. D. Kurt Tibbetts: Thank you. Mr. Speaker, we have listened very carefully to the Honourable Minister for Health in his explanation for the reasoning behind these amendments. Certainly the Opposition has to take on board the concept that is being proposed and the gaps that are being filled with these amendments to the Health Insurance Regulations. It is a fact and all of us can attest to it. There have been many complaints in recent years about people not being able to be covered and being refused coverage by health insurance providers. The Minister spoke to pre-existing conditions and there has always been a great difficulty with that and it was left up to the “whim and fancy” of the provider. Of course, most naturally, if it is not addressed by law or regulation the provider is going to play the game as safe as is possible for himself. Needless to say there are many situations where people who, prior to this were not able to get health insurance coverage, will be able to do so now.

Mr. Speaker, while we on the Opposition are with a clear understanding of all the intent put forward in the amending Regulations, there are a few items that we have problems with. It all has to do with benefits which may be excluded under a standard health insurance contract. That is on page 10 of the amending Regulations, part III. It is good for us to note that

while the heading says that "**benefits may be excluded under a standard health insurance contract**", the very next sentence clearly states that **Benefits will not be provided in connection with . . ."** I know that after talking for a few minutes about this whole listing, there is a section that gives a definition which helps to clarify certain situations. However, it still does not ease the problems that we see.

Page 10, part III, refers to benefits which will not be provided: the treatment of any illness or injury that occurred prior to the commencement of any contract. That is quite understandable. That also gives the latitude whereby unless the illness or injury or other pre-existing condition was fully disclosed in writing, which is only reasonable and then at that point in time it would be up to the provider whether to exclude or not to exclude that condition in the contract.

The second one speaks to consultations in connection with, and treatment for infertility including in vitro fertilisation, artificial insemination and other experimental services. I think even that we can understand. Consultations in connection with and treatment for sexual dysfunction or sex change procedures. The second one we can understand but perhaps the first one is debatable because I am certain no one 'wills' being sexually dysfunctional on themselves. If that is classified as a luxury condition to be treated then that is something we need to debate. That is, if you are a pragmatist about the circumstances which may befall an individual it is just like anything else that can happen to you. However, perhaps it is seen as something that is not necessary in life and one can do without – I do not know. As we even make light of the situation I believe that it should not be one of the classifications.

The next one is contraceptives, drugs or devices or sterilisation. Mr. Speaker, we speak to family planning, we speak to individuals who proliferate the scene of pregnancies. We always, in a society, will have situations where the only answer dealing with certain individuals having children and not being able to take care of them is sterilisation. That may seem to be a radical thought but it is a fact. It has happened, it is happening and it will continue to happen and we do not know what circumstances that individual is in. If one takes these situations and applies them in certain sectors of the society one can easily understand why you may wish to exclude that from benefits being provided. However, in many instances there are other sectors which these conditions and the treatments are absolutely necessary.

The very next one is treatment for any illness caused by or injury sustained in a war, whether it is declared or undeclared, or while a person was in active military service in any country. I guess the thought behind that is if the country can afford to send you to war then it can afford to take care if you get hurt. We will not argue that one so much.

The very next one, Mr. Speaker, is treatment for illness or injury arising from or associated with a psychiatric condition. I am not a psychiatrist and I do not profess any desire to be one and will not make an attempt to sound like one, but what I do know is that a psychiatric condition is not necessarily a condition that a person is born with. I also know that a psychiatric condition is not necessarily a condition that a person wills on himself or herself. I am reminded that as the years go by such conditions are being discovered more and more in people. Years gone by we used to wonder what was wrong with them. Now we know what it is. However, for such a condition which is not a pre-existing condition, to be excluded is not fair. If we look at the odds this is not one of those where you have multitudes of people, so why are we saying that we want to exclude it? If we want to speak about a heart condition which is much more common—I am not suggesting that it be excluded, I am just making a comparison—I do not believe that the treatment for illness or injury arising from or associated with a psychiatric condition should be excluded.

The next one is drug or alcohol abuse. That is understandable. Self-inflicted injuries are understandable. Sexually transmitted diseases are debatable but understandable because individuals should know how to protect themselves. If we go down the whole list we have a clear understanding why certain conditions or treatments are excluded from benefits. However, the few that I am mentioning here we think seriously should be reconsidered. Mr. Speaker, I must be honest, I have not had a chance to clearly understand what this syndrome is in the next one, but if going by the sound of it means anything it sounds like something is a bit deal. I am going to spell this name, I will not try to pronounce it but it is treatment for any illness or injury arising from or connected with the human immuno deficiency syndrome.

Mr. Speaker, I have to admit I am being told that that is HIV. It is being confirmed to me. I did really know that it was a syndrome. We only hear of it commonly called HIV/AIDS but anyway, that too is a situation where having understood what that means we hear more and more of people contracting the virus by accident. What I mean by that is there are—while it is not common and people are being more careful with blood transfers and such the like—situations like that and other circumstances that can cause it to happen. It seems to me even when I go one up and we talk about sexually transmitted diseases and we come back down to this HIV/AIDS situation, what we are clearly saying is if people are in these circumstances and they do not have the wherewithal to take care of themselves; we are immediately now saying to the rest of the world it is the state's responsibility. If that is the position of the state, so be it. However, I am not satisfied that is the way we should look at the position. I understand some of these things, but there are some circumstances that I have begun to outline, which I do not believe should be excluded.

Mr. Speaker, when we say that benefits will not be provided in connection with, what these Regulations state is that there is absolutely no way—at

least that is the way I understand it when it says . . . that benefits will not be provided. I know it refers to a standard health insurance contract but if we are going to categorise these health insurance contracts and people have options unless we are saying that for certain types of contracts there are no options then I do not think the statement should be made that benefits will not be provided. Because if I go to a health insurance provider and I say I want a standard health insurance contract and then the health insurance provider says, "Well do you want dental coverage or do you want visual coverage or any other condition that has to do with eye sight." You have the ability to add that as a part of the contract so that should be left to the individuals to negotiate. It is a considered view that when we have these conditions outlined here and above it says that the coverage will not be provided in a standard health insurance contract. I think what we are saying there, is that neither the health insurance provider nor the person who seeks health insurance can decide that with such contract the person can be covered if he or she is willing to pay for it.

Mr. Speaker, there has always been this situation – we have encountered it before here in the legislative process and we still have a problem with the language. I do not know if the drafters can find no other way or whether it is intended to give the latitude to the individuals involved. However, I have a problem when we say, in number 11, treatment which in the opinion of the approved provider is not medically necessary. When this is over for purposes of this part medically necessary in relation to treatment medicine or other supply which is . . . and there is a whole slew of things appropriate to the diagnosis or treatment of the illness consistent with accepted medically professional standards not primarily for the personal comfort or the most appropriate level of treatment. There is a whole list of circumstances which define the terminology "medically necessary."

Mr. Speaker, if these terminologies are supposed to clarify what medically necessary means in this circumstance why are saying "in the opinion of." Why do we not leave those circumstances as the ones which would cause for the treatment not to be medically necessary. We are outlining the circumstances where treatment is not medically necessary but then we are adding something to it and saying that the provider 'in his opinion'. So, we are saying over and above these if the provider, in his opinion, it is not medically necessary then he still has that other latitude, and I am not so sure that we should do that. Because if that is the case the provider is going to hire someone and put them behind the desk to find what is not medically necessary with every claim, in my view.

Mr. Speaker, marital counselling, occupational therapy, charges for rescuers, custodial hospice or geriatric care, periods of legally enforced quarantine or isolation, services received in hydrous or nature cure clinics; and the list goes on. Number 19 speaks to cosmetics surgery and for a minute I was going to argue that one but I see where for the purposes of this part, cosmetic surgery is actually defined and it does exclude, meaning other than, surgery for the repair or treatment of an injury or a congenital bodily defect to restore bodily functions. In such instances, obviously coverage should be there and it does clarify that so we do not have to argue that one.

The very last one, number 22 treatment medicine or other supply which is experimental. That is debatable because while the FDA or such other body may not have recognised within a certain period of time certain types of treatment. If the professionals who are administering those treatments because of their experiences to date with the treatment are of the view that such a treatment may well have a reasonable percentage chance of either curing or alleviating a person's medical condition. Then if the person is willing to take that treatment based on the advice of medical professionals; I see absolutely no reason there should not be coverage for it.

All of these things that we are showing the other side of the coin for, I grant there can be arguments to and from about the circumstances that we speak to and I understand that nothing can be all embracing so that everything is covered properly. I also understand that the insurance providers are not supposed to be expected to take care of every single thing and circumstance. However, I do believe that the points just raised warrant some consideration in the Regulations before they are passed, gazetted and a date set for them to come in force.

Mr. Speaker, we offer those comments in the hope that consideration be given to see where we might be able to be more fair with the circumstances; not be seen to be leaning in any direction either that of the insurance provider or the persons who need such coverage. As the Minister outlined from the very beginning the intention of these amendments is, in his own words, to create a more even playing field which is obviously the intent of all of us. The suggestions that we have just made, hopefully, would make that playing field more even. Notwithstanding that, Mr. Speaker, the Opposition certainly wishes to lend its support to the intent of the Bill but in doing so we hope that our opinions are not cast by the way side. Thank you.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak?

The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. I just wish to offer a few observations in relation to this Bill. The Leader of the Opposition has done a fair job in outlining the position of the Opposition in relation to these proposed amendments. However, I do wish to add a few other points.

We have a situation in this country where health insurance is mandatory and I believe that is as

it should be. The provision of health care and particularly, affordable health care continues to be a challenge throughout the world. Even the mighty United States is sorely tried to be able to reach a stage where the populace can feel that they are getting the level of health care that they deserve and the health care providers are able to provide that service and feel that they are being properly remunerated for that.

In saying what I propose to say I am not for a minute trying to suggest that the solution is simple or straightforward. However, I think we need to look carefully again at what is being propose here. Mr. Speaker, where the real challenge lies is that under health insurance coverage for treatment of certain catastrophic illnesses are excluded in the sense that it is not mandatory that a health insurance policy does cover things like treatment for HIV/AIDS. We know already that the provision of health care in this country is heavily subsidised by government. In this Budget it is suggested that the target for expenditure will be somewhere in the region of $50 million over the course of this year, of which about $22 million is being subsidised by government by one means or another. That is, either by way of contributions in relation to civil servants coverage or in relation to indigents or seamen or veterans.

Mr. Speaker, the question that follows from that is if insurance companies are not required to provide coverage in relation to catastrophic illnesses like HIV/AIDS, a person who contracts that is not covered for health insurance purposes; where will the money come from to treat that person for what can be a long illness requiring major expenditure. The reality is that in this country as in most other countries most people are able to cope with "*run of the mill*" illnesses themselves. They might quarrel and complain a little bit about having to go to the doctor and pay him a few hundred dollars for this or three hundred dollars for an x-ray. But by and large by one means or another they can generally cope with those sorts of expenses. It is the catastrophic illnesses that completely wipe out whatever savings people had, which put their homes at risk.

The other side of it is when one contracts a catastrophic illness like that you are unable to work so your income is also cut off at that point. So, who is going to cover, in the absence of health insurance coverage, the expenses of persons who are suffering from HIV/AIDS? We all know what the answer to that question is, that is the way it has always been in this country; government is left to pick up the tab. Persons charge their homes, whatever property they have, other family members are required to sign guarantees. However, the reality is to find the cash necessary to enable these sorts of treatments to be carried out government is required to pick up the tab.

Mr. Speaker, the country cannot sustain that in the long-term. We are having difficulty sustaining it now. Given the advent of CINICO, a government owned company, I would have expected that if it is to be the insurance provider and if it is going to act as an insurance company (as we received assurances during Finance Committee that that is its long-term objective) at a minimum CINICO would be able to issue insurance policies that would permit coverage for treatment of catastrophic illnesses such as HIV/AIDS. We might as well face the facts; by one means or another, the Cayman Islands Government is going to be required to cover those instances where people contract HIV/AIDS and require long, expensive treatment periods. It seems remiss of the Government to come down to the Legislative Assembly at this stage, propose substantial amendments to the Health Insurance (Amendment) Regulations most of which we agree with. Much of this, if not all, is the product of the discussions we had in the Select Committee of this Honourable House which dealt with the need to amend the Health Insurance Law and the Regulations.

We do agree with the Minister that far too many instances of abuse were occurring where insurance companies simply only want to cover the perfectly healthy. The only way that the health insurance can work—there is a huge challenge in a market as small as this—is if the healthy people pay the premiums and based on those premiums coverage is extended to claims which are paid for the older, less healthy population. That is the way the system generally works. It is a huge challenge with a population as small as we are. I believe that we are going to have to explore other means of extending the number of persons that are covered as part of our market; if we are going to be able to fund health insurance in this country.

The principal concern that I certainly have in what is being proposed now is that it simply continues to exclude situations which clearly Government is going to have to pay for by one means or another. So, might as well face it now and ensure that the standard health insurance contract at a minimum provides coverage for persons who contract catastrophic illnesses such as HIV/AIDS which is specifically excluded in this instance.

Mr. Speaker, the Honourable Leader of the Opposition also spoke to the psychiatric illness point. Many people are not prepared again, to face the facts and to accept the growing number of mental health illnesses that exist in this community. More and more persons—whether it is as a result of the stresses of modern day society or whatever—seem to be succumbing to some form of mental illness or another. The attitude in the past has been to simply lock them up at Northward when they become too difficult to manage. Thankfully, we finally, I understand, now have a wing at the Hospital that is open and capable of accepting and dealing with some of these persons. I think they only have a facility for six persons or thereabouts but that is fare better than what we had in the past.

I am not for a minute not going to acknowledge the efforts that have been made in that respect

but I think it runs counter to that position we have taken that we should provide health care for these people; to also pass a regulation which now permits insurance companies to say we are not going to give health insurance coverage to someone who does develop a mental illness. Who is going to pay for treatment for these people? I have an instance right now with one of my constituents who has a son who is incarcerated at Northward Prison who everyone says has some form of psychiatric illness. She was contemplating until very recently—because there was an incident that occurred over the weekend which seems to have changed those plans—spending her own money to take the young man with the Prison's permission to Cuba for treatment.

Mr. Speaker, we should in this enlightened age, accept that there is going to be a sector of the population that is going to suffer from mental illness and we have to make provision for them. If it is not provided for in the health insurance contract we all know that Government in 99 per cent of the cases is going to be called upon to care for that individual. Let us not pretend otherwise, we might as well write it into the Regulations and ensure that any standard insurance contract requires an insurance company to cover care of persons with mental illness. If that means, as it almost inevitably will, that there has be adjustment of the premiums upwards then so be it. By one means or another, the people of the country are going to have to pay those costs. When we are proposing such a comprehensive revision of the health insurance regulations and are finally telling the insurance companies, "Listen you have to provide an insurance contract which covers the basic necessities for health care provision, you have to cover illnesses that we know are likely to be contracted by the population and mental health as well."

Mr. Speaker, this whole question that it is possible for them to exclude contraceptive drugs or devices or sterilisation. Again, that seems to me to be "penny wise and pound foolish." Contraceptive drugs are by and large very cheap, far cheaper than having to provide for what are often termed "unwanted children". Children who put an additional strain on the entire social system because their parents either did not want them or are unable to take care of them. So, if there are circumstances in which contraceptive drugs are indicated and the physician wants to prescribe them and the patient is willing to take them, I see no reason whatsoever why a standard insurance contract should not cover payment for those drugs.

That leads me to the whole question about coverage for treatment for sexually transmitted diseases. It seems ludicrous for an insurance policy not to be required to cover treatment for sexually transmitted diseases. If sexually transmitted diseases are not treated we significantly increase the risk of their spread. By and large these are highly contagious diseases. People who contract them are persons by their very nature are sexually active. How can it be that a standard insurance contract can exclude treatment for STDs? I would ask the Minister to seriously reconsider that provision in the Health Insurance Regulations and to amend it by deleting the provision which permits an insurance company to contract out of covering treatment for STDs.

Mr. Speaker, I think the Honourable Leader has covered sufficiently the other point which I had and I simply close by urging the Minister again to seriously reconsider the Government's position in relation to the standard health care contract. We must ensure that doing what we are doing, which is going to make the situation better than it has been in the past, that we do not set ourselves up for government to have to incur significantly more cost in relation to the covering of provision for health care in this country. Government already heavily subsidises health care in this country. If we do not insist that certain basic provisions are written into a standard health care insurance contract, government is going to have to pick up the tab for even bigger figures in times to come.

I am afraid that things like HIV/AIDS are not going away and people who contract them generally live long periods of time. Treatment for those sorts of diseases are very expensive and government had better face the fact that either we pay for it up front or we insist that the insurance contracts do cover those sorts of illnesses and we can pay for it over a long period of time and share the cost by everyone. That is the only way that this system is going to work. So, I urge those points on the Honourable Minister and look forward to hearing his response. Hopefully, we can have the necessary adjustments made and this Bill can pass without reservation by all Members of this Honourable House. I thank you, Sir.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak?

If not would the Honourable Mover wish to exercise his right of reply?

Hon. Gilbert A. McLean: Thank you, Mr. Speaker. Today is a moment of truth and the tabling of the Health Insurance Regulations 2004 has brought about this moment of truth. In 2001 I was a Back Bench Member of the Legislative Assembly in the Opposition. I brought a Motion asking that the Health Insurance Law and Regulations be reviewed by a committee of the whole House. Mr. Speaker, you will recall that you were the Minister of Health at that time and you started that Select Committee and after there were changes in the government I carried on the work which you had started in that Committee. I remember on that occasion that in somewhat horror and dismay, I listed and spoke about every single one of the twenty-two exclusions of health care which existed in the Health Insurance Law at that time. The truth is everything that the Honourable Leader of the Opposition and the Second Elected Member for George

Town read is identical to what existed then. These have simple been just restated in the exact form.

Mr. Speaker, I remember saying then that this standard health insurance contract excluded ten times that which it included and this is where the country has stood since 1998, if I remember correctly, when this Law came into effect. These are the rules of the game that was set for the insurance companies and they have been doing any thing and everything they have wanted to do using this as the basis from which to do it.

Mr. Speaker, since the Health Insurance Commission has been formed; we have been getting in lots of raw data and fax that we were not getting before. We have found that in some instances insurance companies in this country supposedly offers up to 30 contracts. I think any of us here would imagine that is really pushing the limits. It is pushing the limits. What has been happening with insurance companies is that they take this plan of exclusion and they take two or three things excluded and throw it in along with what is included and say, "I will charge you this amount of premium." Then they take a third contract and they take a few more exclusions from the basic contract and throw them in and say, "This is another contract offer you." It has gone on and on that they have created in some instances up to 30 different levels of coverage.

The great tragedy is that what is in these contracts most people, even highly educated do not sit down to read. So when they go the doctor if they are lucky he might accept their card. If the doctors accept the card for plan 27 and that might be $5000. When he goes back to the insurance company they say, "Oh look, we do not cover this whole $5000, we only cover $3,200 because we do not cover this and this and this in the plan." No one really knows except the insurance company just what they are doing with what is covered and what is not covered. It puts the hospitals and the clinics in this country at risk, it puts the doctors in jeopardy who deliver the cost and it certainly puts the insured person in jeopardy. That is when the doctors or the hospitals or the clinic go after the individual saying, "Listen you owe me $1,800 because your insurance company did not cover it." So, what has happened is that the doctors in the hospitals and clinics have said to people (who want to obey the law by paying every month for their coverage) "I do not want to deal with those insurance companies, I do not know that they have you covered for, you do not know, only they know. You pay me what I say you owe me and you go and deal with the company." That is the grave tragedy that exists in this country.

Mr. Speaker, that is why I said if they were lucky that the doctor took the cards from the insured person. The real unlucky ones are those that the doctors . . . and that has become generally the practice where doctors in hospitals say, "You just pay me and you go and collect from your insurance company." Mr. Speaker, not even in the land of wrong could it be right for something like that to exist in what is supposed to be a civilised society. This is the situation that I found and which I am glad that all Honourable Members are becoming more greatly aware of with the whole insurance situation. This is what these amendments are trying to correct.

Mr. Speaker, this Law was purely for the insurance companies. I have said that and they have been unhappy about the fact that I said but I have said it once, I say it twice and I will continue to say it because it is the truth. They virtually did as they chose. They charged any price and every time an amendment came (one came last year) that was an excuse for them to jack the prices up through the sky. That is so and I have in fact, seen a correspondence from one of these companies advising its insured clients that they are going to raise the price again. Guess what they are doing? They are blaming me because they say I am amending the Regulations that are costing them more money. Mr. Speaker, that is false.

Anyone who wants to know how false it is, when these people get on the radio stations in this country to attempt to feed the people all sorts of misinformation only needs to take up this Regulation and this standard contract to see the falsehoods in it. Their propaganda is never ending. In attempt to try to deal with this and after much advice in the Ministry, from the Commission, meeting with the insurance people and taking the advice of a consultant and an actuary it came down to a situation where the advice to me was, "Look, games have been played with this insurance contract 1, let us not even try to get into that just leave that way for whatever games have been played let them continue to try to play it." However, herein after by producing—and Members will see on page 14 there is a standard contract 2 where everything is set down in a table form; what is deductible, what is co-insurance, what is maximum, what will be the price in network and out of network, exactly what the insurance covers. It shows in-patient and out-patient and maternity services. Members will see on page 15 that contract 2 covers mental health, in-patient and out-patient. Substance abuse is also included in that.

Mr. Speaker, on page 16 Members will see there is a standard contract 3 which offers even higher coverage. A correction on page 15: mental health, in-patient and out-patient 'NC' means not covered. However, in contract 3 it is covered by 80 per cent and it shows the amount and what would be the cost in network or out of network. On page 18 standard contract 4 covers just about everything that one would normally find in the highest coverage of any kind of insurance contract. Let me tell this Honourable House what happened when this was done. In the meeting of 14 representatives of the health insurance industry in the Islands they really could not find anything technically wrong with this. Why? Simply because the Hospital, clinics, doctors, the health insurance company and the insured person will know by getting a copy of this

document about exactly what you are covered for and to what percentage.

On that day they told me that this would force them to compete by costs and they wanted to compete in other ways. That is exactly what was said to me. So, I said to them, "How else could you compete except by costs and by the service that you give?" This levels the playing field and it seems to me like the insurance providers have a real problem with levelling the playing field. Mr. Speaker, by a given date these four contracts will come into effect and from that date forward all contracts issued by health insurance companies will be one of these four. Where an insurance company has a contract with an individual that is in effect now; they will not have to change that contract with that insured person until the date of expiration of the contract and then it becomes one of the four.

Mr. Speaker, one of the new things that some companies are saying is that, because this limits things to a $1 million life time they are saying, "Oh, but some of my contracts provided up to a $2 million annual for out-patient and/or in-patient coverage. I am told by various persons who know this business is the standard number that is used there. So, that is one of the ways they are attempting to say persons are being excluded or given less than what they are presently offering. The trouble is that people who have what they consider very good coverage with the insurance companies do not have anything looking like what is in this Regulation with everything set down in tabulated form so everyone can see and know.

Mr. Speaker, it no longer becomes a secret if an individual goes to a doctor's office and they have their card which says, "I have standard contract 3." the doctor immediately knows what is covered. The doctor no doubt, will say to the patient, "Look you have to pay me 20 per cent of this cost and my cost is this amount." There is no more difficulty. In addition, the Regulations now require that billings be done by the doctors in the hospitals and the labs in the ICD or the CPT (common procedural terminology) coding, which is, again, the language of the health insurance industry. The common practice terminology is that there are thousands of codes to which is attached all the procedures that are known to medical science, and at the end is the cost for that particular procedure. It helps in the insurance company, in that, immediately the insurance receives that bill on a CPT coded format so they know that doctor x has done these five procedures when he should have only done three.

The insurance company will then say to the doctor, "You did these five, you and I know that these two should not have been included with it so we are not paying you for it except for these three. Here is your money." It is the same situation with the ICD coding which is another means of billing the International Classification of Diseases where straight away when a doctor bills on an ICD form the insurance company immediately knows that this person did these six tests and will say, "That is excessive I am not going to pay for all of these, only four." So, it has immediately standardised it. The health insurance companies in the Cayman Islands now have had removed from them the excuses that I have come the Legislative Assembly, with the assistance of other Members of this House, and have created an impossible situation for them so they have to raise people's premiums. This has changed that situation.

Mr. Speaker, there is another little thought here in this regard and that is they are saying how it is going to cost them so much money to change their set up in their computers and so on for these plainly written four plans, and what it is going to do the industry supposedly and cause them to go out of business. I do not believe that, it is nonsense! If that was the case they have been crying for the past five or six years that they are losing money. That is the only private sector business that I have ever heard about that keeps losing money and keep on going. So, they cannot sell that story either!

Mr. Speaker, these Regulations here make a difference with the health insurance companies. The fact that the Members on the Opposition side have cited these things in contract 1 I absolutely agree with it. However, I would only say that when it was created my understanding from my enquires and what I have seen in the *Hansard* was to create a minimum basic package for in-patient care. If a seriously injured person goes to the hospital then the standard health contract would cover him or her more for in-patient. There is as one will see, twenty exclusions in that, but rather than try to pick out some of these and add them as the insurance companies, obviously are doing, three other contracts were created which brings transparency to the whole process and most of things excluded are now included between contracts 2 to 4.

Mr. Speaker, the Leader of the Opposition and the Second Elected Member for George Town both spoke about the situation with HIV. We are very fortunate in this country because it has been an ongoing situation for several years (more than a decade) now that the Government of the Cayman Islands has undertaken to provide medicines for people with HIV/AIDS.

Mr. Speaker, about three weeks ago I attended a World Health Assembly and one of the diseases that is killing millions of people is HIV. In fact, I forget the exact number that is dying every second in Africa in particular. We are lucky that we have a society that cares to the extent; that serious blocks of money are voted to take care of those persons who might fall outside of the realm of those who may have contracted it that they can pay for it. This is covered under the Public Health Law and it is an ongoing situation. Mr. Speaker, what is certain is that we need to continually increase the level of education and understanding among our people including the young about how their mode of behaviour may expose them to HIV. Therefore, they can take the necessary pre-

cautions because that is the only cure for HIV – not getting it. Once you have contracted it there is no cure. So, it is an ongoing concern and education is the best medicine to make sure that this does not spread.

If I am not mistaken I am told that there are twenty-odd cases known in Cayman now and those persons do receive treatment in a discrete manner and fortunately the major stigma and fear about this disease has been broken down to a considerable extent which makes it more manageable. I can also say that through the Red Cross there has been a significant programme and effort to educate young people. If I remember correctly it was the latter part of last year, I attended a meeting over at the Red Cross building and I was most impressed to listen to teenagers and hear them talk to one another at their level of understanding about it. They no doubt would be best messengers to their peers so efforts are on the way to educate in that regard.

Mr. Speaker, the two Members who spoke also raised the question of contraceptives as a means of keeping in check unwanted pregnancies. That is not covered in contract 1. Again, it is not something that is so expensive either so that is within the realm of persons being able to find $2 or $3 as the case may be per month to provide themselves with contraceptives. That is something which I think women—have a concern about getting pregnant or not—can take more personal responsibility for in that regard. It is not covered in this contract but I would, at a guess without trying to find it right now, say it is covered in the other contracts. If not, it falls within the realm of not too expensive.

Psychiatric care, Mr. Speaker, is a growing condition in this country. Fortunately, we have a mental health care unit at the Hospital now, but the two Members are quite right; it is growing and areas that it is growing in are areas covered by the big word "depression". Again, I had the opportunity to listen to some presentations at the World Health Assembly on depression and there is a multitude of ways that people can be suffering a mental depression while they are not loony or doing crazy things, it can be an inward thing that is making them sick.

They are now recognising that depression comes in so many forms that the medical science needs to be aware that certain things presented as a medical problem is really more mental and it falls under this big term of depression. Certainly, Mr. Speaker, that is something we need to think about. There are areas I certainly never thought about like unemployment which may create a state of depression. Of course grief may do so. It may be a love affair gone wrong, it may be the hope of achieving something and having not done so. There are multitudes of areas.

[Inaudible interjection]

Hon. Gilbert A. McLean: Yes, the Member is right: in the Legislative Assembly too. The type of torturous way of having to deal with my friend from East End and what not, could cause depression.

Mr. V. Arden McLean: Or that we have to deal with Government.

Hon. Gilbert A. McLean: Mr. Speaker, these are areas that all of us need to be conscious of by my one appeal is for the Honourable Members—and I know they have not had the amount of time with these amendments as I would have liked for them to have had—to take these amendments and look at them more carefully they will see in the areas where there has been amendment it has addressed a specific need for people, health care providers, and for the insurance companies.

Mr. Speaker, there is also the opportunity for persons to buy supplemental health insurance which, I think it was the Second Elected Member for George Town who alluded to the fact of optical not being available as supplemental coverage. A person may buy dental, buy optical and even alternative medicine from the coverage from the insurance companies. Over and above that, they may even include other things which they can have if agreed between themselves, the Health Insurance Commission and the health insurance companies. So, the story that is going around that because of government's action trying to correct that which is wrong is driving up the costs of health insurance in this country, is not true. I would just like to add that since the formation of the Health Insurance Commission to further assist the health insurance companies, the insured person, the hospitals and the clinics.

The Health Insurance Commission is charged with coming up with what is called the usual customary and reasonable fee for everything. Again, what has been done is that the 7,000 procedures that are covered under the CPT coding a charge has been placed for every single one of them by the health insurance commission. That is now almost completed. I have had discussions with the health insurance management and actuaries that are now working for it, and within the next three to four weeks I would hope to be able to take to Cabinet recommendations from the Health Insurance Commission as to what are usual customary and reasonable fees. What that will do, Mr. Speaker, is, again, provide a transparency never heard of in this country and in most countries, for that matter.

However, what it will mean is that a patient can go to a doctor to have a certain procedure done and they can actually get a copy of that list of fees and they know exactly what amount their insurance company is required to pay. The doctor knows how much he can expect from the insurance company because the insurance company will not be required to pay

more than the fee which is considered the usual customary and reasonable.

Mr. Speaker, I want to make the point that it is not true as is being said in certain quarters that the Government is trying to tell doctors how much to charge. They can charge any amount that they choose to charge but they will not get paid more from the insurance companies than what is prescribed in the usual customary and reasonable fee. Therefore, it means the insurance companies can get away from the excuse that doctor Y charges so much and doctor X charges so much so they have to keep raising their premiums. We are taking that excuse away too. They will know by going to the CPT coding how much they have to pay for the 7,000 procedures, so that excuse is also removed.

I would like to say that if I choose to go to any given doctor and just to note that using the CPT coding, which is the practice terminology commonly used for these procedures around the world, doctors will know exactly what they are going to be paid, the insurance companies will know what they have to pay, and the insured person will know what to expect. However, if someone chooses to go their particular doctor and that doctor likes to charge high fees, and may of them do, and the usual customary and reasonable fee is a thousand dollars for that procedure but their favourite doctor charges two thousand dollars, they must understand straight away that their insurance will pay for the thousand and they will have to pay for other thousand out of their pockets. However, again, it is believed that once the fees have been published, the doctors, clinics, hospitals are going look very carefully at what they are charging and try to bring their charges as close in line as they can with what they know the health insurance companies will be paying.

Mr. Speaker, it has been a long road to travel with this and I am sure that attempts will be made to close the holes left in these Regulations to be able to get around what is being done here. However, that is the way it is with legislation and when one finds the need for amendments then the thing to do is to bring those amendments to correct the situation.

I must say that I have been fortunate in that I think all Members of this House, Government side and Opposition side, share a common view with the problems which exist with the health insurance. Because of that it has been easier for us to move forward rather than having to fight our way through. Today the amendments here are simply an attempt to improve over and above where we have gone since July of last year. Using that date reminds us that when the insurance companies said these contracts have been sprung upon them is also untrue because they knew about these from last year July. So, if they have not done anything to cost these, it cannot be the fault of the Government in bringing about these amendments.

Mr. Speaker, I am pleased to be able to recommend these amendments to the Health Insurance Regulation 2004 and I ask Honourable Members for their support.

The Speaker: The question is **BE IT THEREFORE RESOLVED THAT the Health Insurance (Amendment) Regulations 2004 be affirmed by the Legislative Assembly pursuant to the provisions of section 19(2) of the Health Insurance Law (2003 Revision).**

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Government Motion No. 8/03 passed.

OTHER BUSINESS

PRIVATE MEMBERS' MOTIONS

PRIVATE MEMBER'S MOTION NO. 12/03

Licensing of Fishermen to take Conch for Fishing

The Speaker: The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker. I beg to move Private Member's Motion No. 12/03, Licensing of Fishermen to take Conch for Fishing. It reads:-

"**WHEREAS the Marine Conservation Law (2003 Revision) prohibits the taking of conch from Cayman waters during the months of May to October inclusive;**

"AND WHEREAS there are Caymanians who use conch for fishing during the said period of the year;

"AND WHEREAS there are Caymanian fishermen who depend on fishing for their livelihood;

"BE IT THEREFORE RESOLVED THAT the Government takes step to amend the Marine Conservation Law (2003 Revision) to allow Caymanian fishermen to be licensed to take up the five conchs per day from Cayman waters during the months of May to October inclusive, for the sole purpose of fishing."

The Speaker: Is there a Seconder?

The Elected Member for North Side.

Ms. Edna M. Moyle: Mr. Speaker, I beg to second the Motion.

The Speaker: The question is be it therefore resolved that the Government takes steps to amend the Marine

Conservation Law 2003 Revision to allow Caymanian fishermen to be licensed to take up to five conchs per day from Cayman waters during the months of May to October inclusive for the sole purpose of fishing.

The Speaker: The Motion is open for debate. Does the Member moving wish to speak to the Motion?

Mr. V. Arden McLean: Mr. Speaker, the Motion that is being sponsored by me and seconded by the Lady Member from North Side, has come to this Honourable House as a result of representations by the populace and in particular, fishermen, in East End, North Side, Bodden Town, George Town, and to a lesser extent, West Bay and Cayman Brac.

Mr. Speaker, I believe that it is reasonable to call for a reasonable request of Government, in that, it is specifically asking for a particular section of society to be licensed. If I could refer to the *Official Hansard Report* of this Honourable House, in particular 27 November 2003, when Private Member's Motion No. 8/03 was brought by the Second Elected Member for Cayman Brac calling for an amendment to the Marine Conservation Law to affect the same thing as we are trying to get affected now. However, it was for the use of sea urchins by fishermen for the purpose of fishing. Mr. Speaker, that Member in his presentation of that Motion, said, and I quote, **"Mr. Speaker, again, as mentioned earlier, this particular Motion aims at a cultural tradition. In the constituency of Cayman Brac and Little Cayman, we have individuals—in Grand Cayman also, I am sure, especially in the district of East End, and perhaps in West Bay—who swear by the use of the short-spine sea egg as an instrument to assist them in catching their fish. They will tell you that with that particular bait they can give you a guarantee that they will catch that day. Without that bait, they cannot give such a guarantee."** [page 1067]

Mr. Speaker, such is the case in point. The fishermen in East End and other areas in this country will guarantee you their fish if they have particular bait. What this Motion is calling for is for them in particular to have the ability to have the use of conch bait for fishing. The period of time that there is closure on the taking of conch is May to October inclusive. Those times are very important to be noted because during that time (as we speak) the snapper season is upon us. If you talk to any fisherman he will tell you that that is bait that snappers prefer, guaranteeing him his catch of snappers.

Mr. Speaker, while I have in my constituency of East End older men who are fishermen, who for whatever reason fish—some exclusively, others as a means of supplementing their livelihood. In most instances they are retired due to aging or for whatever reason that prevents them from carrying on their chosen vocation (their only means of income) there are a few younger ones who fish as well but in most instances they have a few day's work here or there.

I will try to avoid calling names but I will point out to the Government that we have some individuals in East End in their 80s and in their late 70s and I know there are other gentlemen throughout this country around that same age who fish exclusively. They have no other means of income. Mr. Speaker, many of these fishermen swear by their conch. I believe that it is the Caymanian tradition to go fishing in this country and it is fortunate that these people still have sufficient pride in them to take care of their own, albeit they are not sharing in the economic prosperity that this country enjoys. However, nevertheless they hold steadfast in that pride that they can provide for themselves and for their wives in most instances.

I think that we should applaud the fact that these people in their 70s and 80s continue to work and provide for their families. Mr. Speaker, many of them could very well ask for hand-outs which would make Government saddled again with people. I know the argument would be that there is bait substitute that can be used. While I understand that it certainly is not as effective as the conch and there is bait substitute for the fishermen who kept squabs with the sea-eggs also, the Government decided to accept the Motion by the Second Elected Member for Cayman Brac, which was, I might add, seconded by the Fourth Elected Member for West Bay at the time.

I believe the Government accepted that on the grounds that it would be in the interest of the fishermen, and that is what I am asking them to also do now. I must point out on the issue of alternate bait for the catching of squabs there is such a thing as the soldier crabs, of which the Second Elected Member for Cayman Brac spoke. He talked of how many of those can be caught in Cayman Brac which they too are very effective in catching squabs. So, when the Government accepted the Motion I understood they were doing it in the best interest of keeping a tradition alive.

Mr. Speaker, you know of some of these gentlemen, particularly in my district. You grew up among them and you know the pride they have in knowing that they can provide for themselves and that is the Caymanian way. I believe that giving them the opportunity to take a few conchs is not going to deplete the supply of conchs. What we find is that it is not those people who destroy the marine life. Ever since I came to this Honourable House I have been preaching and beseeching the Government to increase enforcement in these areas. I must pause and congratulate the Department of Environment over the last year and in particular over the last six to eight months. They have been doing an excellent job in the eastern ends of the Island. However, that is during 8 am to 5 pm; where we get the problem is that the younger generation is beating them at the game and they have changed their times approaching and they have gone to the nights. So, my argument still stands, we need (or almost) round-the-clock enforcement of these Laws, particularly the Marine Conservation Law.

Mr. Speaker, another argument that is going to come up is that it is going to be difficult to enforce licensing of a fisherman to take conch. How is it going to be enforced? I just said that the enforcement arm has been very active in my district and being an avid fisherman myself they have checked me on occasions. I have also seen them there checking boats on a daily basis. So, it is not as if they do not know. They know who the people are and they check the boats on a regular basis. Any boat that is on the water in East End is checked. Even these older people are checked to see if they are alright and what have you. So, there will not be a situation where they will not be able to enforce whether or not someone has conchs in their boats.

The Speaker: Honourable Member, if this is a convenient time for you to take a break we will take the luncheon break and return at 2.30 pm.

Proceedings suspended at 1.00 pm

Proceedings resumed at 2.55 pm

The Speaker: Please be seated. Proceedings are resumed.

The Elected Member for East End continuing his debate.

Mr. V. Arden McLean: Thank you, Mr. Speaker. When we took the luncheon break I was on the issue of enforcement of the Marine Conservation Law and I believe that I had adequately covered that.

Mr. Speaker, as I now restart the presentation of this Motion, I think it is necessary that I make it abundantly clear before we go any further, that all Members of the Opposition support the conservation of our marine environment. I think it is absolutely necessary that that be said, lest it be construed that this Motion is being brought because of our lack of support for the marine environment.

Mr. Speaker, one of the issues that I know many have concerns about is the definition of fishermen. When the lady Member for North Side and I did this Motion we used the words "*Caymanian fishermen"*. That is extremely broad in definition when you think of 'Caymanian fishermen'. The intent was not that anyone who goes fishing be licensed to take up to five conchs per day for the sole purposes of fishing. It did not include them. What I thought was that those people who, traditionally, we know use fishing as a means of livelihood, people in our constituencies who do not have a steady income or a job earning a wage within the private or public sector. For instance, the Leader of the Opposition is an avid fisherman but he uses it in a recreational manner and so do I. There is no way that I or the Leader of the Opposition could apply for a license to take five conchs. That is not the intention.

At the beginning of this presentation I spoke of some members of my constituency who are retired for whatever reason; many times because of age, a few because of the lack of physical capabilities in their vocation so they take up fishing. Since then they have always been fishermen but have now taken it up on a full time basis as a means of livelihood. Those are the people that I am talking about. I know many young men in East End who go to work everyday and on weekends or evenings they will go fishing. Those are not the people that we are talking about here. I know we all have these individuals in our communities and in particular, in our constituencies that we represent. For instance, the West Bay district and its representatives know of many people in that district who live by the sea, do fishing commercially and they supplement their income significantly and they can live from fishing.

One Motion brought by the Second Elected Member for Cayman Brac and Little Cayman and seconded by the Fourth Elected Member for West Bay to assist those people who use sea urchins for fishing.

Mr. Speaker, we all know of an individual in the district of North Side—the lady Member can deal with that—who through an accident is now incapable of holding a wage earning job, and that person farms and fishes. These are the people we are talking about. In Bodden Town . . . I know my cousin is not here but he has poked a bit of fun at me for the last few days. I am not poking any fun at him now, this is serious business.

Mr. Speaker, the two Ministers from Bodden Town recently started the construction of a ramp for their handful of fishermen to be able to launch their little boats right within the district. Other than that they would have to go to the Frank Sound ramp. Those two Ministers, in particular the Minister for Health and Agriculture, know about that and they must be complimented for trying after all these years to get a ramp in Bodden Town. During the lunch break, I had a conversation with the Minister for Health and Agriculture, and when I spoke to him concerning the definition of fishermen he could not even get a handful. So that tells you how truncated this section of our society is. It is but a few.

I would venture to say that there may be 15, maximum 20, people in East End who would qualify to have a licence. Perhaps in George Town we may get a little more. Let us stretch our imaginations and say that in this country, including Cayman Brac and Little Cayman, there may be a hundred and fifty people who would qualify. Mr. Speaker, I believe that it is worth it for us to maintain that tradition. The reality of life is that that is a dying breed in this country. I do not want to sound morbid but that is what it is. However, it will not be for that long.

As I said before, these people are full of pride. They want to be self-sufficient and they do not want to chase people down and hold their hands out. Can we

not, as Legislators, distinguish these people and give them the privilege of maintaining their tradition?

Mr. Speaker, if this Motion is accepted we are, as I said earlier, looking at roughly one hundred and fifty people. Under the Law, all and sundry are allowed five conchs per person or ten per boat, whichever is less, during a season that runs from the end of October to the end of April. The Law allows for everyone to take conchs. If such was the case in what this Motion proposes, then I could understand. It would not be any different from what we had before. People go to get them during the open season so that they can eat. I do not propose that, Mr. Speaker; not everyone who goes out in a boat is a fisherman. I cannot consider myself any big time fisherman; I go fishing and hope for the best. These people go fishing and know what they are going to get, but they need the bait to get fish for their sales. In most instances, the conch is the preferred bait.

Mr. Speaker, I know the question of issuance of a licence will also be a concern by Members and most likely by the Department. I do not know how that would be a concern and I will try to explain. Form A in the Schedule under the regulations is application for a monthly fishing licence, which attracts a fee of $150. There is not much revision to be done to these schedules. The applications can be changed to say "application for licence to take conchs" and in the body of it there could be minor changes. Mr. Speaker, once we define fishermen; at the bottom of the application that is proposed in the Regulations—keeping in mind the Department has not started this yet as far as I understand—it says. "Please sign below indicating that all information provided in this application is true and complete. Any falsification or withholding of relevant information will result in denial or withdrawal of a fishing licence." So, Mr. Speaker, that excuse has now been nullified.

Mr. Speaker, if we as representatives want to go even further we could require that they sign an affidavit explaining in detail and affirming that they are fishermen who do not hold wage-earning jobs. Let us really look at the number of licences we have issued to allow Caymanians the right to carry on their tradition. Let me just pause here for a minute and I will come back to that.

I was out for lunch today and listening to the talk show when a lady called in and started to talk about the erosion of our traditions and values. I thought it was timely because here I am trying to impress upon the Government the same thing. We have members of our community talking about how we allow the external pressures to dictate how we live. There comes a time when a country must chart its course but it must not chart its course down a road that is entirely someone else's course. We must preserve some of the things that are uniquely ours. We are not the only country that has tried desperately to maintain that. I hear the Minister for Culture, the Honourable Roy Bodden's passionate plea to the people of this country to try and maintain their culture and heritage; seen in his financial proposals in developing that. I hear the Minister for Tourism and Leader of Government Business doing the same thing. This is part and parcel of their passionate plea for Caymanians to maintain their tradition. Remember, Mr. Speaker, I did not support the ban on conchs so all I am doing here is continuing my campaign for the tradition of this country to be maintained. That is all I am doing.

Mr. Speaker, please allow me to turn back to the types of licences we have issued in the interest of maintaining our tradition, so that our children can understand our uniqueness and they can experience it. Yes, Mr. Speaker, some may say, "Well, if we do not allow anyone to take conchs that would be part of that." That is true and I support that but if we do not allow the fishermen to continue taking and utilizing them in a judicial manner then we are losing that tradition too.

Mr. Speaker, there are at least five different things we have decided to continue to give licences for to maintain that tradition and ensure it stays alive. Let us look at them: One, turtling. CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) has banned the hunting of turtles the whole world over. We, through the United Kingdom, are signatories to that international band. Nevertheless, the Legislators in this country saw the need to maintain the Caymanian tradition and they allowed the people who were initially trapping turtles to continue that, and they grandfathered them in. Then we look at seining of fish and we did the same thing. I am not condemning it because I support it but it must be on a limited basis.

We did the spear guns. Again, maintaining the tradition that is uniquely ours. I said five but another one came to me just now; fish pots. When the Bill was amended in 2002 I supported the band on certain types of fish pots coming into this country, z-pots they call them. They are uniquely Jamaican. Ours is uniquely Caymanian and is 3ft x 4ft x 3ft. Some people would do them 2ft x 3ft x 4ft depending on who had to pull them up they would decide what size they had to make. It was a specific size mesh. In our days whenever we found ornamental fish in the fish pot we would throw them back over the side, nowadays we cannot take that chance. So the proposal was to increase the size of the mesh in order that they go out on their own, particularly when you are pulling it up they can swim out—and we have licensed Caymanian, again. Only Caymanians can have pots. That is what I am talking about. You think we did that because we just wanted to do it? No, my understanding was that we did it to maintain a tradition. We did to ensure that the children, even the unborn, will have the opportunity to see how we lived and maintain that tradition.

Recently, we got the Second Elected Member for Cayman Brac and Little Cayman and the Fourth

Elected Member for West Bay bringing two Motions to amend the Marine Conservation Law to allow the taking of sea urchins, periwinkles, bleeding teeth and chitons for the use of our craftsmen for sale in the tourist industry and the resident population also. I supported all of those as long as it done on a limited basis so that we do totally deplete our marine life. That is the same thing I am doing now, Mr. Speaker; limit it to those people who traditionally are fishermen. That is all the Members of the Opposition want.

As I said earlier, all the Elected Members in this Honourable Chamber know of the fishermen in their constituencies who would welcome this. I know those in my district would welcome it. Some of those in my district, Mr. Speaker, are your childhood friends and some of them are your disciplinarians, and mine too, when we were growing up. Those people must be respected for trying to continue to live the Caymanian way. We hear everyday on the radio and in private conversations of how our Caymanian tradition is becoming diluted, like adding too much water to the swanky. I wonder how many out there in radio land know what swanky is. The ones who listen will know but not too many around here know what it is. However, we know what adding more water to the swanky is going to do and we hear it everyday.

Even though we do add more water to the swanky, make sure we have enough so we can still have the taste of swanky with the brown sugar. That is my plea to the Government. I know all those Members of the UDP are going to be caught up in a moral dilemma here today if they oppose this because they have to report to their people. I do not want to ever be caught in that dilemma. I know there are Members on that side who will support this Motion. The Third Elected Member for West Bay has been on the water all his life, so much so, that we call him captain and he knows the value of maintaining that tradition because he has lived it. He has contributed to maintaining that uniqueness called Caymanian. He is one of those gentlemen who have continued this seaman thing. Caymanians have always been known to be good seamen and the Third Elected Member for West Bay is one of those people who have perpetuated that way of life because he has passed it on to his children as well.

Some of the younger ones in this Honourable Chamber do not know what it is to go to sea and that kind of stuff but they know of their parents who did it. It has been cut off and that is fine. I try to take my kids out as well but they are more interested in computers so at some stage it is going to be cut off. I hope that I will not die a natural death anytime soon because it is necessary for us to preserve some of the tradition that we have enjoyed and that has sustained us for hundreds of years. Let us not just cut off our nose to spite our face.

Mr. Speaker, I am a little bit concerned that the Members for Cayman Brac are not here, especially the Second Elected Member. I do not know if that is out of convenience because the Motion was coming today and they might have to support the Government on it. However, I am sure because he said to me that he had many members of his constituency who would like to be able to take up to five conchs for fishing. I am not going that far to say that he is conveniently absent, I would not do that but it is unfortunate that he is and also the Minister of Planning and First Elected Member for Cayman Brac and Little Cayman, because she knows about these things. Mr. Speaker—

The Speaker: Just to say Honourable Member that the Honourable Minister for Planning and First Elected Member for Cayman Brac did in fact give her apologies that she has to be out of the Chambers attending a very important meeting at this point. So, I do not think she has deliberately avoiding the debate.

Mr. V. Arden McLean: Thank you, Mr. Speaker, and I do apologize if you got the impression that I said the Minister. I said it is unfortunate that she is not here because she understands. I was not going that far to say that the Second Elected Member for Cayman Brac was conveniently absent. I would not go that far.

Mr. Speaker—

[Inaudible interjections]

Mr. V. Arden McLean: . . . as I was saying these Members are all aware of what I am trying to impress upon them. If it is necessary to define fishermen in the Motion then fine. We can move an amendment to the Motion to that effect. I do not have a problem with that. I know some Members may be a little concerned of the sweeping definition of a fisherman so I am prepared to do that or accept if someone wants to move it, which ever way. If I hear the Deputy Leader gets up in reply and say that then I will certainly be quite receptive to that.

Mr. Speaker, I believe that it can be policed. I believe there are many ways of doing it. Unfortunately some of us believe that we can legislate certain things and impose upon the people certain laws in order that they do not do it but you cannot legislate morality. If you legislate to the point where you kill the people it is for naught. I believe that these are honest, genuine Caymanians from one end of this country, including Cayman Brac, to the other end. In a debate earlier on in 2002 I talked about the resistance that Sir Vassel received when he brought this into being while he was the Minister responsible at that time during the 1984-88 administration. The resistance this man received 20 years ago from the same people that I am talking about in East End today are now defending the protection of the marine environment. I saw them go at him the night that he was in that church hall talking about taking away their tradition and way of life, but Sir Vassel steered his course. Thank God he did. Otherwise today people like me would not be in this

Honourable House trying to keep the tradition alive. It would have died a long time ago. I thank him and applaud him. No wonder he was knighted; he deserved that. Just for this alone he deserved that. Not all the financial thing: that came into it, but just this in my humble submission he was deserved to be knighted. I wonder who is going to be knighted for maintaining our tradition and continuing the work that he started.

There is much to protect still, not only the marine environment but our tradition, Mr. Speaker. We are taking it away. I know my good cousin from Bodden Town is going to support me in my efforts to maintain our tradition. I look forward to the acceptance of this Motion by the Government and if it is conditional then that is fine, we can look at that.

Mr. Speaker, I do not want to hold us up any longer in this presentation. I think I have done enough to show the Government the necessity for accepting this Motion and to amend the Regulations to allow the fishermen (who carry this tradition on) up to five conchs for the purposes of fishing. If it is necessary that the legislators have to get involved in their individual constituency then so be it. That is part of their responsibilities. They must work! However, we want to have it nice and easy without having to identify the people who do this type of vocation, if we can call it that, for a living. I am prepared to submit names of people that I know for sure. I am not prepared to be dishonest with it and be carte blanche with it. Anyone who wants me to do that I am sorry but I cannot. I know there are some good, honest men in that community called East End who will welcome this provision and who will respect that the Legislators in this country respect their pride.

Mr. Speaker, I commend all of them for their restraint in trying to keep the marine environment in tact and I now recommend this Motion to this Honourable House in the hopes that all Members will see the need from a moral and country perspective to support his worthy Motion.

Thank you, Mr. Speaker.

ADJOURNMENT

The Speaker: Honourable Members, it is my understanding that certain Members would like some time to have a further look at the Motion. In addition, there are certain Members who have some very pressing engagements that they are unable to cancel at this time. Rather than calling on another Member, I propose to take the adjournment at this time. So I call on the Honourable Deputy Leader of Government to move the Motion of the adjournment.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move the adjournment of this Honourable House until tomorrow morning, at 10.30 Friday, 11 June 2004.

The Speaker: The question is that this House do now adjourn until 10.30 tomorrow morning, Friday 11 June 2004. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 3.42 pm the House stood adjourned until Friday, 11 June 2004, at 10.30 am.

OFFICIAL HANSARD REPORT
FRIDAY
11 JUNE 2004
10.48 AM

Eighteenth Sitting

The Speaker: I call on the First Official Member to lead us in prayers.

PRAYERS

Hon. James M. Ryan: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Cayman Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together*:*

Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come. Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For thine is the Kingdom, the power and the glory, forever and ever, Amen.

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

Proceedings resumed at 10.53 am

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

The Speaker: I have no readings or announcements for today.

PRESENTATION OF PAPERS AND OF REPORTS

Report and Recommendation of the Minister responsible for Lands on the Vesting of Crown Land Block 1D Parcel 47 to Armando Ebanks

The Speaker: I call on the Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Thank you, Mr. Speaker.

I ask that the House defer this until the Minister is available.

Report and Recommendation of the Minister responsible for Lands on the Vesting of Crown Land Block 25B Parcels 495 and 496 to the Cayman Islands Football Association

The Speaker: Honourable Minister I assume that you will be asking to have the second item deferred also, which is a Report and Recommendation of the Minister responsible for Lands on the Vesting of Crown Land Block 25B Parcels 495 and 496 to the Cayman Islands Football Association.

Hon. W. McKeeva Bush: Yes, and also item 4, questions. That question is also for the Minister.

The Speaker: Thank you.

STATEMENTS BY HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

The Speaker: I have no statements from Honourable Members or Ministers of the Cabinet.

GOVERNMENT BUSINESS

BILLS

FIRST READING

The Endangered Species (Trade and Transport) Bill, 2003

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, I move the First Reading of The Endangered Species (Trade and Transport) Bill, 2003.

The Speaker: The Bill is deemed to have been read a first time and is set down for a second reading.

Suspension of Standing Order 46(4)

The Speaker: Before calling on the Honourable Leader of Government Business to move the suspension of Standing Order 46(4) for items 2 and 3, I would bring to all Honourable Members' attention that Standing Order 14(4) provides for Members and Ministers of Government to place motions or notices of motions and orders of the day on the Order Paper in any order they please, provided that it is supported by the Chair.

The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, I move the suspension of Standing Order 46(4) for items 2 and 3 in order to take these items: The Health Practice (Amendment) Bill, 2003 and The Health Insurance (Amendment) Bill, 2003.

The Speaker: The question is that Standing Order 46(4) be suspended.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Standing Order 46(4) suspended to allow The Health Practice (Amendment) Bill, 2003 and The Health Insurance (Amendment) Bill, 2003 to be read a second time.

SECOND READINGS

The Health Practice (Amendment) Bill, 2003

The Speaker: The Honourable Minister for Health Services.

Hon. Gilbert A. McLean: Thank you, Mr. Speaker.

This is a very small requirement of this Honourable House to make a few amendments to The Health Practice Law.

Prior to the debate, may I ask that the law to amend The Health Practice Law (Amendment) be given a Second Reading.

The Speaker: Before calling on the Honourable Minister of Health to speak to the Bill, I would like to mention that I have indeed received apologies from the Honourable Minister of Education, Human Resources and Culture, the Second Elected Member for Cayman Brac and Little Cayman and the Third Elected Member for Bodden Town whose aunt, I understand, has passed away. We would like to publicly extend to him our very deepest sympathies.

The Honourable Minister of Health Services continuing.

Hon. Gilbert A. McLean: Thank you, Mr. Speaker.

I acknowledge that it took longer than anticipated to establish the necessary infrastructure to make The Health Practice Law, 2002 operational, but I am pleased to inform Members of this Honourable House that the Law came into effect on 1 June 2004.

This Law provides a more flexible and encompassing legal structure than before.

The new framework allows the Minister of Health Services to ensure that public health is protected through more detailed and sophisticated regulation of health professionals and institutions in which health services are provided.

Members will be aware that a Health Insurance Commission has also been established under the Ministry of Health Services.

The Health Practice Law, 2002 also allows for the establishment of a Health Commission.

In order to avoid a possible confusion by establishing another Commission, the Bill before the House seeks to change the name of the Health Commission to the Health Practice Commission. The functions of this Commission are different from those of the Health Insurance Commission. If passed as the Health Practice Commission, the role is to advise the Minister of Health on policy relating to health practice in the Islands and to provide guidance and monitor the performance of four separate, professional councils. Namely, the Medical and Dental Council, the Nursing and Midwifery Council, the Pharmacy Council and the Council for Professions Allied with Medicine.

Each of the four councils is responsible for ensuring that only properly qualified and experienced health professionals are permitted to provide health services in the Cayman Islands. They also provide continuing education and ensure that proper, professional conduct is maintained.

The Health Practice Commission will also advise the Director of Planning on applications for the development of health care facilities and oversee the certification and inspection of these facilities.

A well-informed public is a crucial element in helping to control the cost of health care in these Islands. Prior to receiving treatment, it is reasonable to say that a person should know the fees their doctor charges for health care services, the amount their insurance company will reimburse the practitioner and what portion the patient would be responsible for paying.

To facilitate this, Clause 4 of the Bill would amend Section 10 of The Health Practice Law, 2002 to state that the manager of a health care facility should display—instead of provide upon request—a

list of fees charged by the facility for all health services provided there.

Mr. Speaker, I bring to the attention of this Honourable House that the Cayman Islands Medical and Dental Association have, for almost a year, published what they see as their usual customary and reasonable fees in Current Procedural Terminology (CPT) coded form. Therefore, I am not talking about something that is strange nor am I attempting to invent the wheel in this regard. It would simply mean that instead of a patient having to ask what the fees are, the medical professional would have the fees in a booklet form and the patient can see exactly what his/her doctor is charging for a particular procedure.

The Bill also contains miscellaneous amendments to the Schedule. For example, in Clause 6 it lists medical technologist as a separate profession from medical laboratory technicians under Schedule 6, as these are two separate categories of laboratory personnel.

When I began I said that this is a very short amending Bill, simply an attempt to clarify a few areas in the Law. As such, I recommend them to Honourable Members.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? If not, does the Honourable Deputy Leader of Government Business wish to exercise his right of reply?

Hon. Gilbert A. McLean: Mr. Speaker, just to thank Honourable Members for their tacit approval of these amendments.

The Speaker: The question is that a Bill shortly entitled The Health Practice (Amendment) Bill, 2003 be given a second reading. The reason that I mentioned that it should be 2003 is that we are still into the 2003 Session, and the 2004-2005 Session will commence with the opening of the House with the Governor's Throne Speech.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Health Practice (Amendment) Bill, 2003 read a second time.

The Health Insurance (Amendment) Bill, 2003

The Speaker: The Honourable Minister of Health Services.

Hon. Gilbert A. McLean: Mr. Speaker, this Bill is also an amending Bill and it proposes to amend The Health Insurance Law (2003 Revision) to effect miscellaneous amendments relating to health insurance contracts.

Clause 1 of the Bill provides for the short title.

Clause 2, among other things, amends Section 2 of the principal Law to redefine the term "spouse" as a Caymanian or a person entitled to reside in the Islands in accordance with the Immigration Law 2003.

Clause 3 inserts into the principal Law a new Section 2(a), making it an offence for a person other than an approved insurer, to issue a contract of health insurance, to provide insurance coverage in respect of health care benefits relating to a person resident in the Islands.

Clause 4 amends Section 3 of the principal Law to provide an age limitation in respect of a seaman applying for health insurance.

Clause 5 repeals and replaces Section 11 of the Principal Law to enable a person to conclude with an insurer, in addition to a standard health insurance contract—contracts 1 to 4—any other contract of health insurance providing for supplemental health care benefits that are greater than those contained in a standard health insurance contract. The term "supplemental health care benefits" means -

(a) dental benefits;

(b) vision benefits; and

(c) alternative medicine benefits.

Clause 6 amends Section 14(a) of the principal Law to delete the requirement for the Commission to publish, in the Gazette, health benefit fees charged by health care facilities and medical practitioners.

Mr. Speaker, this was an oversight when the Law was first passed because it was never the intention that medical practitioner's fees would be published in the Gazette. What will be published in the Gazette are the usual customary and reasonable fees, which will be determined by The Health Insurance Commission, after receiving the fees from the various medical practitioners and an actuarial study is done to determine what can be accepted nationally as the usual customary and reasonable fee.

Clause 7 repeals and replaces Section (15) of the Principal Law to require a person providing medical care to submit his claim for recovery of a sum due in respect of the medical care, not later than one hundred and eighty days after the medical care has been provided - unless there is a good excuse.

Clause 8 corrects a clerical error.

Clause 9 contains savings provisions that preserve the existing rights of a non-Caymanian or non-resident spouse who is currently covered under a contract of health insurance. By virtue of the clause, that spouse will continue to be treated as a spouse, for the purposes of the new Law, and will continue to be covered by that contract of health insurance, until the expiry of the contract of health insurance.

Mr. Speaker, those are the amendments proposed in this amending Bill, and as such, they are before this Honourable House for it to express its will.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak?

The Honourable Leader of the Opposition and First Elected Member for George Town.

Hon. D. Kurt Tibbetts: Mr. Speaker, these amendments will bring about improvements to the Law itself and the effect of the operations of the providers and those who are insured.

There are a couple of points which I wish to raise while my colleagues are digesting what the Honourable Minister has said in his presentation. For me it is a bit of confusion when we speak to an approved provider. In the main law there is reference to an approved provider and there is a definition for that. However, in the amending Bill, Section 3 says that the principal Law is amended by inserting after Section 2 the following section, which is Section 2A. This section reads: **"2A (1) No person carrying on business in or from within the Islands, other than an approved insurer, shall issue a contract of health insurance to provide insurance cover in respect of health care benefits relating to a person resident in the Islands."**

Subsection (2) reads: **"(2) Any person who contravenes subsection (1) is guilty of an offence and liable on summary conviction to a fine of twenty thousand dollars and to imprisonment for one year, and in the case of a continuing offence to a fine of one thousand dollars for each day during which the offence continues."**

Others may not, but I question the absolute clarity of this. I wonder if there are individuals or institutions within the Islands who, for one reason or the other, may have access to health insurance provided from entities outside the country. I do not know if that is the case. I do not know how many instances there are, but we speak to an approved provider in the main Law and the definition "approved provider" means an insurer licensed under the Insurance Law 2003 (Revision) as a class 'A' insurer and approved by the Authority to provide standard health insurance contracts. Obviously, an approved insurer is one who has to be licensed locally by the authorities.

The new section 2(A) speaks to anyone carrying on business in or from within the Islands. My question is, if it is a case that there are individuals or entities who are now being insured, or who have access to being insured through entities that do not have a class A insurers license, what does that do for that situation?

If we look back on the Health Insurance Amendment Regulations, which we dealt with yesterday, I directed the House to part 3, on page 10 of the Health Insurance Amendment Regulations. Part 3 deals with part benefits which may be excluded under a standard health insurance contract. The second line says that "benefits will not be provided in connection with". It simply and clearly states that benefits will not be provided in connection with a list of things. That long list includes dental and treatment for visual deficiencies, etcetera.

In the new Bill, under the Memorandum of Objects and Reasons, we have: **"Clause 5 repeals and replaces section 11 of the principal Law to enable a person to conclude with an insurer, in addition to a standard health insurance contract, any other contract of health insurance providing for supplemental health care benefits that are in addition to those contained in a standard health insurance contract. The term "supplemental health care benefits" means -**

(a) dental benefits;
(b) vision benefits; and
(c) alternative medicine benefits."

The regulations state that benefits will not be provided in connection with a standard health insurance contract and it includes those three benefits that were just mentioned.

The amendments to the Law says, **"Notwithstanding section 3, nothing in this Law shall be construed as preventing any person from concluding with any approved insurer, in addition to a standard health insurance contract, any other contract of health insurance providing for himself ..."**

When we speak to a standard health insurance contract and an insurance company providing these options, as I know, to date there are no separate policies/contracts. Therefore, we need to understand whether these benefits that can be negotiated have to be done as a separate contract or as an addition to the standard contract. If we have to go into a separate contractual arrangement, then I guess the world is going to have to live with it. However, I would suspect that would be more cumbersome than one would want it.

If you have standard contracts and they exclude certain things, you want the ability to allow the person who is to be insured to pay the extra amounts. After they are told what the amounts are, one would think they should be allowed to be able to add these benefits to that contract. What we are asking is how far do we have to separate the ability to have additional benefits once the adjustments on the premium are accepted by both parties and contracted for? Do we have to deal with separate issues or do we simply have an addendum or addition to that contract.

I bring this up because (without going into the details), there are four contracts listed as the standard health insurance contracts. Each one is incremental in the coverage that it provides, and obviously, it will be incremental in the premium that it will attract. With the four contracts having separate benefits and premiums, we look to the repealed section 11 being looked at in this Bill, and the new section 11 being substituted. The new one simply says, **"Notwithstanding section 3, nothing in this Law shall be construed as preventing any person from concluding with any approved insurer, in addition to a standard**

health insurance contract, any other contract of health insurance providing for himself, his employees, his spouse or his children supplemental health care benefits that are in addition to those contained in a standard health insurance contract..." I am reading from page 7 of the new Health Insurance Amendment Bill, section 5 which speaks to repealing the existing section 7 of the Law and substituting the following section.

Are we saying that these additional benefits being proposed in the Bill speaks to these additional benefits as if none of them are included in any of the four contracts? If we pick up any one of these four contracts and we have the additional benefits — which an employer or employee, or whatever entity it is, wishes to have and is prepared to pay the additional premium — do we have to speak to a separate contract? Do we have the ability to adjust whichever one of those four existing contracts we have with whatever additional benefits there are?

As I see it, unless methodology does not call for that to happen, if you have two separate contracts you must attract two separate premiums which will double the administrative work. Claims will have to be made under two separate contracts and the like. When we speak to those kinds of numbers in the health insurance industry, if we are talking about fifteen thousand contracts, we go this route and add another six or eight thousand contracts to it, there has to be a tale told in the administrative cost of this. So, while it may not seem an important point, we are looking at the possibility of huge numbers.

Therefore, I ask the Minister to clarify the point. Are we physically speaking of a new contract from the insurer to the insured for these additional benefits? Will it be the case that whichever one of the four standard contracts a person has from an insurer, can any additional benefits not included in the original contract be added or are we dealing with a separate contract?

The way it is worded tells me it would have to be a separate contract. I say there must be a way to conclude business without having to go that route. It will certainly add a huge, administrative load to the entire process with the policies themselves, the regular premiums, the claims and the payments from A-Z in the entire process.

Those were the main points that I found when looking at the Bill. These are certainly not points which cause us to not want to support the Bill, but they are points which we raise because we believe that they should be examined prior to final passage.

It is possible that some of my colleagues may have some other points, but certainly they will have the opportunity to raise those before the Minister replies. Presently, those are my two main points, and I hope that the Minister can address them prior to us voting on the Bill.

Thank you.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? If not, would the Honourable Minister for Health Services wish to exercise his right of reply?

Hon. Gilbert A. McLean: Thank you, Mr. Speaker.

Firstly, I wish to thank the Member who spoke and raised the points which he did.

The first point I would like to clarify is that there are persons on the Island who had prior coverage/insurance before coming to the Cayman Islands which they chose to keep. The amendments here attempt to ensure that all insurance companies and insurance providers are regulated within the Island. Therefore, the Health Insurance Commission is able to carry out the function and see what the companies are doing.

The reason it is necessary to clearly define an approved provider is because certain smart aleck insurance companies in our country said, and indeed committed to writing, that they were not regulated by the Health Insurance Commission. They were a 'Class A' insurance company and saw themselves as outside the regulatory Health Insurance Commission. Therefore, they could charge whatever price they wanted and offer whatever contracts of insurance they pleased. The whole issue was that they were attempting to say they were licensed by the Cayman Islands Monetary Authority so they were not under the Health Insurance Commission.

The Law, even as it originally stood, stated that to be a health insurance company you had to offer the basic package. Therefore, from the time they were offering the first basic package, as it was called, it put them under the regulatory function of the Health Insurance Commission. They offered health insurance and the only contract that was prescribed in the Law was the basic package. However, they tried to say they were not and they saw that as a loop hole to do as they chose. This definition offers assurance that there is no more doubt and that all companies offering health insurance in the Cayman Islands are regulated by the Health Insurance Commission.

The other point raised by the Honourable Leader of the Opposition was if supplemental insurance would be in addition to the contracts. The answer to that is yes. The reason is because the actuarial calculations have been done using the four contracts as set out in the regulations, and in that way, the Health Insurance Commission is able to see what is happening with premiums and what is happening across the board. It levels the playing field in that regard, but it does not hinder a person from contracting for additional coverage for dental, vision and alternative medicine under a separate contract.

I have seen examples of it during discussions with some of the administrators from Baptist Hospital, where even though they have what might be termed "basic coverage", if they want vision and dental it is approximately $15 extra in one instance and $10 in

another. It was a supplemental add-on to the basic medical coverage they had.

It is not that it is something unusual, but this would be something negotiated with the Health Insurance Providers over and above contracts, at least, 2, 3, and 4. The Member rightly pointed out that in Contract 1 there is a whole list of exclusions which say "it shall not be", but it is specific to that particular contract.

Mr. Speaker, these amendments, again, are an attempt to clarify, correct and plug certain loopholes that have come to light for the Health Insurance Commission in the past months. I have no doubt that the clever people who offer health insurance will find other loopholes. In turn, the Government will have to respond in the best way it can to make sure that it is entirely transparent to both the company, the insured person and those who deliver healthcare. That is what these few amendments attempt to do.

Thank you, Sir.

The Speaker: The question is that a Bill shortly entitled "The Health Insurance Amendment Bill, 2003" be given a second reading. All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it. The Health Insurance Amendment Bill, 2003 has been given a Second Reading.

Agreed. The Health Insurance (Amendment) Bill 2003 read a second time.

The Roads (Amendment) Bill, 2003

The Speaker: The Honourable Minister for Roads.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to move the Second Reading of a Bill to amend the Roads Law (2002 Revision) for the purpose of abolishing the Highway Authority and transferring its powers to the National Roads Authority and for incidental and connected purposes.

The Speaker: Does the Honourable Mover wish to speak thereto?

Hon. Gilbert A. McLean: Yes, Mr. Speaker.

Again, Mr. Speaker, this is what we could term "consequential amendments" due to having the National Roads Authority approved yesterday. In very brief summary, the Roads (Amendment) Bill, 2003 seeks to amend the Roads Law (2002 Revision) for the purpose of abolishing the Highway Authority and transferring its powers to the National Roads Authority.

There is a recurring amendment in the Bill that refers to decisions made by the Governor changing to include the requirement to act on the recommendations of the National Road Authority. There is a new section, as well, included in the Bill that provides for the enforcement of standards for private roads. It also provides for the option of owners of existing, as well as future, private roads to carry out work at their own cost, in order to meet minimum standards.

Mr. Speaker, the Bill before this Honourable House makes it possible to effect the transition from a Highway Authority to a National Roads Authority, and as such, I recommend it to Honourable Members.

The Speaker: Does any other Member wish to speak?

The Honourable Leader of the Opposition and First Elected Member for George Town.

Hon. D. Kurt Tibbetts: Thank you, Sir.

As the Minister has intimated, the main purpose of the Roads (Amendment) Bill, 2003 is to amend the Roads Law (2000 Revision) for the purpose of abolishing the Highway Authority and transferring its powers to the National Roads Authority. To this end, we are in full agreement with the Bill. In fact, as we read the Bill, we move straight through from section 1 thru section 15 of the Bill. We see, as the Minister has said, it is simply a matter of consequential amendments substituting the words "Road Authority" for Highway Authority.

However, we have a huge problem with the section the Honourable Minister just mentioned in the last part of his delivery. He really added it as just another consequential amendment. As the Bill reads now, the Opposition cannot support the Bill, and I will explain why.

Mr. Speaker, section 16 reads, with your permission, Sir; "**The principal Law is amended by inserting, after section 18, the following section – "** which speaks to, as the marginal note refers, **"Enforcement of standards for private roads."** Mr. Speaker, the very first sentence of the new section **18A. (1) "This section applies to all private roads whether constructed before or after the date of commencement of this Law."** So, this Bill speaks to every existing private road and those to come. Mr. Speaker, draconian is not the right word for this; we have to try to invent another word in the Queens English if this Bill is going to remain as it is.

Mr. Speaker, besides proposing retroactive legislation, it is going to be physically impossible and it will create the type of hardships that are unbearable, in many instances, for existing private roads. Many existing private roads are not the roads owned by the rich and famous, who close them off once a year with a gateway or a piece of chain running across to keep it private, with proper dimensions and so on. Many private roads that are still block and parcel with the names of individuals attached to them are roads for families who live close to each other; family land being allowed to be subdivided without the width

or the level of construction of the road that is required by law today.

Mr. Speaker, people have built houses, built their fences and have done all sorts of things that this would disrupt. I am absolutely certain, in my mind, that somebody did not realise what they were doing when they crafted the Law in this manner. Now, Mr. Speaker, we would totally agree that, from hereon in, this is the way it has to be and these are the standards that have to be set.

When we move to section 17 of the Bill and it says that "**The principal Law is amended in section 19 as follows –** [and we go to subsection] **(b) by inserting, after paragraph (e) the following paragraph - "(ea) "prescribing standards for the dimensions, design, maintenance, and improvement of private roads with a view to ensuring the safety of persons using these roads."**

Mr. Speaker, I wonder if anybody stopped to think that if this is allowed to pass in this manner, what chaos there will be in the outer world, outside of these Chambers in which we would have participated. Mr. Speaker, in those instances, it is not a question of whether we want the roads to be like the other roads. That is wishful thinking and it would be wonderful if it could happen, but in many instances, physically to make it happen is impossible. We could go, perhaps, a half mile from these precincts and prove that. We could go into every single district throughout these Islands and prove that. My colleagues and I are not going to go down in history participating in that.

So, Mr. Speaker, we are all for the amendments, we are all for the new section 17 which will allow for the prescribing of standards for private roads. However, you see, Mr. Speaker, whoever did it knew, and that is why it is so shocking. Everything that reads after what I read earlier tells you how they are going to do it too. With your permission, Mr. Speaker, allow me to refer to the new subsection 3 to really make the point and then I will conclude.

The new 18(a) subsection 2 reads, **"Where the dimensions"**, now this is after 1, and I will just read all of them in sequence together again so that we all gather the picture. The new 18(a) subsection 1 reads, **"This section applies to all private roads whether constructed before or after the date of commencement of this Law."** subsection 2 reads, **"Where the dimensions and design of a private road do not conform to the standards prescribed by regulations made under section 19(e)(a)"** which is what I just read a minute ago, **"the owner of the private road shall, after receiving a notice thereof in writing from the Roads Authority, forthwith at his own cost carry out road works on the private road to secure compliance with the regulations and in the event of non-compliance with such a notice by the owner, the Roads Authority may cause road works to be carried out on the private road in such a manner as the Authority may think fit to secure compliance with the regulations."**

Subsection (3) goes on to read, **"Where the Roads Authority causes roadwork to be carried out on a private road under subsection 2 (a) the Roads Authority may, without giving notice authorize any persons to enter upon any private road for the purpose of causing the road works to be carried out; and (b) neither the Roads Authority nor any person authorized by the Authority shall be liable for any damage occasioned by the road works unless the same is caused by such persons' wilful neglect or default; and (c) the cost of the road works shall be defrayed by the owner of the private road** [and to bring in the Honourable Second Official Member into it too] **and shall be recoverable as a civil debt without prejudice to the penal and civil liabilities of the owner of the private road."**

Subsection (4) reads, **"The powers conferred by subsections 2 and 3 are in addition to and not in derogation of the powers conferred upon the CPA to enforce planning control under section 21 of the Development and Planning Law (1999 Revision)."**

So Mr. Speaker, why I said that however this was crafted was in line with retrospective legislation is because what I just read is not something with which we would disagree. If the Law read so people knew that and they built a private road that did not conform to the standards, it has in here that the powers conferred by subsections 2 and 3 are in addition to and not in derogation of. What it means is that when they go through the planning process, these conditions for the construction of private roads are going to have to be added to the approval criteria for the individual or entity. The Roads Section of the Public Works (upon approval the National Roads Authority), I am certain will have their association with the Central Planning Authority just like the Fire Service does and the other agencies. These agencies make up part of the conditions of approval of any type of development, whether it is a road or house or whatever.

Therefore, Mr. Speaker, when we speak to any new private roads and these conditions having to be met, we do not have a problem with that. However, I will make a comparison, and I will say that if we approve this piece of legislation as it is worded, it would be the same thing as approving a new piece of legislation under the Planning Law to say that every single home in the Cayman Islands must be a minimum of 1,500 square feet. It would be a similar situation, so that means every single home that is less than 1,500 square feet, in the Cayman Islands, would have to be increased to 1,500 square feet. The reason why majority of the people who own a home less than 1,500 square is because they cannot afford one that is more. Mr. Speaker, I am absolutely certain that my point is made. I rest my case, and we await the verdict.

Thank you.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak?

The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker.

We were hoping that we would have had some sort of response from the Government and their supporting Backbench, but it looks that they have left the Honourable Minister to deal with this one on his own. Mr. Speaker, I just wish to add my voice to that of the Honourable Leader of the Opposition in relation to this whole question of private roads, their state and their upkeep. This whole question about private roads is one that has plagued the Country for many, many years and Government does have a very difficult situation, quite a dilemma I should say, in relation to how we cope with private roads. Over the course of the development of this Country, particularly over the course of the last 30 years, and the growth of subdivisions, roads were permitted to be put in during the early days to very minimum standards, if any standards at all. Once the developer had reaped his profit from it they tended to walk away from the subdivisions, leaving the roads, which had been built to not very high standards in the first place, to fall into a state of disrepair.

Government then is plagued by complaints from those who live and use those roads and eventually Government is called upon to do what Government always has to do. That is, to step in, fix what has gone wrong, bring the roads up to standard and then usually the roads become gazetted, (probably before they are actually repaired) then become public roads. So, we do understand the dilemma of Government under situations like this, but as the Honourable Leader of the Opposition has said, we believe that what is being proposed now is radical and draconian. It will cause tremendous problems, hardships to many individuals and impractical in some respects.

There are many private roads which have perhaps one, maybe two, houses on the road or adjacent to the road. In other instances, you are going to find situations where the road is still in the Land Registry with a block and parcel number registered in the developer's name but the developer is long gone. He no longer has any interest in the property and this would require him now to bring that road up to the new standards. Failing that, the Authority will step in, have it done, and send him a bill. If he does not pay it, then the amounts owed are recoverable as a civil debt.

Mr. Speaker, that is impractical because it seeks to impose, retroactively, a responsibility and a liability which was not otherwise there. I am afraid, Mr. Speaker, that while Government is still going to have to negotiate this very difficult issue of what should be the standards of private roads in the future, I think that we are going to have to take stock of what exists now. An assessment is going to have to be made about the standards of those roads. Government cannot seek to impose on the people who live on those roads or the developers of those roads, responsibility now to bring them up to what are the modern standards and expect them to bear that cost. That is simply not going to be acceptable, Mr. Speaker, and as the Leader of the Opposition has said, we cannot support the Bill which seeks to impose that retroactive burden on developers or persons who are responsible for the upkeep of private roads.

Now, as to the future, Mr. Speaker, again we are met all the time by persons who are seeking to develop subdivisions and we are not talking about the big subdivisions or the gated communities which are in vogue in some parts of this Country. However, subdivisions of property which is family owned or owned by, shall I say, ordinary people who propose anywhere from six to two dozen lots in a particular subdivision.

The dilemma of Government is what sort of road standards ought to be required for the smaller subdivisions. I understand that very well, given what has happened in the past with the insistence of roads being paved with barba grain and then asphalt concrete. The mandate was that it be 30 feet wide, road reserves to allow for the Water Authority, CUC, Cable & Wireless and all those things. We appreciate that, but the result of having to meet these requirements in relation to these smaller subdivisions is that it significantly drives up the cost of the lot to a point where either the development is unviable or the lots are so expensive that the average person cannot buy them.

I believe that some sort of medium has got to be reached where we do not place unnecessary, financial burdens on developers of smaller size subdivisions whose principal market for those lots would be the local population. Since we are getting to a point in this Country where the average person finds just the purchase of a lot of land out of their reach that is not in the overall interest of the Country and is certainly not in the best interest of the native people of this Country. So, that is a dilemma I know that has to be faced and there is no easy answer to it. That perhaps, is an argument for another day, but certainly in relation to existing private roads, these provisions that are proposed in section 18(a) of this amending Bill are retroactive in nature; they will have tremendous financial impact on the persons responsible for those private roads and they are impractical in many respects.

I just wish to lend my voice to that of the Honourable Leader of the Opposition to say that in this form, the Opposition cannot and will not support this Bill. I urge the Honourable Minister to take steps to try to mitigate the harshness of this provision. We understand what they are seeking to achieve, but this is really going much too far and is bound to cause great hardship. I believe in the short run, let alone the long run, the Honourable Minister is going to be met

with a tremendous outcry from the persons to whom this will affect. I would urge him and the Government to reconsider this provision and let us see if we can remould it in a way that the Opposition can support what is otherwise a commendable effort by the Government to place the National Roads Authority and the whole question of roads on a correct and appropriate footing.

I thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? If not, would the Honourable Deputy Leader of Government Business and Minister for Works wish to exercise his right of reply?

Hon. Gilbert A. McLean: Thank you, Mr. Speaker.

Mr. Speaker, I think the Second Elected Member for George Town, who just spoke, did a sufficient job of explaining the national situation in regards to private roadways on the Island and in subdivisions particularly.

The Cayman Islands Government has spent millions of dollars and it must continue to spend millions of dollars to fix the roads in old subdivisions in the Cayman Islands. It was never the intention of the Government, me or the Ministry, to create anything in this Law which would cause an impossibility or a hardship for people who are living in some of the older subdivisions I can think, which are many. In fact, in the eastern districts most of the subdivisions were built in the mid 70's and a before; most of them have been there for many, many years. To attempt to apply, retroactively, the requirements here would indeed create a hardship, and I can assure the Members raising this, and all the Members of this House, that for the words in 18(a) "whether" and the words before "and" "or", I have requested legal drafting to remove them and they will come as an amendment to this Bill.

Mr. Speaker, such was not intended, but I think that debate is always good. I believe that it makes a whole lot of sense. Like the tree that withstands the hurricane-force wind, you can bend with it because if you stand too unbending, then the hurricane breaks the tree, the Government is willing to do what is right where good cause is clearly seen and shown.

I must say that the retroactive aspect of this really slipped by me until this moment in time. As you know, Mr. Speaker, a Minister does not get the chance to read word-for-word every single piece of legislation that comes here. However, that is where the opposition came in and I think they did an excellent job this morning. I in turn did an excellent job in responding to remove the offending clause.

Mr. Speaker, I will also be asking to add a phrase under section 18 of the Amending Bill on page 11, 18(a)(ca) which reads **"owns a private road"**. I will ask legal drafting to insert the words "**constructed after the date of commencement of this law",** so it is absolutely clear what the law is speaking to. Mr. Speaker, the Honourable Member should be aware that it is only right to bring water to some of these older subdivisions and for Government to correct these roads because the people who built these subdivisions 25 – 30 years ago are no longer around. A lot of them have left this Island while the road is there and the people who are living on it are the ones who have to deal with it.

Hon. D. Kurt Tibbetts: Or left this earth.

Hon. Gilbert A. McLean: Or left this earth. It will be something which Government will have to look to do over the long term. It will be an expense to Government because many of the people who were able to buy those subdivisions those days, even though they have lived through and built their houses and so on, would not necessarily be financially able to pay now even to have the roadwork which would pass the frontage of their homes. So, these are just realities we have to be aware of and understand that that is one other beckoning cost to Government in the future.

One of the things I believe, Mr. Speaker, that we need to do – and it is certainly something that I have spoken with the Chief Engineer about – was also something eluded to by the Second Elected Member from George Town. The cost of roads in subdivisions, if we make the requirements so incredibly high, (particularly the hot mix part of it) the largest cost in buying a lot of land can be paying for the road. The paving with hot mix has zoomed off somewhere into outer space in terms of cost, so this is a reality that we have to look at and I have spoken with the Chief Engineer in this regard. I believe that there is scope for looking at where there are small subdivisions of, say, six lots or thereabouts and it should be sufficient to have two coats of "spray and chip", as it is called, or bitumen surface dressing. Mr. Speaker, you would certainly understand what I am talking about, and I think most Members do. The larger, more upscale subdivisions with more lots will have more traffic so those should require hot mix asphalt.

These are realities, Mr. Speaker, that I believe really need to be addressed. That is something which I will certainly be putting recommending to Government, that we can set standards along those lines as a policy so that it is adequate to the need.

Mr. Speaker, having addressed those points, I think that we can take comfort that this Bill is simply trying to tidy up and correct the consequential amendments which were needed due to the fact that we have passed the National Roads Authority. I thank Members for their participation in the debate process and I recommend it to this Honourable House.

The Speaker: The question is that a Bill shortly entitled The Roads (Amendment) Bill, 2003 be given a second reading.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Roads (Amendment) Bill 2003 read a second time.

The Endangered Species (Trade and Transport) Bill, 2003

The Speaker: The Honourable Leader of Government Business and Minister for the Environment.

Hon. W. McKeeva Bush: Thank you, Mr. Speaker.

Mr. Speaker, I move a Bill for a law to give effect to the Provisions of the Convention on International Trade and Endangered Species of wild fauna and flora, commonly called CITES, to help conserve wild populations of endangered and threatened species of animals and plants by controlling trade, transport, and related activities in designated species and in products derived from them and for incidental and connected purposes.

The Speaker: Does the Honourable Minister wish to speak thereto?

Hon. W. McKeeva Bush: Thank you, Mr. Speaker.

Mr. Speaker, it is a pleasure to introduce to this Honourable House the Endangered Species (Trade and Transport) Bill, (2003), which seeks to give effect to the provisions of the Convention on International Trade in Endangered Species of flora and fauna and help conserve wild populations of endangered and threatened species of animals and plants. The Convention on international trade in endangered species of wild fauna and flora is an international agreement between governments. Its aim is to ensure that international trade in specimens of wild animals and plants does not threaten their survival.

The provisions of CITES, Mr. Speaker, were extended to the Cayman Islands in 1976 and I remember well that it caused a furore in the Country affecting, probably even before or by 1978, the trade of the Turtle Farm. This Bill, Mr. Speaker, has been published in White Paper form for the past two years. We tabled it two years ago in 2002 so that, Mr. Speaker, Members would have sufficient time to understand the parameters and the intentions of this piece of legislation.

Mr. Speaker, although the Cayman Islands have been party to CITES for almost 30 years, I believe that the public's knowledge of the Convention and how it works is limited. I therefore believe that it would be useful to provide information on CITES and how it works.

CITES works by subjecting international trade and specimens of selected species to certain controls. These require that all import/export or re-export and introduction from the sea of species covered by the Convention have to be authorised through a licensing system. Re-export means the export of a specimen that was imported. The species covered by CITES are listed in three appendices according to the degree of protection they need.

Appendix 1 includes species threatened with extinction. Trade in specimens of these species is permitted only in exceptional circumstances. Species in this appendix can be found in Part 1, Column 1 of the Schedule of the Bill.

Appendix 2 includes species not necessarily threatened with extinction, but in which trade must be controlled in order to avoid utilization incompatible with their survival. Species in this appendix can be found in Part 1, Column 2 of the schedule of this Bill.

Appendix 3 contains species that are protected in at least one Country, which has asked other CITES parties for assistance in controlling the trade. Species in this appendix can be found in Part 1, Column 3 of the Schedule of the Bill.

Mr. Speaker, the Convention dictates that each party to the Convention must designate one or more management authorities in charge of administering the licensing system and one or more scientific authorities to advise them on the effects of trade on the status of the species. The Bill proposes that the Cayman Islands management authority will be the Permanent Secretary of the Ministry with responsibility for environmental matters, or such other person or persons as the Government in Cabinet may, from time to time, designate. The Cayman Islands scientific authority is proposed as a committee comprising the Director of the Department of Environment, the Chief Agricultural and Veterinary Officer, and three persons with relevant scientific or technical knowledge appointed by the Governor in Cabinet.

I would, at this time, Mr. Speaker, inform Honourable Members that I intend to bring a Committee Stage Amendment to Clause 5(1)(c) so that it continues to read, "three persons with relevant scientific or technical knowledge appointed by the Governor in Cabinet" and stop at that. That amendment, Mr. Speaker, should be circulated and they should have it by now.

Mr. Speaker, the Convention also stipulates that a specimen of a CITES-listed species may be imported into, or exported, or re-exported from a state party to the Convention only if the appropriate document has been obtained and presented for clearance at the port of entry or exit. There is some variation of the requirements from one country to another and it is also necessary, Mr. Speaker, to check on the national laws. However, the main conditions that apply for each appendix are described.

Appendix 1: Specimens. An import permit issued by the management authority of the State of

import is required. This may be issued only if the specimen is not to be used primarily for commercial purposes and if the import will be for purposes that are not detrimental to the survival of the species. In the case of a live animal or plant, the scientific authority must be satisfied that the proposed recipient is suitably equipped to house and care for it. An export permit or re-export certificate issued by the management authority of the State of export or re-export is also required and, Mr. Speaker, an export permit may be used or issued only if the specimen was legally obtained.

The trade will not be detrimental to the survival of the species, and an import permit has already been issued. A re-export certificate may be issued only if the specimen was imported in accordance with the provisions of the Convention and in the case of a live animal or plant, if an import permit has been issued. In the case of a live animal or plant, it must be prepared and shipped to minimize any risk of injury, damage to health or cruel treatment.

In Appendix 2: an export permit or re-export certificate issued by the management authority of the State of export or re-export is required. An export permit may be issued only if the specimen was legally obtained and if the export will not be detrimental to the survival of the species. A re-export certificate may be issued only if the specimen was imported in accordance with the Convention. In the case of a live animal or plant, it must be prepared and shipped to minimize any risk of injury, and no import permit is needed unless required by national law. In the case of specimens introduced from the sea, a certificate has to be issued by the management authority of the State into which the specimens are being brought for species listed in Appendix 1 or 2.

In the case of trade from a State that included the species in Appendix 3, an export permit issued by the management authority of that State is required. This may be issued only if the specimen was legally obtained in this case of a live animal or plant, if it will be prepared and shipped to minimize any risk or injury, damage to health or cruel treatment. In the case of export from any other State, a certificate of origin issued by the management authority is required. In the case of re-export, again a re-export certificate issued by the State is required.

The Convention requires parties to make certain exceptions to the general principles described, Mr. Speaker, notably in the following cases:

For specimens in transit or being transhipped;

For specimens that were required, before CITES provisions applied to them known as pre-convention specimens;

For specimens that are personal or household effects, as defined by the Convention;

For animals that were bred in captivity as defined by the Convention;

For plants that were propagated as defined by the convention;

For specimens that are designated for scientific research;

For animals or plants forming part of a travelling collection or exhibition, such as a circus.

When a specimen of a CITES-listed species is transferred between a country that is a party to CITES and a country that is not, the country that is a party may accept documentation equivalent to the permits and certificates described above. Clause 6 in this Bill, Mr. Speaker, sets out the permits and certificates required by the Cayman Islands.

Mr. Speaker, the passage of this Bill will result in the repeal of the current Cayman Islands CITES implementing legislation, The Endangered Species Protection and Propagation Law 1978, which was passed when CITES was first extended to the Cayman Islands. However, Mr. Speaker, the legislation is extremely out-of-date and out-of-step with the current provisions of the Convention. This has resulted in the CITES Secretariat assigning a Category 2 rating for the Cayman Islands legislation. That is, Mr. Speaker, legislation which does not meet all the requirements for the implementation of the Convention.

One of the main problems with the old legislation is that the original list of appendices of species subject to trade controls were embedded in the body of the law with no clear and responsive mechanism to give effect to changes in the appendices approved by parties to the Convention from time to time over the 29 years that the Convention has been in effect. This, Mr. Speaker, has meant that species such as black coral, hard corals, and queen conch that were added to Appendix 2 of CITES after 1978, have never been recognized in the Cayman Islands' legislation. In the past few years, this has caused a multitude of problems with visitors returning to their countries of residence in possession of CITES-controlled articles; black coral rings, conch shells, and so on, Mr. Speaker, without the proper documentation. This normally results in an encounter with Customs Officials and an unpleasant aftertaste of the Cayman vacation and so gives a situation that we do not wish to continue.

Mr. Speaker, section 36 of the new legislation provides a mechanism where the management authority may make changes to the appendices, whenever changes have been approved under the Convention. In addition, Mr. Speaker, section 6(3) of the Bill proposes to consider black coral jewellery, black coral sculptures, conch shells, and similar items as tourist souvenirs which will not require a CITES export permit. However, vendors of these items will have to be licensed by the Cayman Islands Management Authority and will be subject to the CITES importation requirements for any raw materials, as well as inventory controls and checks. In addition, Mr. Speaker, licensed vendors will be required to submit regular reports on sales of CITES-controlled items. The management authority will still be able to issue

CITES export permits for tourist souvenirs if they are requested. However, as is provided for in the implementation of the Convention, key tourism partner countries will be informed of our new CITES implementation methods when they become law, and it is expected that all of them will accept these new procedures.

Although the new law will require some extra work from souvenir vendors, Mr. Speaker, Government will be able to point to a well-regulated tourist souvenir trade and thereby deflect any international criticisms, which could, hypothetically, lead to the restrictions in the trade of these products. Mr. Speaker, aside from implementing the provisions of CITES, this new legislation will allow Government, for the first time, to be able to regulate the movement of species of fauna and flora between the three Cayman Islands. This will afford a greater degree of control over the conservation management of our unique endemic species like our Blue Iguana and the Cayman Parrot, as well as our many unique species of plants. This is important, Mr. Speaker.

Sometime ago, I saw some visitors who were removing all sorts of species of fauna and flora out of the Islands. It is a good thing the Department is as vigilant as it is because they were caught before they removed them. So, this legislation is necessary and timely.

In conclusion, the Bill has been a long time in coming and the Cayman Islands, as I said, needs this legislation in order to comply with the Convention on International Trade in Endangered Species of Flora and Fauna. That is one of several multi-environmental agreements that the United Kingdom has extended to the Cayman Islands and I commend this legislation, this Bill to the House and hope that all Members will support it.

Thank you very much, Mr. Speaker.

The Speaker: Does any other Member wish to speak?

The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker.

Mr. Speaker, I rise to offer some brief observations on the part of the Opposition in relation to this important Bill, which as the Honourable Minister has outlined, will give effect to the provisions of the Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES).

Mr. Speaker, it reminds us again of our obligations as members of the international community and of the fact that we are not so remote, as we once were, from the happenings on the world stage. We will not be permitted to operate in isolation, and the United Kingdom will continue to insist that its Overseas Territories, and in particular this Overseas Territory, complies with the UK's international obligations under various conventions and treaties.

Mr. Speaker, we have been aware in this jurisdiction, I think, of CITES and its various obligations and requirements for more than 30 years now. I think our relationship with CITES has, in the past, been somewhat controversial and adversarial. I noted that the Honourable Minister did not refer to the situation in relation to turtle products, which has been a bone of contention with CITES for many, many years. I wonder, Mr. Speaker, if the Minister could say, at the conclusion of his debate on this, whether we have made any progress, whatsoever, in relation to the marketing of captive-bred turtles or turtle products overseas. That, Mr. Speaker, I know has been an issue for a long, long, time.

We are quite capable of producing jewellery from turtle shells and other products from turtles in these Islands, but the problem has been that we have been unable to market them. As the Minister alluded to, this is also one category of souvenir which is swiftly confiscated if it enters, certainly, the United States. Notwithstanding the absence or the inability to market its jewellery overseas or even locally by persons who visit, the Turtle Farm has proved that it is a viable entity and it is an intricate part of the Cayman culture.

Consuming turtle meat goes back many generations and current generations enjoy it tremendously as well. However, it is a crying shame that manufacturing jewellery from the shells is limited given the inability of persons from overseas to take them back with them when they visit. So, I wonder if the Honourable Minister would address that and say whether any progress has been made or whether there is any possibility of any progress being made to convince the CITES authorities that these are, indeed, captive-bred animals and that they are now producing new generations of turtles from the captive-bred stock. These turtle products are in no way endangering the wild population. In fact, the Turtle Farm here releases thousands of young turtle hatchlings annually and is, in that way, restocking the wild population.

I know all of those arguments, Mr. Speaker, have been made many, many times in the past, but the arguments, I know, are as strong, perhaps stronger now than they were some years ago. Given our willingness demonstrated by acceptance of this Bill to give local effect to the provisions of CITES, I believe it is important that we continue to press for those sorts of concessions with CITES, to improve the viability of our Turtle Farm and its continued production of turtle products.

While it is well and good, and quite proper, for us to adopt the provisions of CITES, which deals with the transport and trade in endangered species, I believe that the greatest threat to our endangered species is not in their international trade and transport but by what we do or do not do in these Islands. Many of

our endangered species are being threatened simply by development and the indiscriminate destruction, in many instances, of their natural habitat. The destruction of the mangroves along the Western peninsula bear, I believe, stands as tragic testimony to what we have done to the natural habitat of many of the endangered species in these Islands.

Mr. Speaker, it has always been so with mankind, but I believe that given the sheer smallness of these Islands, we really need to concentrate far more on ensuring that we preserve large enough areas in the right places to ensure the continuance of our endemic species of fauna and flora. The whole question of the survival of marine life in these Islands is a major, major issue. The many reefs around these Islands are severely stressed by the number of persons who visit these Islands on a daily basis and who are attracted to the sea, the North Sound itself.

Therefore, we have this great dilemma, this great struggle to balance the need for us to continue to attract visitors to support the economy and to make Cayman a viable place for us to live. However, at the same time, we have to ensure that the very things that they come here to see (the very things that attracted them in the first place), are not destroyed in the whole process of allowing them to explore and experience the attractions, particularly the marine environment, that the unique Cayman environment offers.

That I believe is a great dilemma for us. We have not come close to addressing it, although we have the need, desire and the understandable insistence of the local population that they are permitted to enjoy what they believe to be their birthright.

There is a motion being brought by one of my colleagues, as we speak, which again highlights that particular dilemma. However, I believe, Mr. Speaker, that unless we as a people are able to step aside or step out of our own personal little boxes, look at the big picture and at the long term, the very future of these Islands and its ecology are going to be seriously compromised in the course of our lifetime. That is, those of us who are sitting in this Honourable House now, Mr. Speaker. Our grandchildren will, in many cases, simply read about and be told what a magnificent marine environment the Cayman Islands had.

I do not believe, Mr. Speaker, that this Government, or any previous government, has done enough to protect the ecology and promote awareness of its overall importance to the Cayman Islands as a whole. It is tremendously important for that sort of thing to be done. It is going to make a lot of people very unhappy. We are going to have to tell people that the North Sound simply cannot accommodate the sheer number of cruise ship visitors that are dumped in it on a daily basis. It is simply, Mr. Speaker, not sustainable.

So while we can come to this Honourable House and we can pass commendable bills such as the one before us which will give effect to the provisions of CITES, we are swiftly heading down the road where this will not be relevant to any of us in this Honourable House or in these Islands. That is, we will not have any endangered species for anybody to trade in or transport; they will all be gone. If the Honourable Minister wants to know what the relevance of what I am saying is to the Bill, that is the relevance.

I wanted to make those points and I wanted to assure this Honourable House that the Opposition is in complete support of the Bill, its objects and reasons. As well, I apprise this Honourable House that there are broader and more fundamental considerations we, as a country — and those of us in this Honourable House with responsibility for the passage of legislation and formulation of government policy in relation to conservation — need to bear in mind.

Mr. Speaker, with those short observations, I will conclude my contribution to the debate on this important Bill.

Thank you, sir.

The Speaker: Honourable Members, this might be a convenient time for us to take the luncheon break. I would ask all Members to reassemble at 2:30 pm.

Proceedings suspended at 12.48 pm

Proceedings resumed at 2.39 pm

The Speaker: Please be seated. Proceedings are resumed. The Endangered Species (Trade and Transport) Bill, 2003 is now before the House. Does any other Member wish to speak on it? Does any other Member wish to speak? Does any other Member wish to speak?

If not, may I call on the Honourable Leader or Government Business to exercise his right of reply?

Hon. W. McKeeva Bush: Thank you very much, Mr. Speaker.

Mr. Speaker, most times when people refuse to debate, it means that they cannot find anything to complain about, or they greatly support the matter before the House.

Mr. Speaker, there is no doubt that this is a good piece of vital legislation. I thought, well, what will the Opposition find wrong with it? As I thought, they never fail. They came prepared not to offer thanks to the Government or to the Department, but with tongue-in-cheek to throw cold water on the Government's effort and to raise a spectre of the ills of overdevelopment; not offering any alternative or solution as has been their *modus operandi*.

Mr. Speaker, the Opposition raised one point with regard to the trade in products of the Turtle Farm. Progress with the marketing of captive-bred turtle products will only be possible once the Cayman Turtle Farm is recognised and registered as a captive-breeding facility by parties to the Convention, that

is, the CITES Convention. When I say agreed by parties, that means agreed by all the countries thereto.

The last attempt to achieve registration was made at the last conference in Chile in 2003. At that point, we were informed and encouraged by the United Kingdom to put in our bid. What we had hoped would have been successful was not. While it came close on a vote in the plenary conference, they rejected our bid. Mr. Speaker, I do not know how much the United Kingdom did to convince other countries at the time to support us, but we did not get that support. Management of the Farm and the Government have now decided that the next attempt at registration will be in approximately four years, as is required, in order for the Farm and the CITES Management Authority to be as prepared as possible.

Mr. Speaker, this is a very tough situation. We have met the requirements, but every time we get to that point somehow the goalposts slip and they find an excuse not to support us. Cayman does not have a lot to bargain with, to put on the table and play with; therefore, while we get some support, we never seem to get enough. We all know that was a very viable aspect of the Turtle Farm, and we hear the suggestions to build our tourism. We are told by the European Countries and the UK to build sustainable tourism. Yet, here we are with the Turtle Farm now raising or breeding in captivity, and they still refuse to recognise us. There is nothing much we can do but what we have always done—present an appropriate and factual case. Then we will have to see if we can get the support of other nations. We are actively working and preparing and we have another four years for that.

They said, Mr. Speaker, the Opposition came prepared to throw cold water, with tongue-in-cheek, and to raise the spectre of the ills of overdevelopment. I wondered what they were going to say. While the Member claims that the Government is not doing anything on this matter of protection, well, we are bringing the law, even if we are not doing anything else.

Mr. Speaker, do you know what has happened to the Cayman Islands? We have too many people that believe that they know it all, and sometimes a practical situation is better than science. I have always espoused a policy that is balanced between the environment and development. When taking over that part of my Ministry, I did not just talk…we did some things. If the Second Elected Member from George Town was paying attention to what is happening, rather than creating stories where he thinks he can smear peoples' names, then he would understand what the Government is doing.

Mr. Speaker, some time ago we published the National Environmental Policy, the first one for the Country. Allow me to read some of it just to refresh their memories, although they should have this in their arsenal somewhere.

It says that:

(1) To manage the human use of the natural environment of the Cayman Islands so that it yields the greatest continuous benefit to present generations while maintaining its potential to meet the needs and aspirations of future generations;

(2) To integrate consideration of the conservation and sustainable use of the natural environment into national physical and economic development planning and, in so doing, to aim for solutions which benefit both the environment and development and;

(3) To promote the protection of ecologically critical terrestrial marine and coastal areas and preserve essential habitat for the flora and fauna of the Cayman Islands. To effectively implement obligations under the multilateral environmental agreements extended to the Cayman Islands and to continue to cooperate with and contribute to regional conservation initiatives.

To seek expert advice and consult openly with interested parties on decisions affecting the environment, and to enact legislation such as the National Conservation Law and the Endangered Species Trade and Transport Law to provide the necessary regulatory framework to adequately address current environmental issues and to help ensure that Cayman complies with its treaty obligations under a number of multilateral environmental agreements.

To establish a national system of protected areas starting with the creation of the Barkers National Park—which they have been criticizing the purchase of—to promote and support scientific research and monitoring programs aimed at addressing issues relevant to the sustainable use and management of the natural environment and resources of the Cayman Islands.

To formalise the requirement of environmental impact assessments in the developing/planning process.

To promote cross-sectorial consultation on development proposals within the public sector; encourage the use and development of green technologies; actively support the use of renewable sources of energy; conduct and support environmental awareness and public education programs; encourage involvement by the NGO's and voluntary organisations in matters of environmental conservation and general beautification of the Islands.

Mr. Speaker, following on from the development of this National Environmental Policy framework we have been trying to follow as closely as possible, we have this law before us now. We will bring the National Conservation Law which will follow on from this National Environmental Policy and it will address the many comments that the Second Elected Member from George Town made, including providing for the establishment of protected areas. However, I say that he came here tongue-in-cheek because he said that I have not done anything, nor did any other government.

His party has a motion before us where we have gone ahead and protected the marine life by putting a banned season on conchs. They have a motion before us to take that out and utilise the time when the moratorium is on and to allow five conchs per day to everybody who claims they are a traditional fisherman. Now I suppose they will tell us how that will work. I do not know, Mr. Speaker, how they are going to define them, whether it will be by a hat or what. As I said, they come here tongue-in-cheek. It only bears out the hypocrisy of the Opposition because every time that my friend from East End keeps mumbling over there to himself that he is going to fix me, I hope he can help me lose some weight!

Mr. Speaker, they like to chat, as he is doing, but they are so hypocritical that they forget where they are at times. Right in the same timeframe, in the same meeting, they are doing exactly the opposite of what he was complaining about.

Now let me get to this point, Mr. Speaker. As I said, I have always espoused the policy of balanced development. I know the period that we went through. I know the period when things were stopped from happening in this Country. Mr. Speaker, we want to protect the mangroves. There is nobody like me that likes to go in that part of Cayman, but you have to be sensible. You cannot eat mangrove steak! I am sorry! It has to be balanced.

When I took over the Environment I said that to the Director, and I said that to the Government. I campaigned on that which you will find in my manifesto! We all complained, if everyone recalls, about SafeHaven, Mr. Speaker. It was a big outcry. However, if you want to catch fish today, you go out to SafeHaven where they have cut into the North Sound; they cannot say it does not help fishing. As I said, I do not agree with that aspect of the science. If you go there you can catch fish when you could not do it before.

Now the Country, Mr. Speaker, is approximately 50 per cent swamp. What this Country has not done is diversified and spread out its development. They expected to put everything in George Town or everything on the Seven Mile Beach. Therefore, we did not move anywhere and everybody claims we are overdeveloped. We are not overdeveloped, Mr. Speaker, it is just the way we have planned over the years. I give every government credit in trying to do something, but simply put, every government had an opposition and every opposition did not agree with the Government.

Mr. Speaker, the Second Elected Member for George Town would happily be the first one to stop anything that is going on. I offer the analogy that the person who burns down the fire station is the one complaining on the sidewalks about '*what in the world is Government doing about a fire truck'*.

We have all had our share, but I thought we passed that stage, being as older as we all are, where we recognized that opposing for the sake of opposition and talking for the sake of talk has gotten us nowhere. All that has happened in these Islands is that we have gone back when we should have been full speed ahead. We should have had our entire infrastructure, but we listened to this one, we take advice from that one, and many times we fouled up. I have been part of it, Mr. Speaker, I have seen it. Thank God, I am older. I know what it takes to run the Country, even if the Member from East End does not.

Mr. V. Arden McLean: You do not know what I know.

Older and no wiser.

Hon. W. McKeeva Bush: Maybe.

Mr. Speaker, I have to laugh. He who knows and knows not. He knows not, should not be followed.

Mr. Speaker, they have not offered any solutions or alternatives regarding development, and they should recognise that yes, we have to have development, and I say good development. Thank God we are in a phase where, internationally, people have confidence in the country. We now have some good opportunities for good development, with good environmental policies and where everybody knows what they have to do when they come here; they can talk to the growth management board that has all the relevant civil-service entities. They know where they stand before they try to come here.

I think that is the stage that Cayman needs to be at. While we can criticise and talk about someone coming in not for Caymanians; if we allow them to come in and accept their dollars, then how can we criticise what they are doing?

Development; there is a need for it. It brings the jobs, pays peoples' bills, feeds the children, makes peoples' businesses grow and it pays our salaries because it gives Government revenue. Without it, the Country would die. I say that there is a need for a balance between the environment and the development. I do not think that there is any overdevelopment in Cayman. It is overdevelopment to the extent that we only have one George Town, one place where everybody congregates and does business, and only one main road throughout the Country. So it would seem that we are overdeveloped. We only have one dock. Mr. Speaker, I will not get into that aspect of the overcrowding of cruise ships because that is a pet peeve. When they do not have anything else to jump on, that is what they jump on.

So, the Bill is a good Bill. Mr. Speaker, the upcoming National Conservation Law will bring with it committee stage amendments. I do not think it will get here now (this month) but I intend to have it at the State Opening Meeting. I hope that the Opposition is going to support it rather than sit down or stand up with all their noise, clatter and clack, and offer good input and support for what will help us in the protected areas; what will help the marine environment and give guidelines to people coming here to develop. I believe

good development will help this Country in the long-term.

That is my position, Mr. Speaker. I thank all Members for their tacit support and otherwise.

The Speaker: The question is that a Bill shortly entitled The Endangered Species (Trade and Transport) Bill, 2003, be given a Second Reading.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it. The Endangered Species (Trade and Transport) Bill, 2003, has been given a second reading.

Agreed. The Endangered Species (Trade and Transport) Bill, 2003, read a second time.

The Speaker: Honourable Members, earlier this morning, when we reached Items 3 and 4, I did mention that due to official business, the Honourable Minister responsible for these items, the Honourable Minister for Planning, Communications, District Administration, and Information Technology was unavoidably absent. She has informed me that she is ready to take these Items at this point. So I propose to take Item 3, at this point.

Clerk.

PRESENTATION OF PAPERS AND OF REPORTS

Report & Recommendation of the Minister responsible for Lands on the Vesting of Crown Land Block 1D Parcel 47 to Armando Ebanks

The Speaker: The Honourable Minister for Planning.

Hon. Juliana Y. O'Connor-Connolly: Thank you, Mr. Speaker.

Mr. Speaker, I beg to lay on the Table of this Honourable House a report on the Crown Property that has been prepared in accordance with the requirements of the Government Vesting of Lands Law 1998 (Revision).

The Speaker: So ordered. Would the Honourable Minister wish to speak thereto?

Hon. Juliana Y. O'Connor-Connolly: Yes. Thank you, Mr. Speaker.

Mr. Speaker, I can confirm that as required by the relevant Law, the details of this land matter have been published in the Cayman Islands Gazette Issue Extraordinary No. 6 of 2004**,** dated on the 9th February this year**,** as well as in the *Caymanian Compass* on the 10th February, 2004. Also**,** as required by the said Law, three valuations have been carried out on this subject property. Each valuation report forms part of the overall report and provides a general indication of the value of the property that Government now proposes to vest.

Mr. Speaker, the report deals with the vesting of Block 1D, Parcel 47 to Armando Ebanks. This property is located in Northwest Point Road in West Bay on the inland side of the road south of the Turtle Farm. The parcel is approximately .30 acres in size and the Government has determined that this land is not required for any public projects. Mr. Armando Ebanks is interested in purchasing the parcel in order to gain access to his property, Parcel 49, at the rear. To this end, the Governor in Cabinet has agreed to dispose Block 1D, Parcel 47 to Mr. Armando Ebanks. A report on this matter was also considered by the Governor in Cabinet, and after careful analysis and consideration of the reports provided by the Director of Lands and Survey, the Governor in Cabinet determined that it should dispose of the property to Mr. Ebanks for the sum of CI$25,000, which corresponds to the estimates on the Open Market Value for the property.

Thank you**,** Mr. Speaker.

Report & Recommendation of the Minister responsible for Lands on the Vesting of Crown Land Block 25B Parcels 495 & 496 to the Cayman Islands Football Association

The Speaker: The Honourable Minister for Planning.

Hon. Juliana Y. O'Connor-Connolly: Thank you, Mr. Speaker.

Mr. Speaker, I once again, beg to lay on the Table of this Honourable House, a report on Crown Property that was prepared in accordance with the requirements of the Government Vesting of Lands Law 1998 (Revision).

The Speaker: So ordered. Would the Honourable Minister wish to speak thereto?

Hon. Juliana Y. O'Connor-Connolly: Yes. Thank you, Mr. Speaker.

Mr. Speaker, also as required by the Law, three evaluations were carried out on the subject property. Each valuation report forms part of the overall report, and it therefore provides general indication as to the value of the property that Government now proposes to vest.

Mr. Speaker, the report deals with the vesting of Block 25B, Parcel 495 & 496 to the Cayman Islands Football Association (CIFA). This property is located off Poindexter Road, next to the site for the new Spotts Primary School. The approximate area of the Parcels is 17.03 acres.

By way of background, Mr. Speaker, I would offer the following information:

In 2001, the Cayman Islands Football Association (CIFA) was selected to benefit from the Goal Project initiated by the Federation International Football Association (FIFA). The awarding of the Goal Project is dependent on CIFA's ability to secure land for the construction of a national training centre and must do so this year in order to maximise the monetary contribution from FIFA.

CIFA is proposing a national training centre to be developed over three years and to include several facilities including the following:-

- An administration building;
- Changing facility and public restroom;
- Natural and Astroturf fields;
- Bleachers;
- Dormitories;
- Cafeteria and meeting rooms;
- Gymnasium and clinics;
- Storage and maintenance buildings.

CIFA requested Government's assistance in locating land suitable to meet these specific needs. To this end, Mr. Speaker, the Governor in Cabinet has approved the two Crown Properties that should be vested in the Cayman Islands Association. These two properties are Block 25B, Parcels 495 & 496, and they are to be leased to CIFA for 99 years at one peppercorn per annum.

A report on this matter was duly considered by the Cabinet, and after careful analysis and consideration of the reports, provided by the Director of Lands and Survey as well as the comprehensive proposals from the Cayman Islands Football Association, the Governor in Cabinet determined that it should vest these two parcels by way of a 99-year lease to the Cayman Islands Football Association for one peppercorn per annum. The valuations of the subject parcel is estimated on the Open Market to be of value in the region of CI$750,000.

In closing, Mr. Speaker, I would like to state that CIFA's proposal will result in the development of a valuable resource in the Cayman Islands. As Minister responsible for Lands and the Government on a whole, we are happy to have been able to assist in the promotion of football (both locally and internationally) as well as boosting the potential for sports tourism in the Cayman Islands.

Thank you, Mr. Speaker.

The Speaker: Before taking Question No. 115, I would call on the Honourable Minister for Planning to move the suspension of Standing Order 23(7) and (8) to allow for question time to continue beyond the hour of 11.00 am.

Suspension of Standing Order 23(7) and (8

Hon. Juliana Y. O'Connor-Connolly: Thank you, Mr. Speaker.

Mr. Speaker, I move the suspension of Standing Order 23 (7) and (8) to allow questions to commence and continue beyond the hour of 11.00 am.

The Speaker: The question is that Standing Order 23(7) and (8) be suspended to allow question time to commence and continue beyond 11.00 am. All those in favour please say Aye. Those against. No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 23(7) and (8) suspended.

QUESTIONS TO HONOURABLE MINISTERS AND MEMBERS OF THE GOVERNMENT

Deferred Question No. 115

No. 115: Mr. Alden M. McLaughlin asked the Honourable Minister responsible for the Ministry of Planning, Communications, District Administration and Information Technology what is being done by Government to alleviate the growing shortage of space for burial plots in the district of George Town.

The Speaker: The Honourable Minister for Planning.

Hon. Juliana Y. O'Connor-Connolly: Mr. Speaker, at the moment, there are three (3) sites in the district of George Town which have been available to the public for burials.

Two of these sites, namely, Spotts and the Dixie Cemetery, have been closed for sometime, with only reserved plots or vaults remaining. The third site is at the Prospect cemetery, which has seen an average of approximately 40 vaults constructed per year. At that rate, I am advised that the currently prepared and cleared area of the site will reach capacity in approximately two and a half years.

As we speak, Environmental Health staff is presently taking steps to construct at least twelve (12) new vaults on the present site.

My Ministry and the Environmental Health staff are fully aware of the need for additional burial plots in George Town and, accordingly, the necessary plans have been made to accommodate this future need in the district of George Town.

To that extent, I am happy to report that, Crown land adjoining the Prospect Cemetery has been earmarked for cemetery expansion. Specifically, I am advised that the additional land comprises approximately 5.78 acres of undeveloped land on the northern side (or rear boundary) of the Prospect Cemetery. During the upcoming 04-05 fiscal year, I expect that the property will be cleared and filled to prepare for subsequent vault construction.

Therefore, Mr Speaker, I am pleased to say that by keeping abreast of the need for burial plots, my Ministry has been able to address these needs accordingly, namely, in the district of George Town and we are grateful for your foresight during your time at the Ministry.

The Speaker: Are there any supplementaries?

The Second Elected Member for George Town.

Supplementaries

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker.

I am grateful for that response. I wonder if the Minister can say whether the property currently being cleared in the Prospect area, just passing on the main road in the area by Red Bay Primary, is part of the property that is proposed for this. It would seem to me to join the Prospect Cemetery. Or is that for some other purpose?

The Speaker: The Honourable Minister for Planning.

Hon. Juliana Y. O'Connor-Connolly: Thank you. Mr. Speaker.

As far as I am aware, that is not being cleared for that purpose. I believe I am correct in saying that it is in private ownership. The piece that belongs to the Crown is further east, almost in front of Mr. Terry's carpet store that he used to have on the corner, to the south of the McRuss store.

The Speaker: The Second Elected Member for George Town.

Mr. Alden M. McLaughlin, Jr.: Thank you, Mr. Speaker. As the Minister probably has noted herself, because she lives in the same area as I do, that area is being cleared as well. Is that for the purpose of the cemetery, or is that some other property as well?

The Speaker: The Honourable Minister for Planning.

Hon. Juliana Y. O'Connor-Connolly: Thank you, Mr. Speaker.

As I understand it, the clearing has not yet started for the cemetery property. On the basis of deductive reason, I would venture to say that that is also in private ownership.

The Speaker: Are there any other supplementaries?

The House will now go into Committee to consider the Bills.

GOVERNMENT BUSINESS

(continuing)

BILLS

COMMITTEE ON BILLS

House in Committee at 3.25

The Chairman: Please be seated. The House is now in Committee. With the leave of the House, may I assume that, as usual, we should authorise the Honourable Second Official Member to correct minor errors and such the like in these Bills.

Would the Clerk please read the Bill and read its clauses?

The National Roads Authority Bill, 2003

Clause 1

The Clerk: Clause 1 Short title and commencement

The Chairman: The Honourable Minister for Roads.

Hon. Gilbert A. McLean: Mr. Speaker, in accordance with the provisions of Standing Order 52(1), I, the Minister of Health Services, Agriculture, Aviation and Works, give notice to move the following amendment to the National Roads Authority Bill, 2003: that the Bill be amended as follows: That Clause 1 subclause (2) be deleted and the following be substituted: "(2) This Law shall come into force on the 1 July, 2004."

The Chairman: The question is that the amendment stands part of the Clause.

All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed

The Chairman: The question now is that the Clause as amended stands part of the Bill.

All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 1 as amended passed.

Clause 2

The Clerk: Clause 2 Interpretation

The Chairman: The question is that Clause 2 stand part of the Bill.

All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it

Agreed. Clause 2 passed.

Ms. Edna M. Moyle: Mr. Chairman, am I allowed to ask a question on Clause 2?

The Chairman: We had taken the vote, but you may go ahead.

Ms. Edna M. Moyle: Mr. Chairman, for clarity, is the Honourable Minister in a position [to say if] the definition of Roads Authority or Authority means the National Roads Authority.

The Chairman: The Honourable Minister for Roads.

Hon. Gilbert A. McLean: Mr. Chairman, could the Member please repeat?

The Chairman: Honourable Member for North Side could you please repeat your question?

Ms. Edna M. Moyle: When we look at section 2 subsection (c), "Roads Authority or Authority means the National Roads Authority." Why the necessity for Roads Authority or Authority?

The Chairman: The Honourable Minister for Works.

Hon. Gilbert A. McLean: Mr. Chairman, it is because, in some instances in the Law Roads Authority is used and in other instances just the word Authority is used. That is to clarify that situation.

Clauses 3 and 4

The Clerk:

Part II Establishment and administration of the National Roads Authority

Clause 3	Establishment of the National Roads Authority vesting of property.
Clause 4	Use of seal and authentication of documents.

The Chairman: The question is that Clauses 3 and 4 stand part of the Bill.

All those in favour please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it

Agreed. Clauses 3 and 4 passed.

Clause 5

The Clerk: Clause 5 Responsibilities, function and duties of the Authority.

The Chairman: The Honourable Minister for Works.

Hon. Gilbert A. McLean: Mr. Chairman, I beg to move that Clause 5 be amended in subclause (2) by inserting after paragraph (a) the following paragraph:

"(aa) subject to the provisions of the Electricity Law (2003 Revision), be responsible for ensuring the installation, repair, maintenance and operation of works for the supply, transmission and distribution of electricity in relation to public roads (including street lighting).

"(ab) be responsible for ensuing the repair or restoration of public roads that have been opened or broken up pursuant to the provisions of the Electricity Law or any other Law, and the repair or restoration of such public roads shall be in accordance with the standards required by the Authority."

In paragraph (n) by deleting the following words "with the consent of the Minister and subject to such conditions as the Minister may determine" and substituting the following words "with the consent of the Governor and subject to the provisions of the Governor (Vesting of Lands) Law."

The Chairman: The question is that the amendment stand part of the Clause. All those in favour—

The Member for East End?

Mr. V. Arden McLean: Thank you, Mr. Chairman.

I hate to disturb the drafting people again, but I wonder if (aa) should not have some indication as to whether or not the work should be carried out with their standards like (ab) has.

The Chairman: The Honourable Minister for Works.

Hon. Gilbert A. McLean: Mr. Chairman, I would think that it is understood that we are speaking here of the authority vested in the National Roads Authority. I would have to take advice on that if it is necessary legally.

(Pause)

The Chairman: The Honourable Minister for Works continuing.

Hon. Gilbert A. McLean: Mr. Chairman, I am advised that it does not hurt if we were to insert the words "in accordance with the standards required by the Authority" after the word "lighting" in (aa).

So I would like to move that after the word "lighting" there be inserted the words "in accordance with the standards required by the Authority".

I do not know if it is necessary for this to be typed immediately or whether it is something that we could rely on the Clerk to have done.

It has been suggested to me that it needs to be done now.

The Chairman: I will take it on the floor of the House and I will take it as you have said. I will repeat it "in accordance with the standards required by the Authority".

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendments passed.

The Chairman: The question is that the amendment—

Elected Member of East End, do you have a further point which you wish to raise?

Mr. V. Arden McLean: Mr. Chairman, when we say open or broken up, the broken up part—

The Chairman: Please repeat the question.

Mr. V. Arden McLean: Under (ab) "be responsible for ensuing the repair or restoration of public roads that have been opened or broken up pursuant to the provisions of the Electricity Law or any other Law". I wonder if the words "broken up" are right because if it is open, I do not think one would deliberately break up a road. A road is broken up by virtue of use, weather or something of that nature. So, I am wondering how that works.

I know under the other part of it, the distribution of electricity would be part of— overhead interventions would fall under the Authority. Certainly, the distribution of electricity and height requirements would fall under that, but I do not understand the "broken up" part and there may be some engineering terminology for "broken up" and how it can be broken up—

The Chairman: I am sure the Honourable Minister for Works will try to explain that.

Hon. Gilbert A. McLean: Mr. Chairman, I am advised that that is the term that is used in the Electricity Law and "broken up" is quite proper to use as it has been stated here.

The Chairman: Do we have any further questions from the Member of East End on that point? If not, the question is that the amendments to the Clause be accepted.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 5 as amended passed.

Clause 6

The Clerk: Clause 6 Minister may give general directions.

The Chairman: The Question is that the Clause stand part of the Bill.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 6 passed.

Clause 7

The Clerk: Clause 7 Constitution and responsibilities of the Board of the Authority.

The Chairman: The Honourable Minister for Works.

Hon. Gilbert A. McLean: Mr. Chairman, under Standing Order 52(1) and (2) I beg to move the amendment that Clause 7(4)(c) and (d) be amended by deleting the word "Governor" and substituting the word "Board".

The Chairman: The question is that the amendment stands part of the Clause.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the amendment stands part of the Bill.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 7 as amended passed.

Clause 8

The Clerk: Clause 8 Meetings of the Board.

The Chairman: The Honourable Minister for Works.

Hon. Gilbert A. McLean: Mr. Chairman, under relevant Standing Order, I move that Clause 8 be amended by inserting after sub-clause (3) the following sub-clause: "(3a) The Chairman may at any time, in special circumstances, call a special meeting of the Board."

The Chairman: The question is that the amendment stands part of the Clause.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the clause as amended stand part of the Bill.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 8 as amended passed.

Clauses 9 through 17

The Clerk:

Clause 9	Disclosure of director's interests.
Clause 10	Director's pecuniary interests.

PART III - PERSONNEL OF THE AUTHORITY

Clause11	Managing Director and Deputy Managing Director.
Clause12	Functions, powers and duties of the Managing Director.
Clause13	Operational plan.
Clause14	Power to employ staff, etc.
Clause15	Transfer of public officers to the Authority.
Clause16	Pension fund.
Clause17	Medical care for employees of the Authority and applicability of Health Insurance Law (2003 Revision).

The Chairman: The question is that Clauses 9 through 17 stand part of the Bill.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 9 through 17 passed.

The Clerk:

PART IV -FINANCIAL PROVISIONS

Clause18	Discontinuance of Roads Development Fund and establishment of Road Fund.
Clause 19	Revenue to be placed into Road Fund.
Clause 20	Utilization of Road Fund.
Clause 21	Public roads to be asset of the Government.

The Chairman: The question is that Clauses 18—

The Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Chairman.

Under 19(2) and (3), I believe that (3) needs regulation made under subsection (2)

The Chairman: I think that you are correct, Honourable Member.

Honourable Minister for Works, would you confirm or otherwise that that is correct?

Hon. Gilbert A. McLean: Mr. Chairman, it seems that it is a typographical error there and it should be (2).

The Chairman: As mentioned earlier, the Honourable Second Official Member will deal with minor corrections.

Thank you so much, Honourable Member for East End.

The question is that Clauses 18 through 21 stand part of the Bill. All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 18 through 21 passed.

Clause 22

The Clerk: Clause 22 Levying and collection of user charges.

The Chairman: The Honourable Minister for Works.

Hon. Gilbert A. McLean: Mr. Chairman, in accordance with Standing Order 52(1) and (2) that Clause 22(2)(b) and (c) be amended by deleting the words "persons or".

The Chairman: The question is that the amendment stand part of the Clause.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the Clause as amended stands part of the Bill.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 22 as amended passed.

Clauses 23 through 29

The Clerk:

Clause 23	Revenue and resources of the Authority.
Clause 24	Financial year.
Clause 25	Capital and borrowing powers of the Authority.
Clause 26	Applicability of Public Management and Finance Law (2003 Revision).
Clause 27	Power of Authority regarding funds; gifts, land etc.
Clause 28	annual payments to core government.

The Chairman: Does any Member wish to speak on this before putting the question.

The question is that Clauses 23 through 28 stands part of the Bill.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

agreed. Clauses 23 through 28 passed.

PARTV-GENERAL

The Clerk: Clause 29 Disposal of premises no longer required by the Authority.

The Chairman: The question is that Clause 29 stands part of the Bill.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 29 passed.

Clauses 30 through 34

The Clerk: Clause 30 Regulations.

The Chairman: The Honourable Minister for Works.

Hon. Gilbert A. McLean: Mr. Chairman, I beg to move that Clause 30(1)(d) be amended by inserting after the words "service provided by the Authority" the words "or in relation to the repair or restoration of public roads under section 5(2)(ab)".

The Chairman: The question is that amendment stands part—

The Honourable Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Chairman.

I am wondering if service would not also include when the Authority is requested to go out and show these utilities where they need to place their mains and the like, since we are specifically pinpointing the one under 5(2)(ab) because this is only about repair or restoration of public roads. Maybe the Authority should be able to charge a cost for the consultation as to where the roads can go. The mains, that is, water, electricity, cable whatever, because it is quite labour intensive to review plans and the likes, so I am wondering if the Minister has considered that or should we look at it?

The Chairman: The Honourable Minister for Works.

Hon. Gilbert A. McLean: Mr. Chairman, it would seem to me that in (d) it says the fees or portions thereof that are to be charged for any service provided by the Authority. It seems to me that that could be considered a service and that it could be charged for.

(Pause)

The Chairman: I propose to take a 3-minute suspension whilst the Honourable Minister confirms with his colleagues, but I would ask Members to please remain in their seats.

Committee suspended at 3.52 pm

Committee resumed at 3.56 pm

The Chairman: Honourable Minister for Works, continuing.

Hon. Gilbert A. McLean: Mr. Chairman, I have taken note of what the Member of East End has said. However, on consulting with Legal Drafting and other legal advice, for now it seems sufficient that the term for any service provided by the Authority should capture what the Honourable Member is speaking about. We will look at it and see how it works. Should any difficulties arise, we are prepared to make an amendment to it in the future.

(Pause)

The Chairman: The question is that the amendment stand part of the Clause.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the Clause as amended stands part of the Bill.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 30 as amended passed.

Clauses 31 through 34

The Clerk:

Clause 31	Rules.
Clause 32	Immunity.
Clause 33	Indemnity.
Clause 34	Savings and transitional provisions.

The Chairman: The question is that Clauses 31 through 34 stand part of the Bill.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 31 through 34 passed.

The Clerk:

The Schedule	Property to be vested in the National Roads Authority.

The Chairman: The question is that the Schedule stand part of the Bill.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. The Schedule passed.

The Clerk: A Bill for a Law to establish the National Roads Authority with the responsibility for ensuring the effective and efficient management of public roads; to ensure a stable and adequate source of funding for the management of public roads; to establish clear channels to secure the flow of funds to the National Roads Authority; and for incidental and connected purposes.

The Chairman: The question is that the Title stands part of the Bill.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Titled passed.

The Roads (Amendment) Bill 2003

Clauses 1 through 10

The Clerk:

Clause 1	Short title and commencement.
Clause 2	Amendment of section 2 of the Roads Law (2000 Revision) - definitions.
Clause 3	Amendment of section 3 - notification of proposal to take land.
Clause 4	Amendment of section 4 - power to enter lands and survey for roads.
Clause 5	Amendment of section 5 - Governor to have power to classify and schedule roads and assign functions.
Clause 6	Amendment of section 6 - power to take land.
Clause 7	Amendment of section 8 - rights to compensation.
Clause 8	Amendment of section 9 - notice of intent and claims for compensation.
Clause 9	Amendment of section 10 - negotiations consequent on claim.
Clause 10	Amendment of section 11 - claimant may opt for method of computation of compensation.

The Chairman: The question is that Clauses 1 through 10 stand part of the Bill.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 1 through 10 passed.

Clauses 11 through 15

The Clerk:

Clause 11	Amendment of section 13 - powers of Roads Authority.
Clause 12	Amendment of section 14 - discontinuance of roads.
Clause 13	Amendment of section 15 - powers of entry and occupation of private lands.

Clause 14 Amendment of section 16 - encroachments.
Clause 15 Amendment of section 17 - removal of encroachments.

The Chairman: The question is that Clauses 11 through 15 stand part of the Bill.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clauses 11 through 15 passed.

The Clerk: Clause 16 Insertion of section 18A - enforcement of standards for private roads.

The Chairman: The Honourable Minister for Works.

Hon. Gilbert A. McLean: Mr. Chairman, under Standing Order 52(1) and (2) I move that the Bill be amended as follows- That Clause 16 in the new section 18A (1) proposed for insertion in the principal Law, by deleting the words "whether constructed before or after" and substituting the words "constructed after".

The Chairman: The Motion is open for debate. No debate.

The question is that the amendment stands part of the Clause.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Amendment passed.

The Chairman: The question now is that the Clause as amended stands part of the Bill.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 16 as amended passed.

Clause 17

The Clerk: Clause 17 Amendment of section 19 - regulations.

The Chairman: The question is that Clause 17 stands part of the Bill.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Clause 17 passed.

Clause 18

The Clerk: Clause 18 Amendment of section 20- offences and penalties.

The Chairman: The Honourable Minister for Works.

Hon. Gilbert A. McLean: Mr. Chairman, I move that in Clause 18 (a), in the new paragraph (ca) proposed for insertion in section 20 of the principal Law, by inserting after the words "private road" the words ", constructed after the date of commencement of this Law,".

The Chairman: The Motion is open for debate. If no debate, the question is that the amendment stands part of the Clause.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it

Agreed. Amendment passed.

The Chairman: The question now is that the Clause as amended stands part of the Bill.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it

Agreed. Clause 18 as amended passed.

Clauses 19 through 22

The Clerk:

Clause 19 Amendment of section 22 - Use of prescribed composite maps in defining road boundaries.
Clause 20 Amendment of section 23 - power to exchange land to adjust boundaries of roads.
Clause 21 Amendment of section 24 - restriction of laying of mains, etc., on roads.
Clause 22 Amendment of section 25 - modification of Development and Planning Law (1999 Revision) re long term projection of road corridors.

The Chairman: The question is that Clauses 19 through 22 stand part of the Bill.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it

Agreed. Clauses 19 through 22 passed.

Clauses 23 through 25

The Clerk:

Clause 23	Amendment of the First Schedule – attributes and characteristics of categories of roads.
Clause 24	Amendment of Second Schedule – assessment and payment of compensation.
Clause 25	Savings and transitional provisions.

The Chairman: The question is that Clauses 23 through 25 stands part of the Bill.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it

Agreed. Clauses 23 through 25 passed.

The Clerk: A Bill for a Law to amend the Roads Law (2000 Revision) for the purpose of abolishing the Highway Authority and transferring its powers to the National Roads Authority; and for incidental and connected purposes.

The Chairman: The question is that the Title stands part of the Bill.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it

Agreed. Title passed.

The Health Practice (Amendment) Bill, 2003

The Clerk:

Clause 1	Short title.
Clause 2	Amendment of section 2 – interpretations.
Clause 3	Amendment of section 3 – Health Commission.
Clause 4	Amendment of section 10 – health fees.
Clause 5	Amendment of Schedule 3.
Clause 6	Amendment of Schedule 6.

The Chairman: The question is that Clauses 1 through 6 stand part of the Bill.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it

Agreed. Clauses 1 through 6 passed.

The Clerk: A Bill for a Law to amend the Health Practice Law, 2002 in order to change the name of the Health Commission; and for incidental and connected purposes.

The Chairman: The question is that the Title stands part of the Bill.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it

Agreed. Title passed.

The Health Insurance (Amendment) Bill, 2003

Clauses 1 through 9

The Clerk:

Clause1	Short title.
Clause 2	Amendment of section 2 of the Health Insurance Law (2003 Revision) - definitions.
Clause 3	Insertion of section 2A - approved insurer shall pay benefit directly to health provider.
Clause 4	Amendment of section 3 - compulsory health insurance.
Clause 5	Repeal and replacement of section 11 - voluntary health insurance.
Clause 6	Amendment of section 14A - filing and publication of medical fee.
Clause 7	Repeal and substitution of section 15 - recovery of payment by provider of a health benefit.
Clause 8	Amendment of section 16 approved insurer shall pay benefit directly to health provider.
Clause 9	Savings.

The Chairman: The question is that Clauses 1 through 9 stand part of the Bill.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it

Agreed. Clauses 1 through 9 passed.

The Clerk: A Bill for a Law to amend the Health Insurance Law (2003 Revision) to make further provision in respect of Health Insurance contracts; and for incidental and connected purposes.

The Chairman: The question is that the title stands part of the Bill.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it

Agreed. Title passed.

The Endangered Species (Trade and Transport) Bill, 2003

Clauses 1 through 3

The Clerk:

Clause 1	Short title.
Clause 2	Effect of this Law.
Clause 3	Interpretation.

The Chairman: The question is that clauses 1 through 3 stand part of the Bill. All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it

Agreed. Clauses 1 through 3 passed.

Part II- Management and Scientific Authorities

The Clerk: Clause 4 Management Authority.

The Chairman: The question is that Clause 4 stand part of the Bill.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it

Agreed. Clause 4 passed.

The Clerk: Clause 5 Scientific Authority.

The Chairman: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Chairman, in accordance with the provisions Standing Order 52(1) and (2), I, the Minister responsible for Tourism, Environment, Development and Commerce, move that Clause 5(1)(c) be amended by deleting the words "from a list of candidates prepared jointly by the Director of the Environment and the Chief Agricultural and Veterinary Officer."

This would mean that the Authority would consist of the Director of the Department of Environment, the Chief Agricultural and Veterinary Officer and three persons with relevant scientific or technical knowledge appointed by the Governor in Cabinet.

The Chairman: The Motion is open for debate, if no debate the question is that the amendment stands part of the Clause.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it

Agreed. Amendment passed.

The question now is that the Clause as amended stands part of the Bill.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it

Agreed. Clause 5 as amended passed.

Part III- Documents required for trade

Clauses 6 through 17

The Clerk:

Clause 6	Permits and certificates required.
Clause 7	Applications.
Clause 8	Import permits.
Clause 9	Export permits.
Clause 10	Re-export certificates.
Clause 11	Certificates of introduction from the sea.
Clause 12	Transport permit.
Clause l3	Conditions.
Clause 14	Registrable activities.
Clause 15	Scientific institutions.
Clause 16	Listing of commercially bred specimens and hybrids.
Clause 17	Marking of specimens.

The Chairman: The question is that Clauses 6 through 17 stand part of the Bill.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it

Agreed. Clauses 6 through 17 passed.

Part V- Enforcement and Penalties

Clauses 18 through 29

The Clerk:

Clause 18	Powers of authorised officers.
Clause 19	Recovery of expenses.
Clause 20	Illegal trade.
Clause 21	Forgery et cetera of permits or certificates.
Clause 22	Offences in connection with applications.
Clause 23	Restricted items.
Clause 24	Failure to register.
Clause 25	Forgery et cetera of marks.
Clause 26	Offences by corporations.
Clause 27	Penalties.
Clause 28	Other sanctions.
Clause 29	Injunctions.

The Chairman: The question is that Clauses 18 through 29 stand part of the Bill.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it

Agreed. Clauses 18 through 29 passed.

Part VI- General

Clauses 30 through 38

The Clerk:

Clause 30	Appeals against seizure.
Clause 31	Appeal against the Management Authority.
Clause 32	Financial provisions.
Clause 33	Duty to co-operate.
Clause 34	Resolutions of the Conference of the Parties.
Clause 35	Existing permits and certificates.
Clause 36	Amendments to Schedule.
Clause 37	Regulations.
Clause 38	Repeal and transitional arrangements.

The Chairman: The question is that Clauses 30 through 38 stand part of the Bill.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it

Agreed. Clauses 30 through 38 passed.

The Clerk: The Schedule

The Chairman: The question is that the Schedule stand part of the Bill.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it

Agreed. Schedule passed.

The Clerk: A Bill for a Law to give effect to the provisions of the convention on international trade in endangered species of wild fauna and flora ("CITES"); to help conserve wild populations of endangered and threatened species of animal and plants by controlling trade, transport and related activities in designated species and in products derived from them; and for incidental and connected purposes.

The Chairman: The question is that the Title stands part of the Bill.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed. Title passed.

The Chairman: The question is that the five Bills that were dealt with now be reported to the House.

All those in favour of the Motion please say Aye. Those against, No.

Ayes.

The Chairman: The Ayes have it.

Agreed that the Bills be reported to the House.

House resumed at 4.24 pm

REPORTS

The Speaker: Please be seated. Proceedings are resumed.

The National Roads (Authority) Bill, 2003

The Speaker: The Honourable Minister for Works.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to report that a Bill shortly entitled The National Roads (Authority) Bill was considered by a Committee of the whole House and passed with amendments.

The Speaker: The Bill has been duly reported and is set down for a Third Reading.

The Roads (Amendment) Bill, 2003

The Speaker: The Honourable Minister for Works.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to report that a Bill shortly entitled, a Bill for a Law to amend the Roads Law (2000 Revision) was considered by a committee of the whole House and passed with amendments.

The Speaker: The Bill has been duly reported and is set down for a Third Reading.

The Health Practice (Amendment) Bill, 2003

The Speaker: The Honourable Minister for Health Services.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to report that a Bill entitled, The Health Practice (Amendment) Bill, 2003 was considered by a committee of the whole House and passed without amendment.

The Speaker: The Bill has been duly reported and is set down for a Third Reading.

The Health Insurance (Amendment) Bill, 2003

The Speaker: The Honourable Minister for Health Services.

Hon. Gilbert A. McLean: Mr. Speaker, I beg to report that a bill shortly entitled, a Bill for a Law to amend the Health Insurance Law (2003 Revision) was considered by a committee of the whole House and passed without amendment.

The Speaker: The Bill has been duly reported and is set down for a Third Reading.

The Endangered Species (Trade and Transport) Bill, 2003

The Speaker: The Honourable Leader of Government Business and Minister for the environment.

Hon. W. McKeeva Bush: Mr. Speaker, I beg to report that a bill shortly entitled, The Endangered Species (Trade and Transport) Bill, 2003 was considered by a committee of the whole House and passed with one amendment.

The Speaker: The Bill has been duly reported and is set down for a Third Reading.

THIRD READINGS

The National Roads (Authority) Bill, 2003

The Speaker: The Honourable Minister for Works.

Hon. Gilbert A. McLean: Mr. Speaker, I move that a Bill shortly entitled, The National Roads (Authority) Law be given a Third Reading and passed.

The Speaker: The question is that a Bill shortly entitled, The National Roads (Authority) Bill, 2003 be given a Third Reading and passed. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The National Roads (Amendment) Bill, 2003 read a third time and passed.

The Roads (Amendment) Bill, 2003

The Speaker: The Honourable Minister for Works.

Hon. Gilbert A. McLean: Mr. Speaker, I move that a Bill shortly entitled, The Roads (Amendment) Bill, 2003 be given a Third Reading and passed.

The Speaker: The question is that a Bill shortly entitled, The Roads (Amendment) Bill, 2003 be given a Third Reading and passed.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Roads (Amendment) Bill, 2003 read a third time and passed.

The Health Practice (Amendment) Bill, 2003

The Speaker: The Honourable Minister for Health Services.

Hon. Gilbert A. McLean: Mr. Speaker, I move that a Bill shortly entitled The Health Practice (Amendment) Bill, 2003 be given a Third Reading and passed.

The Speaker: The question is that the Health Practice (Amendment) Bill, 2003 be given a Third Reading and passed.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Health Practice (Amendment) Bill, 2003 read a third time and passed.

The Health Insurance (Amendment) Bill, 2003

The Speaker: The Honourable Minister for Health Services.

Hon. Gilbert A. McLean: Mr. Speaker, I move that a Bill shortly entitled The Health Insurance (Amendment) Bill, 2003 be given a Third Reading and passed.

The Speaker: The question is that The Health Insurance (Amendment) Bill, 2003 be given a Third Reading and passed.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Health Insurance (Amendment) Bill, 2003 read a first time and passed.

ADJOURNMENT

The Speaker: Honourable Members, I have been requested by certain Members to take the adjournment after the Third Readings of these Bills. So I propose to do so at this time.

The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, I move the adjournment of this Honourable House until Wednesday, 16 June 2004.

The Speaker: The question is that this House do now adjourn until 10 am, Wednesday, 16 June 2004.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 4.26 pm the House stood adjourned until 10 am Wednesday, 16 June, 2004.

OFFICIAL HANSARD REPORT
WEDNESDAY
16 JUNE 2004
10.54 AM

Nineteenth Sitting

The Speaker: First I invite the Honourable Minister for Education to lead us in prayers.

PRAYERS

Hon. Roy Bodden: Let us pray.

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales, and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say the Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

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

Proceedings resumed at 10.56 am

The Speaker: Proceedings are resumed.

ADMINISTRATION OF OATHS OF AFFIRMATIONS

Oath of Allegiance

(Administered by the Clerk)

By Mr. Donovan W. F. Ebanks, MBE

The Speaker: I call on Mr. Donovan Ebanks, MBE, to take the oath of allegiance.

Mr. Donovan W. F. Ebanks: I, Donovan Ebanks, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth, II, her heirs and successors according to law so help me God.

The Speaker: On behalf of this Honourable House I welcome you as the temporary First Official Member and would invite you to take your seat.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

The Speaker: Honourable Members, I have received apologies for absence from the Honourable First Official Member.

STATEMENTS BY HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

Implementation of the European Union Savings Directive

The Speaker: I call on the Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Thank you, Mr. Speaker.

Members will remember that earlier this year I recommended to this Honourable House for appropriate legislation to be enacted by 30 June 2004, for the implementation of the European Union Savings Directive subject to the terms of a negotiated agreement with the United Kingdom Government. Leading up to the Finance Minister's meeting scheduled for the end of June 2004, the European Union Savings Directive has been subject of intense negotiations between the free market European countries such as, Switzerland, Liechtenstein and other members of the European Union. The final outcome of the negotiations should become clear at the end of June together with an indication as to whether the members of the European Union will be in a position to implement on the schedule date of 1 January 2005. As Members will recall, the Government only agreed to accede to request by the United Kingdom to implement the Savings Directive after a vote by the private sector organizations in favour of the negotiated agreement with the United Kingdom.

There are a number of very important outstanding matters to be finalised pursuant to the nego-

tiated agreement and subject to these being completed in an acceptable manner, and the outcome of the final agreement between the European Union members of the June meeting, the Government will be in a position to bring before this Honourable House the implementing legislation. The Government remains committed to ensuring the Cayman Islands are in no worse position than Switzerland and other free market countries in the European Union and to working with the United Kingdom on finalising the outstanding matters agreed to in the terms of the negotiated agreement.

The financial industry, one of the main pillars of our economy, has been carefully built up over many years. Despite the agreement reached neither the Government nor the private sector organizations have ever been of the view that the European Union Savings Directive will be beneficial to the Cayman Islands or the free market economies of the world. Our studies indicate this and other studies have reached the same conclusion, it is essential that the final terms of the negotiated agreement with the United Kingdom afford the Cayman Islands substantial and material off setting benefits. This Government is diligently pursuing that objective.

Thank you, Mr. Speaker.

The Speaker: The next statement is from the Honourable Minister for Planning, Communications, District Administration and Information Technology.

Joint Media Release by the Government of the Cayman Islands and Caribbean Utilities Company Ltd – Government and CUC Reach Agreement

Hon. Juliana Y. O'Connor-Connolly: Thank you, Mr. Speaker.

After extensive and intensive negotiations the Cayman Islands Government and Caribbean Utilities Company Ltd. (CUC) have reached agreement on a plan that will allow competition in the electricity industry and grant new licenses to CUC to operate in the Cayman Islands for 20 more years from 2004. The agreement will result in substantial rate reductions to go into effect from the latter of the date of the new CUC licenses or 1 October 2004 for both residential and large commercial users. Residential consumers will see immediate price decreases in basic billing rates of approximately 4.7 per cent and large commercial users of approximately 2.3 per cent. These decreases are in addition to the 3 per cent across the board roll back of rates in November 2003.

The negotiations between the Government and CUC over the past few months focused on developing a model that would work here in the Cayman Islands market.

Competition in the electricity industry has been implemented in other countries with the goal of bringing lower prices to consumers. It is believed that the parties have achieved a model that introduces elements of competition and related benefits to consumers but which, at the same time, recognises the unique conditions of a small Island electricity market.

The agreement replaces the current guaranteed rate of return formula for rate adjustments with a price cap mechanism based on published consumer price indexes. More importantly, Mr. Speaker, the agreement ensures the continuation of a reliable supply of electricity far into Grand Cayman's future and brings price stability and predictability to electrical consumers. Specifically, the parties have this morning signed a heads of agreement, while not legally binding relates in detail to what the parties have agreed to. The heads of agreement will form the basis of the licensing document that is expected to be signed late summer. The highlights of this agreement include the following areas:-

1. Regulatory Authority.

A Regulatory authority will be established with the overall responsibility of regulating the electricity industry in the Cayman Islands. The regulator will oversee all licensees established and enforced license standards; review the proposed price cap mechanism and ensure a level playing field for all. The license standards will be designed to ensure that Grand Cayman has adequate generating capacity so that continued sound business and engineering practices are employed in the electricity industry and that established standards for the protection of our natural environment are also enforced.

2. Licenses for the Trade and Distribution (T&D) and generation.

The Government will issue non exclusive licenses for transmission and distribution, and generation providers. While the T&D license to be granted to CUC will be non exclusive, duplication of the T&D infrastructure and facilities is not desired nor to be encouraged. Competition for generation capacity will however, be encouraged to provide a market-base incentive for suppliers to offer low prices for power.

3. T&D.

The term T&D licenses will not exceed 15 years except in the case of CUC which will be granted for an initial license of 20 years and a 15-year term thereafter for any future renewal. An evergreen provision will allow for automatic renewal of the T&D license if no action is taken not to renew it. CUC through its T&D license will purchase power through Power Purchase Agreements (PPAs) with generation licenses. CUC T&D will build retail rates and charge customers to cover the T&D cost and to pass through the cost of wholesale power including any government and regulatory fees and the cost of fuel.

4. Generation.

CUC will be granted a license in respect of its existing generation capacity at an agreed price. Competition and generation will be introduced through competitive PPA solicitations for the required incremental capacity. CUC will be responsible under the terms of its T&D license for determining the need of future generation based on load growth and operating reserve requirements and for administrating a bidding process for multiple generators to compete for incremental need in generation. CUC will work with the government to solicit for 28 to 32 megawatts as the next increment of generation capacity to be operational no later than the 1 May 2007, and will have the right to bid competitively with others for this and future incremental needs for additional generation capacity.

The regulatory authority will review, oversee and approve the selection of the successful bidder(s).

5. Rate Reduction.

The following reductions by rate class for retail rates will take effect from the latter of the date of the new CUC license or 1 October 2004. For residential it will be 4.7 per cent and for large commercial it will be 2.3 per cent.

6. CUC price cap and rate freeze.

CUC T&D rates will be subject to price cap mechanisms. The price cap mechanism will adjust the CUC T&D base rates in accordance with a formula which takes into account inflation as measured by blend of US and Cayman Islands Consumer Price indexes. Under this formula the rate increases would normally be significantly less than the rate of inflation.

CUC and the Cayman Islands Government entered into negotiations on 1 November 2003 with the objective of restructuring the electrical industry here and creating an alternative to CUC rate of return formula that was employed under the current license agreement to establish pricing. Negotiations initially were commenced under the then Minister, the Honourable Linford Pierson, OBE, JP, and on the change of the Minister of Planning, Communication, District Administration and Information Technology, the negotiations then came under the direction of myself. All Members of the UDP Government gave their full support to the negotiations and a special subcommittee of the Government Utility Advisory Board met regularly with the CUC team to negotiate a new licensing agreement. MLA, Mr. Cline Glidden, chaired the subcommittee which consisted of Mr. Stephen Hall-Jones, Mr. Stewart Diamond, Mr. Phillip Thomas, while CUC chairman, David Ritch, president and chief executive officer, Peter Thompson, executive vice-president and chief operating officer, Mr. Richard Hew and the chief financial officer, Eddington Powell, represented the utility company. Both parties employed professional consultants, ICF consultants on the part of the government and RW Beck for CUC in order to assist with these negotiations.

On behalf of the Government I was quoted as saying and I wish for the record to repeat the same: "indeed these are exciting yet challenging times, however, the Cayman Islands Government is committed to successfully concluding these negotiations. We are indeed confident that the residents of Grand Cayman will have a legitimate expectation that they will be the economic beneficiaries. I would also like to thank my Permanent Secretary, Mr. Gomez, and other Ministry staff for their assistance, as well as the Honourable Financial Secretary and the Honourable Attorney General for their contributions during the negotiation process. I also look forward to the next four weeks during which time we hope to conclude the main agreement and then have another joint press release to this Honourable House."

Speaking on behalf of CUC, their representative, Mr. Thompson, will be quoted in the press as saying: "that although at times our talks were spirited, even contentious, that is to be expected when negotiating matters as important and complex as the future of Grand Cayman's energy needs. We have always taken a position that what is good for a company is also good for the Caymanian consumer. I am certain that our agreement once signed, will benefit our customers, government, the company and its shareholders."

Mr. Speaker, I am happy to report that the said agreement heads was signed this morning and I thank you for your contribution and your indulgence.

GOVERNMENT BUSINESS

BILLS

THIRD READING

The Endangered Species Trade and Transport Bill 2003

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Thank you, Mr. Speaker. I beg to move the Third Reading of a Bill shortly entitled The Endangered Species Trade and Transport Bill 2003.

The Speaker: The question is that a Bill shortly entitled The Endangered Species Trade and Transport Bill 2003 be given a Third Reading and passed. All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. The Endangered Species (Trade and Transport) Bill 2003 read a third time and passed.

OTHER BUSINESS

PRIVATE MEMBERS' MOTIONS

PRIVATE MEMBER'S MOTION NO. 12/03

Licensing of Fishermen to take Conch for Fishing

(Continuation of debate thereon)

The Speaker: The Elected Member for East End continuing with his debate.

It is my understanding that the Elected Member for East End had completed his debate. If that is the case, does any other Member wish to speak on this Motion.

The Elected Member for North Side.

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

My contribution in support of Private Member's Motion No. 12/03, to allow fishermen to take five conchs for fishing will be quite short, as the Mover of this Motion has done an in-depth presentation.

We have heard people saying that this is asking to reopen the taking of conch to the entire population; nothing could be further from the truth. The Motion is brought through representation of fishermen, particularly in the districts of East End and North Side. These fishermen have traditionally used conch for bait particularly during the snapper season. It is a tradition that has been long-standing that was passed from their grandfathers to their fathers, probably from their great-great-grandfathers to the present fishermen in these Islands. When I speak of the present fishermen it comes to my mind of people like Mr. Daniel Rankine, who most people in these Islands know has been a fisherman all his life, as well as doing farming, and who through an accident has but one arm and one leg; fishermen like William Whittaker who does a small two or three hours work for someone in the days and he then supplements his income through fishing; and people like Mr. Clinton Whittaker. There are many more that I could stand here and name out this morning.

I have heard some in here ask what the definition of a fisherman is. You know, Mr. Speaker, there was a Private Member's Motion No. 8/03 that was brought by the Second Elected Member for Cayman Brac and Little Cayman, which was seconded by the Fourth Elected Member for the district of West Bay, asking to allow fishermen to take the sea urchin, the black short spine rock-boring urchins for fishing for squabs. In that Motion I see no reference of the definition of fishermen. My question is that the Motion itself does not refer to fishermen taking these sea urchins; it only speaks about being allowed to use these short spine rock-boring urchins. However, in the debate the Second Elected Member for Cayman Brac and Little Cayman said and I quote from the Official Hansard Report dated Thursday 27 November 2003: **"This Motion seeks one simple thing, and that is to allow our fishermen to use the short-spine sea eggs for the purpose of bait for fishing."** The Motion before us specifically states that this Motion for the taking of five conchs is to allow the fishermen who have had this tradition for many years, who use fishing as a means of living or fishing as a means to supplement their low income. So, Mr. Speaker, if we have been able to accept a Motion to allow the fishermen to take the sea urchins without a definition of fisherman, well then I feel that someone is in a position now to tell us what the definition of a fisherman is.

Both of us, the Mover of this Motion and me, understand that we must preserve our marine life as it is the mainstay of the tourism industry. However, I stress, I have always heard the Honourable Leader of Government Business say that the environment must be balanced with the development. I say, Mr. Speaker, that we must also balance the traditions of our people with the industries. We cannot continue to criminalize traditions that have been passed down from generation to generation. I hope that the Government will see fit to accept this Motion in the spirit that it has been brought.

The Marine Conservation was amended to limit the number of groupers during grouper season; it was amended to have fish pots licensed and it was also amended for the taking of whelks and other various marine life. So, I ask the question: if it is going to be so hard to monitor the fishermen who are taking these few conchs, how has the Department been able to monitor the taking of grouper during grouper season? My good friend on my left, the Member for East End, has just passed me the list stating that we allow turtle traps, we allow seining, we allow the use of spear-gun, the taking of sea eggs, the taking of bleeding teeth, fish pots and groupers. My question is: how is the Department now monitoring the taking and the use of these? If my memory bears me out I think some of these that were allowed have been Caymanian versus non Caymanian.

So, Mr. Speaker, the Motion is seeking to allow the Caymanian fishermen who have had the tradition of taking conch all their lives to have the right to take five conchs to continue that tradition during fishing season.

I have heard some Members in this Legislative Assembly say, during suspension or before the start of Parliament, that the Motion says nothing about the Government considering. Private Member's Motion No. 8/03 and Private Member's Motion No. 7/03 mentions nothing about the Government considering. I know that the word "consider" is normally used in Mo-

tions that are asking the Government to expend funds, then it will ask that the Government consider because we have no right to increase the Government's Budget. However, the same extra enforcement officers that will have to be put in place to see and to control the taking of the sea urchin, which was requested in Private Member's Motion No. 8/03 and the taking of chitons, periwinkles and bleeding teeth for the craft persons, can be used to monitor the taking of the five conchs. So, there is no increase and that is why there was no request in this Motion to ask the Government to consider. We believe that we would not be increasing any cost to Government seeing that we have recently passed these other two Private Member's Motions.

Mr. Speaker, I say once again, Sir, it is hoped that the Honourable Members of this House will see fit to allow the fishermen of the Cayman Islands to continue this tradition that they have had for many, many years, which they have passed to their children. I speak specifically to fishermen in the district of North Side because I am not familiar with the fishermen of other districts. It is not every day that those fishermen will be going fishing that there will be a need to take five conchs. Over the years I have seen the fishermen in that district, particularly at snapper time, get five conchs, go fishing at night and if they did not use the five conchs they were put in bags and tied in the sea for use the next time they were going fishing. I believe that the fishermen in these Islands—we have watched them and I know we have had some who will go into the marine parks, but I think the majority of them are learning and they are law abiding citizens. These men are only asking the Government to allow them to continue a tradition. As I said before, these are proud people and many of them rather face the hardships of fishing to supplement their livelihoods and to provide for their families than to accept handouts from the Government.

As I said, my contribution to this debate would be short because I think the Mover of the Motion, the Elected Member for East End, has done a very good job in presenting the Motion and I would not repeat what he has contributed because I know, Mr. Speaker, you would quickly remind me of tedious repetition. So, with these few words I ask the Government to please consider accepting the Motion to allow a tradition of Caymanian fishermen to continue.

Thank you.

The Speaker: Does any other Member wish to speak? The Second Elected Member for Cayman Brac and Little Cayman.

Mr. Lyndon L. Martin: Thank you, Mr. Speaker.

I intended to rise to make a contribution to this Motion, however, after the Member for North Side provided such a detailed explanation of my quest over my tenure here to protect tradition and to protect our fishermen, I have very little more that I can say about my efforts for the fishermen.

Mr. Speaker, it is correct that I brought a Motion, as she detailed, to allow the fishermen to use the sea urchins for fishing. In my contribution, I specifically referred to the fishermen in the district that I represent. It is correct that I also requested that chitons, periwinkles and bleeding teeth be allowed for craft purposes. The difference between that particular desire of continuing a tradition and this one is the fact that once an individual is seen with a bucket of sea urchins it is fair to assume that he is using them for fishing. As for conchs I, like everyone else, like them stewed better than on a hook.

Mr. Speaker, it is a much more difficult task to control and monitor conchs because it would be everyone's excuse that the conchs in their possession is to go fishing with. I am sure that this Honourable House would agree that conch stew is much more of a Cayman tradition than stew sea urchins, chitons or periwinkles. It is for this reason that I would urge the Honourable Members to look carefully at this Motion and understand that we would be creating a very difficult issue to control and monitor. The fishermen in my district who use the sea urchins is for a specific period of time and location, just off the iron shore mainly, whereas the conch is used so widely and there are so many available substitutes for conch.

So, where I agree with the desire and primary motivation that is presented here, which is to protect the fishermen, I will not suggest that there is any other political motivation behind it and I do agree that we need to do everything within our ability to preserve the fishing tradition. As the Member for North Side said, these individuals are proud people who want to provide for themselves and not rely on handouts from Government, and we must encourage and do whatever to balance that issue of development and environment, as she pointed out, to ensure that these traditions are in place. I think the Government has circulated a very wise amendment because two broad-leaf conchs are a lot of conchs to go fishing with.

Mr. Speaker, if this is going to be for fishing purposes only then that is a noble attempt by the Government to put something forward that balances the tradition of preserving the conch; allowing them to breed and multiply so that we continue to have them on our menu in our kitchens. So, Mr. Speaker, I do give credit to the Member for East End for bringing what has come to him as representation from his district. That is his purpose; to come here and articulate it on behalf of his people but at the same time, as a legislator, he has to balance that with the quest for the environment to protect and preserve for future generation the conchs that we are talking about.

With those few words said I would urge the Mover of the Motion to look carefully at the amendment proposed by Government and consider it as being Government's gesture to meet you halfway, and to

certainly make a contribution to the fishermen on these Islands.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? If not may I call on the Honourable Leader of Government Business to reply.

Mr. V. Arden McLean: Mr. Speaker, it is my Motion. Thank you.

The Speaker: Before calling on the Honourable Member for East End to reply I believe we have an amendment by the Honourable Leader of Government Business, which I would call on him to move at this time.

[Pause.]

The Speaker: Honourable Members, procedurally even if the Honourable Leader of Government Business does not move the Motion, it has been circulated. If you wish to speak to it you may do so. I will, nonetheless, call on the Honourable Leader of Government Business to move the amendment at this time.

Hon. W. McKeeva Bush: Mr. Speaker, I do not know if there are any more points to be advanced by the Mover of the Motion. I would have preferred to hear if he had any more points and then move the amendment but I will continue at this time.

The Government respects that there are a few older Caymanian men who still go fishing as a means of supplementing their income in a few districts. We can think of a few of them but that is not the problem, the problem is going to come in where everyone is going to want it. I believe that we have come up with something that is liveable. We put a limit on the season for conch and the open season is from November to the end of April and from May to October, which is a closed season and, which the Motion seeks to move. Mr. Speaker, I will formally move the amendment being circulated: in accordance with the provisions of Standing Order 25(1) and (2) I, as the Minister responsible for Tourism, Environment, Development and Commerce move the following amendment to Private Member's Motion No. 12 in the Resolve clause by–

1. deleting the words "take steps to amend" and substituting there for the words "consider amending"; and
2. deleting the words "five conchs per day" and substituting therefor the words "two conchs once per day".

Mr. Speaker, as I said the Government took the position after much calls for this to have been done over the years and—

The Speaker: Honourable Members, the question is on the amendment to the Motion. So that it makes sense to even the listening public, I will read the Resolve of the substantive Motion which says:**BE IT THEREFORE BE RESOLVED THAT the Government takes steps to amend the Marine Conservation Law 2003 Revision to allow Caymanian fishermen to be licensed to take up to five conchs per day from Cayman waters during the months of May to October inclusive, for the sole purpose of fishing**.

The amendment that is being moved by the Leader of Government Business is amending the substantive Motion and this is stating

1. deleting the words "take steps to amend" and substituting therefor the words "consider amending"; and
2. deleting the words "five conchs per day" and substituting therefor the words "two conchs once per day".

Members are reminded that you are voting on the amendment to the Motion and the Motion as amended will later be voted upon. All those in favour of the amendment . . . He can still speak to the amendment; I am taking a motion on the resolve of the amendment at this time. The Motion has been moved and I would call on the Leader of Government Business to speak to it at this point.

Hon. W. McKeeva Bush: Thank you very much, Mr. Speaker. I think it is such a good compromise that we were all satisfied we were going the right way *(laughter).*

Mr. Speaker, the Government over the years, have been requested to do something about the depletion of conchs and that is why we put a limitation and the seasons. The Department is still conducting the annual survey and we have not yet seen the effects of that band and what it could do. The Department told me that scientifically the generation time of a conch is four to five years and it takes that long for them to reproduce.

While they have some raw data—I will not go through all of it because it does not look good; it is a very small amount. The open zone in the North Sound is ten conchs and eighty sites. In the Barkers replenishment zone is nine conch and eighty sites. That is not a whole lot, and as I said they are still taking their survey. I would like the Assembly to give the Department an opportunity to run the necessary analysis on the data they are presently collecting.

Much is being said about the short-spine sea urchin and the point is that these sea urchins are not in demand for food nor are bleeding teeth or chitons, but conch, on the other hand, is one of the favoured local dishes. We have a serious depletion of the conch population and it is no good of any Member getting up here talking about which district is doing it; I hear that grumbling, but this has been done over the years and I think it is a worthwhile move the House

has made in the protection of it and it is widely accepted.

I have at least three people in my constituency who spoke to me. So, I think the compromise I have presented is to give the Department time so that they can complete their work. The reason we have taken steps to protect the conch is because the Government wants to ensure that we will be able to continue to take conch in the future for food. If we do not take this measured stand at the time then we are going to be in trouble.

We keep talking about enforcement, but the more work we give to the Department with such things, the less they get opportunity to do enforcement into the real areas that need it. Seining and turtle fishing are very obvious activities and is easier for them to enforce. However, not so at the many people that can come in and say I am a local Caymanian and therefore I have a right to a license and I want to go fishing. We can license them but it is not easy to enforce Five conchs per day throughout the whole year is going to negate the work that we have done with the legislation in the past year and a half.

The other point I would like to make is that while there are various licenses created by various governments over the years and there are different reasons for the licenses, there is no legislation that prohibits locals over foreigners. I do not know of . . .

[inaudible interjections]

Hon. W. McKeeva Bush: So who are you protecting then? Who are you protecting? You are protecting the local. Well, Mr. Speaker, whether that is what they meant, I know what I heard and as I heard it, other people could take it to mean the same thing. When I heard the Second Elected Member for George Town and the general secretary of the PPM saying that it was not the eastern districts that destroyed the conch population in that area, that is why I had to make that because these are serious things and we say them and create problems!

The Speaker: Order, order.

Hon. W. McKeeva Bush: I think the House would do well to give the Department an opportunity to finish their work and see what the results are.

I intend to come back to the House in July at the State Opening, make a report to the House and say what will happen at that time, whether I have the advice from the Department to go ahead with two conchs; that is why I have said two conchs. I think we should give them that chance and give the Government this opportunity to do that.

I am not saying that we should consider just to say, "I have no excuse" or I will say to the Government let us just kill the motion; I am not doing that, I am saying let us compromise. While we know that we have the problem in various districts with a few people, and out of respect for them, we will try to find a mechanism, because we know who they are. The East End Member spoke of a few and the North Side Member spoke of people that we all know and respect, and I can name certain fishermen in West Bay whom I respect and who do it genuinely.

So, I would ask that the House give us that opportunity and we will come back to the House in July and say what will happen. Thank you for allowing the amendment, Mr. Speaker.

The Speaker: Honourable Members before calling on the Elected Member for East End, I would like to refer Members attention to the Standing Order 25(4) so that the procedures are fresh in everyone's mind. It has to do with amendment to motions.

"An amendment to a motion may be moved and seconded at any time after the question upon the motion has been proposed by the Presiding Officer and before it has been put by him at the conclusion of the debate thereon. When every such amendment has been disposed of, the Presiding Officer shall either again propose the question upon the motion or shall propose the question upon the motion as amended, as the case may require, and, after any further debate which may arise thereon, shall put the question to the House or Committee for its decision."

Does any Member have a comment to make on this? I now call on the Honourable Member for East End to wind up. I do not imagine that any other Member wish to speak on this since the amendment was circulated and all Members had an opportunity to speak on it.

The Honourable Member for East End.

Mr. V. Arden McLean: Mr. Speaker, for clarity, am I now allowed to debate the Motion or to wind up my . . .

The Speaker: Just let me give you the clarity that you seek.

You are now winding up on the Motion as amended.

If Honourable Members wish to have a vote on the amendment which I sought to do earlier, I will do that at this point. All those in favour to the amendment to Private Members Motion 12/03, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Private Member's Motion No. 12/03, as amended, passed.

The Speaker: It is difficult to now see what will be opposed to, since all Members of the House have agreed on the amendments to the Motion, but none-

theless, I call on the Honourable Member for East End to wind up his Private Members Motion 12/03 as amended.

The Elected Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker, I am a little confused because I did not get the opportunity to debate the amendment to my Motion as presented by the Leader of Government Business.

The Speaker: Honourable Member, please take your seat for a second. I would like to make a correction.

The statement that you have just made is not correct. You will have every opportunity to debate the Motion as amended which will take into account the amendment to the Motion. It is not correct to say that you will not have an opportunity to debate the amendment.

We have just taken a vote on the amendment as was the wish of the House. No dissention was given to that amendment; therefore, the amendment to the Motion was passed unanimously, no record or any dissent.

You may now wind up on that Motion as amended.

Please continue Honourable Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker.

I really do not know where to begin, but I certainly find it a little strange that the Government would bring an amendment to this Motion. I heard what the Leader of Government Business said in his moving this amendment, however I do not agree with the reasons for bringing such an amendment and I will—

Point of Order

The Speaker: Please state your point of order Second Elected Member for Cayman Brac and Little Cayman.

Mr. Lyndon L. Martin: Mr. Speaker, the Member is trying to revive a debate on something that has already been voted on, which is the amendment.

The Speaker: That is not a point of order and it is for the Chair to decide whether a previous argument is being revised.

Please continue with your debate Honourable Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker.

As I was saying before I was interrupted by the Second Elected Member for Cayman Brac and Little Cayman that I do not agree with the reasons of the Leader of Government Business, as he expounded for bringing this amendment to my Motion, No 12/03.

I am going to go into why I see his reasoning as unreasonable. The Leader of Government Business, in moving to amend my Motion, said that everybody will want it and he was referring to a license to take conch during the period of May to October inclusive. If the Leader of Government Business and the Second Elected Member for Cayman Brac and Little Cayman were here when I made my presentation they would not have come up with those things because I made it quite clear, and I think that I went out on the limb on one occasion to stretch the limit of people that this would be extended to, as I said, up to one hundred and fifty. When the Leader of Government Business used that as a reason it was not reasonable for him to use that as a reason.

Both, the Leader of Government Business and the Second Elected Member for Cayman Brac and Little Cayman talked about how difficult it would be for the Department to enforce and ensure that those people were only taking five conchs. I wonder how difficult it is now to ensure that they are not taking five conchs. It is the same thing and there has been no indication as to how difficult it would present itself two versus five. Neither the Leader of Government Business nor the Second Elected Member for Cayman Brac and Little Cayman said anything about that in their presentation.

I am wondering how they are being monitored now. How are the lobsters or the right to take turtles being monitored? How is the right of seining being monitored? How is the right to use a spear gun, fish pots and the lack of the right to take groupers for the next eight years being monitored? Simple! The marine officers that we have are on the water all the time and to ensure that no one is taking conch out of season; they have to visit the boats. Mr. Speaker, you will recall during my presentation of this Motion, I mentioned how the marine officers come to my boat to check on me. I see them going to other boats to check on them and I also said that I believe, those who are breaking the Law are doing it outside the hours those poor marine officers spend on the water.

I also congratulated the Department over the last six months to a year because there has been an increase in activity from the marine officers within my district, and they are doing a good job while they are on duty. However, outside that duty time is where we have our problem, thus my call for additional officers to ensure that we get the coverage.

The UDP Government has to decide whether we are going to pay lip service to the protection of the Marine Conservation Law or the Marine which is so vital to our economy in the tourism industry or if we are going to just legislate laws from a moral standpoint and hope that people do not break the laws, because that is what we are doing.

Mr. Speaker, here is where the Leader of Government Business, his Government and I do not break bread. I want to see more enforcement officers to ensure that we preserve the marine life in our coun-

try. In every debate in this Honourable House I have called for that since I have been here, and the Opposition and I continue to call for that. The Leader of the Opposition made passionate pleas during the debate on the amendment to the Marine Conservation Law about the provisions for more marine officers.

The Opposition is not here trying to destroy the marine environment. We are merely trying to maintain a tradition and the Government is not, in my view, fair to bring such a motion because there is no reason whatsoever, that I have heard, where it is going to deplete the conch population any faster than if it was not given to that select few fishermen.

The Leader of Government Business talked about— and his Motion proposes to change my Motion from five conchs a day to two conchs once per day. Now, Mr. Speaker, if we thought that monitoring of November 1 to April 30 was difficult for ten conchs per day, this is going to be even worse. There is no way those marine officers are going to be able to prove that it was not twice per day. So, it just does not make a lot of sense to have two conchs.

Let me go to having two conchs to fish with. When my good friend Mr. David Ritch was along the iron shore in East End we were getting more than two conchs to fish for grunts. I hear the Second Elected Member for Cayman Brac and Little Cayman making his little noises; I just have something to say to him. I have wrung out more salt water out of my socks than he has ever seen.

The Speaker: Honourable Member for East End you are directing your debate to the Chair not to the Second Elected Member for Cayman Brac and Little Cayman.

I would ask that we would try to desist from the cross talk because in trying to answer things that are said by the Opposition or from another Member it does not make much sense of the debate. So, please concentrate on your debate and ignore any comments you may hear from the Second Elected Member for Cayman Brac and Little Cayman, or anyone else.

Mr. V. Arden McLean: Thank you Mr. Speaker, I was just trying to make the point that I have been on more salt water than he has ever seen.

That is not to say that I am the authority on anything. It is the Department of Environment who have the scientist, scientific data and qualified Caymanians who are qualified to do this. I heard the Leader of Government Business read statistics that I did not totally understand but I have spoken to one of the bright minds of the Department and explained to him (it was not the Director but a young Caymanian) my experiences growing up in East End. The conch population at that time went to rock bottom because I think that every time we see a rock bottom population in conch, in particular in my district, it has always been that the economy is down and people use that as a means of supplementing income. Over the last few years enforcement has assisted in keeping it up and I think them for that. However, I am not convinced that a few conchs— in my district, I would venture to say there are about fifteen people who would qualify as exclusive fishermen.

It is not going to absolutely affect these people. I spoke of how the enforcement officers doing such a good job in East End. They know every coconut husk boat that go into the East End sound. So, they know who would qualify as a fisherman. They know I do not qualify as a fisherman, unless of course, I am travelling with one of those members in the society who is qualified as a fisherman, I am not suppose to have conch in my boat during the period of May to October inclusive. If they catch me with them then I would have to pay the penalty of going to the courts and going to prison, or a fine. So, I do not qualify and I have to uphold the Law but there is a small group of fishermen that would benefit from this.

I said earlier that when I went fishing along the beach I got more than two conchs. It is almost impossible to give a fisherman two conchs and expect him to go out there and use it as bait to catch some of his prize fish. I heard the Leader of Government Business say that he is coming back in July to tell us if two conchs are sufficient or if it has been approved. Mr. Speaker, I believe the Leader of Government Business specifically said that to get the public off the Government's back because he is further amending my Motion to say: **BE IT THEREFORE RESOLVED that the Government take steps to amend the Marine Conservation Law 2003 (Revision)/** I believe that the Leader of Government Business did it on his own because a number of people in the Government would support the fishermen taking five conchs. He proposes to delete the words "take steps to amend" and substitute the words therefor the words "consider amending".

I have been in this Honourable House since 2000, albeit a short time, but one thing I have been gifted with is a long memory. I have brought motions to this House in that short time asking for Government to consider, and to date, they are still considering and as soon as this Honourable House is dissolved in September this year, it falls away. Nevertheless, I would like with your permission to read the Resolve of Motion No. 8/03.

The Speaker: Honourable Member I have no objection to you making reference but I would remind you that we are not debating a matter that has already been passed by this Honourable House. Motions 7 and 8 were referred to earlier in debates but I am giving a lot of latitude so I will allow you to read the Resolve of that Motion if it is going to strengthen your argument.

Further, may I also repeat that we are not now debating the amendment to this Motion, a vote has been taken on it and a unanimous decision has been reached. What we are now debating and the new

amended Resolve to this Motion reads as follows, just for clarity. **BE IT THEREFORE RESOLVED that the Government consider amending the Marine Conservation law 2003 (Revision) to allow Caymanian fishermen to be licensed to take up to two conchs per day from Cayman waters during the months of May to October.**

Can I ask for some quiet please? I would further clarify for Honourable Members that during the Months of May to October is the closed season and this is why this Motion is being brought.

Please continue Honourable Member for East End.

Mr. V. Arden McLean: Thank you, Mr. Speaker, for allowing me to read the Resolve of Motion No.8/03 which was brought by the Second Elected Member for Cayman Brac and Little Cayman and seconded by the Fourth Elected Member for West Bay.

The Resolve says, **"BE IT THEREFORE RESOLVED THAT Section 18 (2) (c) of the Marine Conservation Law (2003 Revision) be amended . . ."** My Motion was "take steps to amend" in essence it is saying the same thing. That got unanimous support by the Government. All of a sudden the Opposition is brining a motion and the Government has to consider it.

Mr. Speaker, that is unfair to the people of this country. I am not considering it from my perspective; I did what I had to do. Now, it is the people that the Leader of Government Business and his Government has to answer to, not me. I did what was requested of me as a representative. The Leader of Government Business is doing this to 'save face' because I know when this Motion was proposed . . .

[inaudible interjections]

Mr. V. Arden McLean: When this Motion was proposed the Government came here with the intentions of refusing it and subsequent representation from the general public has now made them change their mind to come here to amend my Motion in order to 'save face'.

Mr. Speaker, there are many rumours in this country about other people taking marine life and they are not being monitored. I pose the question today to the Government: How is the dive industry in this country being monitored, particularly at night? I have none of that empirical evidence that the Minister of Education like to talk about. In this, my country, I know where there is smoke there is fire.

I have had much representation from the fishermen and, in particular, for those who go fishing at night, of dive boats taking lobsters from within the Cayman Islands waters; I have never seen it. If we are going to monitor Caymanians and the little fishermen then we are going to monitor the dive boats in this country, as well. If such a thing is happening, I think it is time that the Department, if they are not already doing so, start monitoring the dive boats at nights.

Mr. Speaker, the Leader of Government Business says that we should give the Department time to gather sufficient data on the amount of conchs to see what the population is doing. I support that I am not trying to take anything away from the Department; it is their job to do that, not mine.

In monitoring and gathering that data, I wonder if the Government can tell this country if the Department has any data on the amount of fishermen are in this country. We all understand that the taking of groupers are banned and it was based on the amount of fishermen and the amount of fish that were being taken at that time, and scientifically the Department estimated the sustainability of groupers in these waters. There must be some data available to say how many fishermen are available.

The Second Elected Member for Cayman Brac and Little Cayman said that there are a number of substitutes for conch that can be used for fishing. I am here to tell him that there are a number of substitutes for sea urchins also, in order to catch squabs. You can catch them with soldier crab and if he is only talking about sea urchins being used only in Cayman Brac, Cayman Brac has a greater population of soldier crabs than we have here.

Again, there is no reason why we cannot allow our people to have five conchs and I would ask the Government to withdraw this amendment. I want to be understood that there is no way the Opposition can vote against it but it is the Government that is utilising their power and political will that they do, to the people of this country, and they have always done this. The United Democratic Party has always done this! Only a select few in this country benefit with any significance from the actions of the United Democratic Party.

The Speaker: Second Elected Member for West Bay, are you rising on a point of order?

Honourable Member for East End, please continue, but I ask you to be very careful of statements categorically made. If is in your opinion, I would like for you to say so.

Mr. V. Arden McLean: Thank you, Mr. Speaker.

Politics is about an opinion, and it is, in my opinion, that 99.9 per cent of the decisions made by the UDP are in the interest of a select few in this country. Here we are trying to bring a motion to assist the fishermen to maintain a tradition. It is not about tradition anymore; it is about modernisation, like the paint colours inside the Legislative Assembly! It is not about tradition; it is in preserving the wood in the Legislative Assembly and preserving our people so that they can fish. We need to hold on to some of those values and traditions that were instilled in us so that they can be passed on.

The Government has its numbers. I will tell the people who made representation to me that I did my job and I will show them how the Leader of Government Business changed my Motion to suit him. There is no reason why it has to be changed and the people will have to live with what he proposes because the Government has the control. If it was the other way and the Opposition had the control they would be in power and it would be the tail waging the dog. So, it is always the dog that wags the tail and we are the tail. God help us, Mr. Speaker. We really need God's help under the administration of the UDP.

Mr. Speaker, I understand and I will not go on much further but there is one thing that I need to leave in the minds of the Members of this Honourable House. I said in my presentation, and the Member for North Side also spoke of snapper season, which is now upon us and that is the particular time that fishermen use conchs. There is alternative bait but the alternative bait is small fish under 8 inches. So, what we are doing is creating criminals of our own fishermen. We will not give them the conch but they can take the small fish to fish for snappers and that is illegal. So, it is six of one and half dozen of the other.

Point of order

Hon. W. McKeeva Bush: Mr. Speaker, I must rise on a point of order.

The Speaker: Please state your point of order.

Hon. W. McKeeva Bush: I think the Member is being repetitious, and he is misleading the House.

There is no control over fries or sprats, and yes, they may be under eight inches but there is no control on them. I really think that the Member is constantly repeating himself, although I know you are keeping a watchful eye on proceedings.

The Speaker: Honourable Members as stated earlier we are giving latitude on this Motion and there has been a lot of tedious repetition but I do also understand that the Order Paper before us is perhaps the last item during this 2003 Session, so I am allowing Members to vent a bit. I would ask a bit.

I would ask that we try to stay as closely to the Motion as possible. The question now before the House is the winding up of this Motion by the Honourable Member for East End and if he made any suggestions that are not factual then I am sure again that he would qualify it by saying, in his opinion. I would not want to delay the proceedings of the House by dealing with these petty issues.

Please continue with your debate Honourable Member for East End and try to be as factual as possible with the points you are making.

Thank you. Please continue.

Mr. V. Arden McLean: Thank you, Mr. Speaker.

Please allow me to clarify what was said when I said 'small fishes that are under eight inches'. The Leader of Government Business got up on a point of order and said sprats, which are under 8 inches are used for fishing; 'yes', I totally agree with him! Now I need the Leader of Government Business to get up and say if there are any restrictions on fish such as grunts, yellow tails and those other kind of fishes. Once he has clarified that then I can tell him they are used also for snapper fishing. The Leader of Government Business is trying to prove that I was saying something wrong and it is not so! I am not talking about sprats; I am talking about the fish that have restrictions on them, which people are using and have always used, therefore in the absence of other bait such as conch, they will continue to use them and we will be criminalising these people! So, he must not get up here on a point of order if he has never fished for snapper. He does not even know where to go to catch them.

That is why we perish in this country because of the lack of knowledge, such as what The Leader of Government Business has, who have no knowledge of what it takes to catch snappers and what baits are used. So, when he gives advice he must understand what he is getting and clarify what he has said.

Mr. Speaker, I will leave it to the Government. I suspect that this Motion will never (five nor two) see the light of day because of the consideration amendment to this. I would be very surprised if the Government bring it in July. So, the Leader of Government Business and the Government can say as they please, but it is my opinion, that they have no intention of ever allowing fishermen in this country to take two or five conchs during this particular period.

Thank you very much, Mr. Speaker.

The Speaker: Honourable Members to ensure that everybody is quite sure I will repeat again for the third time that the question will be put on the amended Motion.

Let me say again, that a vote was taken on that and passed unanimously so we are now going to be voting on the amended Motion. The question is that, **BE IT THEREFORE RESOLVED that the Government consider amending the Marine Conservation law 2003 (Revision) to allow Caymanian fishermen to be licensed to take up to two conchs per day from Cayman waters during the months May to October inclusive, for the sole purpose of fishing.** All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Private Member's Motion No. 12/03, as amended, passed.

Hon. W. McKeeva Bush: Mr. Speaker, can we have a division?

The Speaker: There were no objections so the Motion has been carried unanimously.

Hon. W. McKeeva Bush: Mr. Speaker, I taught I heard one and that is why I called it.

It is the presiding officer but I am at liberty to ask for it if I thought I heard it and that is what I thought I heard.

The Speaker: The Motion has been carried unanimously.

Madam Clerk, please call the next item.

PRIVATE MEMBER'S MOTION NO. 14/03

Motion to amend Part II of the Traffic Law (2003 Revision)

The Speaker: The Fourth Elected Member for West Bay.

Mr. Cline A. Glidden, Jr.: Mr. Speaker, I beg to move Private Member's Motion No. 14/03, a motion to amend Part II of the Traffic Law (2003 Revision).

It reads, **BE IT RESOLVED THAT the Government consider undertaking a review to amend Part II of the Traffic Law (2003 Revision) with a view to restructuring the policy in regards to unregistered vehicles.**

The Speaker: Is there a seconder for the Motion?

The Second Elected Member for West Bay.

Mr. Rolston M. Anglin: Mr. Speaker, I beg to second the Motion.

The Speaker: The question is, **BE IT RESOLVED THAT the Government consider undertaking a review to amend Part II of the Traffic Law (2003 Revision) with a view to restructuring the policy in regards to unregistered vehicles.**

The Motion is open for debate does the Honourable Mover wish to speak thereto?

Mr. Cline A. Glidden, Jr.: Thank you, Mr. Speaker.

Before starting with my debate I just want to be sure to emphasise that even though I am the Member of the Government Back Bench that this Motion calls for Government— it says: **"BE IT RESOLVED THAT the Government consider undertaking a review . . ."** I want to make it clear that I am only asking for consideration.

This will be a very short un-contentious Motion. I think that all Elected Members, like me, have been exposed to numerous requests by individuals who have had difficulties with vehicles that were licensed previously, but due to some unforeseen circumstances have been off the road for extended periods of time. Usually what happens under the existing policy is that the Motion calls for a restructuring of policy in regards to unregistered vehicles because in researching the Motion I have had difficulty finding exactly where in the Law the policy is found. I think that we are all aware of the problem which exists where someone will come to license a vehicle after purchasing it from someone, after it has been off the road for an extended period of time, only to find that there are license fees owed, sometimes in excess of four to five years, which tends to make it difficult on the new owners to then get the license brought up to date.

In researching the Motion to find where in the Law that is allowed to be done. I did research of the Traffic Law (2003 Revision) Part II, which refers to registration and licenses of vehicles. In section 6 (4) it says, **"The director in being satisfied that this Law and the Motor Vehicle Insurance (Third Party Risk) Law (1997 Revision), and regulations respectfully made thereunder, have been complied with, shall register the vehicle by assigning it a serial registration number and recording the prescribed particulars in the register, and shall issue to the owner registration plates and a certificate of registration in the prescribed form."** That says that a part of registering the vehicle is issuing the owner registration plates.

What has happened in the past is that if someone takes their car off the road, does not carry the plates to the Director of Licensing advising that the car will be off the road for an extended period of time and the license registration expires, upon trying to renew that registration it is required for the individual who is registering the vehicle to then pay the fees since the expiration of the previous registration.

The Law specifically makes provision for someone to temporarily take the car off the road and notify the Director of Licensing, but in some circumstances that have been expressed to me, many times an individual do not plan for the vehicle to be off the road for extended periods of time. In one case, I know of an individual where the truck was off the road for a short period of time because he was doing work on the back of the truck, changing it and injured himself while doing so. The person was off for medical reasons for a long period of time, not realising that the vehicle was there and not expecting to be off for that period of time. Before he realised it, he was off doing physical therapy and so on, and a year had passed. He started working on the vehicle again and because he had to wait for parts two years had passed and it got to the position where he had to pay license fees for two years. So, in trying to get the money to do that, this was a longer period of time. He could not come up with the funds anymore and someone approached him about purchasing the vehicle and the sale of that took an extended period of time. When the new owner

finally completed the purchase and went to license the vehicle there was two to three years in outstanding fees.

I said earlier that I think this is going to be a short Motion because we are all aware of the problem. If I could be permitted again using the Law section 14(1) (b) it says, **"A vehicle licence may be taken out for three six or twelve months and shall come into effect upon a subsequent application for a vehicle license in respect of a vehicle on the day following the day of expiry of the last vehicle licence issued in respect of that vehicle, irrespective of the date of such application."** that is where we get to the back fees.

Earlier on I mentioned in section three where it says that the owner of a registered vehicle intends not to keep the registered vehicle on the road for a period in excess of three months; he may lodge the vehicle license with the Director and make applications with the Director in the prescribed form for a suspension. Looking at the cases where it is not a planned long term; we get to section 10(3) of the Law. I think the recommended solution to the Motion would be 10(3) which says, **"The Director may delete from the register any vehicle for which a vehicle licence has not been taken out for a continuous period of three years."** My recommendation is to change that to say that the Director shall delete from the register any vehicle for which a vehicle license has not been taken out for a continuous period of one year.

What would happen then is if a person's vehicle is not license for a year it would now be removed from the register. If they wanted to license thereafter it would be dealt with as a new re-licensing so there would be no back fees associated with whatever period of time occurred. If they waited for two or three years at that time it would be dealt with as a new license because it was removed from the register at that time. So, there would be no need for back fees to be paid for that period.

Mr. Speaker, in the event that the person is driving the vehicle for that period, I would also recommend that the fines for driving an unlicensed vehicle would be increased which would act as a deterrent to ensure that people do not go over that period because they would then stand the chance of being caught and paying a higher fee.

When it says that the Director may delete from the register, I am not sure whether that policy is being used. If that is the case then no one should be paying fees for more than three years because after the three year period the Director could delete it from the register. I have had references made to me that is not the case because it says that the Director may delete, so if it has not been deleted, if it is still showing on the register even if it is four or five years later, then the fees that are outstanding are expected to be paid.

My proposal is to change the word "may" by substituting it with "shall be deleted". If the experts in the Department say that maybe it should be longer than a year, maybe a year and a half, it would still solve my dilemma because in the event if a person finds that they are only outstanding for one year or eighteen months, it would mean that they would have to wait six months more and when they go to register the vehicle it would not be required to pay any outstanding fees, only the new registration. Hopefully that will allow for one of the hardships that our people are having. In most cases people who cannot afford to pay those outstanding fees, as I said, many times they purchase a car not knowing that the fees are outstanding for extended periods of time.

In many instances we have been asked to write to the Financial Secretary to get those fees waived. Hoping that with this amendment to the Law the process will be a bit easier to address. Mr. Speaker, hopefully this Motion meets with the approval of the Honourable Members of the House.

Thank you.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak?

The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Mr. Speaker, this is a matter that the Government will explore. It is one of policy and it is one that affects all Caymanians at some point in time. I think the Member has done a good job of presenting his case. I want to tell the Opposition that I stood by the door and listened to what the Member had to say, although I had to deal with people outside.

Mr. Speaker, the Opposition is so willing to cause trouble; so willing to try to throw cold water on a good thing. They have such a problem but as I said, the Government is going to explore this matter. It affects everyone and I think it is something that we can genuinely examine and we intend to do that and make a report in July at the State Opening.

The Speaker: Does any other Member wish to speak? The Honourable Leader of the Opposition.

Hon. D. Kurt Tibbetts: Mr. Speaker, this Motion 14/03 is one which most, if not all of us, in this Honourable Legislative Assembly can relate to because I have on occasion on behalf of constituents had to write to the Financial Secretary, the Honourable Third Official Member, explaining certain situations regarding these back fees that are referred to in the Motion. The various sections and subsections that the Honourable Mover has referred to are very relevant to point out the problem that ensues on occasion.

So, from the point of view of looking into the matter to see if there is an easier method to solve such problems when they occur because it is as the Mover has said, we have it on both sides. You may well have an individual who have physically paid for a vehicle and actually exchanged keys and cash prior to

going to license the vehicle and on reaching the Licensing Department is when it is discovered that there are three, four or five year of back licensing fees that they have to pay if they wish to drive the vehicle. The difficulty with that is they cannot go back to the person and say here is your vehicle I want my money back because the deal is done.

So, there is a problem like that and we accept that. There is also the problem which he mentioned of individuals—I think lots of time they simply forget and do not really realise it because the vehicle is not on the road for some reason, and eventually you will have situations where a couple of years may go by and in the odd circumstance several years will go by before a vehicle is back on the road. In many instances that is not private vehicles. On many occasions it more likely for that to happen with heavy equipment than the car or jeep that you or I would drive. Many times with heavy equipment they get put aside and somebody who is in that business will have two or three other vehicles put aside and they will buy this one that has been laid up for four or five years in order to make one vehicle out of all the different pieces they have together, then they are faced with that problem.

To view the Motion from the point of view that the problem is accepted is that everyone is in total agreement. To say that we are going to have a look at it, as the Government has said, is fine too. However, more so than any other reason, why I wanted to say a few words on the Motion is because I do not think there is a question of whether everyone accepts having a look at this. What we have to bear in mind is if you look at the existing Law at the section and subsections that have been referred to, the reasons those sections are in the Law is simply because there are individuals who would, if they were allowed to, break the Law unless they are caught. So, my point is, that in looking at it and trying to find a way to bring about a situation that is not so onerous for an individual in the circumstances, which we referred to, we must insure that in doing that it does not create a loop hole for those would be law evaders. I cannot be specific with that because I do not know what the solutions are going to be that are brought forth. I only want to raise the point that the reason why the Law is this way is for the reasons I just mentioned.

Any solutions to be had, it must also be borne in mind that we do not want to bring about a situation that makes life easier for those individuals. I do believe that whatever the solution is, I think that there has to be a mechanism of verification so that I just cannot wake up one morning, sit with my friends and develop a yarn to spin and I spin the yarn and problem solve. There has to be a mechanism whereby a Justice of the Peace or someone will attest to the fact that what this individual has put forward as his case is the case.

Subsection 3 of section 10 which the Mover pointed out, where it says: **"the Director may delete from the register, any vehicle for which a vehicle licence has not been taken out for a continuous period of three years."** a solution of "shall" and "one year" instead of "may" and "three years" is being offered. I think we may want to be a bit careful with that because the truth of the matter is, and again, I go back to heavy equipment, which is not always on the road but at some points in time, may have to be transported from one point to the other and actually go on the road if it is not on a flatbed being transported by another vehicle. People can take advantage of that and not license it for a year, then license it for a year and do not license it for another year and say it was not working because it was off the road.

I only bring those points up to say yes, if we can find a way to make life easier, fine, but at the same time we must bear in mind in trying to seek those solutions that we are not allowing too many loop holes in the various areas that the Law itself is meant to capture at this point in time.

So, Mr. Speaker, I do not think there is a problem with supporting the Motion. I just thought I would raise those few points so that they could be borne in mind when consideration is being given.

Thank you.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? If not would the Fourth Elected Member for West Bay wish to exercise his right of reply?

Mr. Cline A. Glidden, Jr.: Thank you, Mr. Speaker.

I would like to thank all of the Members from the Government and the Opposition who have spoken in support of the Motion.

The intent was that once there were an agreement we would ask the people in authority who have the expertise and experience to consider and if they can come up with a solution that will help everyone that would be a reasonable outcome to the Motion.

Section 6 (1) says**, "whoever, in any place. uses or keeps or, being the owner, permits any other person to use or keep any motor vehicle, not being a vehicle exempted from registration under this Law and which is not registered, is guilty of an offence."** According to the Law if you have it and not using it you are guilty of an offence. Section 2 goes on to say that no person is liable for penalty for a breach of subsection 1 if he proves that he has taken all reasonable steps to comply with its requirements, and when the vehicle is in use on the road that it is on the way for the purpose of being registered.

So, I think that there is agreement where the situation needs to be reviewed and I trust that with the support of the Government and the Opposition the Motion will pass, and the respective bodies will come up with a more practical solution.

Thank you, Mr. Speaker.

The Speaker: The question is, **BE IT RESOLVED THAT the Government consider undertaking a review to amend Part II of the Traffic Law (2003 Revision) with a view to restructuring the policy in regards to unregistered vehicles.** All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Private Member's Motion No. 14/03 passed.

The Speaker: Honourable Members I propose to take the luncheon suspension at this time but would ask all Honourable Members to try and be back by 2.30 pm so that we may resume.

As you will notice there are only two items remaining and those two items could be completed today which would complete the items available for the Order Paper for this 2003 session.

I would, however, remind Honourable Members Standing Orders 23(8) which reads, **"…Provided that if all other business for the meeting has been disposed of, such postponed questions and all other questions listed on a Business Paper but not placed on the Order Paper shall be answered in writing by the Member of Government to whom the question was addressed …"** I would ask all Honourable Ministers and Members of the Government to comply accordingly with this Standing Order.

What I would also say is that when we return Honourable Members confine their debates to the motions before the House that we could finish the items on the Order Paper today. I do understand that there is a 4.45 pm meeting which has been called by the Third Official Member and we will not be able to work late this evening, but I will leave it in the hands of all Honourable Members.

The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Sorry, Mr. Speaker. I was just wondering whether you can take the luncheon break until 3 o'clock as we have a 2.30 meeting with Members which will last until 3 pm.

The Speaker: The request is that we extend the luncheon until 3 o'clock to allow for certain official business to be conducted. So, we will break now and return at 3 pm.

Thank you Honourable Members.

Proceedings suspended at 1.00 pm

Proceedings resumed at 3.49 pm

The Speaker: Please be seated. Proceedings are resumed.

PRIVATE MEMBER'S MOTION NO. 13/03

Acquisition and Preservation of Property for Agriculture

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

Mr. Lyndon L. Martin: Mr. Speaker, I rise to move Private Member's Motion No. 13/03, Acquisition and Preservation of property for agriculture.

The Resolve reads, **BE IT RESOLVED THAT the Government consider undertaking a study to identify and acquire suitable acreage of property on all three of the Cayman Islands with the view of preserving the property for agriculture purposes.**

The Speaker: Is there a seconder?

The Second Elected Member for West Bay.

Mr. Rolston M. Anglin: Mr. Speaker, I beg to second the Motion.

The Speaker: The question is, **BE IT RESOLVED THAT the Government consider undertaking a study to identify and acquire suitable acreage of property on all three of the Cayman Islands with the view of preserving the property for agriculture purposes.**

The Motion is open for debate.

The Second Elected Member for Cayman Brac and Little Cayman.

Mr. Lyndon L. Martin: Thank you, Mr. Speaker.

In my short tenure here at the Legislative Assembly it is not often that I have had the opportunity to rise on a motion that I believe is uncontroversial and one that will have full support of this Honourable House.

With that said I would like to point out that the allegation made by the Member for East End that because it is Opposition they could not bring a motion that required definitive action but had to have it considered, is once more proven to be wrong. As you see, with this Motion we are simply asking for the Government to consider.

We live in an era where self reliance is of ever increasing importance. The ability for a country to supply its food, its source of life is growing increasingly important. I had a visit from one of the farmers in the constituency which I represent, several months ago, who stressed to me the growing trend of prime agriculture property that was now being used for subdivisions; being paved over; bulldozed with no regard to the true value of this property. In the district of Bod-

den Town and the Newlands area, I see it on a daily basis. I see where the red mole is simply covered by roadways. In a country that has such limited productive land mass it is imperative that we identify the very little agriculture property that remains in this country and take initiatives to ensure that this property is used for agriculture development.

I would like to address one of the components of this Motion. In the Resolve it specifies that we look at the three Islands. There are some unique considerations when we talk of identifying and labelling property in Cayman Brac and Little Cayman as agriculture because there is no zoning in place. However, I would like to stress that this will not affect private individual property; this would be property that the Government would acquire and own, then designate it, preserve and hold it in trust for agriculture purposes. This is not a general blanket arrangement where the individual will remain the owner of the property but it will be labelled as only for use of agriculture. The Motion seeks for Government to acquire the property and hold it for agriculture purposes.

There are many ways in which the Government could consider and look at how they use this property and allow the farmers to use this property throughout the three Islands. It could be through a token lease arrangement, or it could be where a farmer is allowed to acquire the property from Government outright once the purpose is for agriculture.

We live in the 21st century and rely on importing most of the produce, meat and everything. We have seen through recent events where this vulnerability to outside forces has played a true role in determining the standard of life in these Islands. We saw after September 11th (9/11) where air cargo service did not come in and our fresh produce was not on the shelves. We have seen in the scares of the mad cow disease where certain processed meats can no longer be imported and even the other produce that affects the plant life such as the pink mealy bug. It is of increasing importance that we try to develop our agriculture industry in these Islands, and the key component of any agriculture production is the quality of the land that you are producing it on.

As a hobbyist farmer myself, who farm on some of the very best land in the Cayman Islands, in the Newlands area, I truly appreciate the value of having good land versus land that I have to over fertilise because the cost of growing would exceed the potential benefit that you could reap.

So, Mr. Speaker, I bring this Motion before the Honourable House and I take the opportunity to thank my colleague, the Second Elected Member for West Bay, for seconding the Motion and while he was seconding the Motion, I am not sure if heard, that the Second Elected Member for George Town attempted to bestow upon him honourable citizenship of Cayman Brac. We always welcome his involvement and support of Cayman Brac but this Motion affects the three Cayman Islands, and I hope and trust that the full body of Legislative Assembly will find it within themselves to support this Motion.

It is an opportunity for us to draw on tradition, as the Member of East End talked about this morning, because farming and having our own little ground and produce, drawing our own cassava and yams— and I would like to let the Member of East End know that I have plenty red mole between my toes also—it is part of our tradition to have our own production of agriculture products in this Island and to do so we have to urgently address the ever declining available agriculture land in this country. On a daily basis all of us who drive through our districts will see situations where agriculture land is being used for subdivisions, and private dwellings that end up with brick paving over the property, and not properly utilised for agriculture property.

Mr. Speaker, with those short words said on this Motion, I reserve the right as given to me under Standing Order to reply and I will add further comments at that time.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak?

The Second Elected Member for West Bay.

Mr. Rolston M. Anglin: Thank you, Mr. Speaker.

It gives me great pleasure to second this Motion. Just to elaborate a little further on the point made by the Second Elected Member for Cayman Brac and Little Cayman in regards to the importance that agriculture plays as countries develop.

We see in the world in which we live that one of the key stumbling blocks for the World Trade Organisation, as we speak, to reach international consensus to have a true international trading system in place is the whole issue of agricultural subsidies in major countries.

Many of the developing countries of this world can grow certain types of agricultural produce cheaper than developed countries. However, developed countries and their governments see it as a matter of national security to subsidise farming in certain areas because they do not ever want to become reliant on other countries in the world to provide those critical foodstuff. So, those governments, for example, in the United States continue to subsidise their farmers in order to continue production in their countries, even though whilst they may have technological advances that make them efficient, the costs of other inputs, especially labour, into the agricultural industry causes them to be more expensive than they could have acquired those products on the open market internationally from certain other countries. Those governments realise that if in the event of a war, for example, they were left at the mercy of being able to either fly by air or bring in by vessels on the sea, certain produce into the country that would be potentially cut off in times of war. So, those governments make a conscious deci-

sion to continue to subsidise their agricultural industries.

As we in this House would know, there is a feeling that there should be a perfect system economically in the world today whereby those countries that can produce things at the most cost effective price, should be able to produce them and sell them to other courtiers. So, each country would go along the lines of what is a competitive advantage to them and they would then produce those goods and services. However, as we all know, a subsidy is one of the most widely used market distorting features in the world today because a subsidy is nothing more than that, a distortion of the market; a government making a conscious decision that even though they, as a country, may not be able to produce something, and in this case agriculture produce at the most economical rate; they continue to ensure that it is done domestically, simply for national security purposes.

We have said for a long time in Cayman and people continue to say: *"wow we are overly dependent on the outside world for everything that we have in this country.'* I believe that this Motion, whilst it does not provide the complete solution to our food dependency issue, it is a step in the right direction to us recognising that it is a critical issue for us, as a country, therefore we ask the Government to consider taking a step that would assist in the long term to us being able to produce and provide more foodstuff for ourselves in the Cayman Islands.

I know that there are going to be other considerations that must be given, that is, there is always a budgetary consideration and certainly we do bear that in mind. However, the Motion is crafted so, that I do believe, it provides the flexibility for us to start making the steps down the road to being able to acquire certain lands that we see are currently being used for other purposes, mainly for residential dwelling places; going down the road of being able to preserve some of that land for the future use of agriculture.

The Member has already spoken in regards to the issues that exists in Cayman Brac and we do recognise that we will have to deal with this issue slightly differently for both Islands, but he did make the point that this Motion is not seeking to come up with any land use criteria for people. It is simply Government paying cognisance to the fact that we have a situation in Cayman where we are, I would not say completely dependent, but so close to it that some would argue that it is too close to being completely dependent on outside countries from which we receive our very vital and necessary source of food.

The Motion is simply looking for Government to locate lands that would be suitable, purchase and preserve those with a view that they could be used for agricultural use. It is nothing new for the Crown to own property, it currently owns property and this is simply trying to ensure that we do get property with a specific view in mind, that is, that it would be used for agricultural production.

Mr. Speaker, I lend the Motion my support and I do commend the Motion to my other Honourable colleagues in this House.

Thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak?

The Honourable Minister for Planning and District Administration.

Hon. Juliana Y. O'Connor-Connolly: Thank you, Mr. Speaker.

I rise to make my contribution in respect to Motion No. 13/03—Acquisition and Preservation of property for agriculture. If you will permit me I would like to read it again to make sure that I am fully cognisant of it because this is the first time I am actually seeing it is on the Business Paper.

BE IT RESOLVED THAT the Government consider undertaking a study to identify and acquire suitable acreage of property on all three of the Cayman Islands with the view of preserving the property for agriculture purposes. If I understand what the Motion is asking, I believe it is asking three things:

Firstly, that Government be the entity who considers-

1. to undertake the study which would identify and
2. that they would acquire suitable acreage of the property on the three Cayman Islands.
3. lastly, with a view of preserving the property for agricultural purposes.

Mr. Speaker, I would start by way of introduction to say that the intent of this Motion has been along for many governments, certainly when you were the Minister responsible for agriculture; when the previous Ministers were; and I am sure the current Minister responsible for agriculture feels the same way, having had an opportunity to speak to him during a break earlier today. It is also reflected in our Development Law from some time back that there was an important need to ensure that agricultural properties were preserved within all three of the Islands. Obviously, as the Second Elected Member for West Bay indicated, the treatment of preservation and acquisition of properties for this purpose is by operation and regulations of the Development and Planning Regulation 2003. This would operate in a slightly different fashion in that to have done the Motion otherwise, we would have been caught within Regulation 35(3) which to an extent, exempts Cayman Brac and Little Cayman from having any particular type of zoning or land use, whereas regulations 1 to 34 does not apply to the constituency in which I apply.

I am happy to see that the drafter of the Motion asks for Government to consider acquiring as opposed to taking the approach of asking for a specific

land use because that would have put us in somewhat of a technical difficulty.

We also would have seen that from the 1977 Development Plan under the Agricultural and Residential Zone that the drafters from back then thought that these lands should be designated on the map, and in fact were so designated as being preserved primarily for agricultural and residential uses. There are a number of different conditions but the one relevant to this particular debate would be that agriculture and single family residential use should be allowed in this zone.

I think this is where some of the problem has been created, as far as the land use specifications are concerned, although under regulation 21 it says that one house per acre may be built on agriculture and residential property. We are finding that persons have wanted to build homes on many of these properties as it relates to Grand Cayman. We are aware of the caveat that is found in the proviso under regulation 21, which allows the Governor in various circumstances, not involving water lens, to go up to three homes. So, we are seeing that some of the property has been used for residential purposes.

Several months ago I got representation from a renowned farmer in my constituency, one well known to this Honourable Parliament, Mr. Mercherito Chantilope, and in one of my many conversations with him he indicated that there was a particular large tract of land in the Creek area that the proprietor wished to sell and he, of course, would be keen in farming the area as he has done with various other properties. He wanted to find out whether Government would entertain acquiring the property. In following correct protocol I directed him to the Minister responsible for Agriculture who I know think the same way as it relates to the Brac, having been a representative there for some eight years. So, having given that commitment to Mr. Mercherito I have no problem in supporting the Motion today, which would seek to achieve a similar purpose and certainly would assist in that position.

I am somewhat dismayed that perhaps we could not have had an opportunity to peruse the Motion a little earlier seeing that we have just completed the Budget. I certainly, as Minister responsible for land acquisition, would have been in a better position now that we do not have the luxury of advance warrants under the new financial management system to try to get this property much earlier.

So far it seems like there will be support on the other side unless there is some debate to the contrary based on what the Mover has said. So, perhaps when I would seek to ask for a supplementary for various acquisitions, once this Motion is passed today, we would have positive passage with that as well.

Mr. Speaker, in all fairness we should look at the latest Development Plan, which I believe was done under your stewardship. We will see that over 50 per cent of Grand Cayman is already designated as agriculture land. Some 2 years ago, if I am correct, the Planning Department tried to do that, but as a young girl I was told that there are a couple of things belonging to Caymanians that you do not touch, one of them being land. So, it is not always easy to do it through the planning procedure.

In the interest of my Planning Ministry and the Planning Department I would like to put on record that they have made many attempts—previous Ministers including yourself, to ensure that there was sufficient agriculture zoning, not only on Grand Cayman but back in 1996 to 1997 we tried it for Cayman Brac and Little Cayman as well. Mr. Jim Bodden way back then tried to do zoning to make sure that we had sufficient zones which investors and residents could plan in a way forward that they would have some certainty of the development but it was not accepted by the constituents on Cayman Brac and Little Cayman.

So, again I am happy to see that the way the Motion is worded with Government acquiring it, if the consideration result is in the positive and I trust that it would be once we reach that stage, then that land could be designated through Executive Council or Cabinet for that sole use.

As it relates to Cayman Brac the traditional areas of the mould land, which would be used for agricultural purposes, I would dare say, 99.9 per cent would be on top if the Bluff. We are at an opportune time if we were able to go in the direction of making it a priority to acquire and preserve for agricultural purposes. Residential development has just started its gestation period on the Bluff and we have the rare opportunity to actually plan the entire Bluff in a proper way so that we will not have ad hock development. Persons can plan from now even before starting investments or with state planning to ensure that there will not be any planning surprises on the way as they continue to develop it.

I realise that as we go further towards the western section of my constituency there is perhaps less arable land. So, there would have to be an arrangement made for there to be equity in parity for the persons wishing to access these Crown properties for agricultural purposes, maybe through a co-op or something of that nature, and maybe a committee could be put together. I realise that when, under your stewardship, the recommendations for the sustainable development of Cayman Brac 2003 to 2007, presented to your good self, the Honourable Leader and the Deputy Leader, was taken with cognisance that there was a need for agricultural production in industries. As you will see, on page two of that Report it said that there was a necessity to facilitate a robust and dynamic economy by sub-paragraph (2) reducing the reliance on all imported goods and by investing in agricultural production and like cottage industries. Also under the development of the Bluff on page 11 it says, in sub-paragraph (5) that it is recommended that wherever practical agriculture land, locally known as mouldy land, will be retained for present and future use for pasture agriculture and horticultural purposes.

I am happy to report that the Ministry since your departure to a much higher position, took a Cabinet paper and my colleagues on Cabinet has approved for the Committee to be chaired by the District Commissioner. A number of other outstanding citizens from Cayman Brac and Little Cayman are to look at the various terms contained within this Report and to report back to the Minister on a quarterly basis, as to the way forward and how we can best implement.

So, this Motion would go hand in hand with that. The only missing ingredient would be the actual funding for it and that is the dismay. Perhaps if the Motion had been discussed at an earlier stage we could have had something to give to the farmers even before this year goes out. However, suffice to say, since Members seem to be in a good mood this afternoon I will sit down on an optimistic note and hope that when I come for a supplementary I would have the full support to acquire the properties for agricultural use.

May it please you and I thank you.

The Speaker: Does any other Member wish to speak? The Honourable Minister for Agriculture.

Hon. Gilbert A. McLean: Thank you, Mr. Speaker.

I rise to speak to Private Members Motion No. 13/03, Acquisition and Preservation of property for agriculture.

I think it is appropriate that I should do so in that I now have the responsibility for the subject of agriculture in the Ministry for which I am responsible.

I must confess that since being closely associated with the subject of agriculture, I have become much more aware of how vast a concept, agriculture is.

It certainly is no longer limited to the older man or lady in the field in overalls with a pick and a plough and all the things that we have associated agriculture with over the years. Agriculture now is something that the world is making major advances in by using science and technology.

A good example is, in the state of California, which is one of the largest in the United States and it is also one of the richest, but the majority of wealth of the state of California comes from agriculture and all its areas such as its vineyards, production of wines and the citrus and all the various types of fruits which they produce there. They have applied science in ways by using techniques, which they use in this particular state. In fact, it is the largest agricultural state in the United States, as I was told last year when I attended a conference there. It was strange to me because I always thought that the big farming states were in the Midwest area where there is corn and so on, but I came to find out otherwise.

Mr. Speaker, in the Cayman Islands, it is strange and it is almost funny, and perhaps we would call our forefathers in the modern day—I suppose we would say that they were real dumb because they did not know the value of beach land. Their greatest value of beach land was for launching their boats and to go fishing. The early settlers in these Islands considered agriculture land, land that is inland, to be more valuable simply for the fact that they can grow and produce food to sustain themselves.

Agriculture crops and meats relate to food and food sustains life. I think that when we think of agriculture in the Cayman Islands, we ought to think beyond the supermarkets. Supermarkets or shops can buy foods from overseas, some of the developed countries much cheaper than it can be grown in the Cayman Islands. Some of the best food that is produced in these countries does not go outside of their own borders; they keep the good food and send the not so good food into third world countries. So, we should think of agriculture in very broad terms.

Agriculture has to do with politics and we know that one nation can act against another nation economically by stopping the trade in certain food products, and I know that to be the case as we all do when one country will take sanctions against another. I know, for example, that with the mad cow disease scare in Canada when the borders were closed off suffered immense economic loss. I know that the same thing was happening in Mexico; Mexico was not sending cows to Texas for butchering and it was a major consideration. We are talking about hundreds of millions of dollars being lost. So, when we are speaking about agriculture and the production of food, we are speaking about economics in a very big way.

When I was at the World Health Organisation Assembly I bought a book called, Social Determinants of Health; a booklet called the solid facts and just to quote one caption of it under food it says: "because global market forces control the food supply healthy food is a political issue." It also says: ". . . a good diet and adequate food supply are central for promoting health and wellbeing. A shortage of food and a lack of variety cause malnutrition and deficiency diseases. Excess intake, also a form of malnutrition contributes to cardiovascular diseases, diabetes, cancer, degenerative eye diseases, obesity and dental caries."

To connect the agriculture, food and health, it is really something that impacts all of us and what we need to be looking to, as has been pointed out by certain Members, is that we can have some degree of sufficiency in the production of food via agriculture. We know that after 9 September 11th (9/11) there was a question of aircraft movement, and of course, most of the food coming into Cayman that we buy every day in the supermarket is flown in from the United States. So, there was for some weeks a sort of touch and go situation as to whether it will arrive on Thursday as it usually does. If it were the case where these borders had to be closed because of a happening elsewhere, the Cayman Islands could end up with a food shortage. It is simple and factual as that. So, looking to promote agriculture is a very important thing.

I would like to say to this Honourable House that it is a subject which a lot of people; farmers and even those who do it just for the sake of farming that they want to produce some, are very passionate about this matter of agriculture.

I have had representation made to me along the very same and identical line of what this motion is asking for. The agricultural society brought this matter up and they have put it to me and said that they have also put it to various Ministers over time, and I suppose that was also when you were the Minister for Agriculture, Mr. Speaker. The representations made to me was that government should try to buy some of the land available and suitable to be used for agricultural purposes, lease it to them, the farmers, or work out some sort of arrangement whereby a share cropping deal that they would farm it and so much percentage of the sales would go to the Government and so much would be for them. However, there have been many representations to me for this type of situation—

The Speaker: Honourable Deputy Leader of Government Business would you move the suspension of Standing Order 10(2) so that the proceedings may continue.

Suspension of Standing Order 10 (2)

Hon. Gilbert A. McLean: Mr. Speaker, I move the suspension of Standing Order 10(2) that debate may continue beyond the hour of 4.30 pm.

The Speaker: All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 10 (2) suspended.

The Speaker: The House will continue proceedings.

Hon. Gilbert A. McLean: As I was saying, there has been a lot of representation about farmers getting land, which they can farm. I would like to make the point in supporting this Motion that no one should get the impression that anyone is talking about acquiring land or taking peoples' land or any such thing, which is so far fetched that maybe I should not mention it, but then again, knowing what can be said in here and how it appears in the media, perhaps it is best that I do.

Someone was reminding me that there was a caption in the Paper "farmers market must go" or something like that which grabs your attention. That all led up to the fact that it is in the zone where the airport has a protective zone where it will eventually have to physically move from there, but certainly not the idea that it has to go. If anything we want it to come and not to go.

Mr. Speaker, it speaks of acquiring suitable acreage of property. It clearly intends, and I believe and support that there is some acreage in Grand Cayman and I think some in the Brac, as well, and perhaps even some in Little Cayman that could be used as agriculture land. Indeed some of the land that is still left in Cayman used to be used for agriculture purposes. I am told that even in Little Cayman quite a lot of cattle were raised there and some of it was exported. So, there is some land available and the Motion is asking for a study to identify where this may be and certainly to acquire it Government would have to pay the market price for it. So, as the Minister for Lands said, it will need money and for us to be able to do this we would have to have some money and perhaps slowly or progressively acquire some acreage that we know is for the specific use of agriculture.

Mr. Speaker, on the question of zoning, we have been fortunate here in Grand Cayman that we were wise enough to give some latitude that it was residential agriculture, so you will find places where people can get approval via the Planning Authority to build on the land while a part is still being used for agriculture. I still support that view of land utilization.

It would be remiss of me if I did not encourage everyone in this House and everyone everywhere else to consider having a small home garden. Other parts of the world people have a four by four spot that they grow vegetable in and certainly one can take a pot and grow tomatoes using a hydroponics type of system; and that is what we need to look and encourage.

The aquaculture side of agriculture is considered to be a sub area of agriculture, but aquaculture is something that is immense. What I have seen that can be done is quite amazing and I think that we are on our way here on the Island for this to develop. I know some have been achieved through the schools. The Cayman Brac School has done considerably well. I understand they have grown fish from fingerlings, about an inch long and now they have fish that are a pound and a half. They have really latched on to this idea and they have learnt the scientific process. They have also done it with vegetables and it is quite an outstanding effort.

The George Town Primary School has also done so and I think the word is spreading in terms of people becoming aware that agriculture is not the back breaking stuff anymore. If one want to take it s bit further, agriculture is even growing plants, roses, flowers or whatever, is the ornamental side of things; horticulture. It goes on and on and it comes under the huge concept of agriculture. I honestly believe that is one of the areas of business for these Islands. We should seriously look at it because we need to go into certain economic diversification and it is something that we should look at real seriously.

We need it from the point of food security, food supply and, of course, employment. There are

very few farmers in Cayman who are farming for someone else; they are farming themselves. They are farming someone else's land, which they give some of the crops to, but they are self employed. I think that is something which we need to look at real carefully and give lots of support to. The Agriculture Department is doing quite a lot in the process of educating, particularly children. Some farmers are set in their ways and you can get across certain concepts or skills to them, but they like growing their stuff in a particular way. However, there are always new techniques that can be applied to improve the yield or to protect it against pests and so on.

Today is a very good day for us to focus on the idea of agriculture. What it really means, is that it is no longer the little thought, it is a huge world out there that every one of us can become involved in some way or the other.

Mr. Speaker, I would certainly support in the future here because I do not think any money was provided for this in the 2004/2005 Budget, but certainly along the way if there is land which could be bought at reasonable price for this purpose I would be one to support it and the Motion does ask for this consideration in all three Islands. Once it is purchased I think it should have the stamp of agriculture on it and it should not be used for any other purpose. Let the building go on, nobody is saying nay to that, but certainly we need to secure certain lands strictly for agricultural purposes. Again, from a scientific point of view, we can see what crop can be best grown there or it might be the case that it is far enough distance from residences that one may choose to raise some kind of livestock.

Mr. Speaker, having offered those views on this Motion I give it my support and I hope that we can move forward to acquire at least one parcel of land sometime in the near future.

Thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak?

The Honourable Leader of the Opposition.

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

As I listened to all of the contributions thus far on this Motion, my thought began to broaden in scope. Certainly the Opposition support the concept that the Motion is bringing fourth. The Minister for Planning, in her contribution, when she spoke to the fact that this is not a new thought and that previous governments were of like mind but simply did not get to physically do it, that is a fact. For those of us who have been here for some time we have heard mention of it before.

I was pleased to hear the Honourable Minister for Agriculture mention aquaculture but what I did not hear him tie into his line of argument, which I would like to be considered (he did say that horticulture and aquaculture and such are under the huge umbrella of the word agriculture) and in considering undertaking a study, as the Motion requires, to identify and acquire suitable acreage of property on all three Islands with a view of preserving the property of agricultural purposes, I want to presume that the word agriculture here is that big umbrella and that it would be considered as seriously as the Minister has pointed out, that such lands may be able to be acquired, which are suitable for aquaculture in the same vein without separating the issues, but to make sure that it is included.

I am with firm conviction and belief that individuals and or entities with a keen desire to explore the possibilities of aquaculture in the Cayman Islands are tremendously hindered because of not having the land to do it. The investment required for many of these individuals when you speak to the size property that you physically need, depending on what the type of aquaculture you are doing, where you are rotating various ponds or whatever, you would need sizable properties to be able to do that. The idea of being able to do so and Government encouraging this, if there were designated properties set aside that are suitable by way of the study that the Motion speaks to, then one could easily entice that type of activity in the country and it all bodes well for the whole industry.

As the Minister for agriculture rightly pointed out, in my view also, and I support the thought, it is perhaps one of the most conducive ways for this country to diversify its economy. If one simply tapped into the information bank on the importation of certain goods, produce and meats into this country, while understanding that there may be a bit of difficulty sometimes competing with prices, but in the area of aquaculture what is paid for importing such things as shrimp, tilapia fish and other things, I am absolutely convinced that there are certain choice items there that we could easily get to the point where we could support the local market. Forget about exportation; if we ever got to that it would be what the Jamaican man call the 'brotta'. We could aim to satisfy the local market because our local market is not just the local market, as you well know. Our local market involves the visitors so hotels and restaurants especially, are businesses which imports huge quantities of these different meats, fish and shrimp. So, there is a huge market for it. The question is not the market, the question is having the ability to produce and be competitive for that market.

If someone does not have to import a certain quality of meat, fish or shrimp and it is able to be produced locally at a competitive price, why would they want to import it if it is much fresher here and everything else. That is just one of the examples that we would want to be looking at when looking at all of this.

The other thing the Minister of Agriculture mentioned is that there are many people in the country today—well, relatively speaking, there are several individuals who farm other people's property. The concept is not far fetched where Government can

lease the land. For instance, there may be a fairly large tract of land that is family land in an estate which involves forty to sixty people and they may not have a great desire to dispose of the property and divide the proceeds they may get $1,500 to $2,000 each. However, it is not beyond them because they would wish for the property to remain in the family for generations to come, for Government to actually be able to lease the property.

So, we need to expand our thoughts, not just purchasing land but if we can engage in leases in such a manner that owners of property know that there is a fixed time that Government will have it leased for, maybe 5 years, 10 years or 15 years, whatever! I believe there are properties that people will allow for that to happen because they do not want to dispose of it but they would participate in assisting in encouraging agriculture and such. Of course, there would be a certain income to be derived. In doing that the Government would be able to widen the scope without having that huge level of capital outlay to purchase all of these properties, and if people are allowed to farm individual properties for five or ten years or even fifteen years, then no one is going to regret the investment they make on a property if they have that length of time to farm and reap.

Besides the quick cash turnover crops there are other crops that take longer to reap, but if you have fifteen years on that property and you are going to reap for ten years, it is worth it. You can always make arrangements after to renew or do whatever improvements there are to be done on the property and when it is over there is a certain value to be paid. All of those things are not foreign; countries do that because of all that has been said and more about encouraging agriculture.

A small mention was made of the Farmer's Market and if one simply jogs along the thinking path with that same Farmer's Market; with the same individual people leasing and part of the lease arrangement is sharing X amount of produce or whatever; it is in line with a properly managed farmer's market where everybody competes against each other. It is right up the alley.

I will tell you this much, Mr. Speaker, if we are going to say we are serious about encouraging agriculture, aquaculture, horticulture or hydroponics in this country, as I believe we are serious, we must have a proper avenue to consolidate and distribute all of that produce or we will have chaos. In that sector we create anarchy because if it is not handled properly you will have one or two heads popping above the others, then there is deep trouble all along and we do not want that to happen. I am sure I do not have to go into details to explain the point that I am making.

When we are thinking along these lines we need to be thinking of what we went through with the Budget process not long ago when we talked and had sensible and almost intriguing dialogue about the Farmer's Market, where it can get to and what should be done. I know it is going to take some money but believe me I consider it as important as anything else we spend money on in this country. It is a total win, win situation if it is done properly, sensibly and fairly to all concerned.

The Opposition and I are very supportive of the Motion and its concept but we have to take not just what the Motion hopes to achieve but we have to integrate the Motion's intent with several other things so that we do not lose sight of what is hoping to be created with the big picture. Certainly, we will support the Motion and we hope that we are able to bring the thoughts to reality. I want to impress on the powers that be to widen the scope of the Motion. I am not talking about making amendments to the Motion because we understand the Motion, but when we move into it, actually do things we look to; the things that we speak to when we say agriculture, that we are including aquaculture.

We should also look at the very real possibility of engaging in lease hold of some of these huge and remote properties, that although they are remote they have access to them and people are willing to farm them, and the owners of the property are not necessarily in a hurry to either dispose of or develop. Many of them, I do not believe, will have problems dealing within that manner and what that will do is widen the pool and increase the various locations and the acreage of what you have available to individuals. You will also have the ability if you look and have them in advantageous areas, so that you do not have to take one piece of property with people competing alongside each other because you have to divide it into ten places and run fences, and this one does not want this one along side of him and those kind of problems.

So, if we look at it along those lines it will certainly bring about a successful revitalization of the agricultural sector and I do believe that all those who are not participating in agriculture, whether it is hobby farming or commercial, would welcome the thought and would also assist in making these things become a reality.

Thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? If not, would the Mover of the Motion wish to exercise his right of reply?

Mr. Lyndon L. Martin: Thank you, Mr. Speaker.

First, I would like to thank those who have expressed their support for this Motion and those who have tacitly supported this Motion.

We have an ideal situation here in this Parliament where we have the Government that is thoughtful, insightful, wise and bring great motions before the Parliament and an Opposition who is there to help by dotting the "i's" and crossing the "t's". I look

forward to a similar arrangement post the General Election.

The Leader of the Opposition pointed out the need of having the term agriculture to encompass some of the sub components that were mentioned and I think that is fair and absolutely accurate, and that was definitely the intention of the Motion.

So, I thank him for dotting that "i" and crossing that "t". I would also like to give a special thank you to the Minister for Agriculture as he brought insight to the world affair of the growing concerns of being dependent on foreign sources of agriculture products.

I think it is safe to say that both sides of the House will be supporting this Motion. I thank the Honourable Legislative Assembly for passing what I agree with that was said by both the Leader of the Opposition and the Honourable Minister of Planning. It is not a new concept; it is something that has been there before, but it is a certain statement from this particular Parliament that we do support agriculture and the preservation of the limited property for agricultural purposes.

Without anymore to be said I trust that this Motion will see successful passage.

The Speaker: The question is **BE IT RESOLVED THAT the Government consider undertaking a study to identify and acquire suitable acreage of property on all three of the Cayman Islands with the view of preserving the property for agriculture purposes.** Those in favour please say Aye. Those against, No.

Ayes.
The Speaker: The Ayes have it.

Agreed. Private Member's Motion No. 13/03 passed.

PRIVATE MEMBER'S MOTION NO. 11/03

Economic Conditions of Cayman Brac

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

Withdrawal of Private Member's Motion No. 11/03

Standing Order 24(14)

Mr. Lyndon L. Martin: Mr. Speaker, under the provisions of Standing Order 24(14) with the leave of the House I am asking for this Motion to be withdrawn.

The Speaker: I am assuming that you have also asked for Standing Order 24(5) to be suspended.

Mr. Lyndon L. Martin: Yes, Sir.

The Speaker: Do I have a seconder.

Mr. Cline A. Glidden, Jr.: I would so like to second it, Mr. Speaker.

The Speaker: The question is that Standing Order 24(5) be suspended to dispense with the notice period of 5 days. Those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Standing Order 24(5) suspended.

The Speaker: The question now is that Private Member's Motion 11/03 be withdrawn. Those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed. Private Member's Motion No. 11/03 withdrawn.

ADJOURNMENT

Motion to Carry Forward Business to the Next Meeting of the House

The Speaker: The Honourable Leader of Government Business.

Hon. W. McKeeva Bush: Thank you, Mr. Speaker. We have agreed that we would adjourn the House today sine die. Before doing that I seek to move that all outstanding business be carried forward to the next meeting which begins on 2 July, including all questions and the Report of the Standing Finance Committee Government Guarantees Meeting held 15 December 2003, Report of the Standing Finance Committee Meeting held Wednesday, 10 September 2003, Report of the Standing Committee on Cayman Airways Meeting held Friday, 16 April 2004.

The Speaker: All those in favour with the Motion please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Hon. W. McKeeva Bush: Mr. Speaker, I think some Members did not catch what I said. What I did was seek to move that all outstanding business be carried forward to the next meeting.

Mr. Speaker, this has been a very long meeting and the day has been very tedious, in fact, I do not

think the Member for East End wants me to be in any palaver with him at this time, therefore I move the adjournment of this Honourable House sine die.

The Speaker: The question is that this House do now adjourn sine die. All those in favour with the Motion please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

At 5.03 pm the House stood adjourned sine die.